

**Introduced by Senators Mello, Alquist, Boatwright, Greene,  
Hughes, Johnston, Lockyer, Marks, O'Connell, Peace,  
Petris, Polanco, Rosenthal, Solis, Thompson, and Watson**

May 22, 1995

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Senate Joint Resolution No. 26—Relative to student aid.

LEGISLATIVE COUNSEL'S DIGEST

SJR 26, as introduced, Mello. Education: student loans.

This measure would urge the President and Congress of the United States to reject all proposals that would adversely affect student aid to California students, especially those proposals that would eliminate or reduce State Student Incentive Grants (SSIG), Supplemental Education Opportunity Grants (SEOG), federal College Work-Study assistance (CWS), Perkins Student Loans, and the in-school subsidy of the Stafford Interest-Deferred Student Loans.

Fiscal committee: no.

1 WHEREAS, Proposals before the new Congress, such  
2 as the Contract with America's Balanced Budget  
3 Amendment and the recisions legislation, would make  
4 drastic cuts in programs that encourage participation by  
5 middle-class and working-class Californians in  
6 California's public and private higher education system;  
7 and

8 WHEREAS, Under those proposals, it is virtually  
9 certain there would be drastic cuts for college assistance  
10 in the federal budget; specifically, the new Congress has  
11 proposed slashing over \$12.9 billion from the federal

1 budget by eliminating or restructuring several college aid  
2 programs, including Stafford Interest-Deferred Student  
3 Loans, Perkins Student Loans, federal College  
4 Work-Study Assistance (CWS), Supplemental Education  
5 Opportunity Grants (SEOG), and State Student  
6 Incentive Grants (SSIG); and

7 WHEREAS, The SSIG supplements funding for  
8 California's Cal Grant program benefitting over 63,509  
9 California students and, if the funding for SSIG is reduced  
10 by \$9.7 million, as proposed, it would result in a drastic  
11 reduction in either award amounts or the number of  
12 recipients of the grants; and

13 WHEREAS, SEOG assists students with exceptional  
14 financial needs, and losing SEOG would add \$31 million  
15 to the cost of college for Californians next year alone,  
16 impacting 58,952 students, predominately those students  
17 at the University of California; and

18 WHEREAS, Eliminating the Perkins Student Loan  
19 Program, which provides assistance to low-income  
20 students, would cost California undergraduate and  
21 graduate students \$40 million in college loan funds,  
22 affecting approximately 30,589 students; and

23 WHEREAS, If the CWS program, which provides  
24 matching dollars to colleges that hire students, is deleted,  
25 31,970 California students would lose their campus jobs;  
26 and

27 WHEREAS, Eliminating Stafford Interest-Deferred  
28 Student Loans would increase the cost of college by \$523.7  
29 million for 141,813 California students in one year,  
30 thereby affecting one in five California State University  
31 students and increasing the loan debt of University of  
32 California students by an average of 20 percent; and

33 WHEREAS, The recession that hit California between  
34 1990 and 1994 contributed to a decline in state support for  
35 higher education, shifting the burden increasingly to  
36 students, with fees increasing over the last five years at  
37 the University of California by 134 percent, at the  
38 California State University by 103 percent and at the  
39 community colleges by 290 percent; and



1 WHEREAS, These increased fees, combined with a  
2 slowdown in the economy which has led to fewer jobs for  
3 students, have forced students to increase their student  
4 loan debt by 40 percent more in the 1993–1994 fiscal year  
5 alone; and

6 WHEREAS, State cuts to colleges and universities have  
7 drastically reduced course offerings, forcing students to  
8 take six to seven years to complete what has traditionally  
9 been a four-year program; and

10 WHEREAS, The cumulative effect of these funding  
11 decisions has been to drive more than 200,000 university  
12 and college students out of the higher education system  
13 in California over the last several years; now, therefore,  
14 be it

15 *Resolved by the Senate and Assembly of the State of*  
16 *California, jointly,* That the Legislature hereby urges the  
17 President and Congress of the United States to reject all  
18 proposals that would adversely impact student aid to  
19 California students, especially those proposals that would  
20 eliminate or reduce SSIG, SEOG, federal CSW, Perkins  
21 Student Loans and the in-school subsidy of the Stafford  
22 Interest-Deferred Student Loans; and be it further

23 *Resolved,* That the Secretary of the Senate transmit  
24 copies of this resolution to the President and Vice  
25 President of the United States, the Speaker of the House  
26 of Representatives, and each Senator and Representative  
27 from California in the Congress of the United States.

