

# Item 14

## Information Item

### Update on Dream Act

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#### **SUMMARY:**

This item provides an update on the California Dream Act (CADA), and California Dream Act Application (CADAA) for the 2015-16 and 2016-17 academic years, including information on the application, awards and paid rates. In addition, an update on the October 1, 2016 opening of the 2017-18 CADAA is provided.

#### **RECOMMENDATION:**

Commission staff will continue to monitor the program and report updates regarding paid rate, award status, as well as any other topics related to Dream Act students or the application. This is an information item with no formal action required from the Commission.

#### **BRIEF HISTORY OF KEY ISSUE(S):**

The California Dream Act (CADA) program was launched during the 2013-14 Cal Grant application period with the implementation of the CADAA in 2011. Currently, the CADAA allows students who qualify under Education Code section 68130.5 to apply for various forms of state-funded financial aid, including but not limited to, the Cal Grant Program, Middle Class Scholarship (MCS), Board of Governor's Fee Waiver at California Community Colleges (CCC), institutional aid, California DREAM Loan Program at certain UC and CSU campuses, and private scholarships.

Since inception of the program, the Commission has processed over 160,000 CADAA's, which have resulted in more than \$70 million in paid Cal Grant awards and \$1.4 million in paid MCS awards to eligible Dream Act students. Combined efforts from Commission staff, institutions and other key stakeholders have made this possible, but not without some challenges. Through the administration of the California Dream Act program, staff have become aware of some of the various challenges that Dream Act students face, from understanding their eligibility and critical components of the application process, to receiving a timely disbursement of their financial aid. Several efforts have been instituted in collaboration with campus financial aid staff, high school counselors and other partners to assist students in the process of applying for and receiving financial aid.

#### **ANALYSIS:**

##### **On-time applications**

As reported in prior agenda items, the total number of applications has increased every year. Table 1 below provides the number of CADAA's received as of July 11, 2016. Although the numbers for the 2016-17 academic year are lower than the totals for 2014-15 and 2015-16, the Commission will

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continue to receive CADAAAs for this academic year until June 30, 2017. The total numbers for the 2016-17 academic year are expected to increase and most likely surpass the 2015-16 academic year totals.

Like other programs serving low-income, first-generation college students, one of the challenges of the CADA program is that many Dream Act students are not familiar with the financial aid process and are not aware of the March 2 Cal Grant and MCS deadline. Commission staff have continued their outreach efforts through the California Student Opportunity Access Program (Cal-SOAP), the California Cash for College (CC4C) program, media outlets and many other partnerships, to increase awareness of the financial aid opportunities available to Dream Act students as well as the March 2 deadline.

The numbers in Table 1, show a gradual increase of *On Time* applications followed by a gradual decrease in *After March 2* applications. Although the CADAA allows students to apply for other types of state financial aid that are not tied to the March 2 deadline, our goal is that future generations of Dream Act students become familiar with the application process much earlier and will not miss out on financial aid opportunities because of not meeting a deadline.

**TABLE 1**  
**New Dream Act Applications by Academic Year**  
*Data as of July 11, 2016*

	2013-14 Applications	2014-15 Applications	2015-16 Applications	2016-17* Applications
<b>On Time (met March 2 deadline)</b>	20,746	27,359	30,775	33,654
<b>After March 2</b>	16,524	13,163	12,909	5,741
<b>Total Applications</b>	<b>37,270</b>	<b>40,522</b>	<b>43,684</b>	<b>39,395</b>

*\* Not final counts*

### Paid rate

The Commission has been monitoring the paid rate of Cal Grant awards to Dream Act students in the last two years as part measuring the program's success. The 2015-16 academic year paid rate mirrors the 67 percent for the 2014-15 academic year as shown in Table 2. The paid rate at public institutions ranges from 55 percent at CCCs to 91 percent at UC campuses. Career technical education schools continue to have a paid rate below 40 percent.

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**TABLE 2**  
**Dream Act Award Offers & Payments by Segment**  
*Data as of July 11, 2016*

	2014-15			2015-16			2016-17*
	Offered Awardees	Paid Recipients	Paid Rate	Offered Awardees	Paid Recipients	Paid Rate	Offered Awardees
<b>Community College</b>	3,905	2,121	54%	4,085	2,235	55%	3,718
<b>UC</b>	1,142	1,042	91%	1,078	983	91%	1,294
<b>CSU</b>	2,638	1,970	75%	2,392	1,866	78%	3,794
<b>Priv. 2-Yr Non-Profit</b>	1	-	0%	1	-	0%	-
<b>Priv. 4-Yr/Priv. Grad</b>	201	126	63%	187	113	60%	313
<b>Vocational/Hospital Ed.</b>	40	13	33%	35	13	37%	37
<b>Total</b>	<b>7,927</b>	<b>5,272</b>	<b>67%</b>	<b>7,778</b>	<b>5,210</b>	<b>67%</b>	<b>9,156</b>

\* Not final counts

The trends of paid students by type of Cal Grant program, as shown on Table 3, are consistent with previous reports. Most transfer entitlement Dream Act students receive payments (91 percent), while awards to students in the high school entitlement program remain at 65 percent, and less than half of Cal Grant C awards are paid. These trends are comparable to paid rates of awardees who filed the Free Application for Federal Student Aid (FAFSA) for the same programs.

**TABLE 3**  
**Dream Act Award Offers & Payments by Program**  
*Data as of July 11, 2016*

	2014-15			2015-16			2016-17*
	Offered Awardees	Paid Recipients	Paid Rate	Offered Awardees	Paid Recipients	Paid Rate	Offered Awardees
<b>High School Entitlement</b>	6,466	4,189	65%	6,767	4,385	65%	7,703
<b>Transfer Entitlement</b>	1,181	968	82%	799	725	91%	1,453
<b>Cal Grant C</b>	280	115	41%	212	100	47%	-
<b>Total</b>	<b>7,927</b>	<b>5,272</b>	<b>67%</b>	<b>7,778</b>	<b>5,210</b>	<b>67%</b>	<b>9,156</b>

\* Not final counts

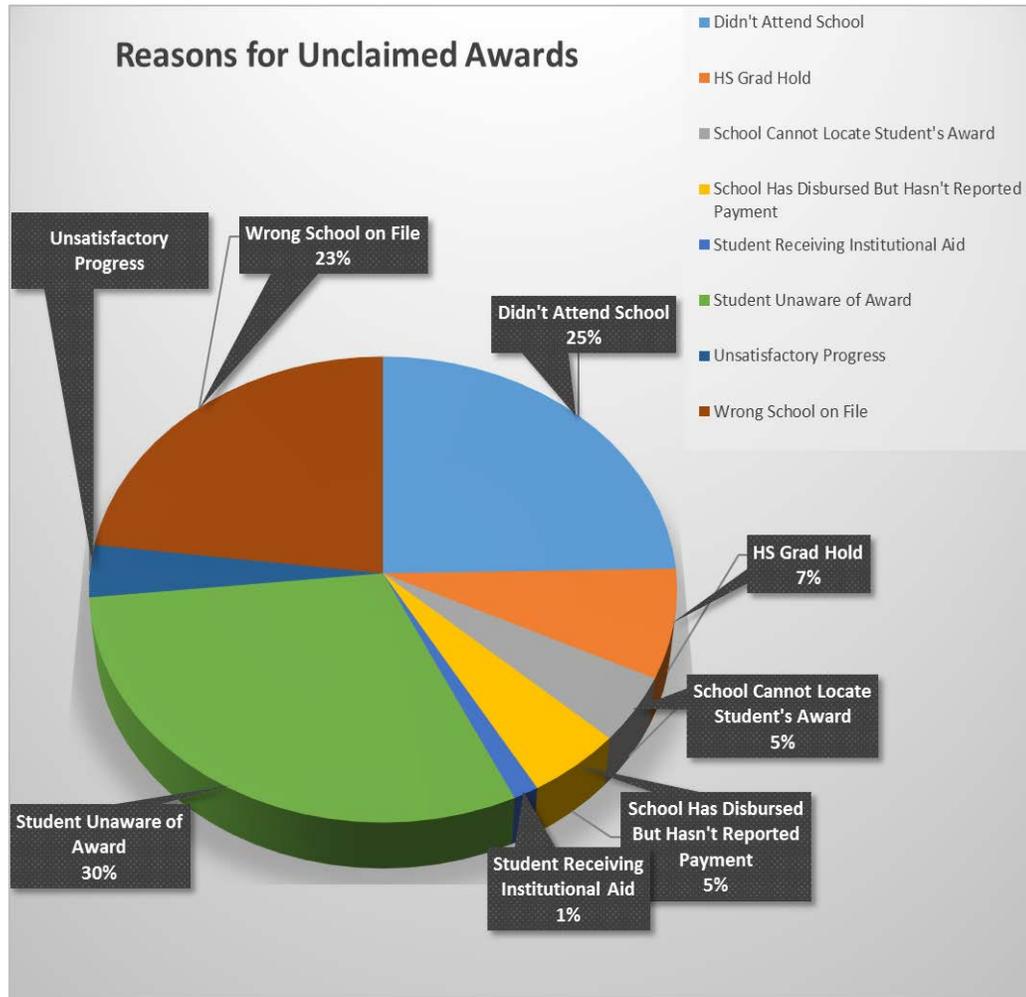
In an effort to identify some of the main causes for the low paid rates, Commission staff reached out to students between June 8 and June 14 and were able to speak with 409 of 1,865 unpaid Dream Act students. The three main reasons for the unclaimed awards are:

- 30 percent of the students are often unaware of the award,
- 25 percent did not attend school,
- 23 percent have the wrong school on file and therefore, do not appear on the correct campus roster.

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As shown in the chart below, these three reasons alone account for 78 percent of the students surveyed.

**Unclaimed Awards Chart (Dream Act Students)**



Further, 53 percent of students who did not claim their awards did not know or understand that they had a Cal Grant or did not have the correct campus on file. Addressing these two issues effectively may significantly impact the overall paid rate for Dream Act students.

Staff was also able to determine a direct correlation between Dream Act students who had a WebGrants for Students (WGS) account and their awareness of their Cal Grant award and/or having the correct school of attendance on file. In both cases, it appears that establishing a WGS account benefits students by increasing their awareness of the award and in prompting them to make a school change when needed - 81 percent of students who were aware of their awards and 80 percent of students with the correct campus on file had WGS accounts. Commission staff will increase efforts in promoting the WGS tool for Dream Act students.

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Campuses with the largest number of unpaid Dream Act students were identified and contacted by Commission staff to offer assistance if needed. There were a total of 10 campuses from the CCC and CSU segments that Commission staff contacted and will continue to work with to effectively identify the status of these students.

### **Selective Service System**

All males between the ages of 18 and 25 who reside in the U.S. must register with the Selective Service System (SSS) regardless of their citizenship status. Selective Service registration is a requirement for financial aid; students who do not register with the SSS will not receive a financial aid payment. Traditionally, students registered by completing the Selective Service Registration form available at all U.S. Post Offices and on the Commission's website. The forms would be completed and then mailed to the Selective Service. As reported in past Commission meetings, we learned that completing this process in a timely manner was one of the barriers for male Dream Act students to receive disbursement of their Cal Grant award.

Commission staff began by sending email reminders to unpaid Cal Grant offered awardees (males between the ages of 18-25) to complete the SSS requirement. More than 30,000 emails were sent in 2013-14 and nearly 60,000 in 2014-15. In order to better assist Dream Act students and in further alignment with the FAFSA, the Commission revised the 2015-16 CADAA to include an acknowledgement and optional Selective Service registration statement. Male students now have the ability to electronically register with the SSS through the CADAA by answering "Register me" on question 23a of the application.

The data exchange process with the SSS was successfully implemented in September of 2015 with the initial registration of 6,800 eligible male students who selected the option to be registered on their application. Since then, Commission staff continues to register eligible male students who select this option. Students have the option to see their registration status by logging into their CADAA and viewing their Confirmation Page or Cal-SAR. Financial aid administrators have access to a recorded, on-demand mini-training module on this topic that is available on the Commission's Training Page. As of August 2, 2016, 11,545 eligible male students have been registered with the U.S. Selective Service through their CADAA.

### **Update on the October 1, 2016 opening of the 2017-18 Application Period**

The early opening of the 2017-18 FAFSA that will allow students to apply for financial aid as early as October 1, 2016 (Early FAFSA), rather than January 1, 2017, as well as the use of earlier income information (Prior-Prior Year or PPY), required changes to the Commission's timelines and processes. Commission staff has focused on implementing these changes so that all eligible students can be offered and notified of their Cal Grant awards as early as possible.

The earlier timelines have required an earlier final reconciliation deadline, September 9, 2016, to close out the 2015-16 Cal Grant and MCS programs. This is almost three months earlier than in previous years, and is required because the existing Grant Delivery System has the capacity to process only the current 2016-17 academic year and the earlier 2017-18 academic year concurrently.

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Unpaid 2015-16 Dream Act students who had a Not in Attendance (NA), Incomplete File (FI) or no reason code reported in WebGrants will have their Cal Grant awards withdrawn during the year-end reconciliation process. Prior to the withdrawal deadline, students will have received multiple communications to take action on their Cal Grant award. Commission staff will report a breakdown of the final 2015-16 numbers for Dream Act offered awardees at the November Commission meeting.

### **CONCLUSION**

Commission staff will resume Dream Act workgroup meetings after the October 1 opening of the 2017-18 financial aid application period to continue the collaborative work to address any issues and explore enhancement opportunities for a successful administration of the California Dream Act program. These meetings were deferred so that the Early FAFSA and PPY changes could be put in place.

We will continue to provide updates at future Commission meetings on the progress of the program.

### **RESPONSIBLE PERSON(S):**

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