

Item 14

Information Item

Update on Competitive Cal Grant Program

SUMMARY OF THE ISSUE(S):

The Commission has made it a high priority to try to award 100% of the Competitive Cal Grant awards authorized by law. This item provides an update on how well that goal is being achieved. The information in this item provides the early results of some of the changes. The final results will be reported out to the Commission after the closing of the 2015-16 academic year.

RECOMMENDATION:

Staff should continue their efforts to ensure that all the Competitive Cal Grant program awards are fully utilized.

BRIEF HISTORY OF KEY ISSUE(S):

Prior to 2014-15 22,500 competitive grants were authorized in law. Starting in 2015-16, the grant level was increased to 25,750.

The Commission approved the following recommendations at its April 16-17, 2015 meeting to increase the number of paid recipients of the Competitive Cal Grant Program beginning in the 2015-16 academic year. The changes were implemented into the Grant Delivery System's production environment in August 2015.

- ✓ Allow only student-initiated deferrals of the Competitive Cal Grant award.
- ✓ Implement an appeal process to allow students to reinstate their Competitive Cal Grant award.
- ✓ Implement a process that would count deferred awards in the year in which the award was paid, rather than the year originally awarded.

In addition, on September 17, 2015, the Commission directed staff to change the Competitive Cal Grant scoring matrix by adopting a proposal, modeled by The Institute for College Access and Success (TICAS), for the selection of the 2016-17 Competitive Cal Grant awards. Based on modeling performed by TICAS, the revised scoring matrix is expected to benefit many more students living in poverty, recipients of means-tested benefits, single parents, and more homeless and foster youth students. The Commission agreed to implement the new scoring matrix on a trial basis and determine whether it resulted in awarding the most disadvantaged applicants. Staff will

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continue to report the results of the 2016-17 award offers and the impact to the applicants at a future Commission meeting.

ANALYSIS:

Student-Initiated Deferrals

Beginning with the 2015-16 academic year, Competitive Cal Grant offered awardees must initiate or request a deferral of their award. This was accomplished by removing the Adjustment Reason Code option for Leave of Absence (LA) from the WebGrants online roster for newly awarded Competitive Cal Grant A/B students. Any transactions of LA for newly awarded competitive students sent by Institutions via batch file, are rejected.

As of March 14, 2016 there are 362 newly awarded 2015-16 Competitive Cal Grant awards deferred due to leave of absence. At this same time last year, there were 1,504 awards reserved for this same reason. The difference reflects a 76 percent reduction of leave of absences, which allows the Commission to better recycle awards.

Appeal Process

The appeal process, which allows students to request reinstatement of their Competitive Awards, has not experienced a notable increase. Very few offered awardees who were withdrawn mid-year for not utilizing their competitive Cal Grant award, appealed for reinstatement of their award. However, Commission staff will continue to accept appeals.

Calculating Paid Rates

Prior to the 2015-16 academic year, Competitive Award paid rates for a particular award year were calculated using the number of paid students, regardless of when the student received payment. For example, a student offered a Cal Grant award in the 2013-14 academic cohort year who deferred and did not receive payment until the 2014-15 academic year would be counted against the 2013-14 cohort. In addition, Cal Grant A offered awardees attending a California Community College whose awards are reserved for them until they transfer, were also counted against the paid rate.

Table 1 below shows the final 2014-15 paid rates using the methodology described above.

Table 1
Final 2014-15 Competitive Award Paid Rates
Data as of 03/14/2016

Year Cal Grant Awarded	Recipients			Percent of 22,500	Award Offers Deferred Payment to Future*		
	Paid	CC Reserve	Total		Leave of Absence	Other	Total
2014-15	20,884	554	21,438	95.3%	1,836	3,337	5,173

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

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Table 2 reflects the current 2015-16 competitive paid rates which counts the deferred awards in the year in which the award was paid, rather than the year originally awarded. The change to not count deferred awards allows for more students to be paid in the original award year rather those awards aside. Processing additional awards to increase the paid rate will get closer to 100 percent to meet the maximum number of authorized Cal Grant payments in the award year.

Table 2
2015-16 Competitive Award Paid Rates
Data as of 03/14/2016

Year Cal Grant Awarded	Recipients			Percent of 25,750*	Award Offers Deferred		
	Paid	CC Reserve	Total		Leave of Absence	Other	Total
2015-16	20,828	858	20,828	80.8%	362	3,799	4,161

**Awards in CC Reserve not counted in paid rate total using new method of counting paid awards.*

Table 3 reflects that the actual change in the number of deferred awards in comparison to last year has changed by less than 2%.

Table 3
2015-16 Competitive Paid Counts by Cohort (new calculation)
Data as of 03/14/2016

Segment	Total Paid 2015-16	Paid from 2015-16 Cohort	Paid from 2014-15 Cohort	Paid from 2013-14 Cohort	Paid from 2012-13 Cohort	Paid from 2015-16 Cohort
Community College	16,701	16,420	244	29	8	0
University of CA	574	516	38	115	4	1
CA State University	2,357	2,197	104	43	12	1
Private, non profit	745	698	28	17	2	0
Private, for profit	451	449	2	0	0	0
Total	20,828	20,280	416	104	26	2

- **Paid Percentage of 25,750 (New) - 80.8%:** Calculated using 20,828 paid in the 2015-16 year over the 25,750 authorized awards. As Table 1 reflects, the 20,828 paid are derived from 5 different academic year cohorts.
- **Paid Percentage of 25,750 (Old) – 82.0% (includes 858 CC reserve):** Calculated using the 20,280 paid in 2015-16 cohort plus the 858 CC reserve over the 25,750 authorized awards. Under this method, any deferred awards from the 2015-16 year, but paid in 2016-17 year would count in the 2015-16 year.

Last November, Commission staff notified 8,800 unclaimed 2014-15 Competitive Cal Grant offered awardees of the plans to withdraw their award unless they claimed it. Students were given an

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opportunity to contact the Commission to defer their awards or to take the steps to get paid. An unclaimed award is defined as an award that has no reconciled payment, student-reported leave of absence, or other eligible payment transaction in the WebGrants System. Withdrawing unclaimed awards allows timely award recycling in an effort to utilize all 25,750 allocated awards each academic year. In March 2016, CSAC recycled the 2015-16 unused award offers to the next cohort of eligible students. Several students responded to the communication and staff assisted them in reserving their awards or contacted the institution to assist them in receiving their payment if they were eligible for the award offer.

Competitive Scoring Matrix Update

All segments and stakeholders supported the changes to the Competitive Scoring matrix before it was presented to the Commission for action. The outcomes of the new Competitive scoring matrix will likely award more students with lower average incomes and homeless and foster youth.

Broad Principles include:

- Increased focus on financial disadvantage
- New measures of disadvantage
- Retaining but de-emphasizing GPA
- Altered scoring for parent education
- The reliance on EFC in addition to income

The Commission is currently in the User Acceptance Testing phase of the implementation of the new competitive scoring matrix, and is on target to use the new scoring matrix for the 2016-17 Competitive award cycle.

Staff will provide updates in future meetings as information becomes available.

RESPONSIBLE PERSON(S):

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ATTACHMENT(S): None.