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More than 22,000 grants still at risk

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Thousands of college students will have to scrounge for money this fall if Gov. Arnold Schwarzenegger follows through on a plan to eliminate competitive Cal Grants from the state budget.

Legislators have proposed reinstating the \$57 million program that Schwarzenegger left out of his proposed budgets in January and May as part of his heavy across-the-board reductions. If the cut stands, up to 22,500 low- and middle-income California students would be denied scholarships.

Schwarzenegger has remained quiet on the issue, and his spokeswoman did not respond to messages Friday. The governor has not proposed eliminating continuing grants to students who already receive them.

About 135,000 qualified students from public and private universities and colleges have applied for the awards, said Diana Michel, executive director of the California Student Aid Commission, which administers the grants. Their average income is less than \$15,000 per year.

The longer it takes to pass a budget, the more likely it is students will give up on college, Michel said.

"We continue to be very concerned about how long this is taking," she said. As a result, "some students will go to school and some won't."

The new fiscal year started on July 1, but disagreements over how to balance the budget led to an impasse.

About 70 percent of Cal Grant recipients attend community colleges, and most of them do not have to pay the system's \$600 annual fees. But they do have to pay hundreds of dollars annually for textbooks and other supplies, making the Cal Grants essential for some.

The grants range from up to \$1,551 per year for community college students to about \$9,700 for students at private schools. The awards cover school fees for students at California public universities.

In California, living expenses can easily derail the college plans of low-income students, said Kristin Shear, president of a statewide association of community-college financial-aid directors.

The loss of the Cal Grants is "effectively closing the door on those students," said Shear, financial-aid director at Santa Rosa Junior College. "These are high cost-of-living areas, and the (federal) Pell Grant only goes so far."

The governor's cuts would not affect a separate Cal Grant, called the entitlement grant.

The scholarships fate may depend upon new taxes, which Democratic legislators have said are necessary to balance the budget. In an e-mail Wednesday to community college business officers, a statewide administrator warned that the Cal Grant and other proposals have a long way to go.

"If the proposed tax increases are not included in the final deal," wrote Erik Skinner, vice chancellor for fiscal policy, "reductions ... would be needed to bring the pending plan into alignment."



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