California Student Aid Commission

Item 11

Information Item

Update on Competitive Cal Grant Program

SUMMARY:

For the 2015-16 academic year, 96.2% of the authorized 25,750 Competitive Cal Grant awards have been paid.

In addition, March 2nd results from the new scoring matrix implemented for the 2016-17 year produced more awards to disadvantaged students in comparison to the old scoring matrix. As expected from the initial modeling, the actual data revealed more awards to students with incomes below the federal poverty guidelines and a larger share of first-generation college students and students participating in federal benefit programs. The average age of recipients increased from 31 to 33 with the new scoring matrix. With the revised scoring matrix, the average GPA of recipients was 3.08, or 0.13 points lower than the average GPA under the old model. While most of the demographical factors of the new offered awardees changed, there was little variation in the distribution of awards by gender and higher education segment~~s~~. The March 2nd results are discussed in more detail in the analysis section.

RECOMMENDATION:

Staff will report on the final 2015-16 competitive Cal Grant paid rates at the November Commission meeting. Staff will also provide a more conclusive analysis of the scoring matrix impact with the inclusion of the September 2nd Competitive results at a future Commission meeting.

BRIEF HISTORY OF KEY ISSUE(S):

Prior to the 2014-15 academic year, the Competitive Cal Grant program struggled with low paid rates to its offered awardees. On average, approximately 60-70% of the offered awardees received a Cal Grant payment during a processing year. For an award program that is oversubscribed annually, the meager paid rates for its participants caused great concern on the effectiveness of the program. However, through Commission directives and guidance, the Competitive program has drastically improved the last two years.

On September 17, 2015, the Commission directed staff to implement a new Competitive Cal Grant scoring matrix for the 2016-17 academic year. The proposed Competitive scoring matrix, modeled by The Institute for College Access and Success (TICAS), was adopted on a trial basis and was designed to award the most disadvantaged applicants. All higher education segments and stakeholders supported the changes to the Competitive scoring matrix before it was presented to the Commission for action.

California Student Aid Commission

ANALYSIS:

Update on 2015-16 Competitive Cal Grant Awards

In September 2016, the 2015-16 Competitive Cal Grant awards completed with the final reconciliation, resulting in a paid rate of 96.20%. Table 1 shows the final paid rate with the 6,725 additional awards offered in March 2016.

Table 1
2015-16 Competitive Award Paid Rates
Data as of 08/23/2016

	Recipients			Paid Percent of 25,750*	Award Offers Deferred		
	Paid	CC Reserve	Total		Leave of Absence	Other	Total
2015-16	**24,763**	**1,716**	**26,479**	**96.20%**	**785**	**4,533**	**5,318**

**Paid includes competitive students from prior years receiving their first payment in 2015-16.*

Comparing Old and New Competitive Scoring Matrices

The new Competitive scoring matrix focuses on prioritizing the most disadvantaged applicants, and was expected to:

- Concentrate on financial disadvantage
- Prioritize students with socioeconomic and environmental disadvantages
- Reduce the emphasis on academic performance

The new scoring matrix was expected to result in more awards for students living in poverty, recipients of benefits, dislocated workers, and homeless and foster youth students – all without substantially decreasing the average Grade Point Average (GPA) of awardees or the distribution of awardees by sector.

In order to assess the impact of the scoring changes, staff considered eligible applicants who applied in 2016-17 award year by the March 2 deadline and compared the profile of awardees using the *new* scoring matrix with the profile of students who would have received awards under the prior scoring matrix. This comparison is more reliable than cross-year comparisons for several reasons:

- The pool of eligible applicants may vary from year to year.
- The available data for 2016-17 only includes the March 2nd scoring cycle, as the September 2nd cycle has not yet been scored.
- The 2016-17 award year features a larger number of authorized awards than prior years, which may work to reduce the scoring cutoff for awarded students.

Results

A total of 17,000 March 2nd Competitive (C1) awards were offered for the 2016-17 academic year using the new scoring matrix. The minimum total score for a March 2nd award was set to 648 (out of 1,000). Using the new scoring matrix, the highest score received was 935, compared to 1,000 in prior award years.

The results of the changes to the components in the scoring matrix led to the following award demographics:

Family Income / Household Size

The average income of award recipients decreased from $15,444 with the prior scoring matrix to $6,017 with the new scoring matrix. Applicants with incomes at or above 300% of the poverty guideline for their household size did not receive any points in this category, while the prior scoring matrix would have provided points to 2% of these applicants. Recipients had an average family size of 2.7 with a household incomes below $40,000, with 73% of awards offered to applicants with an income under $10,000. The prior scoring model would have resulted in offers to 41% of applicants with an income under $10,000.

Expected Family Contribution (EFC)

The distribution of awards by EFC under the new scoring matrix increased for recipients with zero EFC from 87% to 99.7%. Of the total eligible applicants that were considered for a March 2nd award, 59% had a zero EFC and 41% had an EFC of greater than zero. With the majority of applicants having a zero EFC, this new category helped to award those that are have a greater financial need.

Grade Point Average (GPA)

With the revised scoring matrix, the average GPA of recipients was 3.08, or 0.13 points lower than the average GPA under the old model. Among all eligible applicants, 52% had a GPA between 2.00 and 3.00, and 48% had a GPA of 3.00 or higher. Under the new matrix, 43% of the March 2nd Competitive Cal Grant awards were offered to applicants with a GPA between 2.00 and 3.00, and 57% to applicants with a GPA between 3.00 and 4.00. The GPA distribution under the old matrix would have been 33% for GPAs between 2.00 and 3.00, and 67% for GPAs between 3.00 and 4.00.

Household Status

The distribution by dependency increased for independent students from 77% to 93% in the new model. The points in the household status category, in prior years, were assigned based on four different household statuses for dependent applicants and three household statuses for independent applicants. For the 2016-17 award year, the maximum points are assigned to independent, single, separated, divorced or widowed students with dependents. For the 2016-17 March 2nd cycle, 68% of applicants considered were independent and 68% of the awards were offered to single parents.

Parents' Educational Level

The highest education level for the applicant's parent is considered under the new scoring matrix, compared to both parents in the previous scoring matrix. With at least 57% of applicants being first-generation college students, the new scoring matrix helped to award more first-generation college students. With the new matrix, 42% of the offered awardees had at least one parent with the highest education level of high-school or below as compared to 33% under the old scoring matrix.

The percentage of awards offered to students with college-educated parents decreased from 36% in the old model to 27% in the new matrix.

Disadvantaged/Socioeconomic Indicators

The new 2016-17 Competitive scoring matrix provides a new Disadvantaged/Socioeconomic Indicators scoring element with maximum points awarded to applicants who received any means-tested benefits: TANF, SSI, food stamps (SNAP), free lunch, or WIC; OR if they were a dislocated worker (dependent students are measured by parent variables; independent students are measured by student variables). Of the offered awardees, 44% received one or more benefits and 16% indicated that they (or their parent if dependent) were a dislocated worker. In total, 12% of considered applicants reported receiving one or more means-test benefits and only 5% reported as a dislocated worker.

Family/Environment Indicators

The new scoring matrix includes factors such as foster care, orphan/ward of the court, or homelessness. Seven out of 19 applicants (37%) who indicated homelessness were offered an award in the 2016-17 March 2nd cycle, none of whom would have received an award under the old matrix. Additionally, 258 out of the 679 applicants (38%) who identified as an orphan/ward of the court were awarded, compared with 180 who would have been awarded under the prior matrix.

Student Education / Access Equalizer

Applicants that meet this criteria earn "Access Equalizer" points for either identifying a *Disadvantaged High School* or attending college as a *Late/Re-entry* student. A *Disadvantaged High School* is a continuation high school, a high school in the upper quartile of free or reduced lunch program, or a high school in the lowest quartile of university going rate, excluding those high schools having no reported university-going rate and those having a free or reduced lunch rate of less than 25%. This was a common factor in both scoring matrices, although the new scoring matrix slightly reduced the number of possible points from 90 to 80.

Conclusion

Staff will report on the final 2015-16 competitive Cal Grant paid rates at the November Commission meeting. Staff will also provide a more conclusive analysis of the scoring matrix impact with the inclusion of the September 2nd Competitive results at a future Commission meeting.

RESPONSIBLE PERSON(S):

Catalina Mistler, Deputy Director
Program Administration and Services Division

Tae Kang, Senior Manager
Program Administration and Services Division

ATTACHMENT:

Attachment 11.1: Comparison of Old and New Scoring Components

Comparison of Old and New Scoring Components

SCORING COMPONENTS	2015-16	2016-17
FAMILY FINANCES		
FAMILY INCOME & HOUSEHOLD SIZE *(1)*	380	250
EXPECTED FAMILY CONTRIBUTION (EFC) *(2)*		250
GRADE POINT AVERAGE (GPA) *(3)*	350	100
HOUSEHOLD STATUS		
STUDENT OR PARENT	90	
SINGLE PARENT APPLICANTS ONLY *(4)*		80
SINGLE-PARENT FAMILY OR OTHER STATUS		
STUDENT EDUCATION / ACCESS EQUALIZER *(5)*	90	80
PARENT EDUCATION LEVEL		
FATHER AND MOTHER	90	
FATHER OR MOTHER *(6)*		80
DISADVANTAGED / SOCIOECONOMIC INDICATORS *(7)*		80
FAMILY / ENVIRONMENT INDICATORS *(8)*		80
TOTAL SCORE	**1,000**	**1,000**

Award Distribution by Demographics Based on Old and New Matrices

	OLD Matrix 2016-17	NEW Matrix 2016-17	ALL ELIGIBLE APPLICANTS 2016-17
TOPLINE AVERAGES			
Average Age	31	33	30
Average Income	$15,444	$6,017	$15,205
Average GPA	3.21	3.08	3.01
Average Household Size	2.97	2.7	2.64
Average Cohort Size	102	117	NA
DISTRIBUTION BY SECTOR			
CCC	64%	68%	51%
UC	4%	3%	7%
CSU	18%	16%	30%
NFP 2-year	0%	0%	0%
NFP 4-year	5%	4%	6%
FP	9%	8%	6%
Hospital Educational	0%	0%	0%
DISTRIBUTION BY GENDER			
Male	28%	29%	42%
Female	72%	71%	58%
Unknown	0%	0%	0%
DISTRIBUTION BY INCOME			
$0 - $9,999	41%	73%	36%
$10,000 - $19,999	24%	19%	21%
$20,000 - $29,999	17%	6%	15%
$30,000 - $39,999	10%	1%	9%
$40,000 - $49,999	5%	0%	6%
$50,000 - $59,999	1%	0%	4%
$60,000 - $69,999	0%	0%	3%
$70,000 - $19,999	0%	0%	3%
$80,000 - $89,999	0%	0%	2%
$90,000 - $99,999	0%	0%	1%
$100,000 - $109,999	0%	0%	0%
DISTRIBUTION BY GPA			
2.00 - 2.24	3%	7%	8%
2.25 - 2.49	6%	10%	12%
2.50 - 2.74	10%	12%	15%
2.75 - 2.99	13%	14%	16%
3.00 - 3.24	17%	17%	17%
3.25 - 3.49	17%	15%	13%
3.50 - 3.74	17%	13%	10%
3.75 - 4.00	16%	13%	8%

	OLD Matrix 2016-17	NEW Matrix 2016-17	ALL ELIGIBLE APPLICANTS 2016-17
DISTRIBUTION BY DEPENDENCY			
Dependent	23%	7%	32%
Independent	77%	93%	68%
DISTRIBUTION BY EFC			
0 EFC	87%	99.71%	59%
EFC > 0	13%	0.29%	41%
SHARE WITH INCOMES <= HOUSEHOLD POVERTY GUIDELINE			
Yes	36%	84%	38%
No	64%	16%	62%
Unknown	0%	0%	0%
SHARE WITH INCOMES <= 3X HOUSEHOLD POVERTY GUIDELINE			
Yes	98%	100%	90%
No	2%	0%	10%
Unknown	0%	0%	0%
SHARE WITH COLLEGE-EDUCATED PARENT			
Yes	36%	27%	21%
No	33%	42%	57%
Unknown	33%	30%	21%
SHARE WITH MEANS TESTED BENEFITS			
Yes	NA	44%	12%
No	NA	56%	88%
SHARE WITH DISLOCATED WORKER			
Yes	6%	16%	5%
No	94%	84%	95%
SHARE WHO ARE SINGLE PARENTS			
Yes	NA	68%	25%
No	NA	32%	75%
# OF HOMELESS STUDENTS	0	7	19
# OF ORPHAN-WARD STUDENT	180	258	679
# OF VETERAN STUDENTS	3	4	266