

# Exhibit 9

## Information/Action Item

### Strategic Planning Outcome: Consideration of revisions for reporting and displaying information on Cal Grant award utilization

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We are required by statute to submit various reports on the Cal Grant Program to the Legislature. In addition to these required reports (that we post on our web page), we provide data when requested to the Commission, the Administration, the Legislature, the Legislative Analyst's Office, reporters and other interested parties.

The terminology used in these reports and data requests are very specific to what is being requested but may appear to be inconsistent or confusing to someone who doesn't understand how the Cal Grant Program is structured and how awards are processed.

To provide more consistency in the how we report and display information on the Cal Grant Program, we are proposing the following configuration for reporting on the students, processes and measures associated with the program. The terms below were developed specifically for the Competitive Cal Grant Program utilization rate discussion. If the Commission agrees to use this configuration, we will move forward to develop appropriate terms for the other Cal Grant Programs.

<b>Student</b>	<b>Definition</b>
Applicant	A student who has submitted a complete Cal Grant application, including a FAFSA or California Dream Act Application and a GPA.
Awardee	A student who has received notification of a Cal Grant award offer.
Recipient	A student to whom a Cal Grant award has been disbursed.

<b>Process</b>	<b>Definition</b>
Application	A completed FAFSA or California Dream Act Application and a GPA.
Award Offer	A Cal Grant offered to an eligible applicant.
Disbursement	A payment from the Commission to an awardee or to an institution in the name of the awardee

## California Student Aid Commission

Measure	Definition
Projected Take Rate	The calculation of the number of recipients projected to receive a disbursement based on historic trends for Department of Finance budgetary purposes.
Paid Rate	<u>Number of Competitive Cal Grants disbursed</u> statutory cap of 22,500
Utilization Rate	<u>Number of Competitive Cal Grants disbursed or claimed*</u> statutory cap of 22,500  *A claimed award includes leave and reserve statuses for which no disbursement has been made.

To understand how these terms can be used, below is a brief description of the Cal Grant Program and the various reports/information/data we have historically provided.

### *Cal Grant Programs*

The Cal Grant Program is composed of the following programs:

- High School Entitlement Cal Grant A and B
- California Community College Transfer (Transfer) Entitlement Cal Grant A and B
- March Competitive Cal Grant A and B
- Cal Grant C
- September Competitive Cal Grant A and B

While these programs have some common eligibility requirements, they are also some specific eligibility requirements for each.

### *Application Process*

Students are required to submit a Free Application for Federal Student Aid (FAFSA) or a California Dream Act Application and a GPA Verification Form by specified deadlines.

### *Award Process*

Students don't apply for a particular Cal Grant. Applications are processed to provide students with the most beneficial Cal Grant. Applications are processed to determine eligibility for the programs in the order of the list of Cal Grant Programs noted above.

For example, student application information is first assessed for eligibility for a High School Entitlement Cal Grant. Students who do not meet the requirements for that program are then considered for a Transfer Entitlement Cal Grant. The process continues until all possible Cal Grant Program options have been exhausted.

Because the number of Competitive Cal Grant Program is limited by statute, hundreds of thousands of qualified students do not receive a Cal Grant each year.

# California Student Aid Commission

## *Award Notification and Additional Requirements*

A California Aid Report (CAR) is sent to all students who are offered a Cal Grant award. However, additional information may be required before a payment can be issued for many of these programs. For example, because an application is filed before the end of the high school year, the students receiving a High School Entitlement Cal Grant must confirm that they did graduate from high school. Schools are also required to verify that the student meets all program eligibility requirements before authorizing payment.

Students may take a leave of absence or have their Cal Grant placed in a reserve status under certain circumstances. These awards will be considered claimed but not disbursed.

## *Award Utilization Terminology*

We have used a various words throughout the years to describe Cal Grant awards and utilization. These terms have evolved based on the need to provide specific information and to respond to concerns expressed by the Legislature and the Administration. For example, the first year of the Cal Grant Competitive Program, the term “award” was defined differently by these two entities. The Legislature considered the term to mean students who were received Cal Grant funds. The Administration defined the term to mean students who were offered a Cal Grant award without regard to whether or not they received funds. A compromise was reached that allowed us to award more than the statutory number of awards with the understanding that not all students would receive funds and that we would not disburse funds to more than 22,500 students.

The following terms have been used at times and for specific purposes to describe Cal Grant awards:

- Awards
- Award offers
- Initial awards
- Preliminary awards
- Recipients
- Paid Recipients

“Take rate” has become a common term in the Cal Grant Program, but really only applies to our projection model for budgeting purposes. The projection model is used to provide Department of Finance with an estimate of the amount of funds that will be needed for the Cal Grant Program in the current and budget year for inclusion in the Governor’s proposed budget and May revision. In our sophisticated projection model, the take rates are based on historical data that considers the number of awards offered, the segment of attendance, the students’ grade levels, number of awards disbursed and the associated funding.

# California Student Aid Commission

## *Statutory Reporting Requirements*

We are statutorily required to issue various reports on the Cal Grant Program. To meet this requirement, we issue the reports listed below.

- Facts at Your Fingertips (for the High School Entitlement, Transfer Entitlement, and Competitive Cal Grant Programs), annually
- Competitive Cal Grant Report to the Legislature, every three years
- Cal Grant Program Recipients, annually
- Cal Grant Data, every three years

We are also required to provide the Department of Finance with the number of new and renewal applicants expected to be paid and the total amount of the projected payments for inclusion in the Governor's proposed budget and May revision.

## *Requests for Information on FAFSA completion and Award Data*

We receive numerous requests for California FAFSA completion and Cal Grant award data and have been limited by technology and staffing resources in responding to these requests.

In fall of 2012, we entered into a partnership with EdTrust West to provide historical Cal Grant data. EdTrust West announced their analysis of the state of financial aid in California just prior to the Cal Grant deadline. EdTrust West recently announced California school by school data, using federal data.

Only a few states have begun to display their state's FAFSA completion data. Colorado and Illinois are the only two states known to be using the federal tool to highlight school progress of FAFSA completion. The U.S. Department of Education has made FAFSA completion and information transparency top higher education initiatives. The high school by high school FAFSA completion tool was made available in 2012 to aid schools and communities in viewing the progress of completion on the federal form.

In response to requests and our desire to provide interested parties with more complete information, we are developing additional reporting mechanisms that will provide an online progress and performance tool that tracks the California student state and federal financial aid application and Cal Grant data we process.

We have reported at previous Commission meetings our plan to develop a California Success Dashboard that will provide aggregate Cal Grant Program information, school by school, district by district, county by county, and statewide. The California Success Dashboard is not only a performance tool which will describe how California has performed at the important task of FAFSA and Cal Grant application completion. It is also meant to be progress tool to show how schools and communities are progressing in application submissions and completions leading up to the Cal Grant March 2 deadline.

## California Student Aid Commission

The California Success Dashboard and accompanying outreach initiatives increase critical communication with high schools, districts and local communities, an important step in increasing Cal Grant utilization rates.

Phase 1 of the California Success Dashboard is being developed to dynamically display 2013-14 aggregate state and federal financial aid application and awarding results. In Phase 2, we are considering developing visual displays of the applications processed as well as display of goals for student outcomes each year. We are working on Phase 1 and will discuss Phase 2 at the Commission's November meeting.

*Recommendation*

As noted above, we are recommending a configuration of terminology for the students, processes and measures to be used for the Cal Grant Program that will standardize reporting and displaying information on Cal Grant award utilization.

We can apply this configuration to our standard reports as noted below. Some of the report names will also have to be changed to reflect the data included. The definitions will be included in each report. We will also use these terms when responding to other requests for Cal Grant data.

Report	Data
Facts at Your Fingertips (for the High School Entitlement, Transfer Entitlement, and Competitive Cal Grant Programs), annually	New applicants and awardees
Competitive Cal Grant Report to the Legislature, every three years	New applicants, awardees, and recipients
Cal Grant Program <del>Recipients</del> <i>Report</i> , annually	New and renewal applicants, awardees and recipients
Cal Grant Data <i>on New Applicants and Awardees</i> , every three years	New applicants and awardees
Projection Data, twice a year	New and renewal applicants, awardees and recipients

**Recommendation:** Approve the staff's recommendation for reporting and displaying information on Cal Grant award utilization using specific definitions associated with students, processes and measures.

**Responsible Person(s):** Janet McDuffie, Chief  
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