

Item 5

(Information Item)

Executive Director's Report



Executive Director's Report December 2022

Dear Commissioners,

Another year has flown by. This past year was marked by several historic actions that have expanded financial aid opportunities for students, a return to in-person meetings and conferences, and disbursement of record amounts of financial aid resources to students.

The Commission had its first in-person meeting in June, which offered a wonderful opportunity for Commissioners, staff and stakeholders to reconnect on a more personal and meaningful level. This was the first time many of the Commissioners met each other in person. Commission staff are moving into hybrid work. The Agency also is in the process of re-envisioning a new workplace experience and culture and defining the Commission's brand of hybrid work.

Historic Year for Student College Affordability

College affordability again was a priority for elected officials and policy makers this past year. A collection of new programs, requirements and investments made college more affordable for students. The State of California invested more than \$850 million to expand programs, such as the California Community College (CCC) Cal Grant Entitlement, Middle Class Scholarship (MCS 2.0), and

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enhance Cal Grant awards for students attending private, non-profit colleges and universities. Over the past two years, California has invested more than \$2 billion between MCS 2.0, CCC Cal Grant Entitlement, enhancements for students attending private, non-profit institutions, the Golden State Teacher Grant Program, the Golden State Education and Training Grant Program, and the Learning Aligned Employment Program.

The Governor and Legislature also took a historic step in codifying the Cal Grant Equity Framework in the 2022-23 State Budget Act and appropriated \$500,000 for the Commission to begin developing implementation details. However, the Governor and Legislature delayed funding until May 2024 to reassess the condition of the economy and state budget before making the full investment. Commission staff are using the \$500,000 to begin developing the operational details for the Cal Grant Equity Framework to go into effect for the fall 2024 class, unless the Governor and Legislature take action to not fund this effort.

In the upcoming year, the Commission will be focused on strengthening its internal operations to serve student financial aid needs more efficiently and effectively, updating and simplifying student communications, and enhancing the student Call Center to respond to a growing number of student inquiries about how to complete their FAFSA's or CA Dream Act Applications.

Concerning Economic Headwinds

Amid positive news for student affordability this year, the Legislative Analyst Office (LAO) just released California's Fiscal Outlook for 2023-24 which provides the economic forecast in advance of the upcoming state budget process. The LAO forecasts lower state revenues that lead to a projected budget deficit of \$25 billion for the 2023-24 budget year. This news is in stark contrast to the historic budget surpluses the state has experienced in the past several years. The good news is that the state has a healthy reserve that will help lessen the amount of cuts to state programs in the upcoming budget process. The bad news is that the deficit could grow deeper, especially if the economy enters a recession. The Governor and Legislature can be expected to pause, delay or reassess recent one-time funding augmentations. We will be keeping a very close eye on the economic condition of the state's fiscal resources.

Student Loan Debt Cancellation

Earlier this year the Biden Administration announced several significant improvements to reducing college debt, including a new initiative to forgive up to \$20,000 in student loan debt for student borrowers with annual earnings of

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less than \$125,000. This has been an extremely popular program with more than 40 million student borrowers nationwide applying for this debt relief. However, this program is being challenged in the Courts. The 8th U.S. Circuit Court of Appeals recently granted an emergency motion that blocks the federal government from moving forward with President Biden's student loan forgiveness program until the case is settled. In the meantime, the Biden Administration is no longer accepting new applications for student loan forgiveness. If the Courts rule in favor of allowing this program, more than 3.5 million California borrowers can be expected to have a portion of their debt cancelled. We will learn more about the status of this issue and its impact on Californians at the Commission meeting.

All In for FAFSA/CA Dream Act

Another major change in the college affordability landscape, was the new law that went into effect this year requiring all high school students to complete a FAFSA or a CA Dream Act application, unless they formally opt out. The Commission is striving to become a national leader in financial aid application completions. Commission staff have developed an aggressive “All In for FAFSA/CA Dream Act” campaign to elevate this opportunity and work with K-12 superintendents, teachers, counselors, principals, civic leaders and community partners to ensure all high school seniors understand the importance of taking this step to pursue an abundant array of education and training opportunities upon finishing high school.

To date, the number of FAFSA and CA Dream Act Applications have ticked up about **2 percentage** points for all students from the same time last year. For first time freshman filers, there is a **12 percent** increase year-over-year. This is a significant reversal given the downward spiral in the past several years during the pandemic. The Commission will continue building on this up-swing with K-12, higher education and many other partners statewide.

The Commission has spearheaded numerous activities, workshops and developed a rich set of new materials to help local schools, students and families complete their FAFSAs or CA Dream Act Applications. The Commission has:

- Joined local Riverside County leaders for a launch event for the “All In” campaign and the new financial aid cycle on October 4.
- Completed new Financial Aid Application Status Report for high school administrators which makes it much easier to school personnel to access web grant student-level data.
- Created educational tool kits for educators to help students and families complete their financial aid applications.
- Registered more than 600 Cash for College workshops have been scheduled and formally registered with the number growing.
- Created social media kits for schools and community partners statewide.

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- Led trainings at numerous in-person, local Cash for College regional workshops.
- Working with numerous K-12 partners to collaborate in helping students complete their FAFSAs or CA Dream Act Applications, such the statewide K-12 leadership organizations, CTA, California African American Superintendents Association, California Bilingual Educator Association, and leaders from various ethnic communities.
- Published All In for FAFSA/CA Dream Act articles in Association of CA School Administrators, California Teachers Association and California School Boards Association newsletters.

The Commission also has worked in close collaboration with the California Department of Education to enlist the Golden State Warriors to produce a short Public Service Announcement (PSA) featuring **Coach Kerr and player Steph Curry**. This is a major opportunity to capture the attention of students, especially young men of color, who are most at risk of opting out of education and training opportunities beyond high school. I want to thank **California Superintendent of Public Instruction and Deputy Superintendent Abel Guillen** for their strategic partnership in facilitating the production of this PSA.

Additionally, the Commission is exploring use of an innovative, two-way chatbot engagement platform that has shown to be highly effective in helping low-income, first-generation students prepare for college. The Commission is working with the company Mainstay that has created a two-way intelligent behavioral chatbot specifically designed to address college education equity gaps and helping students complete their financial aid applications.

Mainstay's behaviorally intelligent chatbots have been effective in driving positive behavior. In collaboration with college partners, their chatbots have helped more than 600k students navigate college applications, scholarships, selection decisions, and financial aid. The data show impressive outcomes. For example, there was a 28 percent increase in financial progress toward completion within the first week of sending students' nudges.

The chatbot proactively engages both students and parents/guardians via text message to increase engagement, drive action, build connection and gain insights into the barriers and challenges students face when completing the FAFSA or the CA Dream Act Application.

Student Expense and Resources Survey (SEARS)

The Commission has released the findings in its new 2022 Student Expenses and Resources Survey (SEARS) this fall and has published an Insights Brief (attached) that summarizes key findings. This is the first survey published since the onset of the pandemic.

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SEARS is a CSAC administered student survey performed every three years that asks students to identify their actual costs and resources used in attending college. SEARS establishes CSAC's Student Expense Budget (SEB) and is used by campuses to calculate total costs of attendance (COA).

SEARS also provides insights on student perceptions of cost drivers and pain points they experience while paying for college. Not surprisingly, students are feeling the cost pressure of paying for basic living expenses. The state of California and public higher education segments have made a deep commitment to not increase fees for the past several years, but students still perceive a lack of adequate resources to pay for tuition. With inflationary costs rising, students continue to struggle to meet their basic needs.

Undocumented Student Affordability Workgroup

Commission staff along with The Raben Group have completed six workgroup meetings to address increasing undocumented student access to Cal Grant aid by simplifying the process of applying for the California Dream Act Application, removing barriers to access, increasing access to information, strengthening on-campus support systems and uplifting the issue of undocumented college graduate work authorization. The final report with actionable policy recommendations will be release in early 2023.

The workgroup has included a broad array of campus practitioners, community partners and advocacy organizations. I want to thank all workgroup members for their rich contributions to this body of work and to the Raben team for their expert facilitation and policy work in positioning California to be an expert voice in this space. I also want to thank our Commissioners who participated in the workgroup, including Commissioners Charles Nies, Steve Ngo, Alexis Takagi and former Commissioner Leonardo Rodriguez. Thank you to Jake Brymner for his leadership in leading the workgroup and to Daniela Rodriguez and Rosa de Anda for their outstanding staff work. Lastly, I want to thank the College Futures Foundation for their generous funding to undertake this important policy work that will inform policy actions next year and beyond.

The following summarizes key updates from each division.

Program Administration and Services Division (PASD) Updates:

- Held October and November workgroup meetings for the Golden State Teacher Grant (GSTG) program to obtain feedback on proposed regulation amendments, review the Pre-Enrollment Grant Eligibility Determination process and workflow, clarify program requirements, and share best practices. The proposed regulation

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amendments will be presented at the December Commission meeting.

- Have served more than 5,000 high school counselors and student advocates through the 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).
- Participated in the October 23-25 CASFAA conference in Santa Clara where we provided several financial aid training sessions. This was a great in-person conference after 2 years of virtual events.

Fiscal Administrative and Services Division (FASD) Updates:

- Completed all Fall Budget drills with Department of Finance.
- Continue to monitor and work with Department of Finance on Executive Orders pertaining to our funding appropriations in the State Controller's Office Tab Run.
- Participating in triennial accreditation audit for Delegated Authority on contracts.
- Working on asset management tracking with IT for physical assets in the building.
- HR facilitated a department transition off emergency telework orders to regular telework agreements.
- Libby Knerl has been promoted to the EEO office position and DEI efforts are underway including DEI statement, Pulse Survey and other engagement activities.

Data And Research Team (DART) Updates:

- Completed SEARS briefing materials and held a SEARS webinar on November 15 with findings on student basic needs affordability, followed by a student panel.
- Completed 5 new "Facts at Your Fingertips" 20-21 Annual reports that are now on the CSAC website:
 - HS Entitlement
 - Transfer Entitlement
 - Competitive Program
 - CCC Entitlement (new)
 - Middle Class Scholarship
- Created 1.0 version of Calsoap Dashboard showing updated data broken down by Calsoap consortia member the number of and percentages of students having

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filled out a FAFSA/CADAA by each high school and by each type of Cal-SOAP activity code

Policy and Public Affairs Division (PPAD) Updates:

- October 4th launch event at Riverside Orange Vista High School kicked off many outreach events taking place across the state, as well as collaboration with a range of stakeholders to spread word about this new approach.
 - Messages have been sent to thousands of K-12 leaders through the communications channels of the associations for school administrators, teachers, and school board members.
- The Undocumented Student Affordability Work Group has concluded its meetings and other informational interviews. CSAC staff are now working with The Raben Group to prepare a report outlining key findings and recommendations that will be released next year.
- Hosted a webinar on November 15 to highlight findings of the most recent Student Expenses and Resources Survey and released a short brief on those results.
- Commission staff have presented on college student access to SNAP/CalFresh at several key venues, including:
 - Lumina State Policy Retreat
 - NASSGAP – National Association of State Student Grant and Aid Programs
 - NCAN – working group of states looking at college student access to SNAP
 - SHEEO learning community of state agencies

Information Technology Services Division (ITSD) Updates:

- Completed new Financial Aid Application Status Report for high school administrators.
- Completed 2023-24 Race to Submit Dashboard that includes new leaderboard for most improved schools.
- Completed Golden State Education and Training Grant enhancements to prevent duplicate awards.
- Completed Golden State Teacher Grant features to reflect the new legislative updates that include specified counselors.
- Completed Learning Aligned Education Program business requirements for the development of Phases 1 and 2.

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- Completed CSU External Award API updates for functional and performance testing.
- Completed Cal Grant Foster Youth Access indicators to payment file. End-to-end testing in progress, by State Controller's Office.
- Completed Cash for College Workshop Management System enhancements for the 2023-24 application year.

Information Security Office Updates:

- Multifactor Authentication implementation is scheduled to be completed end of December. According to [Microsoft](#), MFA can prevent 99.9% of attacks on our accounts, as account take overs could result in severe data breaches, heavy fines, loss of reputation etc.
- The Technology Recovery Plan first draft is set to be completed by the holidays. Not only is this a long-standing compliance requirement deficiency, but critical to CSAC's survival in the event of any kind of disaster (weather, cyber related etc.).
- 13 policies have been created or updated this year, bringing us closer to policy compliance, increasing staff awareness of responsibilities when handling sensitive/confidential student data.

In progress:

- Formal business requirements gathering for Cal Grant Reform project.
- Middle Class Scholarship enhancements.
- Chafee Foster Youth Electronic Funds Transfer for payments to campuses.
- CSU External School change Application Programming Interface.
- Golden State Education and Training Grant Program enhancements.
- Golden State Teacher Grant Program enhancements and new functionalities.
- Learning Aligned Education Program – Phase 2.

Legal Updates:

- Prepared amendments to the Golden State Teacher Grant Program regulations to incorporate legislative changes made in 2021-22.
- Released for public comment and finalized amendments to the regulations for the Community College Entitlement grant program.

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In closing, I want to thank the Commissioners for your tremendous support in pursuing the possibilities for students during these most unprecedented time. This has been a year of great abundance and also is a reminder that we must be prepared for twists, turns and unpredictable changes in our daily lives and our world.

Best wishes for a wonderful holiday season and a new year of health, peace and joy.

Marlene L. Garcia

ATTACHMENT(S):

2021-22 SEARS Insights Brief