

Exhibit 8

Information/Action Item

Update on Middle Class Scholarship Program implementation

Beginning with the 2014-15 academic year, the Middle Class Scholarship (MCS) Program will provide financial support to California State University (CSU) or University of California (UC) undergraduate students who meet program requirements and whose annual household income does not exceed \$150,000. When fully implemented, the MCS is intended to provide up to 40% of the mandatory tuition/fees charges to students who do not receive Pell Grants, Cal Grants or institutional grants to pay that 40% portion.

The following chart describes the differences between the Cal Grant programs and the Middle Class Scholarship.

Criteria	Cal Grant Program	MCS Program
Application(s)	FAFSA or Dream App. and GPA	FAFSA or Dream App.
Deadline	March 2 or Sept. 2 (CC Competitive)	March 2 priority deadline
Merit Requirements	Cal Grant A = 3.00 HS GPA or 2.40 college GPA Cal Grant B = 2.00 HS or college GPA	No GPA requirement for new students. Maintain Satisfactory Academic Progress for continuing students.
Income Ceilings / Requirements	<u>Based on household size:</u> Cal Grant A = \$101,000 Family of 6 Cal Grant B = \$55,000 Family of 6	Not to exceed \$150,000 family income
Citizenship/Residency	Citizen, Permanent resident or AB 540	Citizen, Permanent resident or AB 540
Minimum Enrollment	Half-time (6 units or more)	No minimum
Lifetime Eligibility	4 full-time years or equivalent	Not specified
Award Determination / Amounts	<u>Based on segment:</u> UC = \$12,192 Private = \$8,056 CSU = \$5,472 For-Profit = \$4,000 CC* = \$1,473 <i>* Cal Grant A in reserve at community college</i>	<u>Based on MCS Award formula:</u> <ul style="list-style-type: none"> • Income level • Maximum of 40% of tuition and fees less Pell, Cal Grant and Institutional aid . • No more than 14% of fees for 2014-15 increasing to 40% of fees by 2017-18 • Available funding
Type of Assistance	Cal Grant A = Tuition and fee assistance Cal Grant B = Access costs in first year, plus tuition and fees thereafter	No restriction; can be used for educational expenses.
Qualifying colleges	UC, CSU, CC, Private , For-profit	UC, CSU
Number of new awards	Unlimited for Entitlement programs 22,500 for Competitive programs	Number of MCS eligible students at UC and CSU divided by approved funding for budget year.

California Student Aid Commission

MCS System Development

The implementation of the MCS system is being developed in three phases by Stanfield Systems, Inc. under a contract with the Commission.

1. Phase 1 – Admission File /Projections

This phase will allow the upload and validation of campus admission data. The admission data will be used to make projections of MCS awards and to provide a preliminary notice to students of potential eligibility. Upon submission of admitted student data, the campuses will receive a confirmation of successfully uploaded information and notification of any invalid records. Campuses will submit admission files in April.

2. Phase 2 – Enrollment File /Award Determination

Teleconference calls with the UC and CSU continue as business and system requirements are finalized for the Enrollment file phase of the award process. Campus enrollment and financial aid data will be collected to make the initial awards. Awarding involves analysis of each student's existing financial aid package (Cal Grant, Pell Grant and institutional-based aid) and household income. The maximum award amount of the MCS for the year is determined by factoring the above information and then determining if the awards have to be reduced to conform to appropriated funding. Campuses will submit initial enrollment files in mid-July. Upon determination of actual awards amounts, we will notify students of their MCS awards. Campuses can continue to submit additional students after the initial enrollment files are processed.

3. Phase 3 – Payment File/Disbursements

The final phase of Middle Class Scholarship implementation will be the reporting of institutional MCS payment information and the preparation of payment claims for the State Controller's Office to disburse funds to campuses. Initial payment files will be sent to the campuses in late August for disbursements for the 2014-15 fall term.

Outreach Activities

Outreach for the program is being conducted through various means. We have created a "Middle Class Scholarship Top10 Things You Should Know" flyer that has been distributed through Cal-SOAP, Cash for College workshops and through our new on-line publications ordering system. Legislative staff developed a separate MCS flyer for distribution from member district offices. Cal-SOAP projects have been provided additional funding for outreach to middle class students and families and are working directly with the UC and CSU financial aid offices.

Responsible Person(s):

Catalina Mistler, Chief
Program Administration and Services Division

Janet McDuffie, Chief
Administration and External Affairs Division