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# 7.b

## Information/Action Item

### *California Student Aid Commission*

Consideration of a recommendation to the Governor to revise the funding allocation in the federal College Access Challenge Grant application to augment outreach activities, and update on a request to the United States Department of Education for a waiver from the requirement for maintenance of effort for higher education funding by states

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The federal College Access Challenge Grant (Challenge Grant) funding supports three highly successful, critical initiatives that reach thousands of underrepresented students: the California Student Opportunity and Access Program (Cal-SOAP), California Cash for College, and the Assumption Program of Loans for Education (APLE). The Governor's proposed budget anticipates the continued use of the Challenge Grant funds for these programs.

As indicated during your February 25, 2012 meeting, we are providing an update on critical issues regarding the Challenge Grant funding.

#### Maintenance of Effort / Waiver Requirement

To ensure that states expand services rather than use federal funds to displace state spending, the Challenge Grant program has two Maintenance of Effort (MOE) requirements for providing funding to public institutions of higher education and for financial aid for students attending private institutions of higher education. States are required to provide financial support each year for each of these requirements that is equal to the average amount provided over the five preceding state fiscal years.

We obtained funding data from the University of California, California State University and the California Community Colleges. Based on this data, California does not meet the MOE requirement regarding funding for public institutions of higher education.

States can submit a waiver request to U.S. Department of Education's (USED) when they do not meet the MOE. USED guidelines (Tab 7.b.1) indicate states should submit a waiver request "outlining the exception or uncontrollable circumstances that prevented the State from maintaining its support for higher education." Such circumstances include "a precipitous and unforeseen decline in a State's financial resources." In determining whether a waiver should be granted, USED "examines whether the reductions in support for public and private institutions were less than or equal to the percentage reduction in overall appropriations."

We have submitted a letter (Tab 7.b.1) to the Department of Finance (DOF) regarding the need for a waiver, a copy of the waiver guidelines and our offer of assistance in drafting the waiver request. We are working with DOF staff to finalize the overall state

appropriations and are drafting a waiver request letter. We will provide updated information on the waiver at the meeting.

The waiver request must be submitted by the State's Budget Officer (the Director of DOF) to USED by May 15, 2013. USED decisions regarding the approval of the waiver are typically provided in conjunction with the 2013-14 Challenge Grant Award announcements in August.

Losing the funding will gut proven programs and devastate the higher education prospects for thousands of students. Therefore, we are recommending letters be sent to California's congressional delegation requesting support for our waiver request.

### Sequester Impact on 2013-14 Challenge Grant Funding

USED has notified us that the Sequester will result in a 5.1% reduction in the overall funding for the Challenge Grant in 2013-14. The Challenge Grant is currently funded at \$150 million and will be reduced by \$7.65 million to \$142.35 million. The award amount for each state is based on a formula and there is a minimum of 1% for each state. We currently receive approximately \$15 million annually. So, we expect our 2013-14 award amount will be reduced to about \$14 million. USED has not yet released the revised state amounts.

Federal funds were appropriated for the Challenge Grant for two years beginning in 2008-09. We received approximately \$7.2 million in 2008-09 and 2009-10. In 2010-11, the program was funded for five years (through 2014-15) and funding was doubled. We've receive approximately \$15 million annually.

Due to the amount of funds available the first two years, the Challenge Grant funding was initially used only for Cal-SOAP and Cash for College. Funding increased in 2010-11 and the additional funds were used to offset a portion of the General Fund appropriation for the APLE program. This resulted in an annual budget-saving measure of \$7.2 million during a period when the General Fund revenues had significantly decreased. In 2011-12, a \$460,000 Challenge Grant funding reduction was absorbed by Cal-SOAP.

Appropriating Challenge Grant funds for APLE was a General Fund budget-saving measure. It now may be appropriate to return APLE support to the General Fund so that the State's application for 2013-14 Challenge Grant funding can broaden activities to more closely align with federal priorities.

We recommend that the 2013-14 Challenge Grant funding proposed for the APLE program be reduced to absorb the sequester funding reduction.

### 2013-14 Challenge Grant Application

States must apply annually for Challenge Grant funding. The application deadline is typically around June 30<sup>th</sup>. We typically draft the application and send it to the Governor's Office for review. The application provides information on how the funds will be used and the goals expect to be achieved.

Authorized uses of the Challenge Grant are:

- Provide information to students and families re: postsecondary education and career preparation;
- Promote financial literacy and debt management; conduct outreach activities; assist students in completing the FAFSA;
- Provide need-based grant aid;
- Conduct professional development for guidance counselors at middle and secondary schools, financial aid administrators, and college admissions counselors; and
- Offer student loan cancellation or repayment or interest rate reductions for borrowers who are employed in a high-need geographical area or a high need profession. (Funds cannot be used to promote any lender's loans.)

A key performance indicator for the program is the number of students completing the Free Application for Federal Student Aid (FAFSA).

Prior year applications have been fundamentally the same containing information and goals for Cal-SOAP, Cash for College and APLE. A copy of the 2012-13 Challenge Grant application is provided in Tab 7.b.2

Challenge Grant funding is the critical linchpin for California's highly successful outreach efforts and there is still a tremendous need for higher education and financial aid information to be provided to California students. We are recommending that we strengthen our Challenge Grant application so the Challenge Grant funding can broaden our activities to more closely align with federal priorities. President Obama has called for:

- Institutional accountability for keeping higher education affordable;
- Tying federal financial aid to educational value;
- More directly connecting higher education to career paths; and
- Greater transparency so students/families can make better choices

For the past three years, the Governor has requested the same level of support for Cal-SOAP, California Cash for College and APLE. We are recommending that the Commission consider making recommendations to the Governor regarding changing the distribution of funding.

In March, we consulted with representatives from Cal-SOAP Project Directors and the Cash for College advisory board to discuss the 2013-14 Challenge Grant application. We discussed our thoughts on how to strengthen our application and more closely align activities to federal priorities. The attendees were asked to report back to their

counterparts and provide additional feedback to us in early April. We will report on their feedback at the meeting.

Provided below are some of our suggestions for additional activities that could be funded from the Challenge Grant.

#### Follow-up assistance

Fewer high school counselors are available to assist students after submitting the Free Application for Federal Student Aid. Our Cash for College student surveys indicate that 75 percent of the students attending a Cash for College workshop had little or no previous knowledge of how to apply for financial aid. Follow-up phone calls to these students were needed to ensure they completed the Cal Grant application process by submitting a GPA Verification Forms and creating a WebGrants for Students account to access their Cal Grant award status. Additional follow-up is needed to help students to enroll and attend college. This funding could be used to develop the following a chat platform to provide follow-up assistance.

Each year, limited "After the Deadline Assistance" has been provided using electronic, interactive methods such as CollegeWeek Live events and in person assistance. To be successful, students must take critical steps to ensure they receive their federal and state aid, learn how to compare financial aid award offers and provide financial literacy for first time students. Funding is needed to continue and expand After the Deadline Assistance.

Governor Brown signed the Student Success Act of 2012, in part, to restructure the way student support services are delivered to improve the assistance that students receive at the beginning of their educational experience. Many of the Cal-SOAP projects provide services to California Community College (CCC) students through the Transfer Making It Happen model and could expand services to align with this new law.

#### Statewide Data Platforms

We are in the process of developing a Success Dashboard to provide automatically generated annual data for all to see progress and performance at a school by school, district by district and county by county view. We are in the initial phase of this development using funding from ECMC and will need additional funding for enhancements.

We have been working with high school districts who don't have student social security numbers to provide district-wide uploads of student GPAs so we can match the records to FAFSA submissions for the Cal Grant Program. We need additional funding to expand WebGrants to provide school districts access to the Cal Grant awards for students in their districts.

#### Earlier & Targeted Outreach

California male student populations, especially African American and Latino, are pursuing education and career training at lower rates than other males and females. Specific, targeted outreach material and activities are needed for this population as well as materials and online training for middle school outreach.

We will provide recommendations for changing the Challenge Grant application at the meeting that incorporates the information provided by the Cal-SOAP Project Directors and the Cash for College advisory board.

As these activities will require new resources, we are recommending that the portion of Challenge Grant funding proposed in the Governor's 2013-14 budget be reduced to fund these activities.

**Recommended Action(s):** Recommend the Commission take the following actions:

- Submit a recommendation to the Governor to file a request with USED for a waiver from the Maintenance of Effort requirements for Challenge Grant eligibility.
- Authorize staff to send letters to the California congressional delegation asking for support of California's waiver request.
- Submit a recommendation to the Governor to make changes to the 2013-14 Challenge Grant application as presented by staff at the April 25-26, 2013 Commission meeting.
- Submit a recommendation to the Governor that the 2013-14 Challenge Grant funding proposed for the APLE program be reduced to absorb the sequester funding reduction and to fund the new activities being proposed for in the 2013-14 Challenge Grant application.

**Responsible Person(s):** Janet McDuffie, Chief  
Administration & External Affairs



STATE OF CALIFORNIA  
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March 18, 2013

Mr. Nick Schweizer  
Program Budget Manager  
Department of Finance  
915 L Street, 7<sup>th</sup> Floor  
Sacramento, CA 95814

Dear Mr. Schweizer:

I am writing to request the Department of Finance's assistance in preparing a Maintenance of Effort waiver request for the federal College Access Challenge Grant (CACG) program. At stake is funding that the California Student Aid Commission has used since 2008 as the linchpin for California's higher education outreach strategy. The \$15 million in CACG funds enable the Commission and its partners to assist thousands of disadvantaged students and their families to understand their higher education options and complete the financial aid forms necessary for them to enroll in college. The CACG funds also support the continuing APLE loan assumptions that are already in the pipeline.

Federal Maintenance of Effort (MOE) standards for continued CACG funding require the State to maintain the level of funding for higher education each fiscal year. Initial general figures indicate that, for the first time in the Budget Act for 2011, the State did not maintain its level of funding for higher education from the previous five year average. The State will not qualify for its share of CACG funds in 2013-14 unless it files, and the United States Department of Education approves, a request for a waiver from this MOE standard. **The loss of these funds will gut all of our outreach efforts.** Coupled with the diminishing number of high school counselors, the result will be devastating for California's most vulnerable students.

We have been assigned in previous years to draft the annual application for CACG funding on behalf of the State, so we are prepared to draft the waiver request. However, we are unable to draft a compelling case for the waiver without your technical assistance – and speed is critical. We need your assistance in identifying the data that will position the State to win a waiver by showing that even during our gravest fiscal crisis, the State continued to demonstrate a deep commitment to college access and affordability for all students. The U.S. Department of Education's process is rigorous and data-driven, so our waiver request must be air-tight to be successful. In 2012, 24 states sought waivers and only 10 were granted. The attached document provides guidance on the MOE and waiver requests.

The State's waiver request must be submitted by May 15, 2013. Prior to that, our draft of the waiver will need to be reviewed and approved by our Commissioners at their April meeting, before we submit the draft to the Governor's Office for review, approval and ultimate submission to the federal government. **To ensure that the Governor's Office has sufficient time, we respectfully request that the Department of Finance provide us with the necessary data by the end of March.**

I have asked Janet McDuffie on my staff to work closely with the Department of Finance as you develop the necessary data. She will contact you shortly to follow up on this letter. Thank you.

Sincerely,



Diana Fuentes-Michel  
Executive Director

Enclosure

CC: Ms. Camille Esch, Principal Education Policy Consultant, California State Board of Education  
Mr. John R. McDowell, Jr., Chairman, California Student Aid Commission  
Ms. Michele Siqueiros, Chair, Strategic Policy & Planning Committee, California Student Aid Commission

## Attachment to March 18, 2013 Letter to Mr. Nick Schweizer

**COLLEGE ACCESS CHALLENGE GRANT (CACG) PROGRAM  
MAINTENANCE OF EFFORT (MOE) REQUIREMENTS  
and WAIVER REQUESTS**

(January 2013)

*The Office of Postsecondary Education issues this guidance to provide States with information about maintenance of effort requirements and waiver requests under the College Access Challenge Grant program. This guidance represents the Department's current thinking on these topics. It does not create or confer any rights for or on any person. This guidance does not impose any requirements beyond those required under applicable law and regulations. If you are interested in commenting on this guidance, please e-mail us your comment at [CACGP@ed.gov](mailto:CACGP@ed.gov) or write to us at the following address: 1990 K Street, N.W., Washington, DC 20006.*

**A. GENERAL<sup>1</sup>**

**1. What are the maintenance of effort (MOE) requirements associated with the College Access Challenge Grant (CACG) Program?**

Section 137 of the Higher Education Act of 1965, as amended (HEA), requires that States provide financial support for higher education at least at a level equal to the average amount provided over the five preceding State Fiscal Years (SFYs) for public institutions of higher education (public institutions), excluding capital expenses and research and development costs, and for financial aid for students attending private institutions of higher education (private institutions). This MOE provision is one of several similar provisions in programs administered by the U.S. Department of Education (the Department). These provisions create incentives for States to maintain a commitment to funding education by tying maintenance of State financial support to eligibility for Federal education funds. In the case of the HEA MOE provision in particular, the intent is to discourage States from decreasing funding for higher education and passing additional costs onto students seeking postsecondary degrees and certificates, and to reward States that make higher education funding a priority.

**2. What are the consequences for failing to maintain financial support for higher education?**

Section 137 of the HEA states that if a State fails to maintain financial support for higher education and does not receive a waiver of the MOE requirements, the Secretary must withhold all funds that would be available to the State through the CACG Program. The statute permits the Secretary to award CACG funds to a State that has failed to maintain financial support for higher education and has not received a waiver of the requirements *after* it has made significant efforts to correct the violation. (See section D in this document for more information.)

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<sup>1</sup> This guidance addresses only the MOE requirement and the related waiver request process. For information about the CACG Program, visit [www.ed.gov/programs/cacg](http://www.ed.gov/programs/cacg).

## Attachment to March 18, 2013 Letter to Mr. Nick Schweizer

**3. What happens if a State maintains support for public institutions but not for private institutions, or vice versa?**

In order to receive its CACG award, a State must maintain financial support for both public *and* private institutions. A State that fails to maintain financial support for either public or private institutions, or both, will not receive its CACG award, absent receiving a waiver of the MOE requirements or making a significant effort to correct the violation.

**B. CALCULATING STATE MAINTENANCE OF EFFORT UNDER THE HEA****1. How does a State document that it has met the MOE requirements?**

States are required to provide the Department with information on State appropriations and support for higher education in Part 1 of the Annual Performance Report (APR) for the CACG program, which is due each year by May 15. The data submitted in the APR must be certified as accurate by the State's Budget Officer. The APR is available on the CACG Web site: <http://www2.ed.gov/programs/cacg/performance.html>.

Each State that receives CACG funds or intends to apply for CACG funds for the upcoming fiscal year is required to complete its APR and provide data on State support for public and private institutions, regardless of whether it believes it has met the MOE requirements. This information must be reported for the relevant SFY and the five preceding fiscal years. For example, for the Federal fiscal year (FFY) 2012 APR, which States must submit by May 15, 2013, the relevant year is SFY 2012. The State's 2012 APR must include information on the support provided for higher education in SFYs 2007 through 2012. The Department will assess the State's MOE by comparing its support for higher education in SFY 2012 to the average support provided in SFYs 2007-2011. Please note that APRs will include data that a State has previously submitted in prior years' APRs in order to calculate the five-year average. Levels of support reported by States should be consistent with information provided in prior years' APRs. If a State submits information for a particular year that is different from what the State reported for that year in previous APRs, it must explain why the data differ.

**2. When the APR refers to "fiscal year 2012," what period of time is being considered?**

The Department refers to fiscal years by the calendar year in which the budget period ends. Therefore, "fiscal year 2012" refers to the fiscal year that spans 2011-2012. Maintenance of effort data submitted by States should be consistent with this approach (e.g., data reported for SFY 2012 should reflect the 2011-2012 fiscal year).

**3. When calculating State support for public institutions, does a State need to include funds made available for scholarships and financial aid?**

Yes. In calculating State support for public institutions, section 137 of the HEA only excludes funds made available for capital expenditures and research and development. Therefore, the calculation of State financial support must include all funds the State made available for financial aid for students attending public institutions.

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**4. What information must a State report about private institutions?**

Section 137 requires a State to provide information about the State appropriations for student financial aid at private non-profit institutions.

**5. When calculating State support for higher education, should States include support for tribal colleges?**

Yes. Any State support for institutions of higher education,<sup>2</sup> including support for tribal colleges, should be included.

**6. Should the State include financial aid made available to students attending proprietary (for-profit) institutions?**

No. Section 137 of the HEA specifically refers to assistance provided to “institutions of higher education” (IHEs), which is defined in section 101(a) of the HEA as public or other non-profit institutions. Accordingly, States are only required to maintain support for and report on financial aid made available to students attending private non-profit institutions. If a State appropriates student financial aid for private institutions but does not preclude students from using their State financial aid at proprietary institutions, the State does not have to, but may, exclude funding awarded to students attending proprietary institutions. However, reporting must be consistent across all SFYs.

**7. How does a State calculate financial aid for public versus private institutions when funding follows the student? In other words, what should a State do if it offers scholarships or grant programs that students may use to attend either public or private schools? In such cases, the State does not control the level of student aid provided to public versus private institutions.**

If a State does not have an appropriation for student financial aid designated specifically for use at private institutions, the State should report actual student financial aid expenditures at these institutions. For example, if a State made \$25 million in total financial aid available in a particular SFY and \$10 million was used by students at private institutions, the State should identify its State financial support as \$10 million for financial aid for students attending private non-profit institutions and \$15 million for students attending public institutions. However, if, in future years, that \$25 million is used differently than in past years through student choice (e.g., \$20 million used by students to attend private non-profit institutions and \$5 million used by students to attend public institutions) in a way that prevents the State from meeting its MOE obligation for private institutions, the Department will consider the aggregate level of financial aid *made available* to students to attend private non-profit institutions in determining whether a State is deserving of a waiver of the MOE requirement for private non-profit institutions. That

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<sup>2</sup> For purposes of the CACG Program, an institution of higher education is an educational institution as defined in section 101 of the HEA.

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is, the Department will not penalize States that fail to meet the MOE requirement for private non-profit institutions as a result of student choice. States that appropriate financial aid funds without regard to the type of institutions its students attend, but that can demonstrate they made as much or more overall financial aid *available* to the students in their States, as compared to the five-year average, will be treated favorably in the waiver process. Therefore, if a State appropriates dollars for financial aid in a manner that allows students to use that aid without regard to the type of institution they attend, the State should indicate in its APR the total amount of funds made available for financial aid and disaggregate the levels of support for students attending public versus private non-profit institutions.

**8. If a State makes financial aid available to students attending schools in other States, should those funds be included in the State's calculations?**

No. Section 137(a) of the HEA specifically indicates that the calculation of a State's financial support is restricted to assistance provided to IHEs within the State.

**9. If a State provided financial aid to students through a program that ended prior to the SFY that is under review (but during the five-year period considered for the purposes of calculating MOE), should those funds be counted?**

Yes. The Department considers all State funds that were provided to support higher education in the SFY that is currently being assessed for MOE and the five preceding SFYs, regardless of whether the program still exists.

**10. For States with biennial budgets, how should State support be calculated?**

A State with a biennial budget may report its data by the biennium if it believes that doing so will more accurately demonstrate the level of State support for higher education. In that instance, a State should report data on the biennium including the year for which State effort is being assessed and the three preceding biennia. For example, if the relevant year for the APR is 2011, a State should report on the 2009-2011 biennium in addition to the 2003-2005, 2005-2007, and 2007-2009 biennia.

**11. If a State reports data on a biennial basis one year, can the State report on an annual basis in a subsequent year?**

Generally, a State should not alternate between annual and biennial budget years to calculate its level of financial support for higher education. However, if a State believes that changing its reporting would be more accurate, it should submit data in both forms to the Department along with an explanation for why the State wishes to change its calculation method.

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**C. STATE FISCAL STABILIZATION FUNDS****1. Can a State include State Fiscal Stabilization Funds (SFSF) in its calculation of State financial support?**

For purposes of calculating State financial support for higher education, the Department will allow States to count SFSF funds that were used for higher education in their calculations for public institutions.<sup>3</sup> However, the State must indicate in its APR that it included such funds in its calculation, state the amount of those funds so counted, and certify that those funds were not used for capital expenses or research and development costs. The State must also indicate that those funds have not been previously counted as State support for higher education. The State cannot use or count SFSF-Education funds for support to private institutions but may count SFSF-Government Services funds that were used to support financial aid for students attending private institutions.

If a State elects to use SFSF funds in its calculation of State financial support for public institutions, that level of funding must be used in future years in determining the average amount of financial support for the preceding five SFYs.

**2. Does a State have to include support for higher education that was provided out of SFSF funds in its calculation of State financial support for public institutions?**

No. A State may decide whether or not to include all, some, or none of the support it provided for higher education out of SFSF funds as State support for purposes of meeting the HEA MOE requirements. However, if a State elects to count SFSF funds to meet its MOE requirements in a certain year, those SFSF funds must be included in all future MOE calculations that include that year.

**3. Can SFSF funds be used to meet MOE for private institutions?**

SFSF-Education funds can only be used to support public education, and therefore cannot be used to support financial aid to students attending private institutions. However, there is no such restriction on SFSF-Government Services funds, which may be used to support financial aid for students attending private institutions. The State may therefore include SFSF-Government Services funds that are used to support financial aid for students attending private non-profit institutions in its MOE calculation for private non-profit institutions.

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<sup>3</sup> The SFSF Program has two components: the Education Stabilization Fund and the Government Services Fund. States must use Education Stabilization Funds to restore State support for elementary and secondary education, public higher education, and, as applicable, early childhood education programs and services. States must use the Government Services Fund for public safety and other government services, which may include assistance for elementary and secondary education and public IHEs, and for modernization, renovation, or repair of public school facilities and IHE facilities.

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**4. If a State uses SFSF funds to meet MOE, should those funds be reported in the APR?**

Yes. States should indicate in the APR the amount of SFSF funds included in the total appropriation. A State only needs to count the minimum amount of SFSF funds required to meet MOE (since counting excess funds will increase the five-year average used to determine whether a State has met MOE in future years). For example, if a State appropriated \$400 million in State funds and \$150 million in SFSF funds to support public institutions, but only needed \$500 million to meet MOE, the State could report \$500 million in support (\$400 million State and \$100 million SFSF) in its APR. The State would not be required to report the full \$550 million in its APR.

**5. Where does a State indicate in the APR whether SFSF funds are included?**

The APR does not specifically request this information. Therefore, States should add a note in the MOE section of the APR indicating the amount of SFSF funds included in the total appropriation.

**6. If a State can report less SFSF funds in its APR than were actually made available, can it also report less State funding than was actually made available in a given fiscal year?**

No. The Department only allows this flexibility in the reporting of SFSF funds in accordance with the American Recovery and Reinvestment Act (ARRA). All State funds made available for higher education must be reported in the APR. For example, if a State's required level of effort in a given year is \$375 million and the State appropriated \$400 million in State funds and \$150 million in SFSF, the State's APR should include all \$400 million in State funds made available. The State does not have to report the additional SFSF funds.

**7. Can a State count other Federal funds in its support for higher education?**

No. Apart from SFSF funds, only State dollars can be counted for the purposes of measuring higher education support.<sup>4</sup>

**D. REQUESTING A WAIVER OF THE MOE REQUIREMENTS****1. May a State receive a waiver of the MOE requirements?**

Yes. The Secretary of Education may waive the MOE requirements in section 137 of the HEA if it is determined that such a waiver would be equitable due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in a State's financial resources.

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<sup>4</sup> States that receive funds under the SFSF program were explicitly granted this flexibility under the ARRA.

## Attachment to March 18, 2013 Letter to Mr. Nick Schweizer

**2. How does a State request a waiver?**

If a State fails to maintain financial support for public and/or private institutions, it may request that the Secretary waive the requirements under section 137 of the HEA. In its request for a waiver, the State must 1) complete the total revenues, appropriations, and expenditures chart in the MOE section of the APR and 2) send a letter outlining the exceptional or uncontrollable circumstances that prevented the State from maintaining its support for higher education. The letter should be e-mailed to [CACGP@ed.gov](mailto:CACGP@ed.gov), and a hard copy should be sent to the address below.

Assistant Secretary for Postsecondary Education  
U.S. Department of Education  
1990 K Street, N.W.  
Washington, DC 20006  
Attention: CACG MOE Waiver Request

**3. By when must a State submit a waiver request for a given year?**

Waiver requests must be e-mailed and postmarked on or before May 15 of the year under consideration. *States are encouraged to submit waiver requests as early as possible to facilitate the Department's consideration of those requests and to minimize delays in the CACG award process.*

**4. Who should be involved in submitting a waiver request?**

The Department requires that data submitted by the State in support of its waiver request be certified by the State Budget Officer. Additionally, because the Department will need to understand the State's budget and related fiscal data, we strongly encourage the State Budget Officer or a representative from the State Budget Office to be involved in requesting a waiver and available to answer questions from the Department during its review of the request.

**5. What information does a State need to submit when it requests a waiver?**

As stated above, the State must submit a letter requesting a waiver and providing a rationale for the waiver. The State must also submit, at a minimum, the following information for the year in which the State failed to maintain effort and the preceding five SFYs: total State revenues, total State appropriations, total State support for public institutions, and total financial aid made available for students attending private institutions. This information must be submitted in addition to the information required by the APR. The State is welcome to submit any additional information it would like the Department to consider when making its determination.

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- 6. If a State has segregated funds or fees with very narrow funding sources and allowable uses (e.g., a conservation fund or highway fund), does the State need to include revenue from these sources in its waiver request?**

When reporting total State revenues to the Department, a State should include only those sources of revenue that were available to appropriate for higher education. The Department will consider all sources of funds that have been used or are available to the State to provide support for higher education in the SFYs under consideration. Therefore, if the State used a particular source of revenue to provide support to higher education in one year, the Department will consider it an available source of funding.

- 7. What information regarding a State's rainy day fund should a State include in its waiver request?**

A State with a rainy day fund should indicate the total amount of funds in such an account as well as the amount of funds transferred into and out of the account in the SFYs under consideration. In addition, the State should identify, if applicable, any legal requirements governing these transfers, including the allowable uses of these funds. The Department will evaluate this information on a case-by-case basis to determine whether and how such circumstances may be relevant to a State's failure to meet the MOE requirements.

- 8. How will the Department determine if a waiver is warranted?**

The Department evaluates each State's waiver request independently using a two-tiered approach:

- 1. Exceptional or Uncontrollable Circumstance:**

- a. **Precipitous and Unforeseen Decline in Financial Resources:** The Department first examines State revenue data to determine if the State did, in fact, experience an exceptional or uncontrollable circumstance, such as a precipitous and unforeseen decline in financial resources. The Department makes this determination by looking at the extent to which State revenues for the SFY in question changed compared to the average of the prior five SFYs.
- b. **Natural Disaster:** A State seeking an MOE waiver on the basis of the occurrence of a natural disaster should submit, at a minimum, the following pieces of information: a declaration of a disaster by the Federal Emergency Management Agency or the corresponding State agency; a description of the effect of the disaster on the State budget; a summary of the financial costs to the State and the sources of funding used to respond; and, if applicable, a detailed explanation of why the natural disaster necessitated disproportionate reductions in support for higher education.

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2. **Equitability:** If the Department determines that the State faced an exceptional or uncontrollable circumstance, the Department then considers whether it would be equitable to grant a waiver. In order to determine whether a waiver would be equitable, the Department examines overall State appropriations and support for public and private institutions, comparing the level of support provided for each in the current MOE year to the average amount provided over the previous five SFYs. It then examines whether the reductions in support for public and private institutions were less than or equal to the percentage reduction in overall appropriations. In general, if the percentage reductions for public and private institutions are less than or equal to the percentage reduction in overall appropriations compared to the prior five-year average, the reduction in State support for higher education would be determined to be equitable.

In evaluating a State's waiver request, the Department may consider other fiscal information that is publicly available, as well as information previously submitted to the Department by the State for this or other Federal program purposes, and may request further information from the State, as needed.

9. **If a State requests a waiver of the MOE requirements under the HEA, as well as a waiver of the MOE requirements under another statute (e.g., the Individuals with Disabilities Education Act (IDEA)), how will this affect the Department's review?**

If a State requests an MOE waiver under more than one of the Department's programs, the Department will review the requests to ensure that the State-reported data that should be the same across programs (e.g., State revenues in a given year) are, in fact, reported consistently across the programs. If a State plans to request an MOE waiver under more than one of the Department's programs, we recommend that, before the requests are submitted to the Department, you work with your State Budget Office, as well as those responsible for other waiver requests, to verify that reported data are consistent. Submission of data that are inconsistent across programs will delay the Department's review of all MOE waiver requests.

10. **How soon after a State submits a waiver request will the Department notify the State whether the request has been granted?**

The Department will notify a State whether its waiver request has been granted no later than September 30 of the fiscal year in which it submitted the request. As in previous years, waiver decision letters will be made available on the CACG Web site following notification to States.

11. **If a State's request is denied, is there a reconsideration process? What is the timeline for a reconsideration?**

If a State's waiver request is denied, the Department will give the State an opportunity to provide additional information that was not included in the original waiver request and that may affect the Department's determination as to whether granting a waiver would be equitable due to exceptional or uncontrollable circumstances. However, unless the State provides new data or information that was not included in the original waiver request, the Department will not

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reconsider its determination. The Department will provide a timeline for the reconsideration process when the State is notified of its decision regarding the original waiver request.

**12. Will the Department automatically grant a waiver if a State demonstrates a decline in financial resources?**

No. If the State experienced a precipitous and unforeseen decline in financial resources that hindered its ability to meet its funding obligations to higher education, the Department will examine State fiscal data provided in the waiver request. If the Department determines that State reductions in funding were not applied equitably, the State's waiver request will be denied.

**13. If a State has a surplus in the year in which it is applying for a waiver, does that mean it will not receive a waiver?**

When a State submits budgetary data indicating that, in the year in which it failed to meet MOE for higher education, its revenues exceeded its total appropriations by a substantial amount relative to the size of the State's overall budget, the Department will consider this fact as part of its determination of whether the State faced an exceptional and uncontrollable circumstance. Generally, the Department views a large surplus as an indication that the State did have the requisite financial resources to maintain support for higher education and will deny the waiver request. However, the Department does not take a rigid, formulaic approach in its evaluation of surpluses. If the State has additional information that it believes the Department should consider in reviewing the State's waiver request, the State should provide that information to the Department. Such information might include, for example, information on the uses of the surplus (e.g., to pay down existing State debt) or constitutional requirements (e.g., rolling over a percentage of total revenues each year).

**14. If a State's waiver request is denied, can the State still receive its CACG grant for the year in question?**

Yes. Section 137 of the HEA requires that the Secretary withhold any CACG funds from a State that failed to maintain effort or receive a waiver *until* that State makes a significant effort to correct the violation. States that make such effort may receive their CACG awards.

**15. When a State's waiver request is denied and the State seeks to correct the violation, what must the State include in its letter of assurance from the Governor?**

When a State fails to meet MOE under section 137 of the HEA and is denied a waiver, the State may still receive its CACG funds if it makes a significant effort to correct the violation by restoring funding for higher education. If the State cannot immediately restore funding for higher education, it may submit a letter of assurance from the Governor indicating the State's intent to make a significant effort to meet the MOE requirements by restoring funding for higher education. The letter must provide this assurance and be signed by the Governor, but it does not need to describe the specific manner in which funds will be restored.

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**16. What does a State need to do to demonstrate that it has made “a significant effort?”**

If the Department rejects a State’s waiver request, we will respond to the State with a letter explaining our rationale and indicating the amount of funds the State would have to restore to demonstrate “a significant effort.” In general, the amount of funding needed to demonstrate a significant effort would represent the amount of additional funding for public and/or private institutions that would bring the reductions in support for such institutions in line with the reductions to the State’s overall appropriations.

For example, if a State reduced support for public institutions by 10 percent, yielding an MOE shortfall of \$10 million while reducing overall appropriations by five percent, the Department might require the State to provide an additional \$5 million, which would reduce the cut to public institutions to five percent—the level that is proportional to the reductions to overall appropriations—thereby satisfying the Department’s criterion for “significant effort.”

**17. What if a State has to restore funds and the Federal fiscal year is about to end?**

The Department will ensure that the end of the Federal fiscal year (FFY) on September 30 does not affect a State’s ability to receive CACG funds. The Department may obligate all funds to States that are still in the process of restoring funding at the end of the FFY and then place a hold on those funds for a specified period of time to provide the State with an opportunity to resolve outstanding MOE issues. In general, the Department will only obligate and hold funds at the close of the FFY if it has received an assurance from the State that it intends to make a significant effort to correct the MOE violation.

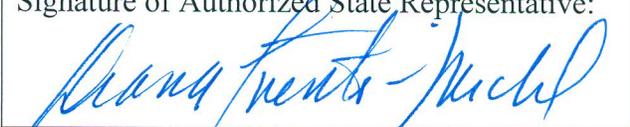
**18. To whom should questions regarding MOE requirements and/or waivers be directed?**

Questions regarding MOE requirements under the HEA and/or waiver requests should be directed to [CACGP@ed.gov](mailto:CACGP@ed.gov).

OMB Control Number: 1840-0800  
 Expiration Date: 05/31/2014

**U.S. DEPARTMENT OF EDUCATION  
 COLLEGE ACCESS CHALLENGE GRANT PROGRAM**

**TITLE PAGE**

a. Legal Name of Applicant Agency  California Student Aid Commission	b. D.U.N.S number: 947394490  Taxpayer ID Number (TN): 68-0317676
c. Address (include zip):  10834 International Drive, Suite 100 Rancho Cordova, CA 95670  P.O. Box 419026 Rancho Cordova, CA 95741-9026	d. Contact Person  Name: Janet McDuffie  Title: Chief, Administrative & External Affairs  Telephone: 916-464-8040  Fax: 916-464-8005  E-mail: JMcduffi@csac.ca.gov
e. Type of Applicant: <input checked="" type="checkbox"/> State Agency <input type="checkbox"/> Philanthropic Organization (non-profit)	
f. To the best of my knowledge and belief, all data provided in this application are true and correct. The governing body of the applicant has duly authorized the application and will comply with statutory and regulatory requirements, assurances and certifications, etc.	
Printed Name and Title of Authorized State Representative: Diana Fuentes-Michel Executive Director	Telephone: 916-464-8271 Fax: 916-464-8033 E-Mail: DMichel@csac.ca.gov
Signature of Authorized State Representative: 	Date: 

**Public Burden Notice**

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. Public reporting burden for this collection of information is estimated to average 40 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain or retain benefit (§781 of Higher Education Act of 1965, as amended). Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Education, 400 Maryland Avenue, S.W., Washington, DC 20210-4537 or email [ICDocketMgr@ed.gov](mailto:ICDocketMgr@ed.gov) and reference the OMB Control Number 1840-0800. Note: Please do not return the completed application for the College Access Challenge Grant Program to this address.



## OFFICE OF THE GOVERNOR

June 27, 2012

Karman Simms-Coates  
College Access Challenge Grant Program  
U.S. Department of Education  
1990 K Street, NW, Room 7008  
Washington, D.C. 20006

Dear Ms. Simms-Coates:

The State of California requests \$15,015,778 in available federal College Access Challenge Grant Program funding for three college access programs: the California Student Opportunity and Access Program, California Cash for College and California's Assumption Program of Loans for Education. These grant funds are important to California's continued efforts to prioritize student financial aid and college and career opportunity programs in the face of significant, ongoing budget challenges.

I am designating the California Student Aid Commission (Commission) as lead agency for this grant. The Commission is the principal state agency in California responsible for administering over \$1.5 billion in grant aid to more than 330,000 California students each year. It has primary administrative responsibilities for the state's largest intersegmental postsecondary education financial aid program, the Cal Grant program, and several targeted federal and specialized grant and scholarship programs, teacher, nursing and National Guard loan repayment, and outreach programs.

The State will work with the education community, local government and business leaders to meet the goals of the federal College Access Challenge Grant on behalf of California's students, families, and teachers.

Sincerely,

  
Edmund G. Brown Jr.

## SECTION I: PROJECT ABSTRACT

Please provide an abstract that gives an overview of the project – i.e., the need for the project, organizations that will be involved in the project, goals and objectives, and activities and services. The abstract should be no more than four pages in length.

The Administration and Legislature in California are committed to providing educational opportunity by ensuring both access to and selection of an institution of higher education, as well as completion of their higher education goals. Lack of information about postsecondary educational opportunities and low achievement levels are primary barriers to a college education for students from schools that have low eligibility and college participation rates. The State acknowledges the need to consolidate, incorporate, expand and improve the various programs that provide information to students into statewide efforts. The rising costs of higher education, coupled with a shift in available financial aid from scholarships and grants to loans, make loan repayment options an important consideration in a student's decision to pursue a postsecondary education.

The California Student Aid Commission (Commission) is the principal state agency responsible for administering over \$1 billion in grant, scholarship, loan repayment and outreach programs. The Commission currently administers two unique outreach programs: the California Student Opportunity and Access Program (Cal-SOAP) and the California Cash for College (CCFC) Program. The purpose of these programs is to increase the awareness among California students of financial aid opportunities afforded to them through various state and federal financial aid programs for postsecondary educational opportunities, and to help first-generation and low income students apply for maximum federal and state financial aid. The Commission also administers various loan assumption programs whose purposes are to increase and retain people in high need areas within California, such as teachers and nurses.

California is applying for the College Access Challenge Grant Program (CACGP) to:

- Fund successful partnership programs that provide a combination of comprehensive early college access and career opportunity awareness activities to a quarter of a million students in grades 7 through 14, and their families,
- Increase the number of low-income high school seniors who complete the Free Application for Federal Student Aid (FAFSA), and
- Encourage persons to enter and remain in the teaching profession in California in designated high need subject shortage areas by offering to repay student loans for qualified teaching service.

Over half of California's federal share of grant funding will be directed to regional consortia and partnership programs to ensure direct impact in reaching low-income students and families. More than 20 regional partnership programs in high need geographic regions of California will deliver activities to inform students and families of college and career technical education options in and beyond high school and provide assistance in completing the FAFSA.

Cal-SOAP's 14 intersegmental consortiums will provide services directly to students at middle and high schools designed to increase the availability of information on postsecondary schooling and work opportunities and raise the achievement levels of these students so as to increase the number of high school graduates eligible to pursue postsecondary learning opportunities.

The CCFC program is California's FAFSA completion platform partnership program, driving the state's efforts to assist students with FAFSA and Cal Grant application processes. Through CCFC, one-on-one, multi-lingual assistance on the FAFSA will be provided at more than 600 student financial aid workshops targeted to high schools or surrounding communities

where there is a high concentration of poverty, where ratios of counselors to students are high, and where financial aid application rates are historically low. Regional coalitions, high schools, campuses and community groups involved in California's CFC FAFSA completion efforts will work with the Commission to obtain FAFSA and state Cal Grant information to assist high schools to identify students who still need to complete or correct FAFSA and Cal Grant applications.

The Commission's WebGrants system allows each participating high school to track student-level FAFSA and state Cal Grant applications. The Commission has taken advantage of the federal initiatives to allow students to apply for financial aid in a one-stop approach. Implemented last year, California students who complete a FAFSA can click on the state link to bridge over to the Commission's state page to apply for Cal Grants and other state financial aid.. The Commission's goal is to expand web access to state and federal completion information to include a range of reports including school-by-school, school district-by-district and county-by-county data reports at Commission websites.

The Cal-SOAP consortiums assist with CFC workshops in their geographical areas. The Commission also partners with the Chancellor's Office of the California Community Colleges and the California Department of Education to develop statewide messaging regarding postsecondary educational opportunities, availability of financial aid, and career technical education.

The Commission's Assumption Program of Loans for Education (APLE) was established to address the growing shortage of high-quality classroom teachers, and there is a need for qualified teachers throughout California. The remainder of California's federal share of grant funding will be directed to APLE participants by providing loan repayments to teachers who are

employed in low performing schools, or who teach in high need subject shortage areas such as math, science and special education. California's matching share of the CACGP will also provide APLE loan repayment grants to teachers employed in high need subject matter and low-income/low-performing schools.

California's goals for the CACGP are to significantly increase awareness and availability of college and career opportunity information for underrepresented students and their parents; to increase targeted student and parent knowledge of financial aid programs and opportunities to fund college and career technical education; to assist low-income students and their parents to complete the FAFSA, and to deliver more than \$15 million in loan repayment benefits to teachers in high need subject shortage areas, and in low income/low performing schools.

## SECTION II: PROJECT NARRATIVE INFORMATION

**Please answer thoroughly the following questions:**

- 1) Please provide a description of the capacity and structure that the State has in place to administer the authorized services and activities, or the State's plan to develop such administrative capacity.

The State of California maintains full capacity to administer the authorized services and activities under the College Access Challenge Grant Program (CACGP). Governor Edmund G. Brown Jr. has identified the Commission as the state agency to administer the federal CACGP funds. The Commission is the principal state agency in California responsible for administering over \$1.4 billion in grant, scholarship and loan repayment aid to more than 330,000 California students each year. The Commission's mission is to "Make education beyond high school financially accessible to all Californians." The Commission has primary administrative responsibilities for the state's largest intersegmental postsecondary education financial aid program, the Cal Grant program. In addition, the Commission administers several targeted federal and state specialized grant and scholarship programs, including teacher, nursing and National Guard loan repayment programs, and outreach programs.

Outreach programs include the California Student Opportunity and Access Program (Cal-SOAP), and the California Cash for College (CCFC) program. Each of these programs is designed to serve low-income students and inform both students and families about the availability of state and federal financial aid. The Commission's primary publication series, *Fund Your Future*, is distributed to California high schools, postsecondary institutions, and community groups. This publication provides information on all forms of financial aid regardless of the student's educational or career choice. In addition, the Commission uses web-based systems to distribute information to students and families.

The Commission's \$11 million operational budget is used to maintain Cal Grant and specialized program delivery systems, grant delivery service training to financial aid professionals and high school counselors, information technology services, call center, research, and outreach program services. In addition, the Commission provides outreach funding to Cal-SOAP regional consortia, the state's early college access partnership program which involves all segments of higher education, secondary schools and school districts, and community groups in key geographic regions of the state. Cal-SOAP provides academic tutoring and outreach services to over 150,000 low-income students and their families annually to assist them in preparing for and seeking college and work opportunities beyond high school.

The California State Legislature established Cal-SOAP in 1978 for the purpose of increasing postsecondary educational opportunities to targeted students by providing them with outreach and related services. The program operates through 14 locally governed consortia throughout the state. Each project's governing board consists of representatives from local secondary school districts, community colleges, universities, career technical schools, and community agencies. The governing boards of each Cal-SOAP determine the services and college access needs of its local schools and communities.

Members of the consortium and other local partners contribute matching resources to support the operation of the Cal-SOAP project. Matching resources can be cash or in-kind contributions. In 2011-12, matching resources, primarily in-kind contributions, totaled more than \$12 million. The partnership structure of Cal-SOAP allows members to coordinate and leverage resources to target their region's needs and provide the best available services to students and parents. Cal-SOAP services and activities depend on the amount and availability of funds for the project. The program serves successive cohorts of students from grades 7 through 14 with intensive one-on-

one and small group academic and college access advising and planning, as well as larger group/community venue general outreach services. The Commission's Outreach Branch staff manages and provides technical assistance to the Cal-SOAP consortia.

Additionally, the California Cash for College (CCFC) program, a Commission partnership program, assists low-income high school students and their families across California in successfully completing the college financial aid application process to pursue education or career technical education beyond high school. In 2002, the program began as a pilot effort funded by private foundations. In 2003, the Commission took a lead role in the program and integrated the program into its comprehensive outreach platform of programs and initiatives. In 2007 CCFC was established by legislation into state statute. The highly leveraged partnership brings together high schools, college campuses from all segments of higher education (particularly the California Community Colleges), community, business, and local government organizations and agencies to help low-income youth. CCFC provides targeted financial aid workshops for both students and families. The CCFC program works through an established infrastructure which includes statewide coordination of college and high school campuses and regional CCFC Regional Coordinating Organizations (RCOs) located in the far North State, Capitol area, East Bay, Bakersfield, Los Angeles and San Diego areas.

Cash for College workshops provide multi-lingual, one-on-one assistance to low-income and first-generation students and their families applying for federal and state financial aid in order to pursue postsecondary educational opportunities. Workshops are targeted to high schools or their surrounding communities where there is a high concentration of poverty, high student to counselor ratios, and historically low financial aid application rates. More than 1,500 campus financial aid staff, high school counselors, and trained community volunteers assist students and

families at the workshops. In 2011, more than 30,000 low-income and first-generation high school seniors received assistance at over 600 Cash for College student financial aid workshops, which were offered in forty-seven counties across California. Nine out of ten students (92.7%) completed and submitted a FAFSA, up from 88.5 percent of a similar number of students in 2010.

In January and February of 2011 CFC held 609 workshops statewide and received exit surveys from nearly 30,630 students who were assisted with completing the FAFSA. In January and February of 2012 CFC held 685 workshops across 52 of 58 counties in California and received exit surveys from 33,534 students. The CFC student exit survey collected program feedback and student information used to implement the scholarship program, to evaluate CFC, and to track FAFSA and state Cal Grant applications through the Commission's grant delivery system. In 2011 and 2012 Cash for College awarded more than 500 scholarships to high school seniors who attended a workshop and maximized their state and federal financial aid by applying for a Cal Grant. CFC is in the process of awarding more than 500 scholarships for 2012-13 through funding from ECMC Foundation.

The CCFC model serves as a platform to offer incentive scholarships which require students to apply for federal and state financial aid as one of the criteria for eligibility. Since 2005, College Access Foundation of California has granted CCFC more than \$5 million in scholarship funding. For the last two years, CCFC has provided its financial aid assistance and scholarship platform to serve in a national scholarship demonstration project funded with support from the Bill and Melinda Gates Foundation. The national performance-based scholarship study is being conducted in six states by MDRC - a nonprofit, social and education policy research organization. The national study seeks to learn what scholarship amount and length of time will

make the most difference for low income students. Four major California regions participated this year, including the Far Northern region, the Sacramento area, Kern and Los Angeles Counties. Early study results are expected to be released in the Fall of 2012.

With the transfer of the federal student loan program from the Commission to Educational Credit Management Corporation (ECMC) in November 2010, the Commission has been able to establish a successful public-private partnership with ECMC. In 2011, ECMC provided \$500,000 to fund the Cash for College scholarship program. In May and June 2012, a second year of more than 500 incentive scholarships were awarded to qualifying high school seniors who participated in CFC workshops and who applied for state and federal financial aid by the state deadline. In 2011 \$500,000 in scholarships helped motivate Cash for College participants to apply and qualify for more than \$137 million in state and federal financial aid.

California's Career Pathway initiative began in 2005. This initiative is a targeted \$440 million, 9-year investment to prepare California's future workforce through expanded career technical educational opportunities for middle school and high school students, and improved linkages between the career and technical curricula of the public schools and post-secondary education. Critical components in this activity are career technical education awareness and outreach activities that promote the value of career technical education and provide information on career programs beginning in middle school and continuing into high school and post-secondary education.

The Chancellor's Office of the California Community Colleges administers and coordinates the Career Pathway initiative, in close collaboration with significant partners, most notably the California Department of Education, representing K-12 education. With 110 college campuses and 2.5 million students, the California Community College (CCC) System is the largest and

most diverse system of post-secondary education in the nation. The CCC system enrolls and serves individuals who are economically disadvantaged, first in their family to participate in higher education, and/or come from groups historically underrepresented in postsecondary education.

The Career Pathways initiative uses two methods of outreach: (1) strategic statewide messaging; and (2) targeted regional messaging and student engagement activities. Exposing and readying students for careers can help reduce dropout rates and help to apply knowledge and builds skills for lifelong career development. Moreover, planned career exposure enhances students' decision-making about educational choices while addressing regional and statewide labor market needs. At the core of the outreach effort is a realization that a long-term system of engaging career education and preparation must span California's educational systems from the earliest enrollments to life-long learning.

The California Community College system has well-developed programs for outreach, inclusion, and support of economically disadvantaged students, and are crucial in supporting the economy through workforce development. In addition to supplying the state's technical and skilled workforce, many of the recipients of bachelor's and master's degrees began their higher education in community colleges.

The outreach objectives of the California Student Aid Commission are to work in collaboration with other college access groups and community partners to avoid duplication and maximize local resources to meet the needs of the community. These objectives will be embedded in the administration of the federal grant funds. The Commission's Cal-SOAP and Cash for College programs will work with high schools, California Community Colleges, and other segments of higher education to help students learn about, prepare for and fund their

educational choices in and beyond high school. The Cal-SOAP consortia work closely with the TRIO, GEAR UP, Upward Bound, and Educational Talent Search programs in their areas. With resources provided through the College Access Challenge Grant Program, California will be able to augment and amplify the impact of postsecondary and career opportunity awareness efforts.

The Legislature recognized the usefulness of a loan repayment program that focuses on both the student and teacher in critical shortage areas when it created the first Assumption Program of Loans for Education (APLE) in 1986-87. Since that time, the Legislature has created additional programs, using APLE as the model. The Commission currently administers five loan assumption programs. The Commission continues to experience strong interest in the APLE program. Since its inception in 1986-87, the APLE program has helped over 70,000 participants.

- 2) In the case of a philanthropic organization that operates in more than one State, please describe plans to use funding to benefit students in each State for which your organization is applying for grant funds.

Not applicable to the State of California application.

- 3) Describe briefly the record keeping system for collecting and reporting student outcome/achievement data and participation in services and activities. Specifically, what method(s) will your project use to collect and maintain student and family participation in activities and outcome data?

Each regional Cal-SOAP project is required to collect and bi-annually report student data to the Commission using a statewide student information system which allows Cal-SOAP consortia to collect and track detailed student, family, service, activity and cost data. The Cal-SOAP projects use a computer database to collect and report program information and data. Projects collect demographic and program eligibility information on Cal-SOAP participants, as well as program services information. In addition, projects use surveys and questionnaires to collect information on activity implementation, participation and impact.

Cal-SOAP services are provided on two levels; intensive services and general services.

Intensive services are one-on-one and small group activities conducted with program participants consistently throughout the academic year. Projects are required to use the statewide Cal-SOAP database to collect and report information on students who receive these intensive services.

General services are usually larger events open to low income schools or and surrounding communities at large. Each project has developed its own data collection method to report intensive and general activities to its governing board. Cal-SOAP projects also use county and individual school information to compare and assess program impact. The statewide Cal-SOAP database is used to generate local reports that provide a basis for evaluations of the program by the project and by the Commission.

The CCFC program asks students to complete an exit survey that is returned to the statewide program office for validation and processing. CCFC is required to report annually to the state legislature an accounting of the number of completed FAFSAs from its program participants and Cal Grant applications submitted to the Commission. The CCFC student exit survey collects student information used to track FAFSA and state applications through the Commission's grant delivery system. The survey also functions as the student's scholarship program entry form, which helps to ensure a greater number of returned evaluations from workshop sites. Since 2008, a web-based system has been used to streamline the data collection process at each workshop, and to guide students through the goals of the workshop. The web-based student evaluation and FAFSA wrapper directs students to the [fafsa.gov](http://fafsa.gov) website and then to complete the Cash for College student exit survey. Paper evaluations are available as a back-up. In 2012, more than 20,000 student exit surveys were submitted using the online exit tool.

Furthermore, each year a third party evaluation is conducted with the student survey data. Results are provided to the Commission, to the statewide advisory committee and locally to regional lead offices. Strategic Planning is conducted each year using the independent evaluation results.

The Commission is required to submit an annual report on the APLE program to the Legislature that includes, but is not limited to, the total number of participants, the educational level of participants when they enter the program, and the number of participants who agree to teach in a designated subject shortage area or in a low-income/low performing school.

- 4) If States plan to make sub-grants to non-profit organizations (partnership), describe the process for awarding and monitoring sub-grants to non-profit organizations (i.e., soliciting applications, application review process, timelines, selection criteria, technical assistance, site visits, progress reports, etc.).

The Commission plans to make subgrants to Cal-SOAP consortia and Cash for College Regional Coordinating Organizations. Cal-SOAP consists of 14 regional consortia lead by non-profit organization partnerships strategically located in major regions across the state. Each consortium selects a governing board to direct operation of its Cal-SOAP project. Existing consortia must submit a comprehensive project proposal, the Annual Program Plan (APP), on an annual basis. The Commission also determines the award amounts for each consortium on an annual basis. The APP provides detailed plans to serve targeted low-income students within a specific geographic region, including total number of schools, students, and parents served by Cal-SOAP activities. The APP also includes type of service delivery-- intensive or general, frequency of service, materials and activity costs. The APP requires budgets and budget narratives, matching contribution summaries, consortia membership, governing board by-laws, and staff organization summaries. The Cal-SOAP consortia provide quarterly budget reports, which Commission staff monitors for consistency with the APP.

The CCFC Program is guided by a statewide advisory committee, comprised of representatives from a range of stakeholder groups from across the state, including financial aid professional organization representatives, higher education campus representatives, Cal-SOAP outreach program directors, parent advocacy groups, foster youth advocacy, IRS Volunteer Income Tax Assistance, foundations, school district and legislative representatives. The committee meets monthly to help guide the year-round work of the program.

Six existing Regional Coordinating Organizations (RCOs) are directed and supported by the CCFC Program, and are responsible for conducting all planning and coordination of workshops within the far North State, Capitol area, East Bay, Bakersfield, Los Angeles and the greater Inland Empire, and San Diego regions. The RCOs are required to have demonstrated experience in assisting low-income youth access financial aid for education beyond high school, and have demonstrated capacity in establishing resources to match planning and implementation funds provided by CCFC. The RCOs are required to keep auditable records and report regional progress at monthly statewide advisory committee meetings. Statewide evaluation results are disaggregated by region and analyzed at bi-annually strategic planning sessions.

- 5) Please list below the entities (State and local, philanthropic and other organizations) that will be actively involved in providing activities and services.

California Student Aid Commission

1) Current California Student Opportunity and Access Programs; these agencies will help make progress towards the proposed project’s goals and objectives:

- Central Coast Cal-SOAP Consortium
- Central Valley Cal-SOAP Consortium
- East Bay Cal-SOAP Consortium
- Greater Long Beach Area Cal-SOAP Consortium

- Los Angeles Cal-SOAP Consortium
- Merced County Cal-SOAP Consortium
- Northcoast Cal-SOAP Consortium
- Sacramento Cal-SOAP Consortium
- San Diego and Imperial Counties Cal-SOAP Consortium
- San Francisco Cal-SOAP Consortium
- San Jose Cal-SOAP Consortium
- Santa Barbara Cal-SOAP Consortium
- South County Gilroy Cal-SOAP Consortium
- Southern San Joaquin Cal-SOAP Consortium

2) California Cash for College Regional Coordinating Organizations (RCOs) and organizations involved in CCFC activities:

- Los Angeles Area Chamber of Commerce/UNITE-LA
- San Diego and Imperial Counties Cal-SOAP Consortium
- University of California, Davis
- Kern County Hispanic Chamber of Commerce Foundation
- East Bay Cal-SOAP Consortium
- Sacramento Cal-SOAP Consortium
- California Association of Student Financial Aid Administrators
- IRS Volunteer Income Tax Assistance (VITA) Programs
- Over 100 California community colleges, public and private colleges and universities.
- Over 100 non-profit and community-based organizations

California Career Technical Education Partners

- 1) California Community College (CCC) Office of the Chancellor
- 2) California Department of Education
- 3) CCC & School District Collaboratives

**SECTION III: GOALS AND OBJECTIVES FORM**

Applicants must outline measurable goals and objectives, activities and services and anticipated outcomes in the chart below. A detailed description of the activities and services must be provided. For instance, if the applicant is implementing a math tutoring program, the applicant will outline who is doing the tutoring (i.e., student volunteers from the University of Maryland), who will receive the service (i.e., high school seniors), when the tutoring will take place (i.e., after school), and where the tutoring will be held (i.e., at the community center).

A. GOALS AND OBJECTIVES	B. ACTIVITIES AND SERVICES	C. ANTICIPATED OUTCOMES
<p><b>Please provide <u>measurable</u> goals and objectives.</b></p>	<p><b>Describe the activities and services that will be conducted to accomplish the goals and objectives.</b></p>	<p><b>Present anticipated outcomes based on the implementation of services and activities.</b></p>
<p>Example: To increase underrepresented students' and families' knowledge of postsecondary education financial options.</p>	<p>Example: Conduct informational workshops with parents and students to share sources and availability of financial aid; develop materials/handouts outlining financial aid opportunities.</p>	<p>Example: 2011 survey results (85% participation rate) indicate that 95% of participating students are more knowledgeable about financial aid opportunities.</p>
<p>1. To increase the availability of college and career opportunity information for underrepresented students and their parents.</p>	<p>Provide statewide promotion of college and career technical opportunities to targeted middle and high school students through workshops, college fairs, field trips, advisement, and classroom presentations; conduct individual and small group college admissions counseling sessions for students and parents at schools and evening workshops; career exploration workshops conducted in school classrooms, workshops and open houses; college and career search assistance includes tours of nearby colleges to learn about admissions, and workshops on career research and interviewing. Develop, update and disseminate a range of written and web-based informational material to students and parents via brochures, handouts, pamphlets, teachers/counselors, flyers, bulletin boards, consortium websites, etc.</p>	<p>80,000 students and parents participating in general service type activities will receive information on postsecondary education and career opportunities.</p> <p>25,000 students participating in intensive activities will receive information on postsecondary education and career opportunities.</p>

<p>2. To increase targeted students' and parent/guardian knowledge of financial aid programs and opportunities to fund college and career technical education.</p>	<p>In major regions of the state, conduct fall financial aid workshops, scholarship searches, and loan counseling for students and parents at evening presentations and numerous after school events, such as, I'm Going to College and College: Making it Happen. Provide links to web based resources, including written and web-based information on career exploration resources.</p>	<p>35,000 students and parents participating in general services type activities will increase their knowledge of the financial aid process and available career opportunities.</p> <p>15,000 students participating in intensive activities will increase their knowledge of financial aid programs and career opportunities.</p>
<p>3. To increase the number of targeted students who enroll in postsecondary education and career technical programs.</p>	<p>In major regions of the state, consortiums will conduct college tours, college search assistance, career exploration workshops, and college admissions workshops for parents and students. Informational parent counseling will also be provided by way of workshops, presentations and open houses at colleges, high schools, libraries, middle and elementary schools, and other locations.</p>	<p>90,000 students and parents participating in activities to increase student enrollment in postsecondary education and career technical programs.</p>
<p>4. To assist low-income and first-time college and career education bound students and their parents successfully apply for federal, state and scholarship financial aid programs.</p>	<p>More than 350 high schools, campuses and community groups direct students and parents to attend FAFSA workshops using online, print, social media and grassroots awareness; offer FAFSA workshops in targeted high need and geographically balanced areas, within the state financial aid application window; offer FAFSA application/correction follow-up assistance.</p>	<p>Of the students participating in Cash for College workshops who are eligible for federal student financial aid:</p> <p>A strong majority (80%) of students will indicate they could not have completed the FAFSA, or not as well, without help provided at the workshop.</p> <p>Half of the workshop participants will be first in family to pursue education beyond high school.</p>

		<p>At least half of the workshop participants will indicate “high school” or below as highest education level obtained by either parent.</p> <p>More than 90% of workshop participants find attending the workshop was worth the effort to attend.</p> <p>More than two-thirds of program participants submit a FAFSA and state application for financial aid.</p>
<p>5. To provide loan repayment benefits to teachers employed in high need subject and geographic areas, and low-income/low performing schools in California.</p>	<p>The Commission will issue loan assumption payments to teachers employed in high need subject and geographic areas, and in low-income/low performing schools in California.</p>	<p>To issue over \$15 million in loan assumption payments to teachers employed in high need subject and geographic areas, and low-income/low performing schools in California.</p>

**SECTION IV: BUDGET SUMMARY FORM**

Please provide a complete summary of proposed expenditures (Federal and non-Federal) for the first year of implementation.

Budget Categories	PROJECT YEAR 1		TOTAL
	FEDERAL	NON-FEDERAL	
1. Salaries and Wages	\$66,000	\$0	\$66,000
2. Employee Benefits	\$24,000	\$0	\$24,000
3. Travel	\$1,000	\$0	\$1,000
4. Materials and Supplies	\$70,000	\$0	\$70,000
5. Consultants & Contracts	\$7,627,120	\$0	\$7,627,120
6. Other	\$0	\$0	\$0
<b>A. Total Direct Costs:</b> <i>(Sum of lines 1-6)</i>	<b>\$7,788,120</b>	<b>\$0</b>	<b>\$7,788,120</b>
<b>B. Total Indirect Costs:</b> <i>(cannot be greater than 8% of Total Direct Costs)</i>	<b>\$658</b>	<b>\$0</b>	<b>\$658</b>
<b>C. Equipment</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>D. Scholarships/Tuition Assistance</b>	<b>\$7,227,000</b>	<b>\$7,507,889</b>	<b>\$14,734,889</b>
<b>E. TOTAL REQUESTED</b> <i>A + B+ C+D</i>	<b>\$15,015,778</b>	<b>\$7,507,889</b>	<b>\$22,523,667</b>

*A grantee may use not more than 6 percent of the total amount of the sum of Federal funds and non-Federal funds for administrative purposes.*

If you are requesting reimbursement for indirect costs on line B, please answer the following questions:

Do you have an Indirect Cost Rate Agreement approved by the Federal government? \_\_\_ Yes  X  No \*

**\*Indirect Cost Rate Agreement for 2012-13 has been submitted to ED and is pending review.**

If yes, please provide the following information: Period Covered by the Indirect Cost Rate Agreement:

From: \_\_\_/\_\_\_/\_\_\_ To: \_\_\_/\_\_\_/\_\_\_ (mm/dd/yyyy)

Approving Federal agency: \_\_\_ ED \_\_\_ Other (please specify): \_\_\_\_\_

For Restricted Rate Programs (check one) -- Are you using a restricted indirect cost rate that:

X  Is included in your approved Indirect Cost Rate Agreement? or \_\_\_ Complies with 34 CFR 76.564(c)(2)?

**BUDGET NARRATIVE**

Please provide a detailed justification for each budget category addressing Federal and non-Federal expenditures.

<b>BUDGET CATEGORY</b>	<b>FEDERAL EXPENDITURE</b>	<b>NON-FEDERAL EXPENDITURE</b>
1. Salaries and Wages	\$66,000 to cover the full salary of the statewide Cash for College coordinator and 10% of the support staff salary.	N/A
2. Employee Benefits	\$24,000 based on the current benefits rate for the Cash for College Statewide coordinator and support staff.	N/A
3. Travel	\$1,000 for the statewide Cash for College coordinator travel to workshops, conferences, and advisory committee meetings for program planning sessions.	N/A
4. Materials and Supplies	\$70,000 to develop and print relevant materials for statewide use.	N/A
5. Consultants & Contracts	\$7,627,120 to fund the Cal-SOAP consortia, Cash for College Regional Coordinating Organizations, and vendor contracts.	N/A
6. Other	N/A	N/A
7. Equipment	N/A	N/A
8. Indirect Costs	\$658 to recover the statewide general administrative costs (i.e., indirect costs incurred by central service agencies) from federal funding sources. Indirect Cost Rate Proposal for 2012-13 is pending review by ED.	N/A
9. Scholarship/Tuition Assistance	\$7,227,000 to fund APLE loan repayments to teachers.	\$7,507,889 to fund APLE loan repayments to teachers.

**SECTION V – PROGRAM ASSURANCES AND CERTIFICATIONS**

a. Please put ‘yes’ or ‘no’ next to the corresponding assurance and certification to indicate the State has the following policies and procedures in place.

Yes	No	Assurances Related to Policies and Procedures
Yes		1. States will give priority to students and families who are living below the poverty line applicable to students’ family size.
Yes		2. States must make activities and services available to all qualifying students and families regardless of: (a) choice of postsecondary institution; (b) type of student loan received; (c) server of such loan; and (d) student’s academic performance.
Yes		3. States will include in any information about financing options for higher education provided through an activity or service:  a. the availability of federal, state, local institutional, and other grants and loans for postsecondary education; and  b. information on financial assistance for postsecondary education that is not provided under title IV of the Higher Education Act of 1965 in a manner that is clearly distinct from information on student financial assistance under such title.
Yes		4. States will ensure that sub-grantees have been in existence prior to September 27, 2007 and have experience in implementing activities and services related to increasing access to higher education.
Yes		5. State will disclose when making a payment to an eligible not-for-profit holder in the State: the name of the holder and the nature of the holder’s work in connection with any of the activities carried out, or any information or services provided with funds.
Yes		6. States will not use funds to promote any lender’s loans.
Yes		7. States will not use more than 6 percent of the total amount of the sum of Federal funds and non-Federal funds for administrative purposes.

Yes		8. States will attempt to coordinate the activities carried out through the grant with any existing activities that are similar to such activities, and with any other entities that support the existing activities in the state.
Yes		9. As applicable, the assurance in OMB Standard Form 424B (Assurances for Non-Construction Programs), relating to legal authority to apply for assistance; access to records; conflict of interest; merit systems; nondiscrimination; Hatch Act provisions; labor standards; flood insurance; environmental standards; wild and scenic river systems; historic preservation; protection of human subjects; animal welfare; lead-based paint; Single Audit Act; and general agreement to comply with all Federal laws, executive orders and regulations.
Yes	No	<b>Certifications</b>
Yes		1. The State certifies that certifications in the Education Department General Administrative Regulations (EDGAR) at 34 CFR §80.11 relating to State eligibility, authority and approval to submit and carry out the provisions of its State application, and consistency of that application with State law are in place within the State.
Yes		<p>2. The State certifies that ED Form 80-0013, Certification Regarding Lobbying, is on file with the Secretary of Education.</p> <p>With respect to the Certification Regarding Lobbying, the State recertifies that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making or renewal of Federal grants under this program; that the State shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," when required (34 CFR Part 82, Appendix B); and that the State Agency shall require the full certification, as set forth in 34 CFR Part 82, Appendix A, in the award documents for all sub awards at all tiers.</p>