

Exhibit 11

Information/Action Item

Update on the Dream Act

Since the last update at the April 25, 2013 Commission meeting, the California Dream Act has taken another historical step. California Dream Act students began receiving their first Cal Grant disbursements for the 2013-14 fall term at their respective schools. Some of these California Dream Act students may have seen the Cal Grant directly pay their tuition, while others may have received the funds directly to pay for books, supplies and other educational costs. These students, like their peers, now have the financial assistance through the Cal Grant and other state institutional aid, to earn a higher education degree or certificate.

2013-14 Dream Act Application Process

The table below provides a summary of the 2013-14 California Dream Act applications submitted.

Dream Applications Submitted	29,200
▪ <i>On-time (met March 2nd deadline)</i>	20,534
▪ <i>Late applications (for Cal Grant)</i>	8,666

We process on-time applications for awards under the Cal Grant High School Entitlement, Cal Grant Transfer Entitlement and Cal Grant C programs. The California Dream Act application may also be used for state institutional aid and fee waivers, depending on the priority dates determined by each segment. Late applications, unless approved through the Late GPA appeal's process, are not considered for Cal Grants awards, but may be used by institutions for campus aid depending on funding and priority deadlines.

The table below provides the number of Cal Grant awards offered to the California Dream Act applicants.

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Awarded Students	
▪ <i>High School Entitlement Offers</i>	6,014
▪ <i>Transfer Entitlement Offers</i>	1,275
▪ <i>Cal Grant C Offers</i>	176
<i>Sub-total</i>	7,465
Not Awarded	
▪ <i>No GPA received</i>	6,748
▪ <i>Not qualified for Entitlement; not payable under Competitive Cal Grant Program</i>	3,485
▪ <i>Incomplete applications</i>	1,300
▪ <i>Processed, but disqualified</i>	1,110
▪ <i>Dream App pending, FAFSA filer</i>	344
▪ <i>GPA received, but partially matched with Dream Act Application</i>	82
<i>Sub-total</i>	13,069
TOTAL (Awarded + Not Awarded On Time)	20,534

We are taking steps to reduce the numbers of non-awarded students to the extent the factors for non-awards are within our ability to affect. For example, we will be working with high schools, institutions, and students and their families to determine the reasons for, and reduce, the large number of Dream Act students for whom no GPA was submitted.

Further, to reduce the number of incomplete applications, we will be updating and enhancing the 2014-15 California Dream Act application to make completing the application easier, and improve training for high school counselors and college financial aid administrators.

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The table below provides the breakdown of Cal Grant award offers by segment.

Segment	Cal A	Cal B	Cal C	Total
CC	62	2,990	174	3,226
CSU	150	2,590	0	2,740
UC	752	501	1	1,254
Independent	117	99	0	216
Proprietary	7	21	1	29
Total	1,088	6,201	176	7,465

To manage issues related to the California Dream Act application process and share updates, we continue to hold regular segmental and campus teleconference calls. We continue to conduct Dream Act training to external outreach organizations, high school counselors and financial aid administrators. We also work with individual students and their parents with their Cal Dream Act application.

Cal Grant Payments to Dream Act Students

Early in the year, there was concern that AB 540 students without SSNs would be unable to use debit cards in campus systems that disburse financial aid only through debit cards that require users to have SSNs.

In May, we held a teleconference on Dream Act payments and invited all campus and district financial aid administrators and segmental representatives to participate. Our goal was to identify the issues preventing campuses from paying Cal Grant Access payments directly to students and to find solutions. One option that we offered was for the Commission to process payments directly to campuses for the Cal Grant Dream Act applicants. Based on the feedback of the campuses and segmental offices who participated in the teleconference, most had a process in place to manage the disbursements through their campus, district office or third party vendors, and others planned to implement such a process prior to the fall term disbursements.

We released an Operations Memo on April 18 updating information on the Dream Act application and advising institutions to contact us if they needed any assistance to disburse Cal Grant payments to these students. We have also confirmed through our regular teleconference meetings with segmental and campus representatives that no assistance is needed from the Commission to disburse Cal Grant payments to the Dream Act students. We will continue to monitor the Cal Grant rosters to ensure that all eligible students, including the Dream Act applicants, receive their Cal Grant payments.

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Dream Act Applicants Selected for Verification

When students use the FAFSA, the federal processor selects applicants for institutional verification. The US Department of Education provides guidance to the institutions for verifying eligibility, including documents to be used in the verification process. The federal verification guide includes the types of documents that can be collected for families who do not file income taxes and provides various examples of documentation.

Several community college campuses requested that we provide a similar verification guide for Dream Act applicants. Staff began the process of putting together a guide, which was an exact copy of the federal verification guide. We provided the draft copy of the guide to the Dream Act advisory committee (segmental and campus representatives that we meet with regularly) for their review and feedback.

After reviewing the comments and feedback, and after further consideration, we determined that verification for Dream Act applicants should be no different from the verification of any student flagged for verification by the federal processor. The federal verification guide not only identifies standard verification procedures, but also provides guidance for steps to take when individual student circumstances do not lend themselves to the standard procedures. We have concluded that this federal guidance on verification procedures is sufficiently broad and comprehensive to encompass Dream Act students.

Therefore, rather than unnecessarily duplicating the federal verification guide, we will inform institutions that they should follow the same guidelines provided by the US Department of Education for any Cal Grant student selected for verification.

Deferred Action for Childhood Arrivals (DACA) Students

On June 15, 2012, President Obama signed a memo authorizing deferred action for certain undocumented young people who came to the United States as young children and have pursued education or military service here. Deferred Action for Childhood Arrivals (DACA) is discretionary relief under the U. S. Department of Homeland Security (DHS) and does not grant legal status to an applicant. Eligible individuals are granted deferred action for a period of two years, subject to renewal, and are eligible to apply for work authorization. DACA students can apply for Social Security Numbers (SSNs) to be used for employment purposes with DHS authorization.

After we implemented the 2013-14 California Dream Act application in January, the DHS began processing DACA applications. Many California Dream Act students and parents became confused about these separate federal and state application processes. The California Dream Act application was developed to function just like the federal FAFSA application, but without a social security number. Dream Act students are not eligible for federal aid, even with DACA work authorization approval. Throughout our trainings and discussions with students, outreach stakeholders and financial aid administrators, we continued to encourage Dream Act applicants, including DACA students, to use the California Dream Act application to ensure accurate processing of their application and to avoid any unforeseen issues with using the FAFSA.

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While the federal FAFSA processor successfully processed some DACA–students' FAFSA applications, there were still many DACA students with work authorized SSNs whose applications did not get processed successfully and were considered incomplete. Ultimately, the student's incomplete application is rejected and DHS would notify the institution that the student is not eligible for federal student aid. That student cannot be considered for state aid because the incomplete application would not include an Estimated Family Contribution (EFC).

For those DACA students whose FAFSAs were successfully processed, the Commission used their calculated EFCs to offer Cal Grant awards to those who qualified. Institutions were also able to use these FAFSA applications to process state institutional aid. However, DACA students whose applications were not successfully completed could not be considered for a Cal Grant or state institutional aid because they had no EFCs. We continue to work individually with those students and their institutions to reprocess their applications through the California Dream Act application so that they can be considered for Cal Grants and other institutional aid.

We have identified other concerns about DACA students using the FAFSA. DACA action is effective for a two-year period, but is subject to renewal. Many DACA students, however, will qualify for up to four years of Cal Grant and institutional aid. Based on the DACA program's limited and temporary eligibility, DACA students will have to complete the California Dream Act if and when they no longer qualify under DACA. Dream Act students who used the California Dream Act application are identified as such applicants on the Cal Grant roster. However, DACA students using the FAFSA cannot be accurately tracked as Dream Act/AB 540 Cal Grant recipients. Since institutions are required to verify AB 540 eligibility for Cal Grant recipients, they will be better able to accurately identify those students who use the California Dream Act application.

Communication Efforts

We were informed that representatives from the federal student aid help center may have instructed DACA students to complete the FAFSA and not the California Dream Act application. We have contacted the US Department of Education representatives to inform them of the benefits of using the California Dream Act application, and we encourage California DACA students to use our application.

In our efforts to reduce the confusion on the various programs and processes being administered for this student population, we continue to inform and train students, parents, outreach and community organizations, financial aid administrators, high school counselors, and other stakeholders about the California Dream Act and what we have learned about the other programs. We will continue to communicate with external agencies, organizations and schools to ensure clear and accurate guidance is provided to potential dream act students and their families.

Changes to the 2014-15 Online Dream Act Application

Through the process of administering the 2013-14 Dream Act application, we identified improvements to the application form that will help students and parents. We have started the project to update and enhance the 2014-15 online California Dream Act application, and expect to complete it by the end of the year, with an estimated January 6, 2014 release date. The update will include the required changes to the 2014-15 FAFSA.

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The enhancements will include more complex skip logic, help-text boxes and integrated data validation. School usability should also increase with improvements to the application correction screen, batch correction process and the possibility of providing student aid reports. Staff will continue to seek user feedback from students, external stakeholders and financial aid administrators during the development process.

Dream Act application training will begin in the next few months, starting with the annual high school counselor's workshops in October. Staff will also conduct webinars and in-person training to college administrators beginning in November and continuing through March to address current issues, application updates and best practices for application processing. The Dream Act Application User Manual for Financial Aid Administrators is still in process and the release date is in November.

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