

Item 11

Action Item

Consideration of Competitive Cal Grant scoring process

Competitive Cal Grant Program Utilization Update

The 2015-16 Budget Act included an increase of 3,250 Competitive Cal Grant awards to the authorized number of 22,500 for a total of 25,750 annual awards. To increase the number of award offers for the 2015-16 academic year, the Competitive Cal Grant scoring was reduced allowing an additional 1,625 March 2nd Competitive award offers to newly eligible students.

The Commission has offered a total of 16,888 Competitive Cal Grant March 2nd awards for the 2015-16 academic year. The 2014-15 award year's paid rate of 95.94 percent has surpassed the 2013-14 year's paid rate of 91.66 percent. The 2015-16 fall term advance has been paid to most institutions and many eligible students will begin to receive their Cal Grant disbursements in the next few weeks. The chart below summarizes the offer, paid and utilization rates for the last three award years.

Year Cal Grant Awarded	Recipients				Percent of 22,500*	Award Offers Deferred Payment to Future ¹			Total Award Offers Claimed	Percent of 22,500*
	Offered	Paid	CC Reserve ¹	Total		Leave of Absence	Other	Total		
2013-14	29,254	19,995 ²	629	20,624	91.66%	1,387	657	2,044	22,659	100.7%
2014-15	31,122	20,807	781	21,588	95.94%	1,695	3,451	5,146	26,734	118.81%
2015-16	16,118**	0	321	323	1.25%	0	0	0	323	1.25%

1. A Deferred award and CC Reserve award, once paid, will be counted in the academic year in which it was offered.

2. 690 of the 2,044 or 34% (2013-14) deferred awards were paid in 2014-15

** For 2015-16, the number of Cal Grant authorized awards increased to 25,750.*

*** C1 awards only. C2 awards will be offered in September 2015.*

Competitive Cal Grant Deferrals

To improve utilization and paid rates of Competitive Cal Grant awards, the Commission took the following actions at its April 16-17, 2015 Commission Meeting. Commission staff made the necessary changes to the Grant Delivery System.

- 1. Allow only student-initiated deferrals of the Competitive Cal Grant award.*

Beginning with the opening of the 2015-16 WebGrants online roster, institution submitted Leave of Absence (LA) requests for newly awarded Competitive Cal Grant students are no longer accepted. The Adjustment Reason Code 'LA' is removed from the online WebGrants roster for these students only. Commission staff and students will process LA requests, including newly awarded competitive students.

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- 2. Implement an appeal process to allow students to reinstate their Competitive Cal Grant award.*

Unclaimed competitive awards will be withdrawn in the fall term of the academic year in which the award was offered. An unclaimed award is defined as an award that has no reconciled payment, student reported leave of absence or other eligible payment transaction. Withdrawing unclaimed awards in the fall allows timely award recycling in an effort to utilize all 25,750 allocated awards.

In the instance where an unclaimed competitive award is withdrawn for a student who believes their award should not have been withdrawn, an appeal will be considered. Appeals can be submitted for students who were unable to utilize their award in the award year due to circumstances beyond their control. Appeals can be submitted by either students or by schools on behalf of students.

- 3. Implement a process to count deferred awards in the year in which the award was paid, rather than the year in which it was offered.*

Beginning in the 2015-16 academic year, Competitive Cal Grant deferred awards will be counted in the actual year in which the first Cal Grant payment is made. This will allow the number of recycled awards to be maximized.

Update from the Competitive Cal Grant Workgroup

The Institute for College Access and Success (TICAS) presented an update on the [scoring matrix models](#) at the April and June Commission meetings. The purpose of their modeling work was to analyze the impact of changing the scoring matrix to better target the awarding of Competitive Cal Grants to the most disadvantaged applicants. Of the five proposals presented, two were identified as best targeting available grants to the most disadvantaged applicants without substantially shifting the shares of likely awardees in the various college segments, or significantly decreasing the average GPA of likely awardees.

The Competitive Cal Grant Advisory Workgroup met on June 9, 2015 to review the various proposals and identify the scoring matrix that best serves the most disadvantaged applicants. After consulting with the workgroup and collecting feedback, Commission staff and TICAS identified a new scoring proposal, "Proposal F". The new proposal considered:

- More focus on financial disadvantage elements
- Supplement consideration of income with EFC
- Reduce points on the GPA
- Reserve household status points for independent single parents only
- Simplify scoring for parent education

Based on modeling performed by TICAS, Proposal F is likely to benefit many more students living in poverty, recipients of means-tested benefits, single parents, as well as more homeless and foster youth students.

On August 11, 2015 the Cal Grant Competitive Workgroup hosted a webinar with over 20 participants representing various segments. The agenda included an update and discussion on the new Competitive Scoring Matrix Proposal, and the Competitive Cal Grant Deferrals.

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Matthew La Rocque of The Institute for College Access & Success (TICAS) presented the competitive scoring matrix proposal in detail. There was a discussion period which allowed time for all participants to provide input on the new proposal. The workgroup and Commission staff agreed that the new proposal was more balanced and better identified the most disadvantaged students than the current scoring matrix.

Staff Recommendation:

Commission staff recommends that the Commission approve changing the Competitive Cal Grant scoring matrix by adopting the following proposal (F) for the 2016-17 Competitive Cal Grant selection on a trial basis:

POINT CATEGORY	Current Matrix	Proposal F
FAMILY FINANCES		
FAMILY INCOME & HOUSEHOLD SIZE (1)	380	250
EXPECTED FAMILY CONTRIBUTION (EFC) (2)		250
GRADE POINT AVERAGE (GPA) (3)	350	100
HOUSEHOLD STATUS		
STUDENT OR PARENT	90	
SINGLE INDEPENDENT APPLICANTS ONLY (4)		80
STUDENT EDUCATION / ACCESS EQUALIZER (5)	90	80
PARENT EDUCATION LEVEL		
FATHER <u>AND</u> MOTHER	90	
FATHER <u>OR</u> MOTHER (6)		80
DISADVANTAGED / SOCIOECONOMIC INDICATORS (7)		80
FAMILY / ENVIRONMENT INDICATORS (8)		80
TOTAL SCORE	1000	1000

Reasons staff supports proposal F:

1. Proposal F family income scores applicants using a function of their family income divided by the federal poverty guideline for their household size. Applicants with incomes of 0 or below receive maximum points. Applicants with incomes at or above 300% of the poverty guideline for their household size receive no points. Reduction in maximum points awarded in this category from 380 to 250.
2. New Category – Applicants with EFCs of 0 receive maximum points. Applicants with EFCs above \$5,157 (the maximum for Pell Grant eligibility for 2014-15), receive no points. Points are awarded on a sliding scale for EFCs between \$0 and \$5,157.
3. GPA scores for the current matrix uses a minimum score of 150 or greater. GPA scores for proposal F range from 0 to 100 points. This does not significantly diminish the program's recognition of merit because the TICAS analysis and testing indicated no change in the average GPA scores under Proposal F.
4. Proposal F only awards points to Independent single, separated, divorced, or widowed students with dependents. The points in Proposal F are slightly less than current methodology.
5. Proposal F uses current access equalizer methodology, with a slight reduction of points awarded.

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6. Proposal F considers the highest education of either parent to classify parent education: middle school receives full points, high school & “other/unknown” receives half points, and college receives no points. Today’s methodology awards maximum points to “other/unknown”. The points in Proposal F are slightly less than current methodology.
7. New Category – Proposal F awards full points to applicants who received any means-tested benefits: TANF, SSI, food stamps (SNAP), free lunch, or WIC; OR if they were a dislocated worker (dependent students are measured by parent variables; independent students are measured by student variables).
8. New Category - Proposal F awards full points to applicants who have been foster youth / wards of the court / orphans, homeless or at risk of becoming homeless; or are veterans/service members.

Staff will review and analyze the results of the March 2nd 2016-17 Competitive awarding and report at the June 2016 Commission meeting.

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