



# SPECIAL ALERT

STATE OF  
CALIFORNIA



## Update from the California Student Aid Commission

February 11, 2015

GSA 2015-08

TO: Financial Aid Administrators  
High School Counselors

FROM: Catalina G. Mistler   
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SUBJECT: **Grant Delivery System Modernization Project**

This Special Alert from the California Student Aid Commission (Commission) is pleased to announce that Governor Jerry Brown has included \$840,000 in his 2015-16 Proposed Budget for the initial year of planning for modernizing the Grant Delivery System (GDS). The goal of this project is to update the Commission's technology platform and to integrate the processing of all administered financial aid programs into a new system.

While new resources will not be received until July 2015, assuming the funding is approved by the Legislature, there is extensive planning occurring prior to July.

### Background

- The existing GDS system is based upon business rules and processes that were established in the 1980s and 1990s. Since this time, the Cal Grant program has undergone numerous revisions, most of which significantly changed the way Cal Grant awards are administered.
- The Commission also added new programs to the system (including the Middle Class Scholarship, Chafee Grant and National Guard Education Assistance Award). These ongoing changes revealed the limitations of the existing GDS architecture in terms of scalability, security, availability, integration, performance, flexibility, cost and business value. As a result, Commission staff must perform numerous manual processes, increasing the workload both the Commission and participating institutions.
- The average life span of a software application is 7-10 years; GDS' core system is approximately 30 years old. The security components employed by GDS are outdated and are more likely to be exploited by hackers, which ultimately can expose confidential data such as SSN, date of birth, et al.; thus, a new system would not only allow for operational efficiencies but increased security as well.

## **Current GDS System**

- Receives nearly 3 million Free Applications for Federal Student Aid (FAFSA);
  - Is the processor for over 38,000 Dream Act Applications used by the Commission for state funded grant awards and by UC, CSU and CCC for institutional aid;
  - Determines awards for Cal Grants, Chafee Grants, Middle Class Scholarships, and National Guard Education Assistance Awards (NG EAAP); and
  - Disburses over \$2 billion in financial aid to students.
- There is limited integration of specialized grant programs within GDS (GDS does not process APLE, SNAPLE, LEPD, Child Development), thus these programs are dependent on Access databases or Excel spreadsheets.
  - Current capacity of the existing GDS system is over-taxed and the numbers of records are expected to increase annually. This, with the current workload, puts the GDS system at risk of not being able to process and store additional student data.
  - The GDS system is inflexible and difficult to modify, does not interface with modern devices and communication technologies, and does not provide an information portal for students, high school campuses, and post-secondary institutions.

## **A Modernized GDS System**

The objective is to implement a modernized GDS System that:

- Is functionally integrated, reduces the amount of manual processes and can be expanded to meet legislative, regulatory, and operational requirements;
- Is built and documented according to current architectural methods and provides an open architecture for further integrated enhancements;
- Provides interfaces to current mobile technologies (i.e.; Android, iOS/Apple, Windows phone, etc.) and communication methods;
- Implements system security and privacy technologies commensurate with elevated risk for each system and in accordance with State of California and Federal policies and standards for confidentiality, security, and integrity of student data;
- Implements an information portal to allow data transparency to users of the GDS System, based upon authenticated user roles and privileges; and,
- Provides for web entry of all applicable program data with user-friendly mass data upload capability.

## **Planning and Consultation**

From January to June 2015, Commission staff will be preparing consultation and communication plans with our financial aid partners and students in preparation for the development of the new system that is:

- Student Centered,
- Simplified in terms of processes, and
- Flexible for future changes to the programs administered by the Commission.
- Commission staff will meet on a regular basis with institutional financial aid and technology professionals to discuss issues with the current system and solicit proposals to improve processing for students, institutions and the Commission. Concurrently, an internal workgroup will begin the development of the functional requirements and develop plans that will be used to manage the project.
- There are three main external users of the GDS System, students, high schools, and participating post-secondary institutions. Staff recognizes that early communication with these stakeholders is imperative to ensure the success of the GDS project. Staff will solicit input for project planning and establish workgroups of financial aid and technical professionals for ongoing discussions during the development of the new system.
- Commission staff has already facilitated initial discussions with representatives from the UC Office of the President, CSU Chancellor's Office, CCC Chancellor's Office, AICCU, CCCSFAAA, and CASFAA. Staff will also solicit information and ideas from students and high school counselors. We anticipate developing a survey for institutions to better understand how they interact with the current GDS system, what limitations the institutions have to deal with, and determine how best to develop a system that can meet various needs. The segmental representatives have agreed to assist with the survey questions, and with identifying financial aid and technical professionals to participate in the workgroups.
- Commission staff will be presenting an item on the planning process for the GDS modernization project during the Commission's February 19, 2015 meeting.

The Commission looks forward to working with our financial aid partners and other stakeholders to develop this new GDS system. Look out for upcoming information and updates.

### **Need to contact us?**

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