

Action/Information Item

***Joint California Student Aid Commission and
EDFUND Board of Directors Workshop***

**Consideration of Amendment to Operating Agreement to Authorize
the Public Awareness Campaign and California Cash for
College Program for 2007-08**

At its April 19, 2007 meeting, the Commission took action to authorize the additional use of \$2,206,500 in outreach funding in 2007-08 to fund the 2008-09 Cal Grant application cycle as follows:

1. \$1,719,000 for the Cal Grant Public Awareness Campaign and the amendment of the contract with Runyon, Saltzman and Einhorn for this purpose; and,
2. \$487,500 for the California Cash for College (CCFC) Program, including the amendment of the CCFC contract for this purpose.

Since these funds will be expended by EDFUND during both its 2006-07 and 2007-08 fiscal years, the Commission's action requires the EDFUND Board to adjust the EDFUND 2006-07 budget and to include the appropriate amount of remaining funds in the 2007-08 proposed budget. The EDFUND Board has not yet taken action to amend its 2006-07 budget for this purpose due to concerns raised regarding the implications of this expenditure in relation to the Governor's proposed sale of EDFUND. EDFUND's 2007-08 budget is still being developed, but will be subject to the same concerns.

The Commission and EDFUND Board's actions are now complicated by language in the Operating Agreement that became effective July 1, 2007. In response to Department of Finance's concerns about the new Operating Agreement and the uses of the Student Loan Operating Fund, Section 6.1 of the Operating Agreement indicates that:

"Other student financial aid-related activities that are major investments in local assistance, State assets, or outreach and awareness programs that are not directly related to FFEL program guaranty business operations shall be subject to annual review through normal State budget process or legislation."

During subsequent discussions with CSAC staff, the Department of Finance, on behalf of the Administration, and legislative staff have not raised objections to using the \$2.2 million as authorized by the Commission at its April 2007 meeting.

The new campaign is now more than three months behind the anticipated start date and any further delays run the risk of failing to get materials and messaging out early enough to aid in the local dissemination of time-sensitive financial aid application information. Tab 4.b contains additional information on the potential impact of delayed funding on the Public Awareness Campaign and Cash for College Program.

Failure to fund this important work would mean the Commission would be unable to achieve its mission to provide access to financial aid to all California students interested in pursuing post-secondary education.

Therefore, CSAC staff and EDFUND management propose that the Operating Agreement be amended to allow the expenditure of \$2,206,500 from the Student Loan Operating Fund to fund the 2007-08 Public Awareness and Cash for College campaigns.

Amendments to the Operating Agreement must be submitted to the Department of Finance and Joint Legislative Budget Committee for a 45-day review and comment period. If this amendment is approved by the Commission and EDFUND Board at this joint workshop, and submitted for review the next day, the 45-day review period would end on September 10, 2007.

Recommended Action: Approve an amendment to the Operating Agreement to authorize the use of \$2,206,500 from the Student Loan Operating Fund for outreach activities in the 2008-09 Cal Grant application cycle funded through the Public Awareness Campaign and Cash for College Program.

Responsible Staff:

Janet McDuffie
CSAC Chief, Management Services and
CSAC Acting Chief, Federal Policy & Programs

Steve Caldwell
CSAC Chief, Governmental and Public Affairs

David Reid
EDFUND General Counsel and Vice President External
Relations

DRAFT

AMENDMENT

This amendment dated July 26, 2007, hereby amends the Operating Agreement by and between the California Student Aid Commission and EDFUND entered into on July 1, 2007 as follows:

6.7 Notwithstanding Section 6.1 of this Agreement, \$2,206,500 shall be allocated from the Student Loan Operating Fund to be used for outreach activities in the 2008-09 Cal Grant application cycle funded through the Public Awareness Campaign and Cash for College Program to be managed by CSAC and administered through EDFUND's contracting process.

Other terms and conditions of this Agreement shall remain unchanged.

California Student Aid Commission

EDFUND

By: _____
Louise McClain
Commission Chair
California Student Aid Commission

By: _____
Sally M. Furay
Board of Directors, Chair
EDFUND

By: _____
Diana Fuentes-Michel
Executive Director
California Student Aid Commission

By: _____
Samuel M. Kipp, III
President
EDFUND

CSAC STAFF CONCERNS REGARDING DELAY OF FUNDING FOR OUTREACH ACTIVITIES

In April 2007, the Commission authorized the use of \$2,206,500 for the Public Awareness Campaign and the California Cash for College Program to fund the 2008-09 Cal Grant application cycle. The scope of work and funding requirement for these outreach activities is attached in Tabs 4.c and d.

The Commission voted unanimously at its April meeting to fund a \$2.2 million budget adjustment to provide an early kick-start to these campaigns. However, the EDFUND Board has not yet taken action to adjust the EDFUND budget due to concerns raised regarding the implications of this expenditure in relation to the Governor's proposed sale of EDFUND and language in the new Operating Agreement as noted in Tab 4.

During subsequent discussions with CSAC staff, the Department of Finance, on behalf of the Administration, and legislative staff have not raised objections to using the \$2.2 million as authorized by the Commission at its April 2007 meeting. Therefore, CSAC staff and EDFUND management are recommending that the Operating Agreement be amended to allow the expenditure of \$2,206,500 from the Student Loan Operating Fund to fund the 2007-08 Public Awareness and Cash for College Campaigns.

Delaying the Public Awareness Campaign and the California Cash for College activities would disrupt the timely delivery of important financial aid outreach tools to more than 4,000 local "messengers" at schools, workshop organizers, Cal-SOAP directors and other public and private partners throughout the state. The Commission also would be unable to deliver critical information to the more than 400,000 high school seniors in need of clarity and encouragement to fill out their applications by the March 2 deadline.

The delay would weaken and potentially damage many of our critical corporate and community partnerships, many of which provide funding and support only if the Commission can match the effort. Specific effects include:

- Financial aid advisors at college campuses and high school counselors might experience a delay in receiving collateral materials (the College Cash Box) before their scheduled financial aid events, which run in October and November.
- Financial-aid-night organizers would not be able to inform families about upcoming events to help them file for financial aid. In 2006-07, 50,000 students failed to complete both application forms. This number could grow exponentially if we are forced by delays to scrap these activities. Based on an analysis of the data available from the NCHEMS Information Center for State Higher Education Policymaking and other studies, it is abundantly clear that California must take decisive steps to improve its college-going rates or its citizens will not be well equipped to participate fully in sustaining its future economic growth.
- Campaign radio and television spots cannot be purchased in advance and the Commission could lose the opportunity to use these media.
- "College Cash Crew" members (former Cal Grant recipients hired through the campaign to promote the Cal Grant application cycle,) would have less time to make local appearances urging their peers to apply. At worst case, the Commission's outreach

efforts might not have this resource, if it does not have sufficient time to train statewide volunteers for use in our outreach window.

- The later than anticipated start time could adversely affect the development and implementation of the campaign materials and activities.
- The smaller publicity window would hamper the state's effort to improve college-going rates among low-income and minority students, and not fully support the Commission's mission to maximize financial aid awareness for all Californians.

Even when the amendment is approved by the Commission and the EDFUND Board, Commission staff will have to wait to access the money for public awareness and Cash for College activities until the amendment is reviewed by the Department of Finance and the Joint Legislative Budget Committee. That could mean the funding would not be in place until approximately mid-September (the time when it was originally hoped the schools would receive the collateral material supporting early awareness and preparation for the winter workshops.)

To ensure that this delay does not unduly impact campaign/workshop implementation, Commission staff are already initiating steps to review collateral material and messaging to ensure they are updated and accurate; send out an electronic order form to gauge use of campaign and workshop materials; and develop alternative strategies to scale back the campaign and workshop program, if the authority to fully fund its outreach efforts is not received. In this way, time-critical planning steps can be accomplished in order to ensure the campaign can continue successfully and benefit students.

**Scope of Work
2008-09 Cal Grant Public Awareness Campaign
and California Cash for College Program**

Specific services shall include:

- Update and distribute the College Cash Box and inclusive materials for high schools throughout California. The materials are already available, and will need minor modifications. Compilation and distribution should be accomplished by September 15, 2007.
- Recruit and expand College Cash Crew to act as campaign/CCFC spokespersons for interviews and public appearances before students, parents, faith-based organizations, community-based organizations and influencers. Crew to be recruited from schools, with segmental support.
- Coordinate media buys for existing electronic advertising, utilizing marketing data from UC Accord Priority Schools list to support demographic reach. Seek to double campaign cost through value-added advertising opportunities.
- Coordinate new and existing partnerships to further expand the Campaign/CCFC Program messaging throughout the state. Special emphasis should be placed on fostering relationships with faith-based organizations and community-based organizations to serve as venues for information dissemination.
- Attention to new higher education reports and findings that demonstrate importance of financial aid opportunities to support ongoing push to get more students – especially those from underrepresented populations – into post-secondary schools. Integrate findings into campaign messaging, speeches and talking points.
- Program evaluation tools which include the development of the priority schools list, pre- and post-Campaign research components that evaluate Cal Grant brand and CCFC Program awareness, where to get help with the forms, and penetration of messaging.
- At the outset of the contract, the contractor must provide the Commission/EDFUND with an appropriate timeline for major benchmark deliverables.
- Developing integrated messaging between the Cal Grant branding and California Cash for College social marketing campaign, including appropriate materials.
- Attention to specific Cal Grant program language to be consistently applied to all written materials, including collateral, press releases, and legislative letters.

Tab 4.c

- Attention to the submission of detailed and accurate invoices on a monthly basis to the Commission/EDFUND for processing.
- Assurance and use of a contracted messenger service.
- Effective use of any designated Campaign sub-contractor to support the public awareness campaign and Cash for College activities.
- Provide graphic arts and printing services in coordination with the contractor.
- Providing the Commission/EDFUND with a concise summary report on the Campaign and CCFC Program by May 1, 2008. At a minimum, the report will describe Campaign and CCFC activities, assess the effectiveness of the Campaign/CCFC and provide recommendations for future “next steps.”
- Cash for College staff support, promotion of workshops, new media, Web site development, enhancements and maintenance, written materials and dissemination.
- Cash for College support for workshop site funding and scholarship program activities.

Additional, desired services might include:

- Planning, developing and implementing a Cal Grant Launch event in January.
- A coordinated Legislative outreach event during the January-February Cal Grant application window.
- Consistent inclusion of, and attention by, the firm’s Principals during the entire Campaign/CCFC Program term.
- Hosting, updating, and redesigning as necessary, the *calgrants.org* Web site.
- Pitching media and providing news clips to Commission/EDFUND staff during the Campaign and CCFC Program cycle.

Public Awareness Campaign (PAC)	2006/07 Estimate	2007/08 Estimate	Total Estimate
Item	6/1/07 - 9/30/07	10/1/07 - 4/30/08	
Cash Box	\$ 37,500		
Poster (17x22); 4-color	\$ 5,270		
Student CCFC Flyer, 8.5x11, 2-sided, 4-color, English/Spanish	\$ 3,060		
Lesson Plan Resource Guide; 12 page; 4-color	\$ 8,000		
Forms and publications 2 page flyer; 4-color	\$ 2,550		
Cash Box contents list - 2-sided; 4-color	\$ 2,100		
Top 10 list - Students, 2-sided (Eng/Span); 4-color	\$ 10,200		
Top 10 list - Parents, 2-sided (Eng/Span); 4-color	\$ 10,200		
Financial aid FAQ; 2-sided, 4-color	\$ 2,125		
Student DVD - filling out the FAFSA; label & DVD duplications/white sleeve	\$ 4,420		
FAFSA/Cal Grant Tip sheet, 2-sided Eng B/W	\$ 9,350		
Cal Grant C Form sleeve	\$ 1,700		
	\$ 5,100		
Using WebGrants to Upload GPAs for Cal Grants DVD	\$ 4,420		
Live read scripts; 3-4 pages b/w, text only	\$ 2,805		
Newsletter template; 2 pages, text only	\$ 1,700		
Student body pack envelopes	\$ 4,930		
Plastic banner (3x3' plastic, 4-color)	\$ 9,000		
Decals* (4x4" plastic cling-decal; 4-color)	\$ 6,800		
Student body pack envelope/label (6x4.125" sticky-back; 4-color)	\$ 1,870		
#10 Take-One; 4-color, 2-sided	\$ 4,250		
PIN brochure	\$ 5,000		
Student Folder	\$ 5,000		
Administrative/Travel/Misc	\$ 4,500	\$ 10,000	
PR Planning	\$ 10,000		
Sponsorships	\$ 20,000		
Website Enhancements	\$ 12,000	\$ 12,000	
Public Relations - Planning	\$ 10,000		
College Cash Crew Recruitment	\$ 10,000	\$ 19,150	
Media Relations			
Television		\$ 285,000	

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Cost Estimates for Outreach Activities

Tab 4.d

Radio - Teens		\$	465,000	
Radio - Parents		\$	300,000	
Direct Mail		\$	93,000	
Interactive/Web		\$	85,000	
Research & Evaluation Services		\$	6,000	
Media Relations		\$	230,000	
PAC Total	\$	213,850	\$	1,505,150
				\$ 1,719,000
California Cash for College (CCFC)				
Item				
Staff support	\$	1,500	\$	8,500
Promotion of workshops	\$	-	\$	90,000
New media & Web site development	\$	10,000	\$	30,000
Program/written materials & dissemination	\$	10,000	\$	25,000
Current and year-round regional coordination	\$	50,000	\$	35,000
Workshop site support funds	\$	-	\$	90,000
Program evaluation projects	\$	5,000	\$	20,000
Scholarship program support	\$	2,500	\$	62,000
Statewide coordination contract	\$	-		
Travel	\$	-		
Administrative	\$	8,000	\$	40,000
CCFC Total	\$	87,000	\$	400,500
				\$ 487,500
PAC + CCFC TOTAL BUDGET				\$ 2,206,500