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## Action/Information Item

### *California Student Aid Commission*

#### Consideration of EdFund Non-Loan Program Budget Expenditures For Fiscal Year 2008-2009, Including Recommendations on the Potential for Funding Public Awareness and Cash For College Campaigns

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In 1998 Reauthorization of the Higher Education Act provided that guaranty agencies could designate a portion of their Student Loan Operating Fund for financial aid awareness and other outreach efforts, including increasing the financial aid awareness and literacy among both secondary school and college-age students.

In February, 2003, the Commission voted to earmark \$25 million in funding from the Student Loan Operating Fund (SLOF) for the purpose of conducting a comprehensive student outreach program over a three year period. The Commission approved various outreach activities, including the Cal Grant Public Awareness and Cash for College Campaigns, to be funded from the \$25 million. The Commission directed EDFUND to include the approved funding in the annual Loan Program Budget and to assist the Commission with the implementation of contracts for these programs. The \$25 million was completely expended by the end of 2007-08.

The Governor and Legislature have agreed to fund Cash for College from the new Federal College Access Challenge Grant for 2008-09. However, neither the Governor nor the Legislature has appropriated funds for the Public Awareness Campaign through the State budget process.

The Public Awareness Campaign has become an integral part of the Commission's efforts to make sure all California high school students complete the forms needed to apply for financial aid for postsecondary education. The campaigns have been successful in increasing the number of completed applications received for all Cal Grant Programs from 502,000 in 2001-02 to over 650,000 in 2007-08 (a 30% increase). The number of Cal Grant High School Entitlement award offers increased from 48,000 in 2001-02 to over 65,000 in 2007-08 (a 34% increase).

Jenkinson Associates conducted a research project for the CSAC regarding applicants' awareness of and motivation to apply for college financial aid after the most recent Public Awareness Campaign. The study found that the most effective methods for providing information to high school students were to use:

- *School staff members and school announcements;*
- *Radio to deliver messages to high school seniors;*

- *Internet resources, including both the general financial aid/Cal Grant websites and the Internet ads and email; and,*
- *Direct mail.*

The results of the study indicate after the Public Awareness Campaign:

- *Students were more aware of the Cal Grant and work study opportunities.*
- *More students are aware that the Cal Grant carries a GPA requirement and requires only two application forms.*
- *Virtually all respondents (99% in the Pre-Test and 100% in the Post-Test) were aware of at least one type of financial aid option.*
- *The most well known type of financial aid was student loans, with 96% of respondents claiming recall.*
- *The Cal Grant also achieved high recall, at 92%--up 7% in recall from the Pre-Test.*

Jenkinson Associates reported that although this research project was almost identical to the ones conducted in 2003-04 and 2004-05, comparisons were not made between the studies. This decision was based on the assumption that, with the annual graduation of current seniors and the incoming new seniors, the target population is essentially a new one every year.

Failure to fund this important work would mean the Commission would be unable to achieve its mission to provide access to financial aid to all California students interested in pursuing post-secondary education. Not funding the Public Awareness Campaign would stop the delivery of important financial aid outreach tools to more than 4,000 local “messengers” at schools, workshop organizers, Cal-SOAP directors and other public and private partners throughout the state. The Commission also would be unable to deliver critical information to the more than 400,000 high school seniors in need of clarity and encouragement to fill out their applications by the March 2 deadline.

The Governor’s and Legislature’s actions to not appropriate funds for the Public Awareness Campaign in the 2008-09 budget, do not preclude the Commission from considering including the funding for the campaign in the 2008-09 Loan Program Budget. If such an action is taken, the Commission’s action will be sent to the Department of Finance per Education Code Section 69522(d) and Senate Bill 89 (Chapter 182, Statutes of 2007).

At the June 26-27, 2008 Commission meeting, the Chair Hankwitz asked President Kipp to propose ways in which EDFUND could assist the Commission in continuing to serve students in California by funding a program of student financial aid education and assistance, i.e., expanding and fulfilling the function of the public awareness and Cash For College campaigns. Chair Hankwitz sent a letter on July 3, 2008 to President Kipp reiterating his request and asked for proposals by July 15, 2008.

The Commission should consider taking action that indicates Commission supports for these efforts.

**Recommended Action:** Approve the following:

The Commission:

1. Supports the use of the Student Loan Operating Fund for the Public Awareness Campaign; and,
2. Authorizes the Chair to send a letter to the EDFUND Board and President that indicates the proposed 2008-09 Loan Program Budget should include funding for the Public Awareness Campaign at no less than the 2007-08 funding level of \$1,719,000.