

Item 12

Information Item

Update on California Dream Act

SUMMARY OF THE ISSUE(S):

This item provides an update on the California Dream Act. As discussed below, staff is concerned that there is a low paid rate from students offered Dream Act awards and continues to work to improve the situation.

RECOMMENDATION:

This is an information item with no formal action required by the Commission.

BRIEF HISTORY OF KEY ISSUE(S):

The California Dream Act (Dream Act) is currently in its fourth year of operation. Since its inception in 2013, over 110,000 Dream Act applications have been submitted, which resulted in more than \$60 million in Cal Grants to over 30,000 eligible Dream Act students. The Dream Act Application is used for various forms of financial aid, including Cal Grants, Middle Class Scholarship, fee waivers, state institutional aid and other private scholarships. Though the Dream Act has benefited thousands of students to achieve higher education, many eligible Dream Act students are not paid their Cal Grant funds. Commission staff continues to reach out to these unpaid Dream Act students to find out why they are not utilizing their Cal Grant award offers and to identify barriers in accessing their funds.

ANALYSIS:

On January 19, 2016, the 2016-17 Dream Act Application was successfully released on the California Dream Act website. As of May 5, 2016, over 35,000 California Dream Act applications were received and over 7,000 Cal Grant award offers were processed. Commission staff expect the number of applications and awards to exceed last year's figures as students with incomplete information finalize their application.

Table 1 shows the number of new Dream Act Applications submitted for each academic year since the first year Cal Grants were offered to Dream Act students in 2013-14. The number of on-time applications has increased each year which allows for more students to be considered for a Cal Grant award. However, applicants who do not meet the March 2 deadline for a Cal Grant are still potentially eligible for state institutional and fee waivers like the Board of Governor's Fee Waiver.

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Table 1
New Dream Act Applications by Academic Year
Data as of April 30, 2016

	2013-14 Counts	2014-15 Counts	2015-16 Counts	2016-17 Counts*
On Time (met March 2 deadline)	20,746	27,359	30,732	32,934
After March 2	16,524	13,163	11,877	2,625
Total Applications	37,270	40,522	42,609	35,559

*Not final counts.

Table 2 below shows the percentage of paid Dream Act Cal Grant offered awardees by segment. Among the four major segments of higher education in 2015-16, the Dream Act paid rate ranged from 48% at the California Community Colleges to 88% at the University of California.

Table 2
Dream Act Award Offers & Payments by Segment
Data as of April 27, 2016

	2014-15			2015-16			2016-17*
	Offered Awardees	Paid Recipients	Paid Rate	Offered Awardees	Paid Recipients	Paid Rate	Offered Awardees
Community College (CC)	3,905	2,121	54%	4,124	1,996	48%	3,036
University of CA (UC)	1,142	1,042	91%	1,104	968	88%	891
CA State University (CSU)	2,638	1,970	75%	2,547	1,750	69%	2,738
Priv. 2-Yr Non-Profit	1	-	0%	1	-	0%	-
Priv. 4-Yr/Priv. Grad	201	126	63%	202	111	55%	317
Vocational/Hospital Ed.	40	13	33%	33	11	33%	43
Total	7,927	5,272	67%	8,011	4,836	60%	7,025

*Not final counts.

Table 3 shows the majority of the Cal Grant awards from the Dream Act Application are offered to the High School Entitlement Program, which are recently graduated high school students. As of April 27, 2016, only 4,836 (60 percent) of the 8,011 students who were offered a Cal Grant award in 2015-16 received payment.

Table 3
Dream Act Award Offers & Payments by Program
Data as of April 27, 2016

	2014-15			2015-16			2016-17*
	Offered Awardees	Paid Recipients	Paid Rate	Offered Awardees	Paid Recipients	Paid Rate	Offered Awardees
High School Entitlement	6,466	4,189	65%	6,992	4,064	58%	7,025
Transfer Entitlement	1,181	968	82%	802	673	84%	-
Cal Grant C	280	115	41%	217	99	46%	-
Total	7,927	5,272	67%	8,011	4,836	60%	7,025

*Not final counts.

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Unpaid Dream Act Students

California was one of the first states to enact legislation to provide in-state tuition rates and grants to undocumented students who met the AB 540 requirements. The Dream Act Application is used by undocumented students applying for various forms of financial aid to use at California higher education institutions. Cal Grant offered awardees are placed on the Cal Grant roster of their first eligible Cal Grant institution, where institutions can identify their eligibility status and pay the student. However, in many cases, students may not attend the first eligible Cal Grant institution on their list. Although the students have options to process school changes in the WebGrants for Students portal, through the student call center and institutions, it is unknown how many unpaid Dream Act Cal Grant offered awardees do not enroll or change their school to the correct school of attendance.

The Cal Grant Program and other state financial aid resources recently became available to eligible undocumented students beginning in the 2013-14 academic year. During the first year of the Dream Act Application, Commission staff received numerous calls from these students and their families with concerns about the confidentiality of their information and questions about the process. There was also much confusion between the Dream Act Application and the federal Deferred Action for Childhood Arrivals (DACA) programs. Over the last couple of years, many improvements have been made to assist these students, including improvements to the Dream Act Application.

This Dream Act offered awardees low paid rate remains a concern for this population of students. Most undocumented students face significant challenges, including navigating through the financial aid administrative processes, especially if they are first generation in their family to go to college. To enhance services to these students, many campuses have established undocumented student centers to remove their obstacles to a college education.

As previously mentioned in Commission meetings, Commission staff generated multiple communications with students to inform them about their unpaid Cal Grants. Over 2,000 questionnaires were sent out in October 2015 and since then, less than 20 percent of the students responded. The questionnaire results revealed that the primary reason students did not utilize their Cal Grant awards was due to not being aware they had a Cal Grant. When looking closely at students' responses to the question, "What best describes why you didn't use your Cal Grant this year?" some of the responses ranged from:

- I didn't know how to do a school change.
- I didn't know that I could use it at a CC.
- I couldn't get my parents' taxes.
- I thought my app was denied.
- There were missing documents.
- I thought I received the money.
- I was confused by the paperwork.
- I didn't register for selective service.
- I wanted to save it for next year.

To better understand the unpaid Dream Act Students' situation, Commission staff called a select group of students to speak with them about their frustrations or problems with receiving their Cal Grant awards. The following three student examples illustrate some of the obstacles Dream Act students encounter trying to access their Cal Grant Award.

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Student A attends a California Community College. She expressed frustration because her financial aid office would not give her grant award because she had filed her Dream Application incorrectly by listing her parents tax filing status as “married, filing jointly” when they actually filed as “Head of Household” and “Single” instead. The financial aid office told her that her parents needed to refile their taxes to reflect the changes but Student A and her parents could not afford to do so. Because she wasn’t able to get her Cal Grant for the 2014-15 year, she had to get a loan in order to pay for her books. She was able to correct her situation for the 2015-16 and was able to receive her Cal Grant award.

Student B attends another California Community College. Though he has attended a California high school since grade 9, the college admissions office did not register him as an AB540 student until he could get official transcripts from his high school. He was not able to get the official transcripts, but submitted a copy of his transcripts with the signature and the phone number of his counselor. Unfortunately, the admissions officer did not accept the copy. Student B has had to get his high school counselor involved as well as his high school club. Both have tried helping him with his AB540 status so that he could receive financial aid. As of this date, Student B still has not received his Cal Grant award.

Student C attends a Cal State University. It was not until she received the Commission’s questionnaire regarding her unpaid Cal Grant that she logged in to the WebGrants for Students portal and noticed that her school of attendance was with the University of California. Though her school of attendance was marked incorrectly, Student C received financial aid from CSU, which she thought was the Cal Grant. Student C has received financial aid for the 2015-16 year, but not from the Cal Grant. Her university has asked for her parents’ tax information, which presents another obstacle as her parents live out of the country.

These are just a few stories of the unpaid Dream Act students.

Conclusion

Commission staff will continue to send out communications to unpaid Dream Act students to make every effort to reach these students to access their Cal Grants. A postcard is being prepared to notify unpaid students of their Cal Grant award in 2015-16. Commission staff plans to send out another survey to the unpaid Dream Act students for the current 2015-16 academic year and to explain the next steps to access their Cal Grant awards.

Also, Commission staff will continue to work with the California Community College Chancellors Office (CCCCO) to address the low paid rates for Dream Act applicants at community college campuses.

RESPONSIBLE PERSON(S):

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