

Item 5

(Information Item)

Executive Director's Report



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Dear Commissioners,

Welcome to the June 24, 2021, California Student Aid Commission meeting (Commission).

This is the time of the year when all eyes are on Sacramento and budget deliberations between the Legislature and the Governor. This year, however, is different. The state has posted unprecedented revenue surpluses that far exceed earlier forecasts and provide a rare opportunity to address critical issues that have plagued California for years. The stakes could not be higher for virtually every major interest in the state to benefit from this historic windfall.

As of this writing, the Legislature voted on a two-house budget agreement that includes a major new \$1.1 billion investment in California financial aid. The Legislature has been steadfast in its commitment to provide historic levels of funding to support equity driven policies that create a path to a debt-free college. The Governor and the Legislature are in deep negotiations over the budget details and how to use the overall surplus.

Cal Grant Equity Framework – AB 1456 (Medina/McCarty)

The Cal Grant Equity Framework, as reflected in AB 1456, is moving through the Legislative process. The bill recently cleared the Assembly floor on a vote of 79-0. It is

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now in the Senate and will be heard in the Senate Education Committee in mid-July. Senator Leyva, the Senate Education Committee Chair, is also a principal co-author of the bill.

Any Cal Grant funding approved in the budget would be an essential funding source for implementing AB 1456.

A broad-based coalition of students, higher education leaders, business leaders, policy experts and social justice advocates continue to support AB 1456. The coalition has advocated directly with key legislative offices and Administration officials, placed Op Ed pieces and have been very active on social media. I would like to especially thank **Commissioners Angel Rodriguez and Guillermo Mayer** for their contributions in having Op Ed pieces in support of AB 1456 in major publications.

FASFA/CADAA Requirement

The Governor and the Legislature have both put forward a budget proposal that would require California public high schools to ensure high school seniors complete a Free Application for Federal Student Aid (FAFSA) and the California Dream Act Application (CADAA), unless they formally opt-out. It is anticipated that some form of this proposal will be adopted.

This proposal would dramatically change the current landscape for how schools, the Commission and other community partners help high school students and their families complete their financial aid applications. The number of FAFSAs/CADAAs are expected to increase by 80 to 85% over the previous year.

The increase in FAFSA/CADAA completions also has significant workload implications for the Commission. For example, the Commission will need to:

- Expand the call center capacity in anticipation of a spike in calls seeking help in completing the FAFSA or CADAA.
- Build out an expansive statewide communications, marketing, and outreach to support K-12 schools and community partners to publicize assistance with FAFSA or CADAA completion for students and families.
- Increase the number of virtual and in-person Cash for College workshops available throughout the state.
- Support the Cal-SOAP programs in adapting to the new environment and assisting High Schools, community partners and student and families in completing the FAFSA or CADAA.
- Simplify K-12 access to data that helps educators track the number of seniors still needing to complete the FAFSA or CADAA.
- Develop new implementation regulations.

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Additionally, SB 737 (Limón), one of the Commission's sponsored bills, is sailing through the Legislature. The bill was just approved in the Assembly Higher Education Committee with a bipartisan 10-0 vote. The bill would sharpen the focus of Cal-SOAP outreach to help students apply for financial aid and prepare for college. This bill is a strong complement to the adoption of the high school FAFSA/CADAA completion requirement.

There are several other new Commission programs proposed in the May Revise that are still being negotiated between the Governor and the Legislature. The Commission will develop and implement any new programs that are approved in the final 2021-2022 State Budget Act.

Planning for the Future

The Commission has just completed the last phase of building out its multi-year effort to modernize the Grant Delivery System (GDSM). This accomplishment places the Commission at the forefront of developing a state government state-of-the-art business-technology solution that ensures students are served securely and reliably. By building a strong foundation, the Commission can continue developing critical enhancements to the system that improves functionality for students and institutions. The team has already developed a new AI ChatBot that is growing in sophistication to address students' questions who call after hours.

The Commission has also taken a deeper look at how other aspects of the organization outside of the Grant Delivery System can benefit from streamlining and automation. As a result, the Commission contracted with Next Gen, a consulting firm that conducted an assessment of the Commission's business and administrative practices and provided key recommendations for accomplishing and prioritizing new improvements. These recommendations provide a road map for prioritizing and implementing needed operational and program improvements.

The Executive Team will be participating in a two-day planning retreat facilitated by the Next Gen Consultant. The purpose of the retreat will be to take a longer-view of where the Commission is headed and set priorities based on the workplace assessment recommendations and new programs and initiatives on the horizon. One of the retreat days will be dedicated to technology planning that supports the Commission's core business practices and priorities. The Commission's Leadership and Management teams will also participate in a one-day retreat to review and contribute to the organization's goals and program and operational priorities.

Preparing for Workplace Re-entry

The Commission has a once-in-a-generation opportunity to transform how we work in a post-Covid world. This is a rare moment in history when we are completely rewriting work rules and creating a new culture more focused on successful outcomes and

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workplace flexibility. The State of California is urging state departments to move in the direction of taking steps to shrink office footprints.

Commission staff will likely return to work sometime in the fall and will follow a hybrid work model. Based on several internal Commission surveys, the vast majority of staff prefer to work on a hybrid schedule. This means staff will work two to three designated days in the office and the balance of their time will be remote work. There will be a limited number of staff who choose to work full-time in the office and some who prefer to continue teleworking. The executive and leadership management teams currently are working through the myriad details, such as how many days should hybrid staff be required to work in the office, how to schedule office hoteling space for hybrid workers, maintaining health and safety protocols, and standardization of technology. All managers will be required to participate in state training on working in a hybrid environment.

Thank you to Commission Staff

Special thank you to the staff who have endured and maintained work quality and productivity over the past 15 months. Our staff are dedicated to serving students who have struggled to pay and stay in school this past year. They are committed to the mission and will do what it takes to get the job done.

We have also learned a lot in the past 15 months. We have learned how to be more digitally savvy, work efficiently, focus on outcomes and deadlines and balance work and family. These new work skills will carry into the new workplace beyond COVID. We also appreciate each other more than ever. We have learned that human engagement and collaboration are still central to doing our most creative, innovative, and satisfying work. Thank you for being the best staff ever!

Best Regards,

Marlene L. Garcia