

# Exhibit 3

## Information Item

### Update on Competitive Program

Commission staff continues to make progress toward achieving the Commission’s goal of maximum use of Competitive Cal Grant awards. Since our last Commission meeting in February, the total utilization rate for the 2013-14 Competitive program has increased by 16.6%, and now stands at 102.4%. As indicated in Chart 1, to date, the rate of the number of paid Competitive awards and Community College reserve awards to the 22,500 authorized awards continues to increase as well, and is now 84.6%. The uptake in the utilization rate can be attributed to the high leave of absences taken and the usage of the new less than half-time code.

Chart 1

Year Cal Grant Awarded	Recipients			Percent of 22,500	Recipients Deferring Payment to Future Year			Total Recipients	Percent of 22,500
	Paid	CC Reserve	Total		Leave of Absence	Other	Total		
2013-14 to-date	18,188	847	19,035	84.6%	2,096	1,910	4,006	23,041	102.4%
2012-13 to-date	15,676	586	16,262	72.3%	244	151	395	16,657	74.0%
2011-12 to-date	17,092	49	17,141	76.2%	45	22	67	17,208	76.5%

### Consultation

The staff’s Competitive Cal Grant Advisory Committee met on March 26, 2014 to review the outcomes of the various Competitive workgroup committees and to hear updates on the steps taken to date to increase the utilization rate. Staff consulted with the committee on the proposed workgroup recommendations for increasing the paid rates for the Competitive Cal Grant program, including amendments to the Institutional Participation Agreement (IPA).

Four workgroups had been established to review and explore several options for increasing the utilization rate for the Competitive Cal Grant program and to provide recommendations for various methods to ensure the statutory limit of 22,500 Competitive Cal Awards are utilized each year. Each work group had reviewed and discussed the five options directed by the Commission at its September 20, 2013 meeting.

- The Competitive Cal Grant Communications Workgroup met again on March 20, 2014 to continue reviewing the option to require all students with Competitive awards to complete forms to indicate whether their awards will not be used during the year for which they are awarded. The workgroup agreed that Competitive offered awardees should be required to claim their award within a certain time period. Students would be directed to use the WebGrants for Students (WGS) tool

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to accept or decline the award and indicate their reason for declining the award. This process would be set up similar to the steps Cal Grant offered awardees are required to take for verifying other program requirements. This option would allow staff to identify the number of declined awards to recycle to the next cohort of eligible students.

To ensure students who accept the award utilize it, the Communications Workgroup also reviewed the option to establish deadlines to withdraw awards and recycle them to the next group of students. Students who initially indicate that they will use the Cal Grant award beginning in the fall and remain unpaid will receive numerous communications to use the award. However, if no action is taken it was recommended to withdraw the award half way through the term. This process would allow staff to offer unclaimed awards to other eligible students.

- The Competitive Cal Grant Scoring Matrix Workgroup continued to meet to discuss the option of establishing priority within a single group of students with the same Competitive score, to allow available awards to be made to some, but not all, students within that group. The workgroup was also tasked to gather more information on the current population of students awarded a Competitive Cal Grant to determine whether establishing new selection procedures and criteria would increase the utilization rate.

The Scoring Matrix Workgroup reviewed the current scoring criteria established for making Competitive awards. Based on the criteria currently used and the large size of the cohorts, the workgroup committee agreed that a short-term solution for the current and the upcoming 2014-15 academic year could be implemented to reduce the size of the cohorts to offer additional awards to a smaller number of students. The immediate change would increase the score from 200 to 1,000 by increasing the points for the Grade Point Average (GPA). The point change would allow for additional awards to be offered by breaking down the size of the next cohort, where students are not currently being offered an award.

- The Leave of Absence Policy Workgroup reviewed the current Leave of Absence Policy and, in particular, the current option allowing students to defer payment of new competitive awards to future years. Based on the workgroup's recommendations, the Committee recommended to limit deferrals and require Competitive offered awardees to use the award in the award year, through a disbursement or a posted less than half-time by the institution, or be withdrawn. In other words, offered awardees could defer their payment of their awards to future years only if they were enrolled in an institution during the award year. If they were not enrolled during the award year, their awards would be recycled.

By implementing this change to the leave of absence policy, the Commission would be in a better position to recycle awards as recommended by the Communications workgroup.

In addition, we implemented the recommendations from the WebGrants Adjustment Reason Codes Workgroup by adding new codes to the Cal Grant rosters to better identify why students are not eligible for a Cal Grant payment. This immediately contributed to increased utilization of the Competitive awards as the new codes provided the status of unpaid students. This data will help to support any policy decisions considered in addressing issues related to the program's utilization rates.

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## Using Enrollment Files to Increase Utilization Rate

We were able to use the 2013-14 community college fall enrollment files to identify unpaid Competitive Cal Grant students, as authorized by the California Community College Chancellor's Office (CCCCO). The fall enrollment files were submitted by all of the California Community Colleges for the September 2, 2013 award cycle, which only includes a student's Social Security Number (SSN). The use of these files identified over 1,100 Competitive offered awardees attending a different campus than originally indicated by the student. Staff processed school changes for the students and advised them to check with their campuses to determine whether or not they were eligible for their Competitive Cal Grant payments.

On March 20, 2014 staff released a Special Alert informing campuses to submit winter and spring enrollment files to make 2014-15 Transfer Entitlement Cal Grant awards and to identify unpaid Competitive awards similar to the use of the fall enrollment files. Unpaid students will be moved to the correct campus roster to be paid, if eligible. Staff will contact students who appear on multiple rosters to identify the correct campus to pay the student.

## Amending the Institutional Participation Agreement (IPA)

In Exhibit 9, staff proposes amending the Cal Grant Institutional Participation Agreement (IPA) to require all participating Cal Grant eligible institutions to submit enrollment files including unit information. The submission of an enrollment file with units would allow us to identify students and their enrollment status more accurately. Staff held two webinars to discuss IPA recommendations that could streamline the payment and reconciliation process for paying Cal Grant offered awardees to increase the utilization rates for all the Cal Grant programs.

## Recommendations for Increasing the Number of Paid Competitive Awards

Based on the consultation with both the staff's workgroups and the Competitive Cal Grant Advisory Committee, staff recommends that the Commission adopt the following actions to increase the number of paid Competitive Cal Grant offered awardees:

For the current 2013-14 and 2014-15 academic years, authorize staff to:

1. Establish priority within a single group of students with the same Competitive score, to allow available awards to be made to some, but not all, students within that group by increasing the points assigned to the GPA from 200 to 1,000.

For the 2014-15 academic year and beyond, authorize staff to:

2. Require all students with Competitive awards to complete forms to indicate whether their awards will not be used during the year for which they are awarded.
3. Establish deadlines to withdraw awards and recycle them to the next group of students.
4. Require students offered Competitive Cal Grant awards to access their award in the initial year by confirmation of attendance through a payment or less than half-time code or be withdrawn.

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5. Continue discussion on determining whether establishing new selection procedures and criteria would increase the utilization rate.

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