

## Item 6

(Information Item)

### Update on Better California Dream Act Application

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#### SUMMARY:

This item provides an update on the enhancements to the 2024-25 California Dream Act Application (CADAA) on account of the FAFSA Simplification changes and recommendations from the *"Renewing the Dream Report."*

#### RECOMMENDATION:

This is an information item; no action is required.

#### BACKGROUND:

The convergence of the changes brought on by the [FAFSA Simplification Act](#) and the release of the *"Renewing the Dream Report,"* created the catalyst for the evaluation of the California Dream Act Application (CADAA). These two sources established the base for the identification and evaluation of some recommended changes and enhancements to the application. A specific emphasis of the evaluation process was to find ways where the CADAA could be streamlined, while simultaneously preserving the data elements needed to properly calculate a Student Aid Index (SAI) and remain consistent with the FAFSA. The enhancements being implemented by the California Student Aid Commission (Commission), to the 2024-25 CADAA strike this balance and include the following notable changes:

1. **Text message Opt-In.** Students will be able to opt-in to receive important financial aid reminders and updates via text message. The addition of this question will allow the Commission to deliver relevant financial aid updates and reach students through more direct means.
2. **Inclusion of Race/Ethnicity/Gender Questions.** These questions will be optional and will not impact a student's financial aid eligibility. Responses will be used for Commission research purposes only and will not be shared with institutions or displayed in WebGrants or on the California Submission Summary (previously the California Student Aid Report).
3. **Primary language spoken at home.** This question will function in a similar fashion to the Race/Ethnicity/Gender questions - responses will be optional and will not

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impact a student's financial aid eligibility. The data collected from this question will be used for Commission research purposes only and can serve as a platform for developing future communication and outreach campaigns in multiple languages.

4. **Consideration for the California Dream Act Service Incentive Grant (DSIG).**  
In an effort to promote one of our newest programs, which caters to CADAA filers, this question will ask students if they are “interested in being considered” for the DSIG program. Responses will be captured and made available to institutions the student lists on their CADAA, as well as DSIG program staff at the Commission. With this information, targeted outreach efforts to interested students can be initiated.
5. **Embedding of AB 540 Affidavit Questions.** Following the passage of [Assembly Bill 1540](#) on October 8, the Commission will embed the questions for the determination of non-resident tuition exemption (commonly referred to as the AB 540 affidavit), within the CADAA. Responses will be collected by the Commission and shared with those institutions the student has selected on their CADAA. A 1-byte field will be included on the Cal ISIR (Y/N), indicating whether a student has answered and affirmed the AB 540 questions. In addition, a student's answers to the AB 540 questions will be provided to schools on a pre-built report and AB 540 screen, all within WebGrants. Students will have the option to print their AB 540 affidavit, which will be attached to their California Submission Summary as an addendum. It is important to note, answers to the AB 540 questions on the CADAA, will not result in a pre-determination of AB 540 eligibility. Institutions of higher education will continue to make final determinations of AB 540 eligibility.
6. **Changes to the Parent Signature Process.** One of the main recommendations from the *“Renewing the Dream”* report highlighted the need to streamline certain administrative processes in the completion of the CADAA – an item of note, was the parental signature process. The report called for making the parental signature a one-step process, building it into the original submission and removing long standing pain points in the current process, such as the use of a 4-digit parent PIN. In addition, the frequency in which a parental signature is required on the CADAA will be reduced, limiting it to instances when only parental data is changed on subsequent transactions.
7. **CADAA Verification.** The Commission is currently evaluating the CADAA verification process, specifically reducing the percentage of CADAA applications that are selected for verification. For the past few years since the COVID-19 pandemic, Federal Student Aid (FSA) has adjusted their algorithm and shown a downward trend for FAFSAs that are selected for verification. It is assumed the

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same trend will continue for the 2024-25 application year, with the FUTURE Act allowing the IRS to share tax data with FSA, thus decreasing the need for verification. Although the 2024-25 CADAA will continue to rely on manually entered data by applicants, the percentage of CADAAs selected for verification has remained unchanged at 20% since its inception in 2013. Previous studies on the federal verification process have shown that increased levels of verification result in administrative burdens to students and financial aid offices, while seeing little to no change in a student's eligibility. Although some level of verification is still necessary, it is important for the Commission to revisit the percentage of CADAAs being selected for verification to better align with verification trends at the federal level.

With CADAA numbers slipping the past few years, the Commission is hopeful that the redesigned application that addressed many of the barriers will encourage the AB 540 undocumented student population to apply. We expect the new Better CADAA will significantly increase the user experience for applicants which will stop the recent trend of declining applications.

### **RESPONSIBLE PERSON(S):**

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### **ATTACHMENT(S):**

CADAA Update Presentation Presented on November 29, 2023