

Action/Information Item

California Student Aid Commission

Proposed 2007-2008 Cal Grant Selection Criteria

At the November 29, 2006 Commission meeting, Commission staff recommended the approval of the proposed 2007-2008 Cal Grant Selection Criteria. At that time, Commission staff were awaiting Department of Finance approval of the Cal Grant Income and Asset Ceiling methodology and were not able to prepare the actual income and family size matrices. The Commission approved the recommendation based on the knowledge that the Selection Criteria methodology would not change.

Staff has identified a change in the 2007-2008 Federal Needs Analysis Methodology, which is used to construct the income and family-size matrices, that would affect how independent students with dependents other than a spouse are treated. After analysis, staff has determined that 200 students could benefit if the Cal Grant Selection Criteria methodology is modified to include the change. While modifying the Selection Criteria methodology would delay the processing of Cal Grant Competitive awards by approximately a month, staff believes the benefit is sufficiently significant to justify modifying the system to reflect the change.

Recommended Action: Approve the modification of Selection Criteria methodology to treat independent students with dependents other than a spouse consistent with the Federal Needs Analysis Methodology.

Responsible Staff: Catalina Mistler, Chief
Program Administration & Services
Division

Paula Rockwell, Research Manager
Research and Policy Branch

John Bays, Chief
Information Technology Division

CONSIDERATION OF MODIFICATION OF CAL GRANT SELECTION CRITERIA

Background

The demand for competitive Cal Grant Awards has always exceeded the supply. In order to ensure that the most deserving and needy students would receive awards, the Commission is required annually to establish a set of Selection Criteria with which they could evaluate eligible applicants.

One component of the selection criteria assigns points based on the income and family size of applicants. Each year, these numbers are updated based on the Cal Grant Income Ceilings and the Expected Family Contribution (EFC) as prescribed in the Federal Needs Analysis Methodology (FM).

At the November 29, 2006 Commission meeting, Commission staff recommended the approval of the proposed 2007-2008 Cal Grant Selection criteria based on the 2006-2007 methodology. At that time, Commission staff was awaiting Department of Finance approval of the Cal Grant Income and Asset Ceiling methodology and were not able to prepare the actual income and family-size matrices. The Commission approved the recommendation based on the knowledge that the Selection Criteria methodology would not change as it has not changed in the past years.

Until this year, the FM, which is used to construct income and family-size matrices reflecting the Cal Grant Selection Criteria, used the same Income Protection Allowances for independent students with dependents other than a spouse as it did for dependent students. The remaining independent students, both married and single, shared the same Income Protection Allowances. Thus, the Commission's income and family-size matrices developed under the 2006-2007 Selection Criteria consist of two tables: one table to score dependent students and independent students with dependents other than a spouse, and the second to score single independent students and married couples without additional dependents.

However, for 2007-2008, the FM established a third set of Income Protection Allowances for independent students with dependents other than a spouse. This new set would require that a third table be added to the Grant Delivery System to apply the new allowances to these students.

Commission staff applied the 2007-2008 income and family-size criteria to the 2006-2007 applicant pool to simulate the potential impact to applicants caused by these changes in the 2007-2008 Federal Methodology. Initial findings indicate that approximately 200 independent students with dependents other than a spouse could benefit from the use of a third table. This table would allow these students to receive additional points that could give them a priority over other applicants in receiving an award, depending on the score cut-off that is set.

Implementing the third table would slightly delay the processing of the March Competitive Awards. March Competitive awards historically have been processed in late March or early April. It is projected that adding the third table to the Grant Delivery System would delay the award process to early May. Based on feedback from some institutions, awarding Competitive awards in early May will not significantly impact students.

Recommendation

Approve the modification of Selection Criteria methodology to treat independent students with dependents other than a spouse consistent with the Federal Needs Analysis Methodology.