CSU Gives Extra Time to Students Facing Delayed Cal Grants

LONG BEACH -- Students facing delayed Cal Grant payments due to the state budget crisis will get extra time to pay their California State University system spring term fees, Chancellor Charles B. Reed announced Jan. 15.

The CSU’s goal is to take every possible step to protect access and enrollment of the system's most needy students, said Chancellor Reed. “Many of these students rely on Cal Grants to cover the cost of their education, and are the first in their families to attend college,” he stressed. "We want to make sure these students can stay enrolled until the state has resolved the budget crisis."

The CSU will defer State University Fee payments for the spring 2009 term for CSU students who experience delays receiving Cal Grants from the California Student Aid Commission (CSAC). Due to the state's impending cash flow crisis, the State Controller and the CSAC have informed higher education institutions of possible delays in the payment of Cal Grant A and B awards for the spring term.

To ensure that the students who receive Cal Grant A and B awards to cover their State University Fee -- the CSU's neediest students in terms of finances -- will be able to enroll for the spring semester, CSU campuses will delay student payment of the State University Fee until the CSAC is able to disburse Cal Grant funds to campuses.

In addition, Cal Grant B recipients receive a stipend from the state. However, due to the State’s growing cash flow problem -- created by the State’s inability to agree on a budget -- CSU is not in a position to automatically cover these cash stipends to students until the CSAC actually distributes the funds. While these students will receive their federal Pell Grant awards in addition to other forms of financial aid, some students may still face a financial hardship to enroll for the spring semester. In these cases, CSU campuses will try to provide short-term emergency loans to needy students on a case-by-case basis, provided students have exhausted all alternative funding sources.

Approximately 65,500 CSU students receive Cal Grant awards.

###