

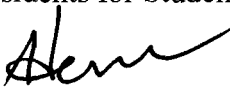
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MEMORANDUM

Code: AA-2008-18

Date: June 12, 2008
To: Provosts/Vice Presidents for Student Affairs
From: Allison G. Jones 
Assistant Vice Chancellor
Subject: **State University Grant Award Limits – Policy Update**

The March 8, 2001 memorandum regarding policy modifications to the State University Grant (SUG) program established maximum grant amounts for academic year and summer enrollment periods. The August 7, 2006 memorandum (AA-2006-32) increased the year-round maximum awards for students enrolled at a semester campus.

The State University Fee has increased to the point at which it is near or exceeds the award limits, depending upon the number of units for which a student is enrolled. Therefore, an update to the SUG award limits is needed to ensure the following objectives:

- maintain campus flexibility to design financial aid strategies that best address the needs of their student population and enrollment management goals;
- support year- round enrollment; and
- provide a greater incentive for full-time enrollment.

Effective with the 2008-2009 academic year, the annual SUG maximums will be determined by applying a 30% allowance beyond the State University Fee for students enrolled less than full-time, and a 40% allowance for students enrolling full-time (12 or more units).

2008-2009 SUG Academic Year Limits

Student Level	Units enrolled		
	6 or fewer	6.1-11.99	12 or more
Undergraduate	\$2304	\$3960	\$4266
Teacher Credential	\$2670	\$4602	\$4956
Master's/Graduate	\$2832	\$4884	\$5256

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These SUG maximum levels recognize that the State University Fee is one component of the total fees each student must pay. Students also pay campus fees which are a direct and non-discretionary expense. For 2008-2009, systemwide average campus fees are approximately \$800 or 29 percent of the State University Fee. Books and supplies represent another direct expense for students, which is a necessary part of their instructional experience. For 2008-2009, books and supply expenses represent 42 percent of the State University Fee. The increase in SUG limits will allow campuses the flexibility to provide additional assistance above the State University Fee to offset a reasonable portion of the total direct expenses that financially needy students need to pay.

For students enrolling less than an academic year, maximum awards must be prorated to the percentage the enrolled period represents to an academic year. For example, the maximum for full-time undergraduate enrollment for one semester is half the academic year limit, or \$2,133, and the maximum for full-time undergraduate enrollment for one quarter is one-third the academic year limit, or \$1,422 respectively. A full-time undergraduate student enrolling for two quarters may be eligible for a maximum of two-thirds of the academic year limit, or \$2,844. Moreover, students enrolling during the summer are also eligible for an award not greater than the maximum for a single term as shown above.

Systemwide Priority for State University Grant Awards

This memorandum also serves as a reminder to campuses about the systemwide policy for awarding State University Grants.

As a systemwide priority, students who meet the following criteria shall have the first priority for available State University Grant funding, up to the amount of the State University Fee assessed that is not covered by other financial aid awards:

- Have an expected family contribution, computed for a nine-month academic year, that does not exceed \$800;
- Be enrolled on at least a half-time basis in a program leading to a degree, credential, or certificate;
- File a Free Application for Federal Student aid (FAFSA) by the campus-designated priority filing date which in no instance may be earlier than March 2 preceding the award year; and
- Have not received a Cal Grant or another grant or scholarship designated for payment of fees or a waiver of the mandatory State University Fee.

Once these funding priorities have been addressed, campuses may award the balance of available funding in accordance with campus-defined awarding policies and priorities that best address the needs of its student population and its enrollment management goals.

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Annual Update to State University Grant Limits

The Chancellor's office will issue an annual update to the State University Grant award limits should there be a change in the State University Fee.

Questions regarding the State University Grant program and awarding policies may be directed to Mr. Dean Kulju, Director of Student Financial Aid, Academic Affairs, Student Academic Support, at (562) 951-4737 or dkulju@calstate.edu.

AGJ:dk:jd

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