

Exhibit 11

Information/Action Item

Update on Community College Transfer Cal Grant Entitlement Program

Staff reported statuses on both the Transfer Entitlement and High School Entitlement Cal Grant programs at its November 13-14, 2104 Commission meetings. Several recommendations were made to expand the eligibility of the Transfer Entitlement program to better serve community college transferring students. Recommendations were also made to improve the paid and utilization rates for the High School Entitlement Program and to determine the reasons why 40 percent of the award offers are not taken. The following exhibit will provide an update on the recommendations since the November Commission meeting.

Transfer Entitlement Program

Senate Bill (SB) 1644 (Chapter 403, Statutes of 2000) established the Cal Grant Program to provide educational opportunity by ensuring both student access to and selection of an institution of higher education for students with financial need. To that end, the Community College Transfer Cal Grant Entitlement Program (Transfer Entitlement) was structured to provide the same guarantee of Cal Grant eligibility to California students who start at community college and transfer to a four-year college or university some years later, as the Cal Grant Entitlement Program provides to high school students entering directly into a four-year college or university.

Based on the *Fast Facts 2014* publication by Community College League of California, there are approximately 90,000 students on average that transfer from a California Community College to a Four-Year public and private institution in a given year. The majority of the students or about 74% will transfer to an in-state public or private institution. The remaining students will transfer and attend an out-of-state institution. As the students weigh their potential transfer options, they must also consider their financial aid opportunities before making a final decision. Although the Transfer Entitlement program was designed to provide assistance to these 90,000 students, eligibility criteria will impede access to this program for many of the students. In addition, there are application and system limitations to identify the transfer students for the Transfer Entitlement program. Consequently in 2013-14, only 18,603 new CCC transfer students were paid Cal Grants through this program

The following list will provide brief summaries to the primary barriers of the Transfer Entitlement program:

1. **Application and system limitations** - The Free Application for Federal Student Aid (FAFSA) or Dream Act Application (CADA) currently doesn't ask any questions about transfer status, so it is difficult for CSAC to identify the potential transfer students and provide early outreach communications about the Transfer Entitlement program. Since CSAC is unaware of the transfer populations, the Grant Delivery System (GDS) is programmed to use certain criteria including a community college GPA, data of birth or age and California residency to preliminary identify possible Transfer Entitlement students. Essentially, GDS applies a series of filters to the FAFSA data, CADA data and grade point average data to classify potential

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Transfer Entitlement students from the applicants. Earlier and more accurate recognition of transferring students would allow CSAC to send more effective communication about the Transfer Entitlement program.

2. **Statutory requirement on age** – The age limit of 27 eliminates older transfer students, who then must compete in the limited Competitive Cal Grant program. Based on a GDS query, approximately 44,000 students passed the transfer filters, but were between the ages of 28 and 35.
3. **Statutory requirement on continuous enrollment** - In 2012, SB 1016 (Chapter 38, Statutes of 2012), the education budget trailer bill, added clarifying language to the Transfer Entitlement statute establishing a new requirement that a student had to attend a California community college in the academic year immediately preceding the academic year for which the Transfer Entitlement Cal Grant would be used. SB 1016, however, provided a limited exception allowing otherwise eligible students who attended a California community college in the 2011-12 academic year, to receive and use Transfer Entitlement awards for the 2012-13 and 2013-14 academic years. This one-year-gap provision in SB 1016 for the 2013-14 resulted in 2,280 Transfer Entitlement award offers attributable to the limited exception. Preliminary research indicates that if the gap-year exception was in place for 2014-15 year, approximately 3,000 more Transfer Entitlement awards could have been made. Expanding the simulation to a two-year gap would further increase the award count by another 4,000.

The results from the 2013-14 year and the 2014-15 simulation reflect current personal and academic obstacles for transferring students. Not all community college students who receive their Associate of Arts degrees can or will transfer immediately to a bachelor-degree-granting institution (BDGI). Some may not be offered admission in the next academic year due to enrollment caps, while others may choose to work in order to save money for when they do transfer to the more expensive BDGI.

Chart 1 below provides the number of applications, certification forms and paid Transfer Entitlement recipients for the last five years.

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Chart 1
TRANSFER ENTITLEMENT Application & Award Statistics

Award Year	Sent	Returned	% Returned	Returned and Eligible	% Eligible (of Returned)	Total Paid	% Paid (of Returned and Eligible)
2010-11	23,075	13,635	59.1%	10,760	78.9%	9,444	87.8%
2011-12	28,115	17,664	62.8%	12,845	72.7%	11,173	87.0%
2012-13	51,239 ¹	27,097	52.9%	14,480	53.4%	12,629	87.2%
2013-14	50,416 ¹	28,301	56.1%	20,717 ²	73.2%	18,603	89.8%
2014-15	33,973	22,029	64.8%	17,240	78.3%	13,040	75.6%

¹ Enrollment files were not used.

² 2,280 additional awards from the gap year provision

Transfer Entitlement Workgroup and Outcomes

Without statutory or system changes, the Transfer Entitlement program will continue to only serve a small percentage of the CCC transferring population and be labeled as the “invisible” program. In an effort to assist the program, staff started a Transfer Entitlement Workgroup to ensure that outreach efforts match the intent of the program and its participants. Increasing outreach and awareness of the Transfer Entitlement program and the need for students to complete a financial aid application in the form of a FAFSA or CADA may serve to increase awards. At present, not all financially eligible community college students complete a FAFSA or CADA, electing instead to complete the Board of Governors (BOG) Fee Waiver to receive financial assistance to cover community college enrollment fees.

It is the belief of the Transfer Entitlement Workgroup that increasing awareness about the Transfer Entitlement program may ultimately increase the number of students financially able to transfer from the community college to the more expensive BDGI. One way to increase awareness is to target those students who complete the BOG Fee Waiver, to encourage completion of the FAFSA or CADA by March 2. Though community colleges do not share BOG-Fee-Waiver applicant information with the Commission, they do communicate with these students. Workgroup participants indicated that their institutions may be willing to include Cal Grant Messaging in these communications. Adding static messaging to the existing BOG confirmation notifications as well as other communications from the institution is both cost-effective and time-effective.

Additionally, Workgroup representatives from schools were receptive to idea of adding Cal Grant messaging to their school websites, social media sites and student portal pages. This messaging would explain the benefits of completing a FAFSA or Dream Act Application while also informing students about the Transfer Entitlement award. The message language would be provided to participating community colleges by the Commission.

The Workgroup also proposed communicating directly with community college students to make them aware of the Transfer Entitlement award. The Commission has a long standing Memorandum of

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Understanding (MOU) with the California Community Colleges (CCC) to receive student enrollment data for certain purposes. Annually in August, each community college uploads a file of students that are enrolled for the fall term. The enrollment data are used in the initial Transfer Entitlement award processing to identify possible transfer students. The Commission uses the previous year community college fall enrollment data along with the student's current-year "institution most likely to attend" as listed on the FAFSA or Dream Act Application to indicate the intent to transfer.

The recommendation of the Workgroup is to continue to renew the MOU with additional requests to submit winter and spring enrollment data so the Commission may have a full year of enrollment data for the initial Transfer Entitlement award processing. Also, adding the student e-mail address to the enrollment file specifications is recommended so the Commission may notify these students of the Transfer Entitlement program in the event they are planning a future transfer.

Enhancements to the Commission website homepage is underway with the creation of a designated page for the Transfer Entitlement program. This page will serve as a one-stop location where students can understand the Cal Grant Transfer Entitlement program requirements, application process and deadline to apply. The new website page will serve as a portal to the necessary application websites – FAFSA, CADA – as well as linking to the WebGrants for Students website.

An electronic Cal Grant Transfer Entitlement outreach flyer has been created and will be posted to the Commission homepage website. The flyer is a linkable, downloadable, printable resource that institutions can use in several ways, such as printing and distributing the flyer to advertise the program at Transfer Day events, providing it electronically on their websites for on-demand information, and linking from student/parent portals and social media. These electronic flyers incur no printing or mailing costs to the Commission.

We are additionally exploring a budget to create an informational bookmark to be inventoried at the Commission for ordering by college financial aid offices. This and other ideas will continue to be shared with the Commission as the Transfer Entitlement Workgroup meets throughout the year to explore new ideas in an ongoing effort to assist students in reaching their goal of receiving a bachelor degree.

Staff will continue to provide updates as the Transfer Entitlement Workgroup meetings progress.

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