Item 5

(Information Item)

Programs Update

SUMMARY:
This item provides an update on recent changes to the California Student Aid Commission's (Commission) Cal Grant Program, Dream Act Service Incentive Grant Program, Golden State Teacher Grant Program, Middle Class Scholarship and the implementation status of new programs including the Golden State Education and Training Grant Program, and the Learning-Aligned Employment Program.

RECOMMENDATION:
This is an information item; no action is required.

BACKGROUND:
The State Budget, Assembly Bill (AB) 178 and the respective education and higher education trailer bills through AB 181 and AB 183, were signed into law by Governor Newsom on June 30, 2022.

Cal Grant Expansion for Private Non-profit Segment

This year's Cal Grant changes focused on removing some of the barriers to students attending the private non-profit segment. Beginning with the 2022-23 academic year, eligible Cal Grant A and B students with dependent children, as well as current and former foster youth attending private non-profit institutions, are eligible to receive an access award of up to $6,000. Cal Grant C students are eligible to receive an access award of up to $4,000. In addition, the maximum Cal A and B tuition award for Cal Grant recipients increased from $9,220 to $9,358. These Cal Grant changes for the private non-profit segment address equity challenges that have been discussed in recent Commission meetings.

Dream Act Service Incentive Grant Program

The California Dream Act Service Incentive Grant Program (DSIG) encourages California Dream Act Applicants (CADAA) with a Cal Grant A award (that met Cal Grant B eligibility) or a Cal Grant B award to perform community or volunteer service. The Commission will award up to $4,500 per academic year (up to $2,250 per semester or up to $1,500 per quarter) to 1,667 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 A or B award recipient.

The following changes were applied beginning with the 2022-23 academic year:

- Increases the total stipend award amount to $4,500/year ($1,500 increase).
- Removes the "proration" of awards, and now provides stipend awards without regards to a student's part-time or full-time status.
- Extends eligibility to students that are recipients of Cal Grant A but were eligible for a Cal Grant B award (only Cal Grant B awardees were previously eligible).
- Reduces total participants to 1,667 to keep funding at its current level while increasing award amounts (decrease from 2,500).
- Sets the minimum amount of a grant awarded in a semester or quarter at $450.
- Requires that commencing with the 2021–22 fiscal year and upon order of the Director of Finance, that any unexpended or unencumbered funds appropriated for DSIG, as of June 30 of each fiscal year, to be transferred to the UC and the CSU to support the California DREAM Loan Program.
- Requires the Commission to submit a report to DOF, LAO, and relevant committees of the Legislature on DSIG participation on or before November 1, 2022, that breaks down total number of recipients and aid by segment, organizations where service was provided, and how much funding was transferred to UC/CSU.

2021-22 Academic Year

The Commission staff launched the DSIG application on July 1, 2021, for the 2021-22 academic year. Commission staff worked with stakeholders to promote the program through trainings, webinars, and social media toolkits. Approximately 15,000 California Dream Act Cal Grant B awardees were notified about their potential eligibility for the program. To date $187,625 has been awarded to eligible participants.

As of July 27, 2022, a total of 217 student applications were received. A total of 146 students were accepted into the program with the following distribution per segments:

- University of California: 4
- California State University: 81
- California Community College: 59
- Private: 2

Although applications for the 2021-22 academic year closed on June 30, 2022, payments will be processed until September 16, 2022.

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Student Impact, Outreach and Communications Committee

<u>2022-23 Academic Year</u>

The Commission has successfully implemented the programmatic changes to DSIG for the 2022-23 academic year with applications currently being accepted. Commission staff have updated Commission's website and printed materials and will continue to work on updating the DSIG Social Media Toolkit.

California Volunteers #CaliforniansForAll College Corps Partnership

The Commission, in partnership with California Volunteers, will be implementing #CaliforniansForAll College Corps to AB 540 California Dream Act students who attend one of the designated community partner campuses. College Corp Fellows who complete 450 hours of service will receive a $5,500 stipend (living allowance) and a $4,500 Education Award for a total of $10,000. The Education Award for AB 540 California Dream Act students will be administered through the California Dream Act Service Incentive Grant Program.

#CaliforniansForAll College Corps Fellows will be placed in community-based organizations working in K-12 education, climate action, and food insecurity. As part of the service experience, Fellows will earn $10,000, receive ongoing training, and become part of a statewide cohort of young leaders across California.

California Volunteers anticipates that ten percent of the 6,500 Fellows will be AB 540 California Dream Act students who receive their Education Award through DSIG. Fellows must meet DSIG eligibility requirements (apply annually, attend a qualifying institution, have sufficient unmet financial need, and complete community or volunteer service hours in that academic year).

College Corps has 48 partner campuses where students can apply to the program. DSIG is available to eligible students attending any of the 355 Cal Grant Eligible schools.

Golden State Teacher Grant Program

The Golden State Teacher Grant Program (GSTG) awards up to $20,000 to students currently enrolled in a professional preparation program approved by the Commission on Teacher Credentialing (CTC) and working towards earning their preliminary teaching or pupil personnel services credential. Students must:

- Complete their program and obtain their credential within 3 years from the first distribution of GSTG funds.
- Commit to work at a priority school in California for 4 years within 8 years of completing their program.

The Higher Education trailer bills expanded GSTG as follows:

- Opens application beginning September 1 for the following academic year (effective for the 2023-24 academic year).
- Expands applications to students who have enrolled in or applied for enrollment in an eligible professional preparation program.
- Eliminates the requirement for a preliminary teaching credential to be issued in a high-need field.
- Expands eligibility to those enrolled in a professional preparation program leading to a pupil personnel services credential.
- Requires students to complete professional preparation program and obtain credential within three years after the first distribution of grant funds.
- Disburses funds in more than one academic year, not to exceed $20,000.
- Requires the Commission to post a Priority School List by April 15 annually.
- Extends obligation timeframe to complete four years' service at a priority school from five years to eight years.
- Notifies students of their pre-enrollment conditional award.
- Allows institutions to provide applicants with grant eligibility determinations.

2021-22 Academic Year

The Commission opened the GSTG application on July 1, 2021, for the 2021-22 academic year. The Commission staff worked in collaboration with various stakeholders, including the CTC and the California Department of Education, to allow the inclusion of applicants from teacher internship and residency programs. Commission staff also held several trainings with schools, districts, Local Education Agencies (LEAs), and Program Coordinators. Two townhalls were held soliciting public comments regarding GSTG regulations.

As of July 25, 2022, a total of 3,954 applications have been received with the following distribution per segment:

- University of California: 272
- California State University: 1,154
- Private: 1,920
- Local Education Agency: 608

As of July 25, 2022, a total of 2,730 students have submitted their signed Teaching Agreement (TA). Payments are processed once the TA is signed per segment:

- University of California: 204
- California State University: 695
- Private: 1,289
- Local Education Agency: 542

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The difference between applications and signed TAs are due to students determined to be ineligible (831) and self-declining (118). A total of 131 students have yet to sign their TA so that their payment may be processed.

Although applications for the 2021-22 academic year closed on March 31, 2022, institutions had until June 30, 2022, to verify eligibility. Eligible students in accordance with TA deadlines had until July 30, 2022, to sign their TA and the Commission continues to process payments. To date $48,941,964 has been paid to eligible students with an average payment of $18,263.

<u>2022-23 Academic Year</u>

The Commission opened the GSTG application on April 1, 2022, for the 2022-23 academic year. Staff are currently implementing programmatic changes from AB 181. Staff have prioritized updating the GSTG Application, GSTG Roster, and Service Agreement to include students working towards earning their pupil personnel services credential and elimination of the high-need field requirements. Commission staff updated the Commission's website, printed materials, and Social Media Toolkits.

As of July 25, 2022, a total of 2,672 applications have been received with the following distribution per segment:

- University of California: 236
- California State University: 816
- Private: 1,376
- Local Education Agency: 244

Payments began processing in August 2022.

Middle Class Scholarship Program

The 2021-22 State Budget introduced significant changes to the Middle Class Scholarship (MCS) program starting in the 2022-23 academic year. The 2022-23 State Budget approved the $515 million appropriation in the General Fund bringing the total appropriation to $632 million. Under the MCS program model, awards will be determined based on the difference between the student's cost of attendance and the sum of the following amounts:

- Other federal, state, institutional scholarships, grants, fee waivers, and private scholarships awarded to the student.
- $7,898 reflecting an expected student contribution toward cost of attendance from work earnings or other resources. This is a standard amount applied to all students and reflected in the new MCS award calculation.

- Dependent students with an annual household income exceeding $100,000, 33% of the parents' contribution from adjusted available income (abbreviated as AAI on federal/Cal ISIR file), as determined using the federal Title IV methodology.

The MCS Program is projected to see an increase from 60,000 to 370,000 awards for students attending the UC and CSU campuses.

Commission staff continue to work in partnership with UC and CSU segment representatives to define operational changes and timeline for the implementation of the new MCS program model.

- Phase I included updates to the MCS enrollment file layout to capture all the new data elements required per student. The initial enrollment file submission window opened on August 1, 2022 and closed on August 19, 2022.
- Phase II will include changes to the awarding formula from the data received through the new enrollment files from the UC and CSU campuses.
- Commission staff anticipates processing the MCS awards by mid-September.

Golden State Education and Training Grant Program

The Golden State Education and Training Grant Program (GSETGP) was established in the 2021-2022 State Budget with $500 million in one-time funding. The GSETGP offers a one-time grant payment of $2,500 to displaced workers from the COVID-19 pandemic seeking to enter (or who are enrolled in) an education or training program administered by a public institution of higher education or a qualified provider on the Eligible Training Provider List (ETPL). To be eligible for the program, students must:

- have lost their job due to the COVID-19 pandemic,
- have been unable to find an equivalent paying job since,
- have not been enrolled in an education or training program at the time of their job loss; and,
- have meet the income and asset requirements associated with Cal Grant A eligibility

The Quick-Start Application launched on March 17, 2022 and is currently open to students at California's public higher education institutions (UC, CSU and CCCs). Since the application launched;

- 4,550 students have applied;
- 2,668 met the eligibility requirements;
- 84.37% are California Community College students;
- 2,668 met the eligibility requirements;
- 1,339 students were paid their one-time grant of $2,500 (a total of $3,347,500);

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Student Impact, Outreach and Communications Committee

- 752 payments are being processed (a total of $1,880,000); and,
- a total of $1,880,000 has been expended to date.

The GSETGP will release an expanded online application. This will allow non-FAFSA/CADAA filers to input their income information and will allow eligible training and adult education programs to be integrated into the application and WebGrants.

Learning-Aligned Employment Program

The Learning-Aligned Employment Program (LAEP) offers eligible students at public colleges and universities the opportunity to earn money to help defray their educational costs while gaining education-aligned, career-related employment. All UC and CSU campuses and 97% of CCC campuses have elected to participate in the $500 million program as it launches in the 2022-23 academic year. The LAEP Workgroup (comprised of representatives from public colleges and universities across the state) created resource documents for institutions and employers, including a LAEP Handbook, FAQs, and Employer Agreement resources. These resources and many others are posted on the LAEP website at www.csac.ca.gov/laep.

The Commission is working with the regional partners to host launch events for institution and employer partners throughout the 2022-23 academic year.

RESPONSIBLE PERSON(S):

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ATTACHMENT(S):

Programs Update Presentation Presented on September 7, 2022