

Item 5

(Information Item)

Executive Director's Report



Executive Director's Report March 2022

Dear Commissioners,

Welcome to our March meeting. We have a full agenda as March is a very busy time for the California Student Aid Commission (Commission). This month also marks the two-year anniversary of living with a global pandemic. Life and work have changed dramatically, and surely will affect how we move forward. Even though the pandemic is not fully behind us, we are eager to move on with the new normal, however it unfolds. More than anything, we are hopeful for brighter days ahead.

Agency Updates

A new chapter for the Student Aid Commission is to transition to a hybrid work environment by this Spring. In a staff survey administered last fall, the vast majority of the staff indicated that they would like to work in a hybrid and telework environment. We are working with managers and staff to determine who will work partially remote or fully remote based on business needs and how to implement this transition. As I reflect on this moment, we are re-envisioning the new workplace for years to come.

The Commission will also be occupying a new facility in the spring, located down the street from the old headquarters in Rancho Cordova. The timing of our current lease, which expired during the pandemic, created a new opportunity for us to reassess our facilities needs and enter into a contract for a new space that fully accommodates our

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new work environment needs. The new facility is modern, open, has many conference rooms and hoteling space for hybrid workers. We also are looking forward to hosting the June Commission meeting in our new space with a new and improved Commission board room.

The Commission is extremely pleased to welcome Russell “Russ” Watts, the new CIO of our Information Technology and Services Division. Russ is an IT veteran with more than 30 years’ experience in both the private and public sectors. Most recently, Russ worked 10 years for the California Department of Transportation as the Branch Chief of the Infrastructure Service Division. He has hit the ground running and is quickly coming up to speed.

Decline in FAFSA/CA Dream Act Applications

As widely reported, Free Applications for Federal Student Aid (FAFSA) for the 2022-23 academic year are down significantly across the country due to many factors associated with the pandemic. Application declines in California for the FAFSA and the California Dream Act mirror these trends. California FAFSA’s are down year over year by about 11 percentage points, and California Dream Act Applications are down 21 percentage points. The clear trend in California is that applications are down most dramatically among the lowest-income students.

In response, the Commission has taken steps to allow for Local Education Agencies and higher education institutions to request a 30-day extension for students to submit their FAFSA or CA Dream Act Applications and be deemed an on-time submission. **California Education Code section 69513.2** provides that the postponement of an application deadline granted by the Commission only applies to the financial aid applicants within the school district, community college district, or the area or region, such as a city or county, that was predominantly affected by the qualifying event; in this case, the qualifying event was COVID. The one-month deadline postponement was granted by the Commission in 2021.

The Chair, Vice Chair and Secretary will convene as a subcommittee on March 9, 2022, to consider approval of the submissions received by March 7, 2022. Last year, this process led to an increase of 44,000 more FAFSA/CADAA submissions beyond the March 2nd deadline. Of the 44,000, approximately 18,600 were first-time freshmen. We are anticipating a similar, if not larger, response rate this year.

Preparing for the New Financial Aid Application Completion Requirement

As part of the California State 2021-22 Budget Act, high school seniors will now be required to complete a FAFSA or a California Dream Act Application. Students may opt out of this requirement by completing a waiver form.

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This new requirement will dramatically change the nature of how high schools assist graduating seniors in preparing for college and applying for financial aid. The California Student Aid Commission is in the process of developing plans to support K-12 institutions, students, and their families in meeting this requirement.

The Commission is pleased to announce that it will be hosting the **3rd Annual California College Affordability Summit on April 20 and 21, 2022**, in partnership with the Riverside County Office of Education, and the Education Trust-West. The focus of the spring Summit will be to address the new law, review regulatory guidance, discuss training, and outreach resources and uplift best practices for schools to consider.

The event will be a two half-day virtual experience free of cost for participants across the state. There will be break-out session that aim to equip participants with the information, resources, and tools at their disposal to be successful in the implementation of the new financial aid application completion requirement.

We will also be celebrating the Race to Submit winners for the 2022-23 award year; this will be a great opportunity to learn about best practices that have proven to be successful in engaging with students and families as they navigate the financial aid application process.

Commission's Texting Initiative Launch

Late last year, the Commission developed a multi-phase plan for launching a student texting initiative as a strategy to mitigate the decline in financial aid applications and to prepare for implementation of the new FAFSA/CA Dream Act Application requirement in fall 2022. The first phase was set in motion this February to test the new texting software and invite the first cohort of students to opt into the program. Close to 600 students have opted into the program so far. We are in the process of developing strategies to expand the number of students participating in the texting program. Subsequent phases of the program will expand our reach and provide more customized messaging and nudges to students.

Policy and Data Driven Efforts to Drive Important Policy Changes

The Commission has led two major workgroups that have taken a data-driven approach to identify policy and legislative solutions that address college affordability issues. The first workgroup was convened to redesign the Cal Grant system to streamline and modernize the program to meet the needs of today's students. This work led to the development of the Cal Grant Equity Framework and a comprehensive reform proposal currently before the Legislature. The second workgroup analyzed the many issues associated with low student participation in the CalFresh program. The workgroup's CalFresh report will be released in early March offering several recommendations that

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can be implemented at the state and federal levels to increase college student access to this critical federal nutrition program.

Lastly, the Commission will be convening another workgroup in the next several months to address how we better serve and increase undocumented student participation in the Cal Grant program. The workgroup will focus on streamlining the application process and removing numerous barriers that limit access to state financial aid resources. The goal is to present a report with a set of actionable policy recommendations for consideration by the Legislature and Governor in 2023.

Pushing the Envelope on New Program Initiatives

The Governor and Legislature have made several significant investments in new college affordability programs and have directed the Commission to design and implement these new initiatives. The development of these new programs presents an opportunity for the Commission to work with many diverse partners in innovating new approaches to connect students to emerging career opportunities and to address work shortage areas. The Commission's agenda will provide an update on three of these key initiatives:

- Golden State Education and Training Grant Program
- Learning Aligned Employment Program
- Golden State Teacher Grant Program to address teacher shortages

These programs aim to incentivize education and training for displaced workers, create employment and career opportunities for diverse, low-income students, and incentivize more students to go into the teaching profession.

Division updates

Commission staff are dedicated to helping students succeed by making college affordable. They have stepped up to develop and implement many new programs, all while ensuring that students receive their basic financial aid benefits in timely fashion. The following summarizes key updates from each Division.

Information Technology and Services Division (ITSD)

- New CIO is onboarding and conducting an IT department assessment and transition plan.
- Helped facilitate the new Offices move – technology move of equipment and services, and trouble-shooting an unanticipated delay in moving internet connection with AT&T.

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- Created Phase I - Quick start Application development is completed for the Golden State Education and Training Program. Collecting business requirements for development for the next phase application for Non-FAFSA filers.
- Collecting business requirements for next phase of the Golden Teachers Grant Program application to interface with institutions.

Financial Administration and Services Division (FASD)

- Began the formal Budget Change Concept (BCC) process by disseminating the Department of Finance call letter including timeline and template for preparation of the FY 2023-24 budget bill.
- Completed labor reconciliation.
- Developing Revised Telework Policy.
- Provided training on Performance Reviews and Individual Development Plans.
- Keeping abreast of all updates to COVID requirements for the Agency.
- Facilitated the move from current location to new location on International Drive.
- Working with Contractors, DGS on tenant improvements and change requests.
- Preparing for peak season for year-end contracts and annual budget close-out.

Program and Administration Services Division (PASD)

- Served more than 4,500 high school counselors and student advocates through our annual Statewide Financial Aid Workshop series in partnership with the California Community Colleges Student Financial Aid Administrators Association (CCCSFAAA) and the California Association of Student Financial Aid Administrators (CAFSAA).
- Provided Cal Grant Regional Training to about 900 college financial aid administrators to date, in addition to regular monthly webinars on various topics and other on-demand trainings.
- The Training team along with Executive Director, Marlene Garcia and Deputy Director, Tae Kang will be participating in the upcoming WACAC conference with several financial aid training sessions including a pre-conference session highlighting the Financial Aid Completion requirement.

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- During the months of January and February 2022, the Institutional Support Unit received more than 2,000 calls.
- The Student Support Call Center extended hours to support students with the March 2nd deadline beginning February.
- Implemented Interactive Voice Response (IVR) in February for students to self-service accounts using our toll-free number 24/7.
- Developing the Chafee Electronic Funds Transfer payment process in partnership with the State Controller's Office to be ready for the 2022-2023 Academic Year.

Government & External Relations Division (GER)

- Staff presented at four Budget hearings since the January Commission meeting. Cal Grant reform and the CalFresh report recommendations, among other Commission items, were discussed during Senate and Assembly Budget Subcommittee hearings in February and March.
- Sponsors of two major bills this year:
 - **AB 1746 (Medina/McCarty/Leyva)** to reform, expand, and simplify the Cal Grant program by creating a Cal Grant 2 and 4.
 - **AB 2286 (Irwin)** to allow the Commission to receive philanthropic funds so we can more directly and transparently partner with external supporters to advance research, policy development, and financial aid completion efforts.
- Analyzed at least 10 bills that would impact CSAC directly through current or new programs, as well as dozens of other bills that are relevant to CSAC's policy priorities or college affordability.
- Briefing key partners on the CalFresh workgroup report findings and recommendations, including state legislative staff and other college anti-hunger advocates.
 - Reached out to officials within the U.S. Department of Education and California Congressional leaders, U.S. Senator Alex Padilla and Representative Jimmy Gomez who are very interested in addressing SNAP/CalFresh issues identified in our report.

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- Will be hosting a public webinar on March 17 featuring a panel of workgroup participants who will discuss key findings and recommendations from the report.
- Will be co-hosting a virtual statewide convening on the new Learning-Aligned Employment Program with the CA Postsecondary Education Funders Collaborative. This convening will bring together employers, work-based learning leaders, and campus representatives to discuss how we can maximize the opportunities from this program to serve students for future workforce success.

Legal Division

- Golden State Teacher Grant Program emergency regulations were approved by OAL and effective February 10, 2022. They are effective for 180 days, before the expiration of which, the Commission may request a 90-day extension while working on a permanent rulemaking package. Legal staff are working on the fiscal impact analysis for the permanent rulemaking package.
- FAFSA/CADAA Completion requirement model policies and opt out were filed with OAL for notice and the public comment period ends March 21, 2022.
- Continuing ongoing work with other divisions to support their activities, such as implementation of new programs, review of and proposed amendment to proposed legislation, and contract and MOU review.
- Continuing to work with California Department of Education (CDE) legal regarding data sharing for Cal-SOAP and FAFSA Completion.

Data Analysis and Research Division (DART)

- Will be prepopulating Cal-SOAP rosters of senior class members into the Lacai CRM system that is slated for use in Fall 2022. This preloaded data will allow Cal-SOAP consortia to accurately identify and target senior class members for specialized outreach and assistance.
- Currently engaging the California Department of Education (CDE) to get updated rosters throughout the Fall and Spring terms to provide a more accurate set of student records and a FAFSA/CA Dream Act Application Completion Rate metric.
- Will be conducting the SEARS Survey for the CCC sector shortly (likely starting April 1.) We concluded the SEARS survey for the 4-year sectors in November 2021.

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- Will be conducting its annual match with CDE to acquire race/ethnicity data for FAFSA/CADAA applicants and Cal Grant award recipients in March. This will be the second time this match has been performed.
- The submission of fraudulent FAFSA applications for CCC students that began in April 2021 has dramatically dropped off in December 2021 and has not picked up.

Executive Office

- Actively engaged in convening 753 statewide and local Cash for College workshops, partnering with community-based organizations that serve low-income, first-generation students of color and with special needs. More than 1,000 students have received direct assistance from Cash for College Workshops.
- Earmarked 25 \$1,000 scholarships, donated by a private funder, for students to enter a drawing who have: 1) registered for a Cash for College event, 2) completed a post-workshop survey and submitted a FAFSA or California Dream Act Application by March 2nd. The winners will be selected in early April and the Commission will contact the scholarship winner about receiving their awards.
- Commission staff and Cal-SOAP Project Directors continue to work with WestEd to streamline Cal-SOAP reporting. Based on SB 747, student and program data will be collected using the Lacai CRM beginning in the Fall of the 2022-23 academic year.

Best wishes,

Marlene L. Garcia