

2007 REPORT TO THE LEGISLATURE ON:

CAL GRANT T PROGRAM



Legislative Requirement:
California Education Code 69532

EXECUTIVE SUMMARY

The California Education Code Section 69532(e) requires that the California Student Aid Commission (Commission) annually evaluate the Cal Grant T program to determine the number of recipients who become employed as public school teachers. The Commission is required to report these findings to the Legislature and the Governor on an annual basis.

The Cal Grant T program was designed to help post-baccalaureate students pursue their initial California teaching credential. Eligible participants who attended credential programs at colleges and universities approved by the California Commission on Teacher Credentialing (CTC) received tuition and fee assistance for up to one academic year. Prior to receiving tuition payments for their credential program, eligible participants signed a Teaching Service Agreement (TSA) which required recipients to either provide one year of teaching service in a qualifying California public low-performing school for every \$2,000 tuition received for up to four consecutive years, or repay the total amount of tuition received which was not repaid through eligible teaching service.

Due to budget constraints funding for the Cal Grant T program was discontinued in 2003-04 and allocations were redirected to the Assumption Program of Loans for Education. The Commission is mandated by statute to track recipients who were awarded the Cal Grant T in academic years 2001-02 and 2002-03.

As required, the enclosed report provides data on the number of awards offered and accepted, participants fulfilling their obligations, and the status of remaining participants who entered the program in 2001-02 and 2002-03.

To date, almost one-half of the Cal Grant T recipients from each year are currently teaching, or have taught, in a California K-12 public low-performing school. The Commission has also collected over \$910,000 from program participants who have not fulfilled their teaching obligation. The Commission will continue to monitor the remaining participants for teaching service or monetary repayment of their obligation.

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INTRODUCTION

The California Student Aid Commission (Commission) is the state's principal provider of intersegmental statewide grant aid to postsecondary students. Founded in 1955 as the California State Scholarship Commission, the Commission's primary programmatic responsibilities include administration of the Cal Grant Program, the Chafee Grant Program and several targeted state scholarship and loan assumption programs. The Commission administers financial aid awareness and outreach programs, such as the California Student Opportunity and Access Program and Cash for College, in collaboration with business, private industry, and community-based organizations. The Commission is also the designated State guaranty agency responsible for the Federal Family Education Loan (FFEL) Program which it administers through its auxiliary organization, EDFUND. The Commission maintains responsibility in the FFEL Program with financial aid program administration, policy leadership, program evaluation and information development and coordination.

The Commission consists of 15 appointed members. Eleven members are appointed by the Governor and represent segments of the state's higher education community, postsecondary education students, and the general public. In addition, the Speaker of the Assembly and the Senate Rules Committee each appoint two Commission members as representatives of the general public.

In its policy decision-making, the Commission receives advice and recommendations from staff; advisory committees, including the Grant Advisory Committee, the Loan Advisory Council, and the Cal-Soap Advisory Committee; the EDFUND Board; and ad hoc committees comprised of individuals that represent colleges and universities, secondary schools, student groups, the business community, lending institutions, and various levels of government. The Commission's strong tradition of public participation stems from its commitment to continuous improvement and responsiveness in the development and delivery of its financial aid programs and services.

BACKGROUND

The Cal Grant T award was designed to help post-baccalaureate students pursue their initial California teaching credential. Eligible participants who attended credential programs at colleges and universities approved by the California Commission on Teacher Credentialing received tuition and fee assistance for up to one academic year. Prior to receiving tuition/fee payments for their credential program, eligible participants signed a Teaching Service Agreement which required recipients to either provide one year of teaching service in a qualifying California public low-performing school for every \$2,000 tuition received for up to four consecutive years, or repay the total amount of tuition/fee assistance received which was not repaid through eligible teaching service.

DATA SUMMARY

New Award Offers and Recipients

A Cal Grant T applicant is offered an award, but does not become a recipient until he/she returns a signed Teaching Service Agreement (TSA). Table 1 illustrates that in both 2001-02 and 2002-03, over 75 percent of applicants returned a TSA¹.

Table 1
Awards Offered and Accepted
By Year Entered

	Year Entered	
	2001-02	2002-03
Awards Offered	2,670	2,126
Signed Teaching Service Agreements	2,075	1,587
Awarded, Not Paid	536	266
Total Active Awards	1,539	1,321

The Commission offered as many new awards as possible without exceeding the authorized allocation for the Cal Grant T program. The actual amounts provided to recipients are listed below in Table 2.

Table 2
Total Payments

2001-02	2002-03 ²
\$6,741,000	\$6,381,000

Obligation Fulfillment as of January 2008

Cal Grant T participants agree to teach one year for every \$2,000 in grant aid in a California K-12 public low-performing school. If the participant does not teach or is employed in a private or high-performing school, he/she is required to enter into repayment. Table 3 illustrates the fulfillment methods used by participants who have met their obligation.

¹ The Cal Grant T Program was discontinued in 2003-04. However, the Commission is required to track recipients who were awarded a Cal Grant T in 2001-02 and 2002-03.

² The amount for 2002-03 includes renewal students from 2001-02 who attended less than full time, thus extending their payments.

**Table 3
Participants Who Have Completed Obligation**

	Number	Percent
Teaching	927	88.5
Repayment	108	10.3
Teaching and Repayment	13	1.2
Total	1,048	100.0

Remaining Participants as of January 2008

Table 4 illustrates that approximately 90 percent of the 1,812 remaining Cal Grant T participants are either currently teaching or repaying their awards in order to fulfill their obligation.

**Table 4
Status of Remaining Participants**

	Number	Percent
Currently Teaching	354	19.5
In Repayment	1,361	75.1
Cannot Locate	76	4.2
Uncollectable Debt	21	1.2
Total	1,812	100.0

CONCLUSION

In summary, the Cal Grant T Program was designed to help post-baccalaureate students pursue their initial California teaching credential. Eligible participants who attended credential programs at colleges and universities approved by the California Commission on Teacher Credentialing received tuition and fee assistance for up to one academic year.

To date, almost one-half of the Cal Grant T recipients from each year are currently teaching, or have taught, in a California K-12 public low-performing school. The Commission has also collected over \$910,000 from program participants who chose not to fulfill their teaching obligation. The Commission will continue to monitor the remaining participants for teaching service or monetary repayment of their obligation.