
10.a

Action/Information Item

California Student Aid Commission

Consideration of Funding for a Public Awareness Campaign and California Cash for College Campaign for the 2007-08 Academic Year

At the direction of the Commission at its February 23, 2007 meeting, Commission and EDFUND staff reviewed expenditures from the \$25 million earmarked for the Commission's Comprehensive Outreach Plan. Commission and EDFUND staff arrived at differing conclusions in regard to the expenditure process and amount remaining for expenditure. The process and remaining amounts are provided in the *History of Public Awareness Campaign Funding* paper and chart enclosed in Tab 10.a.1.

If the Commission agrees with CSAC staff's analysis of the original intent "to initiate the process to support a three-year outreach campaign" as presented in the chart included in this Tab, then \$2.5 million remains in the original earmarked \$25 million.

Staff is requesting that \$2.2 million of the remaining outreach funds be used to extend funding for the Cal Grant Public Awareness Campaign and California Cash for College program. The funding extension will provide for year-round Campaign and program activities through 2007 and into 2008 for the 2008-09 Cal Grant application process. The requested funding extension is in response to suggestions from the Commission's Outreach Committee and stakeholders that the Campaign and program be in effect year-round.

Recommended Action: The Commission is asked to approve the use of \$2,206,500 in outreach funding beginning April 2007 as follows:

1. \$1,719,000 for the 2008-09 Cal Grant Public Awareness Campaign and the amendment of the contract with Runyon, Saltzman and Einhorn for this purpose; and,
2. \$487,500 for the 2008-09 California Cash for College program, including the amendment of the CCFC contract for this purpose.

Responsible Staff:

Tom Mays, Director
Public Affairs Branch

Janet McDuffie, Chief
Management Services Division

Cheryl Lenz, 2007 Campaign Coordinator

Despina Costopoulos, Statewide Coordinator
California Cash for College

**History of the Public Awareness Campaign Funding
and the \$25 million Earmarked for the Comprehensive Outreach Plan**

At the direction of the Commission at its February 23, 2007, meeting, Commission and EDFUND staff reviewed expenditures from the \$25 million earmarked for the Commission's Comprehensive Outreach Plan. Commission staff provided EDFUND staff with copies of the minutes of prior Commission meetings that include the Motions passed by the Commission in regard to the \$25 million. The attached chart presents a summary of these Commission Motions.

EDFUND staff has indicated that their accounting records include all funding for the Cal Grant Public Awareness Campaign as expended from the \$25 million. After having reviewed the Commission minutes, EDFUND staff questioned the intent of the Commission's actions in regards to the funding source for the various activities. EDFUND staff indicated that even though the Commission Motions did not specifically indicate that the Public Awareness Campaign was always to be funded from the \$25 million, it was appropriate to charge these costs to the \$25 million. The "EDFUND Staff" funding column indicates that the Commission's Motions resulted in more than \$25 million being spent on the outreach plan. EDFUND staff has asked the Commission to clarify its intent as to whether or not the Public Awareness Campaign funds were to be budgeted from the \$25 million earmarked for the Commission's Comprehensive Outreach Plan.

Commission staff notes that the minutes clearly indicate the Commission's Motions in regard to the \$25 million. As noted in the chart, the Commission specifically identified when the Public Awareness Campaign was to be funded from the \$25 million and when it was not. The "CSAC Staff" funding column indicates that approximately \$2.5 million remains from the \$25 million earmarked for outreach.

**HISTORY OF PUBLIC AWARENESS CAMPAIGN FUNDING AND
THE \$25 MILLION EARMARKED FOR A COMPREHENSIVE OUTREACH PLAN**

DATE	SUMMARY OF COMMISSION ACTIONS	\$25 Outreach Funding		COMMISSION MINUTES
		CSAC Staff	EDFUND Staff	
01/24/03	<ul style="list-style-type: none"> Approval of \$25 million to initiate the process in support of the Comprehensive Outreach Plan. 	\$25.0 million budget established	\$25.0 million budget established	<ul style="list-style-type: none"> The Outreach Committee recommended earmarking \$25 million to initiate the process to support a three-year outreach campaign was presented. On MOTION by the [Outreach] Committee, and CARRIED, the Commission approved the recommendation to earmark \$25 million to initiate the process to support a three-year outreach campaign.
06/20/03	<ul style="list-style-type: none"> Approval of \$3 million for the Public Awareness Campaign (PAC), with \$1 million specifically from the \$25 million for the Comprehensive Outreach Plan. 	\$25.0 million budget established - 1.0 million for PAC \$24.0 million remaining	\$25.0 million budget established - 3.0 million for PAC \$22.0 million remaining	<ul style="list-style-type: none"> The [Outreach] Committee began discussion on ways to spend the \$2 million allocated to pay for the core items of the entitlement campaign and identified priorities for spending an additionally requested \$1 million. On MOTION by the [Outreach] Committee and CARRIED, the Commission approved the Public Awareness Campaign of \$2 million for the Entitlement Program for 2003-04 augmented by \$1 million, of the \$25 million earmarked for social marketing, for a total of \$3 million.
12/03/03	<ul style="list-style-type: none"> Approval of \$7.1 million for Phase-I of the Comprehensive Outreach Plan. Funding taken from the \$25 million earmarked for the Comprehensive Outreach Plan. 	\$24.0 million balance - 7.1 million Phase 1 \$16.9 million remaining	\$22.0 million balance - 7.1 million Phase 1 \$14.9 million remaining	<ul style="list-style-type: none"> On MOTION by the [Outreach] Committee and CARRIED, the Executive Committee APPROVED the Comprehensive Outreach Plan including the \$7.1 dollar amounts stated unanimously.
06/24/04	<ul style="list-style-type: none"> Approval of \$3 million for the Public Awareness Campaign. Approval of \$8.2 million for Phase-II of the Comprehensive Outreach Plan. Funding taken from the \$25 million for the Comprehensive Outreach Plan. 	\$16.9 million balance - 8.2 million Phase II \$ 8.7 million remaining	\$14.9 million balance - 8.2 million Phase II - 3.0 million PAC \$ 3.7 million remaining	<ul style="list-style-type: none"> On MOTION by the [Outreach] Committee, SECONDED and CARRIED, the Commission approved the Public Awareness Campaign for 2004-05 as presented and, authorizes a \$3 million maximum contract amount for the period of October 1, 2004 to September 30, 2005 to be included in the EdFund Budget for 2004-05. On MOTION by the [Outreach] Committee, SECONDED and CARRIED, the Commission approved the efficacy of Phase II with the assumption that favorable progress reports come forward from the Request for Proposal recipients, and that they are reviewed by the Executive Director to see if she feels progress is being made.

**HISTORY OF PUBLIC AWARENESS CAMPAIGN FUNDING AND
THE \$25 MILLION EARMARKED FOR A COMPREHENSIVE OUTREACH PLAN**

DATE	SUMMARY OF COMMISSION ACTIONS	\$25 Outreach Funding		COMMISSION MINUTES
		CSAC Staff	EDFUND Staff	
7/27-28/05	<p>• Approval of \$6.5 million for Phase-III of the Comprehensive Outreach Plan, including \$1 million to supplement the Public Awareness Campaign. Funding taken from the \$25 million for the Comprehensive Outreach Plan.</p> <p>Note: The total funding for the Public Awareness Campaign was \$2 million.</p>	<p>\$ 8.7 million balance - 5.5 million Phase III - 1.0 million PAC \$ 2.2 million remaining</p>	<p>\$ 3.7 million balance - 5.5 million Phase III - 2.0 million PAC \$-3.8 million overspent</p>	<ul style="list-style-type: none"> • The MOTION to approve funding for Phase III of the Campus and Agency Partnership in the amount of \$2,855,800.00, MOVED and SECONDED, was APPROVED by roll call vote. • The MOTION to approve funding for Phase III of the In Class Instruction in the amount of \$2,074,271, MOVED and SECONDED, was APPROVED by roll call vote. Comm. McClain ABSTAINED. • The MOTION to approve funding for Phase III of the Fill Out the FAFSA program in the amount of \$580,000.00, MOVED and SECONDED, was APPROVED by roll call vote. • The MOTION to approve funding for Phase III of the Supplement Public Awareness Campaign funds in the amount of \$1,000,000.00, MOVED and SECONDED, was APPROVED by roll call vote. • The MOTION to approve funding for Phase III of the Outreach Summit in the amount of \$45,000.00, MOVED and SECONDED, was APPROVED by roll call vote. Additionally, Comm. Levine included for the record the invitation to the larger outreach grantees to present their programs, including those with a parent component, to the Commission at a future meeting.
09/08/05	<p>• Approval of \$1.0 for Transcript Evaluation Services (TES), to be taken from the \$25 million for the Comprehensive Outreach Plan.</p>	<p>\$ 2.2 million remaining - 1.0 million for TES \$ 1.2 million remaining</p>	<p>\$-3.8 million overspent - 1.0 million for TEC \$-4.8 million overspent</p>	<ul style="list-style-type: none"> • On MOTION by Commissioner Furay, SECONDED by Commissioner Baltodano and CARRIED, the Commission approved funding of the Transcript Evaluation Services for another year in the amount of \$1,010,000.
06/23/06	<p>• Approval of \$2.5 million for the Public Awareness Campaign and California Cash for College Campaign, to be taken from the \$25 million for the Comprehensive Outreach Plan.</p>	<p>\$ 1.2 million remaining 3.8 million unallocated - 2.0 million for PAC - .5 million for Cash for College \$ 2.5 million remaining</p>	<p>\$-4.8 million overspent 3.8 million unallocated - 2.0 million for PAC - .5 million for Cash for College \$- 3.5 million overspent</p>	<ul style="list-style-type: none"> • On MOTION by Commissioner Furay, SECONDED and CARRIED, the Commission unanimously approved by Roll Call Vote, \$2,580,000 in funding for the 2006-2007 Public Awareness Campaign and California Cash for College.

**Consideration and Approval of Outreach Funding for the
2008-09 Cal Grant Public Awareness Campaign and
California Cash for College Program**

Commission Staff Recommendation:

The Commission's Public Affairs Branch is recommending that the Commission approve \$2,206,500 from the Student Loan Operating Fund (SLOF), effective April 2007, to fund an early jump-start to the 2008-09 Cal Grant Public Awareness Campaign and California Cash for College (CCFC) program. This request would draw from the remaining \$25 million budget earmarked from the SLOF for the Commission's Comprehensive Outreach Plan, including the annual public awareness campaign, CCFC program and grantee funding. Commission staff also recommends that this funding be used to support amendments to the existing CCFC and Runyon, Saltzman and Einhorn contracts to allow a seamless transition to the 2008-09 Cal Grant Public Awareness campaign and CCFC effort.

The new budget total is approximately \$283,500 lower than last month's estimate, when the item was first placed before the Commission for consideration. This more modest estimate is our attempt to trim costs in light of concerns expressed by EDFUND about its annual budget due to changes at the federal level. Cost savings were realized by increasing internal staff support to supplement contractor expenditures, and by bringing the CCFC coordinator position into civil service.

The Commission's accounting staff and the EDFUND accounting staff have arrived at differing conclusions in regard to the amount of funds remaining from the initial, earmarked \$25 million for Commission outreach activities. These differences are discussed in the *History of the Public Awareness Campaign Funding* documentation included in this Tab 10.a.1.

Critical Funding Need:

Unlike other state agency publicity campaigns, the Commission is reliant on the yearly SLOF contributions in support of the campaign and CCFC program which directly support the Commission's mission to maximize student access to financial aid. Reports show that many California students and families, especially those from underrepresented populations, are unfamiliar with financial aid options – especially those grant programs offering “free cash” that does not have to be paid back. Consequently, they fail to take advantage of California's Cal Grant program and miss the next step toward post- secondary education.

The consequences of not funding are significant: California now ranks 40th in the nation for high school students going directly to college. Only 35 percent of high school freshmen are projected to enroll in college within four years, as compared to 53 percent

among the top states. If current trends continue, California's income will fall below the U.S. average by 2020. Meanwhile, in 2006-07 the campaign has helped more than 300,000 students file for nearly \$900 million in Cal Grant awards, and has helped the CCFC workshops grow by more than 40 percent – more than 400 workshops statewide in 2007 – in just the last year. Those figures would be expected to climb, with continued funding – and would hopefully help reverse the state's negative trends in college-going rates. It is a proven fact that Cal Grants keep students moving forward with their education after high school graduation. More than 90 percent of Cal Grant recipients attending 2- or 4-year schools re-enroll for a second year.

Justification:

Prior funding for the Cal Grant Public Awareness Campaign and California Cash for College program coincided with EDFUND's fiscal year of October 1 through September 30. However, the Commission has been criticized over the last few years by many key stakeholders – including Cal-SOAP directors, high school counselors, EDFUND grantees, Cash for College Advisory Committee members, and CASFAA-CCCSFAAA leadership – for starting the Campaign too late each year. The delayed start inherently causes a “ripple effect” that results in delays in development, implementation and delivery of collateral and online materials to local financial aid workshops and high school activities such as financial aid nights in the fall and beyond, the impacts of which are felt by the entire financial aid information delivery system in the state. In effect, by funding these efforts far into implementation timeframes the outreach investment has less impact.

The requested \$2.2 million would cover April 2007 to March 2008, the month of the yearly 2008 Cal Grant application deadline. Amending the existing contract with Runyon Saltzman and Einhorn and CCFC will allow for the continuity of public awareness activities and year-round planning for CCFC. Commission staff believes that both efforts would involve relatively simple contract amendments, and would not require time-intensive requests for proposals that would delay the implementation of the 2008-09 campaigns.

Staff anticipates that portions of the \$2,206,500 would be expended during the 2006-07 and 2007-08 EDFUND fiscal years. The funding may be allocated as follows:

- Approximately \$1,719,000 to fund the existing, ongoing Cal Grant Public Awareness campaign contract; and
- Approximately \$487,500 to fund the California Cash for College program.

Benefits:

Commission staff is pleased that the state budget shows a continued upturn in Cal Grant awards, reflecting a direct correlation between continued publicity efforts and financial aid availability for California high school seniors, recent graduates and other non-traditional students. This year alone, there will be nearly 400,000 high school graduates weighing post-secondary education opportunities, and continued communications and outreach efforts are needed to support the Commission's mission of ensuring maximum access to financial aid for an education after high school.

By shifting the start of the campaign to April 2007, rather than the fall as in previous years, numerous strategic objectives can be achieved:

- Financial aid advisors at college campuses and high school counselors will receive collateral materials (the College Cash Box) before their actual financial aid events which run in October and November. This greatly benefits financial aid night organizers in informing families about upcoming events to help them file for financial aid. In 2006-07, 50,000 students failed to complete both application forms.
- Campaign radio and television spots can run earlier and longer, drawing more attention to the “apply” message. The campaign will use the same creative with minor revisions, resulting in a significant cost savings.
- “College Cash Crew” members (former Cal Grant recipients hired through the campaign to promote the Cal Grant application cycle,) will have additional time to make local appearances urging their peers to apply.
- The early start time will relieve the stress imposed on our limited internal resources by allowing staff and management more time to plan, develop and implement campaign materials and activities.
- The additional publicity window will support the state’s effort to improve low college-going rates as outlined previously, and support the Commission’s mission.
- The earlier window will continue to strengthen and expand our corporate and community partnerships, and benefit the Commission’s relationships with its education partners by addressing the chronic complaints of lateness expressed by our key stakeholders in the financial aid community.
- The new April start time fully supports the Commission’s objective to implement a “year-round” campaign that not only promotes the March 2 Cal Grant application deadline, but other important efforts including earlier outreach, the community college “I Can Afford College” spring campaign, and the September Cal Grant filing window.
- Continuing the current “Ticket to Success” branding will further streamline the impact of campaign messaging and will result in additional cost savings.

Recommended Action:

Commission staff strongly encourages the Commission to approve the use of \$2,206,500 in outreach funding beginning April 2007, as follows:

1. \$1,719,000 for the 2008-09 Cal Grant Public Awareness Campaign and the amendment of the contract with Runyon, Saltzman and Einhorn for this purpose; and,
2. \$487,500 for the 2008-09 California Cash for College program, including the amendment of the CCFC contract for this purpose.