

California Student Aid Commission
Student Impact, Outreach and Communications Committee

Item 6

(Information Item)

Update on Cal Grant Expansion, Dream Act Service Incentive Grant Program, and Golden State Teacher Grant Program

SUMMARY:

This item provides an update on the expansion of the Cal Grant Program for community college students as well as updates to newly implemented programs: Dream Act Service Incentive Grant Program and Golden State Teacher Grant Program.

RECOMMENDATION:

This is an information item; no action is required.

BACKGROUND:

Following the passage of the State Budget, AB 132, the “trailer bill” addressing higher education issues, was signed into law by Governor Newsom on July 27, 2021. This bill included numerous new investments and significant policy and programmatic changes to financial aid and Commission administered programs.

Budget “clean-up” legislation, SB 169, was later considered to address technical issues and further clarify specific items required to ensure the successful implementation of newly established programs in the State Budget and was signed into law on September 23, 2021.

Among the changes to financial aid programs for the 2021-22 award year are the following:

- Cal Grant Expansion for community college students
- Dream Act Service Incentive Grant Program
- Golden State Teacher Grant Program

Cal Grant Expansion

California Community College (CCC) Entitlement Cal Grant

The new program establishes Cal Grant A and B entitlement eligibility for students attending a CCC who were not awarded at the time of high school graduation. In order to ensure all potentially eligible students receive entitlement award consideration, the Commission will consider all applicants who have a CCC listed on their Free Application for Federal Student Aid (FAFSA) or California Dream Act Application.

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To receive CCC Entitlement Cal Grant consideration, students must have completed a FAFSA or California Dream Act Application and have a verified grade point average (GPA) with the Commission by September 2 of the award year, beginning with the 2021-22 academic year. Students who meet the initial eligibility criteria will receive a preliminary award offer and notification, pending confirmation of their final eligibility until the Commission can verify their enrollment and attendance at a CCC. The Commission will continue to utilize enrollment data provided by Community College campuses to verify students' eligibility for the CCC Entitlement Cal Grant.

Students who receive a Cal Grant under this provision will be permitted to retain their remaining Cal Grant eligibility when transferring to a public university so long as they continue to meet income and academic requirements. Students transferring to a non-public university are unable to keep their CCC Entitlement Cal Grant, but will get consideration for the Transfer Entitlement or Competitive Cal Grant program.

As of October 15, the Commission is approaching the final stages of development for this new entitlement award and anticipates being able to finalize the initial 2021-22 awarding process in the fall term.

March 2 Competitive Awards

With the new CCC Entitlement Cal Grant, the 2021-22 State Budget also narrowed eligibility for the March 2 Competitive Cal Grant awards to students not at a CCC and reduced the number of new payable Competitive Cal Grant awards to 13,000. This eliminated the September 2 competitive award cycle that was previously designated for students attending a CCC.

Since the Commission had already processed the March 2 competitive award cycle for the 2021-22 award year in May, it proceeded to reevaluate the initial awards and develop new system parameters to account for the state budget changes. Once CCC students were removed from the competitive cycle, the Commission considered a total of 80,653 financially eligible applicants and lowered the 1000-point scoring from 617 (from the May competition) to 587. Students at non-CCC campuses who had received a competitive award in May, were able to preserve their award under the new parameters and were re-awarded on September 10, 2021. As of October 18, 2021, the 2021-22 paid rate is at 46.9 percent which is higher from last year's 37.4 percent at this same point in time.

Cal Grant Awards for Current or Former Foster Youth

Cal Grant Awards for Current or Former Foster Youth expands eligibility for students attending public institutions and awards them an increased access award not to exceed \$6,000 for Cal Grant A or B recipients and up to \$4,000 to Cal Grant C recipients. The program includes similar provisions to the Students with Dependent Children Grant

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Program in the case that the funding required to provide the awards exceeds the statutory cap of the program, set at \$40 million.

Commission staff have finalized the business requirements and had initiated system development. The initial 2021-22 increased access awards for current and former foster youth are anticipated to go out before the end of the year.

Dream Act Service Incentive Grant Program

Encourages California Dream Act Applicants with a Cal Grant B award to perform community or volunteer service. The Commission will award up to \$3,000 per academic year (up to \$1,500 per semester or up to \$1,000 per quarter) to 2,500 eligible students. The grant will be available to the student for up to 8 semesters or up to 12 quarters while they have an active Cal Grant B award.

The Commission was able to launch the application for the Dream Act Service Incentive Grant Program on July 1, 2021, and has been actively working with stakeholders to promote the program via trainings and webinars, as well as through a comprehensive toolkit created to share via social media. A 10-minute video has been created to provide an overview of the program to financial aid administrators and a similar version will also be available for students. The Commission has notified around 15,000 California Dream Act applicants with a Cal Grant B award about their potential eligibility for the program.

As of October 18, 2021, a total of 110 student applications have been received and of those, 45 students have been accepted into the program with the following distribution per segment:

- University of California: 3 students
- California State University: 24 students
- California Community Colleges: 18 students
- Private Cal Grant Participating Institutions: 0 students

The Commission will continue to promote the program and applications for the 2021-22 award year will remain open through June 30, 2022.

Golden State Teacher Grant Program

Key changes to the Golden State Teacher Grant Program (GSTG) included in the 2021-22 State Budget are the following:

The Budget provides a one-time increase of \$500 million to the General Fund for the GSTG to be augmented \$100 million over a five-year period. These funds will support grants to students enrolled in teacher preparation programs who agree to teach in a high-need field at school for four years. Students enrolled on or after January 1, 2020, in a professional preparation program shall receive one-time grant award of up to \$20,000.

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The GSTG expands the eligibility from Special Education to high need teaching areas. High need fields are specified as bilingual education, science, multiple subjects instruction, and science, technology, engineering, mathematics (STEM) including computer science or career technical education. Additionally, the program includes students in Transitional Kindergarten preparation programs to be eligible for an award.

Teacher development programs allows the inclusion of teacher internship and residency programs. The program includes a provision to remove the requirement that professional preparation program is “within an accredited California institution of higher education” and allows the administration by a local education agency.

The definition of “priority school” is modified as a school with more than 55 percent of pupils who are classified as an English learner, eligible for a free or reduced-price meal, or is a foster youth.

The Commission opened the GSTG application on July 1, 2021 and is working in collaboration with various stakeholders, the Commission on Teacher Credentialing and the Department of Education, to include interns and residency programs.

As of October 17, 2021, a total of 1,255 applications have been received with the following distribution per segment:

- California State University: 337 students
- University of California: 145 students
- Private: 773
- Local Education Agency: 0

The Commission will continue to accept applications for the 2021-22 award year will remain open through June 30, 2022.

RESPONSIBLE PERSON(S):

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ATTACHMENT(S):

Presentation on SIOC Program Updates distributed on November 30, 2021