

## Item 13

### (Information Item)

#### Update on implementation of new programs

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**SUMMARY:**

This agenda item provides an update on the implementation of new programs established through the 2019 California Budget Act.

**RECOMMENDATION:**

This is an information item; no action is required.

**BACKGROUND:**

On July 1, 2019, Governor Newsom approved Senate Bill 75 Education finance: education omnibus budget trailer bill, and Senate Bill 77 Higher education trailer bill. Among other financial aid opportunities for college going students, the 2019 California Budget Act established the following programs under the administration of the California Student Aid Commission (Commission):

- Golden State Teacher Grant Program
- Child Savings Account Program
- Dreamer Service Incentive Grant Program
- Awards for Students with Dependent Children

The following report provides an update on the implementation of these programs.

**REPORT:****Golden State Teacher Grant Program**

The Golden State Teacher Grant Program (GSTG) SB 75 (Chapter 51, Statutes of 2019) encourages students to consider earning a teaching credential to teach in a high-need field, at a priority school, in California for four years, within five years after completing a teacher preparation program. Participants must be enrolled in a teacher preparation program approved by the Commission on Teacher Credentialing (CTC) within a California institution of higher education on or after January 1, 2020. Applicants must agree to all terms and conditions of the GSTG program, including repayment if requirements are not met. The award funds a payment of \$20,000 to more than 4,400 eligible students across California. GSTG awards became available during the 2019-20 Spring term.

Prior to implementation of the GSTG program, Commission staff met with members of the Financial Aid Advisory Board (FAAB), CTC and the State Board of Education to clarify program procedures. Several concerns were expressed related to the timing of the award, eligible teacher preparation programs, financial aid packaging, and the repayment conditions. The State Board of Education

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worked with the Commission staff to propose amendments to the GSTG statutory language through the Technical Cleanup Trailer Bill (attached).

**Current Status of the Program:** More than 700 students have applied for GSTG awards and are currently pending confirmation of eligibility. However, Commission staff have placed the GSTG program on hold pending the May Revision of the Governor's Budget and the outcome of the proposed changes in the Trailer Bill language. The GSTG page on the Commission's website has been updated to reflect the current status.

### Child Savings Account Program

The Child Savings Account Grant Program (CSA Grant Program) was enacted in the 2019-20 State Budget (Education Code Chapter 4 added by Senate Bill 77, Ch. 53, 2019 Sec. 18) to support local governments and nonprofit organizations that sponsor or collaborate on one or more comprehensive citywide or regional child savings account programs.

The statute allocates twenty-five million dollars (\$25,000,000), available for encumbrance or expenditure through June 30, 2022, in one-time General Fund dollars to CSA Grant Program awards. The amount of each grant award shall be at a minimum, one hundred thousand dollars (\$100,000).

- Up to 74 percent or eighteen million five hundred thousand dollars (\$18,500,000) of the funding shall be used to initiate a new local child savings account program.
- A minimum of 24 percent or six million dollars (\$6,000,000) of the funding shall be used to expand an existing local child savings account program.
- Two percent or five hundred thousand dollars (\$500,000) shall be used by the Commission to provide outreach and administration of the program.

The enacting statute also requires the Commission to provide technical assistance, meet and confer with a Child Savings Account Council (Council), and develop a toolkit to assist local entities in establishing Child Savings Account programs. Commission staff has prepared a draft Request for Applications (RFA) document to be reviewed by the Council prior to the Commission's review and subsequent release of the RFA.

**Current Status of the Program:** Commission staff scheduled the inaugural Council meeting for April 17, 2020. However, the meeting has been postponed and the program has been placed on hold pending the May Revision of the Governor's Budget.

### Dreamer Service Incentive Grant Program

SEC. 13. Article 5.5 (commencing with Section 69438) was added to Chapter 1.7 of Part 42 of Division 5 of Title 3 of the Education Code to establish the Cal Grant B Service Incentive Grant Program, which was later renamed the Dreamer Service Incentive Grant Program through Assembly Bill 540.

The program is currently limited to 2,500 students at any one time and awards eligible students on a first-come-first-served basis. In order to receive a grant under the program, a student must be a Cal Grant B recipient and must perform at least 100 hours per quarter or 150 hours per semester of community or volunteer service. The community or volunteer service must be performed at an

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approved organization and cannot be advocacy of a political, social, or religious nature. The service should be related to the student's field of study or be in furtherance of community service or a community need. Once a student has met the minimum service requirement, the student is eligible for an award of up to one thousand five hundred dollars (\$1,500) per semester or one thousand dollars (\$1,000) per quarter. Eligible students could receive a grant under the program for a maximum of eight semesters or 12 quarters.

**Current Status of the Program:** Commission staff have established a workgroup in collaboration with the FAAB and is currently working on the implementation of this program. The workgroup is comprised of representatives from the different higher education segments and advocacy organizations. The workgroup has agreed upon a process and workflow. The Commission anticipates opening the application process for eligible students beginning July 1, 2020. Commission staff are also working on developing the website and marketing materials for the program. There are currently over 16,700 potentially eligible students.

Commission staff continues to build the business requirements for this program from which the Information Technology solutions will continue to be built. Staff is also finalizing the application process and establishing the entities that will provide the service opportunities. **At the next Commission meeting, staff will provide an update on the community service sites slated to participate in the program.** Students will submit a DSIG application and once accepted into the program, service hours will be tracked in weekly service logs validated by an approved program supervisor.

### Awards for Students with Dependent Children

SEC. 14. Article 9 (commencing with Section 69465) was added to Chapter 1.7 of Part 42 of Division 5 of Title 3 of the Education Code to establish the Awards for Students with Dependent Children commencing with the 2019-20 academic year. These awards offer increased opportunities for low-income student-parents by providing additional access funds to Cal Grant A, B and C recipients attending a University of California, California State University, or a California Community College campus.

Awards for Students with Dependent Children (SWD) define a dependent child or children as under 18 years of age whose parent or legal guardian is the student, and if the child or children receive more than 50 percent of their support from the student. The Commission was tasked with identifying all students with dependent children who meet the following criteria:

1. Recipients of a new or renewal Cal Grant A, B or C award
2. Attending a University of California, California State University, or California Community College campus

Cal Grant A or B recipients who meet the qualifying criteria could receive a total annual access award of up to six thousand dollars (\$6,000). Qualifying Cal Grant C recipients could receive a total annual books and supplies award of up to four thousand dollars (\$4,000). These awards may be adjusted in the annual Budget Act and can be used to cover living expenses, institutional fees, charges, and other costs, including tuition and training-related costs, such as special clothing, local transportation, and required tools, equipment, supplies, technology, and books.

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The amount appropriated in the Budget Act for the 2019-20 academic year is one hundred twenty-five million dollars (\$125,000,000). The Commission must determine on an annual basis if the amount appropriated for each fiscal year is sufficient to cover the cumulative cost of the funding projected to be awarded. If the amount appropriated is not sufficient to meet the funding projection for a fiscal year, the Commission shall reduce awards proportionately by an equal percentage for all new recipients under this program for that fiscal year.

With less than six weeks before the start of the 2019-20 fall term, the Commission proposed a phased in approach to implement this program within the legacy Grant Delivery System platform. The Commission set up an SWD workgroup with segment representatives to review the business requirements, establish a targeted timeline and develop a technical solution. The phases focused on 1) student identification; 2) certification and updated award amounts; and 3) reports and grant record changes.

### Phase I: Identification of Students with Dependent Children (August 2019)

Commission staff and the SWD workgroup agreed to add a program identifier to the Web Grant's online display roster utilizing information provided on question 51 of the student's Free Application for Federal Student Aid (FAFSA) or the California Dream Act Application (CADAA) regarding dependent children. Question 51 asks students whether they have dependent children. Responding "Yes" to this question means the student has dependent children who receive more than half of their financial support from them.

The SWD program identifier was added in August of 2019 to assist financial aid administrators to identify potentially eligible students for the increased access awards and prepare for additional disbursements and changes in the students' financial aid package. Approximately 50,000 students were identified as potentially eligible for the increased access awards during this initial phase. Institutions were able to pay the base award payments for these students while waiting for Phase II of implementation.

### Phase II: Certification of Eligibility and Updated Award Amounts (December 2019)

Students were identified as potentially eligible for the SWD awards based on their response to Question 51 on the FAFSA. The next step was to determine eligibility for the program by asking students to self-certify that their children were under 18 years of age.

The Commission established a Yes/No self-certification process for SWD students through the WebGrants for Students portal. Institutions also had the ability to certify on behalf of their students when they have confirmation that the dependents are under 18 years of age. Once the certification was completed by the student or the institution, the payment hold was removed immediately (real-time) and the school could proceed with reporting a payment in WebGrants.

As part of developing this new program, Commission staff for the first time created a non-tuition Access Award for Cal Grant A students. Prior to this program, only Cal Grant B students were eligible to receive Access Awards. The program is now well underway. Commission staff have learned a great deal from this first-year experience that they plan to use to strengthen implementation and paid rates for the upcoming financial aid cycle.

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Communication to students with dependents is a critical strategy to optimize the benefits of this program for the maximum number of students. Commission staff sent numerous weekly email reminders to students flagged as potentially eligible for a SWD award asking them to complete the certification process for their school to disburse their Cal Grant award. This issue has been discussed extensively during the Financial Aid Advisory Board meetings to increase certification and thus paid rates. Staff will examine various new communications strategies to increase participation and paid rate in the future.

As of April 21, 2020, over 27,000 students were certified eligible for the increased access award. On average, 80 percent of the certifications of eligibility came from the students either through their WebGrants for students account or paper form and 20 percent came directly from the institutions.

### Phase III: Reports and Grant Record Changes (currently in development)

The final phase of the SWD implementation for the 2019-20 academic year will include updating the applicable WebGrants reports to accurately reflect the number of SWD Cal Grant A access award recipients. This makes it easier for institutions to customize their SWD student rosters and update the number of students who have certified their eligibility. This also allows Commission staff to make changes on SWD eligibility per the Grant Record Change process for institutions. Until this phase is completed, all changes currently require the Commission's application development team to make changes manually.

### **Program Metrics**

As of December 30, 2019, there were 50,391 Cal Grant awardees with potential eligibility for the SWD supplemental access awards (answered Yes to question 51 on their FAFSA/CADAA). The following table provides a breakdown of these students:

Category	Number of Students
Confirmed SWD Eligible	27,114
Confirmed SWD Ineligible	1,699
Withdrawn Awards	856
No Response to SWD Eligibility	20,722
<b>Totals</b>	<b>50,391</b>

### ***Category Description***

- Confirmed SWD Eligible: Met all eligibility criteria for Cal Grant and SWD supplemental access awards.
- Confirmed SWD Ineligible: Cal Grant awardees who did not meet SWD criteria (do not have dependent children or dependent children are not under 18 years of age).
- Withdrawn Awards: Students who did not meet Cal Grant eligibility after verification or withdrew during the competitive award recycle process.

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- No Response to SWD Eligibility: Cal Grant awardees who did not complete the SWD certification process. These students may not be enrolled in college or not in attendance at a Cal Grant Eligible Institution. This is a population we intend to examine further to understand their non-response to a generous Cal Grant award supplement.

The following charts include data on SWD eligible students as of April 21, 2020:

Chart 1 shows the distribution of SWD students per segment type based on current verified claims. Most eligible students with dependent children are attending a California Community College.

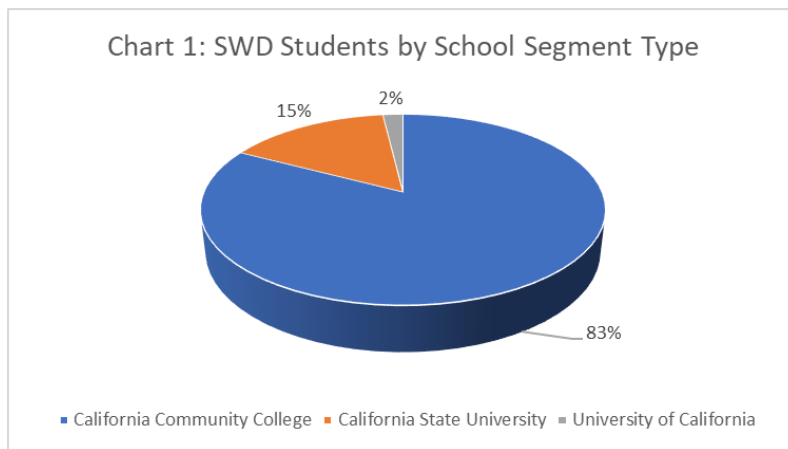
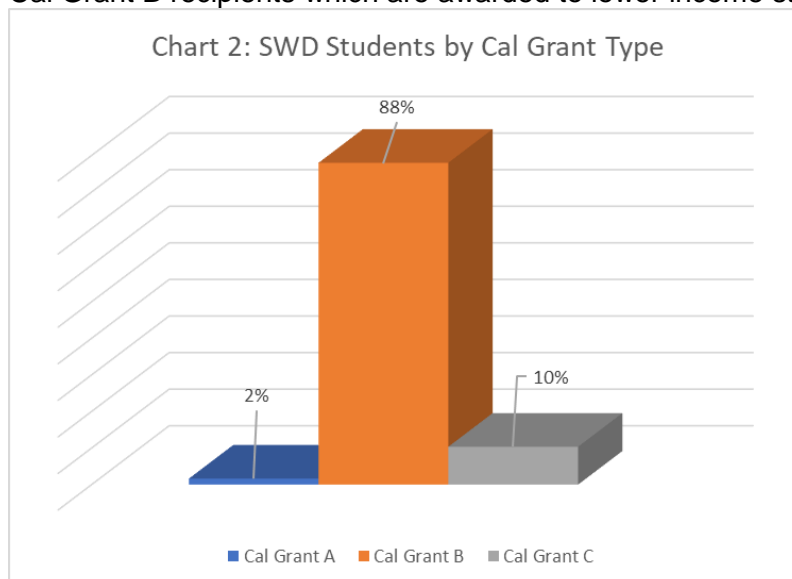


Chart 2 shows the distribution of SWD students per Cal Grant program type (A, B, C); 88 percent of these students are Cal Grant B recipients which are awarded to lower income students.



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Chart 3 shows the distribution of SWD students per program award cycle. Ninety two percent of SWD students have a Cal Grant Competitive Award which serves primarily older students returning to school. The awards are distributed between the March 2 (all school segments) and the September 2 (community college) competitive award cycles.

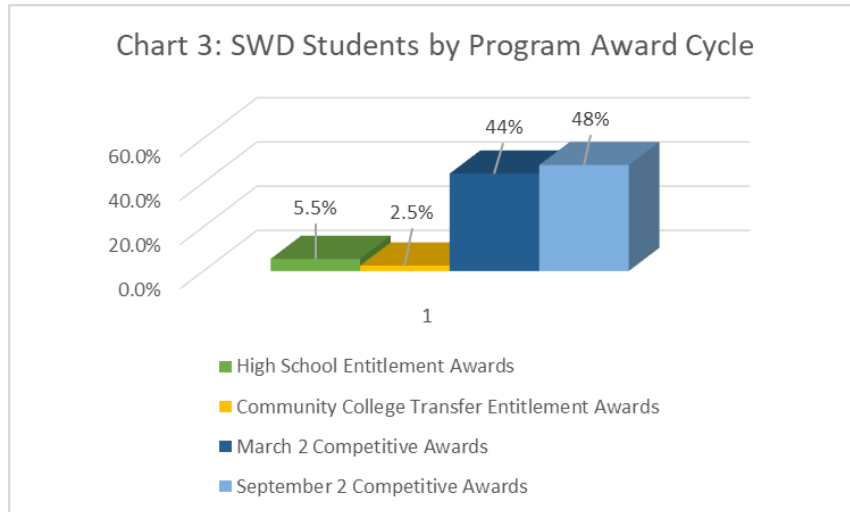
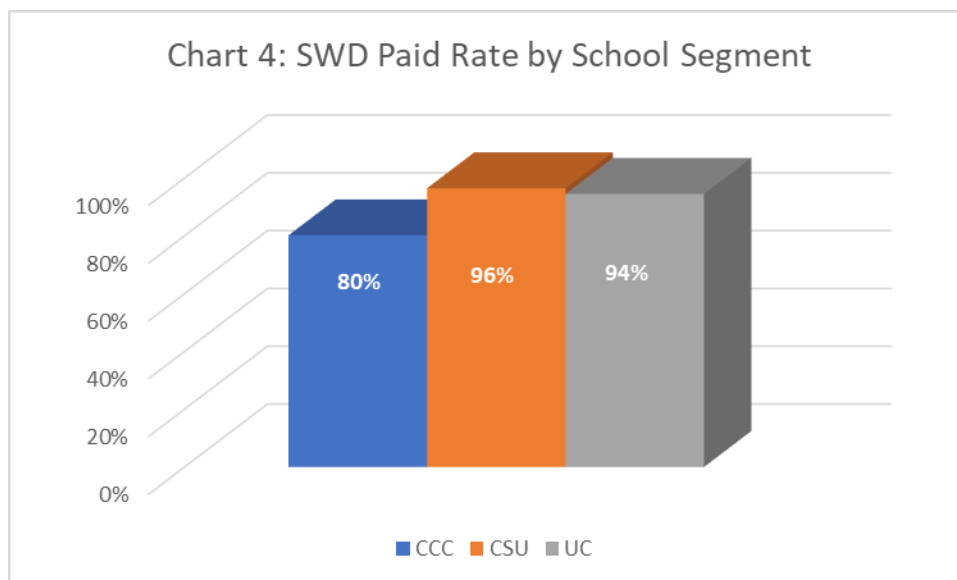


Chart 4 shows the paid rate for SWD eligible students by school segment. Confirmed SWD students have an overall paid rate of 90 percent. Commission staff will continue to work with the schools to ensure all eligible students receive their Cal Grant funds.



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## Budget Appropriation for SWD Access Awards:

2019-20 SWD Budget Appropriation	118,318,000.00
Current SWD Paid Amount	77,798,582.00
Current SWD Awarded Amount (pending payment)	16,554,566.00
Remaining SWD Funds	23,964,852.00

## RESPONSIBLE PERSON(S):

Steve Caldwell, Interim Deputy Director  
Program Administration and Services Division

Alessandra Morrison, Assistant Deputy Director  
Program Support Services Branch

Gurinder Bains, Chief Information Officer  
Information Technology Services Division

## ATTACHMENT(S):

Golden State Teacher Grant Technical Clean Up Trailer Bill