

Item 9

Action Item

Consideration of an additional budget change proposal for fiscal year 2016-17

The California Student Aid Commission (Commission) has been serving students since 1955 by providing financial aid and support services to high school and postsecondary students, parents, and families. As the primary agency responsible for the administration of state-funded financial aid programs, it is the Commission's mission to "make education beyond high school financially accessible to all Californians." As the state processor for the California Dream Act Application (CADA), similar to the Free Application for Federal Student Aid (FAFSA) processor, the Customer Assistance and Processing Unit and the Institutional Support Unit within the Program Administration and Services Division (PASD) are critical to the successful execution of our various program responsibilities and to the Commission's mission.

PASD has seen an increase in the workload over the last several years and taken on additional roles such as administration of the California Student Opportunity and Access Program (Cal-SOAP), the Dream Act, Cash for College, the Middle Class Scholarship program, and exponential increases in the number of Cal Grant awards. Every year, PASD staff often travel to and provide expertise at outreach and training events throughout the state. These events continue to increase each year as more efforts are being made to increase the FAFSA completion rates. In order to provide an appropriate level of customer service to students, families, high schools, colleges, community organizations, and other state agencies more staff is needed. In addition to the outreach and training events, several upcoming changes to the 2017-18 FAFSA process (see Item 16 for the effects the changes to the federal financial aid process will have on the Commission) will increase the call volume, outreach events, student support and school support services.

The inability to inform low- and middle-income students and families about financial aid and to respond to their questions for information and assistance in applying for that aid, as well as the inability to provide support to high school counselors and institutions, constitutes a barrier to those students' and families' access to higher education. Therefore, additional resources are necessary.

Customer Assistance and Processing Unit

The Customer Assistance and Processing Unit (CAPU) is the Commission's contact center for all student, parent, and general public inquiries and requests, including questions about all types of financial aid. The goal of CAPU is to provide timely, accurate and consistent financial aid information to students, parents, schools and other stakeholders. Staff duties include, but are not limited to answering customer calls, responding to customer emails, keying all customer forms, updating student accounts, updates to California Dream Act Applications (CADA), responding to other inquiries, sending ad hoc customer notifications and maintaining unit statistics.

With the implementation of the California Dream Act, the Commission took on the role of administering a multi-purpose CADA and processing system for students who are eligible for Cal Grant awards based on the requirements in Assembly Bill (AB) 540. As the central processor for CADAs, the Commission is also responsible for providing institutional data and reports used to

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determine various forms of financial aid. It is important to note that when staff speak with Dream Act applicants they not only answer questions about their Cal Grant eligibility and CADA, they also respond to questions about other types of financial aid that students may be eligible to receive at their schools and the process to receive those forms of financial aid.

Annually, staff respond to more than 35,000 e-mails. Over 120,000 calls enter the phone ports, but nearly 55,000 go unanswered. Additionally, during critical award cycles throughout the year, other workload in the unit is backlogged due to the lack of staffing resources.

Institutional Support Unit

The Cal Grant award offers are a major component of a student's financial aid packaging; timing of application processing is sensitive. Award offers begin to occur in mid-February preceding the academic year for which the student is applying. Managing three fiscal program years is necessary to ensure students have the opportunity to receive their financial aid in the current academic year and in the prior academic year if they did not receive their Cal Grant award. The opening of the next academic year begins during the current academic year allowing schools to begin uploading GPAs and other documents to prepare for the upcoming award cycle. Schools have access to the student award eligibility through the WebGrants System.

The Institutional Support Unit is the Commission's contact center for all inquiries and requests from California high schools and colleges. Staff duties include, but are not limited to answering customer calls, responding to customer emails, keying all customer forms, making corrections and updates to student accounts and their California Dream Act Applications (CADA) per the school's or institution's request, responding to school and institution appeals and other inquiries, sending ad hoc customer notifications and maintaining unit statistics. School and institution inquiries regarding non-awards include appeals, correction requests, award adjustments, follow-up communications and phone calls from high school counselors, financial aid administrators, and other stakeholders. Many processes require manual corrections and reconsideration and must be processed individually.

Additionally the Institutional Support Unit provides internal and external training. Internal training includes, but is not limited to new employee orientation, in-depth program training and training on various internal processes. External training consists of training the Commission's stakeholders on all the Commission's programs, systems and processes, either via webinars or in-person training. The Institutional Support Unit also conducts stakeholder workgroups and meetings to gain feedback from our customers regarding changes to programs, contracts, and policies.

This budget change proposal would request eleven positions – six for the Customer Assistance and Processing Unit and five for the Institutional Support Unit – at a cost of approximately \$776,000 and \$142,000 in related operational costs.

Recommended Action: Approve the Customer Assistance and Processing Unit and Institutional Support Unit budget change proposal for submittal to the Department of Finance.

Responsible Person(s): Catalina Mistler, Chief
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