

## Item 5 (Information)

Update on new programs funded in budget

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### **SUMMARY:**

The 2019-20 State Budget includes significant investment toward the Commission's mission to make education beyond high school financially accessible to all Californians. This agenda item provides an update on Commission staff's work toward implementing augmentations to our existing programs and preparing our systems, staff and students for new programs and benefits.

### **RECOMMENDATION:**

No action is requested. This item is for information only.

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

The following changes to the Commission's programs and budget were included in the Budget Act of 2019 (Assembly Bill 74, Chapter 23/2019) and the Education Trailer Bills (SB 75, Chapter 51, Statutes of 2019 and SB 77, Chapter 53 Statutes of 2019):

### **Augmentations to Current Programs (+\$154.7 million)**

- **Competitive Cal Grants (+\$41.8 million)** This augmentation to the Cal Grant Competitive program expands the number of competitive awards by 15,250; from 25,750 to 41,000. This is the first significant increase in the number of competitive awards since the expansion of the Cal Grant program in 2000 (SB 1644, Chapter 403, Statutes of 2000). Additionally, SB 77 added Legislative intent language that all forms of state-based aid in California be made equally available to students who are exempt, pursuant to AB 540, from paying non-resident tuition and to all other students who qualify for state-based aid in California.

Administrative Resources: To be administered within existing resources.

Estimated Implementation Timeframe: Additional Competitive Awards were processed for the 2019-20 March 2nd award cycle to increase the number of authorized awards. Staff is preparing for the implementation of awards to students who qualify as of 2019-20 pursuant to AB 540.

- **Cal Grant Access Awards for Student Parents (+\$96.7 million)** This expansion of the Cal Grant program provides opportunities for students with dependent children to help them afford to attend a California Community College, a California State University, or a University of California campus. Increased access award levels will better enable students with dependent children to continue their education, meet their families' basic needs, reduce child poverty, and increase the likelihood of degree completion.

Qualifying new or renewal Cal Grant A recipients will, for the first time, receive an access award of up to \$6,000. Qualifying new or renewal Cal Grant B recipients will see their access awards increase from \$1,648 to \$6,000, and qualifying Cal Grant C recipients will see their book and supply award increase from \$1,094 to \$4,000.

Administrative Resources: The 2019-20 Budget provides one position and \$300,000 in one-time funding to support the necessary technical programming required to update the GDS and

GDSM.

Estimated Implementation Timeframe: Commission staff is working with the segments to implement a 2-stage process. A flag will be added to student records who qualify for an increased Cal Grant award in mid-August 2019. The process to provide payments to these students is expected to be programmed into GDS by February 2020. It is anticipated that some campuses may have resources to provide funds to the students prior to full implementation.

- **California Student Opportunity and Access Program (+\$10 million)** The Budget Act of 2019 provides \$17,898,000 total funding for Cal-SOAP. Budget Act language specifies that \$10 million of the total funding is available to begin a new program in the Inland Empire region and the remainder is to ensure that all existing programs receive the same level of state funding during the 2019-20 fiscal year as those programs received in the 2018-19 fiscal year. The funding model for the existing consortium is consistent with the Commission's approval of the Cal-SOAP allocations at the June 2019 Commission meeting.

Administrative Resources: To be administered within existing resources.

Estimated Implementation Timeframe: Staff is working to prepare a Request for Application (RFA), based on the Los Angeles model to release for the Inland Empire project. Funds are expected to be awarded beginning in Winter/Spring 2020 over a two to three year period..

- **Grant Delivery System Modernization (GDSM) Project (+\$6.2 million)** To fund the second year of project costs for the project. Chief Information Officer, Gurinder Bains will provide an update on the GDSM project.

### **New Programs (+\$123.8 million)**

- **The Golden State Teacher Program (+\$89.8 million)** This new program is an incentive for students enrolled in teacher preparation programs who commit to working in a high-need field at elementary school sites with the highest rates of non-credentialed or waiver teachers. Under this program, 4,487 students enrolled in approved teacher preparation programs have the opportunity to receive a one time grant for \$20,000, based on a signed Teacher Service Agreement (TSA) to work for four out of five years as specified. Failure to meet the requirements in the TSA will obligate participants to repay the grant.

Administrative Resources: None were provided, however a budget change proposal will be submitted to seek additional resources.

Estimated Implementation Timeframe: This program requires the Commission to provide grant payments to eligible students who are enrolled as of January 1, 2020 in an approved teacher preparation program. Staff is working to advertise, receive nominations and fully implement the one-time payments between January 1 and June 30, 2020.

- **The Child Savings Account Program (+\$25 million)** This program will provide grants to local governments and nonprofit organizations that sponsor or create local or regional child savings account programs. Under this new program, 74 percent of the funding will be dedicated to new programs, 24 percent will be dedicated to existing or programs in development and 2 percent will be available to the Commission for administration, outreach, and technical assistance.

This program follows the 2018-19 funding (\$2.9 million) provided for the Commission to administer the Every Kid Counts college savings program. Every Kid Counts provided funding

for college savings programs that were in place or in development.

The Budget also includes \$25 million for the California Kids Investment and Development Savings Program to be administered by the ScholarShare Investment Board.

Administrative Resources: The 2019-20 Budget Act allows for 2 percent (\$500,000) of the funding to be used for program administration and outreach.

Estimated Implementation Timeframe: Staff is developing an implementation plan based on the similar Every Kid Counts program.. The Request for Application is anticipated to be released early in 2020 with funds allocated prior to June 30, 2020.

- **The Dreamer Service Incentive Grant Program (+\$9 million)** This new program will allow California Dream Act applicants who receive a Cal Grant B award, to receive a grant of up to \$3,000 per year, for up to 4 years. To receive the grant, the student must attend a qualifying California institution and perform at least 100 hours per quarter or 150 hours per semester of community volunteer service with an approved entity. The program is limited to 2,500 students at any time.

Administrative Resources: None provided. A Budget Change Proposal will seek additional resources.

Estimated Implementation Timeframe: Commission staff is developing plans for this program. Implementation is likely to begin in the Fall 2020-21 award year.

#### **ANALYSIS:**

As noted above, the 2019-20 Budget provided new opportunities to serve California students in support of the Commission's mission to make education beyond high school financially accessible for all Californians. These augmentations to the Commission's budget also reflect the Administration's commitment to affordability, access, and efficiency in higher education.

Five of the seven augmentations noted in this agenda item were included in bills that were pending in the Legislature. Commission staff has been working with the author's offices and stakeholders to negotiate necessary changes to the bills and to the implementation timeframes. In the course of the legislative process, non-urgency bills that are signed into law during the Legislative session become effective on January 1st of the following year and the financial aid programs delay implementation to coincide with the next academic year. As these proposals were included in the 2019-20 Budget Act, each augmentation became effective as of July 1, 2019. Commission staff is developing implementation plans for each of these programs and is committed to making the benefits available to eligible California students as soon as possible.

In consultation with stakeholders, program staff is developing the business requirements and the Commission's Information Technology staff is developing the system support plans to implement the changes included in the 2019 Budget Act.

Staff will provide an oral update on the implementation timelines as these programs progress.

**RESPONSIBLE PERSON(S):**

Catalina Mistler, Deputy Director  
Program Administration and Services Division

Gurinder Bains, Chief Information Officer  
Information Technology Services Division

**ATTACHMENTS:**

Description

- Attachment 5.1: Update on new programs funded in budget



# California Student Aid Commission

Update on new programs funded in budget

# Augmentation to Current Programs (+154.7 Million)

- Increase the number of Competitive Cal Grant awards by 15,250 from 25,750 to 41,000 and include AB 540 students.
  - Processed additional March 2 Competitive Awards.
  - Processing September 2 Competitive Awards to include increased number and eligible AB 540 students.
  - Resources: Administered using existing resources.

# Cal Grant Access Awards for Student Parents (\$96.7 Million)

- Increase new and renewal Cal Grant Access for students with dependent children attending public institutions.
  - Cal Grant A – new Access award up to \$6000 .
  - Cal Grant B – Access award increases from \$1,648 to up to \$6,000.
  - Cal Grant C – Book and Supply award increases from \$1,094 to up to \$4,000.
- Resources: One position and \$300,000 in one-time funding to support technical programming.
- Implementation Timeframe: Phase one completed. Phase two expected to be completed in November.

# California Student Opportunity and Access Program (Cal SOAP) (+10 Million)

- \$10 million in one-time funds for existing Cal SOAP projects at the same level as fiscal year 2018-19 (\$7.9 million).
- Authorizes \$2.1 million for establishing a program(s) in the Inland Empire region.
- Request For Application (RFA) for Inland Empire will be released upon Commission approval.
- Resources: Administered using existing resources.

# Grant Delivery Modernization Project (\$6.2 Million)

- Funds for second year of project to:
  - Launch and deploy WebGrants for Students, Chafee Grant, California Dream Act Application, National Guard by October 2019.
  - Completed all infrastructure related to these systems i.e., Amazon Webservices, Identity Management, Networking and Database Servers at California Department of Technology Data Center.
  - We will also launch WebGrants for Institutions and CSAC interface in August 2020.

## New Programs (\$123.8 Million)

### Golden State Teacher Program (\$89.8 Million)

- \$20,000 grants for 4,487 students enrolled in teacher credentialing programs who agree to teach in high-need fields.
- Repay if obligation not satisfied.
- Resources: \$1.5 million in one-time funding for administration and outreach.
- Plan to open application in January 2020.

## Child Savings Account Program (\$25 Million)

- Grants to local governments and nonprofit organizations who sponsor or create local or regional child savings account programs.
- 74% of funds will be allocated to create new programs and 24% to existing programs and 2% for administration and outreach.
- Resources: \$500,000 one-time funding for administration and outreach.
- Anticipate presenting Request for Application for Commission approval at December 2019 meeting.

# Dreamer Service Incentive Grant Program (+9 Million)

- Allows up to 2,500 Cal Grant B Dream Act awardees to receive up to \$3,000 per year after completing at least 100 hours per quarter or 150 hours per semester of community service.
- Resources: 1.5 million in one-time funding for administration and outreach.
- Staff currently working on business requirements for changes to legacy system and plan to process new awards beginning the fall term of the 2020-21 academic year.