

Exhibit 10

Information/Action Item

Update on Competitive Cal Grant Program

Staff reported an update on both the Competitive and Entitlement Cal Grant programs at its November 13-14 Commission meeting. Several recommendations were made to improve the utilization rates for the programs and continue to identify the reasons why students do not use their Cal Grant offer. Much progress was made to improve the paid rate for the Competitive Cal Grant program and the current year is off to a good start. Staff will continue to work closely with campuses to improve processes and provide more outreach to students regarding their Cal Grant award offers.

Competitive Cal Grant Program

At the November 13, 2014 Commission meeting, the following staff recommendations were approved by the Commission to increase the paid rates for the Competitive Cal Grant program in the 2014-15 award year:

1. Withdraw awards for unpaid students or without status codes on December 10, 2014.

Update: During the November meeting, it was reported that an estimated 12,000 competitive Cal Grant awards would be withdrawn so that we could offer those awards to other eligible students who could use them. However, by the time the withdrawal process occurred on December 17th, only about 3,000 students were actually withdrawn due to campuses paying Cal Grants and posting status codes in the WebGrants system. In fact, during the five weeks between the November Commission meeting and the withdrawal date, campuses paid 4,326 students who had been offered Competitive Cal Grant awards and posted status codes in WebGrants for 4,719 additional students. During this five week period, the paid rate increased considerably from 66.7% to 86.0%.

Although the response to prevent a Cal Grant award offer from being withdrawn was tremendous, Commission staff implemented several new processes and additional steps to initiate payments at the campus level. Many campuses worked diligently and made extra efforts to get students paid. Many of these students received their Cal Grant payments late in the fall term.

2. Offer additional awards to the next cohort(s) of eligible students.

Update: Over 6,188 award offers were deferred for the 2014-15 fall term. Commission staff will review the spring term payment activity to determine how many more additional awards to offer. Appeals from students withdrawn are also being considered. Chart 1 below summarizes the current paid and utilization rates for the last two award years. As reflected in the chart, the 2014-15 award year's paid rate of 86.8% is closer to the prior year rate of 91.3%. Staff plans to wait until the middle of the spring semester or the end of February to re-evaluate the action to offer additional Cal Grant awards to the next cohort.

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**Chart 1
Competitive Award Paid Rates**

Year Cal Grant Awarded	Recipients			Percent of 22,500	Award Offers Deferred Payment to Future ¹			Total Award Offers Taken	Percent of 22,500
	Paid	CC Reserve	Total		Leave of Absence	Other	Total		
2013-14	19,925 ²	629	20,554	91.3%	1,418	687	2,105	22,659	100.7%
2014-15	18,791	736	19,527	86.8%	1,601	4,587	6,188	25,715	114.3%

Chart data is as of 1/16/2015

1. Deferred awards, once paid, will be counted in the academic year in which it was offered.

2. 620 of the 2,105 (2013-14) deferred awards have been paid in 2014-15 or about 30%

3. **Continue to identify options for collecting enrollment files or other data exchanges with campuses that could increase the paid rate for the Competitive award offers.**

Update: Discussions continue to determine the best method of collecting enrollment file data to improve the utilization rate. Commission staff will continue to consult with stakeholders through advisory committees, workgroups and segmental meetings.

4. **Continue to review and analyze the data on disadvantaged students to provide comprehensive recommendations concerning changing the Competitive scoring matrix and review options of giving the withdrawn students a priority status if they apply the following academic year. Report back at the February Commission meeting any recommendations to change the Competitive scoring matrix.**

Early last year, the Commission approved modifying the Competitive scoring matrix to increase the total points from 200 to 1,000 and increase the number of GPA gradations. The benefit of this change was a decrease in the size of each scored applicant cohort. With smaller cohorts, additional awards, if needed, can now be offered to reduce the likelihood of exceeding the number of authorized paid awards.

The Commission considered revising the Cal Grant Scoring Matrix to offer grants to students who are more disadvantaged. The Cal Grant Competitive Scoring Matrix Workgroup concluded that a variety of disadvantaged indicators from the FAFSA should be analyzed. Several scoring approaches were discussed but the conclusion was that further analysis of student data was required before proposing any specific changes.

Since proposals to change the Competitive scoring had been offered by the Institute for College Access and Success (TICAS), staff approached TICAS with a proposal to provide them student application data to run the complicated simulations necessary to adequately evaluate the effects of any scoring changes. The goal is to have sufficient data to support adequate analysis to recommend any changes to the selection criteria, if necessary.

A Memorandum of Understanding (MOU) was executed to allow TICAS to perform the Competitive scoring analysis. Some of the ideas proposed to change the scoring involve:

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- Using Expected Family Contribution (EFC) as a category
- Eliminating the “Parent Education Level” category
- Changing the Student/Parent Household category to make it a sliding scale as opposed to today’s all-or-nothing format
- Increasing the number of fields in the Income/Family Size category
- Redistributing point value and/or weighting of the scoring categories
- Adding additional disadvantaged criteria

Commission staff provided TICAS the final Competitive scoring data during the week of January 26th. TICAS will run models and analyze the data to identify how well the current scoring criteria award the most disadvantaged applicants. CSAC staff and TICAS will present an update on the outcomes and provide any recommendations at a future meeting. If recommendations are made to modify the current scoring criteria, Commission staff will need adequate time to program the system changes for the next award cycle. Given the timeframe for the upcoming March 2 Competitive award cycle, the changes could not be made for this first award process. Depending on the complexity of the system changes, it may be possible to implement for the September 2 award competition.

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