



# California Community Colleges

## MEMORANDUM

July 6, 2018

SS18-16 | Via Email

TO: Chief Executive Officers  
Chief Student Services Officers  
Chief Business Officers  
Financial Aid Officers

FROM: Rhonda Mohr  
Vice Chancellor of Student Services

RE: Financial Aid Technology Allocation

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This memo and the enclosed materials provide guidance on implementation of the new Financial Aid Technology funding. Senate Bill 1809, the 2018 Budget Act education trailer bill, includes language initiating a new funding program for Community Colleges, specifically directed to improve financial aid processes and management systems to better serve students seeking financial aid. The funding provides a one -time only \$13.5 million and an-ongoing \$5 million in funding. The financial aid technology funding is a long awaited product of a fruitful and hard advocacy on part of specific financial aid community college professionals, the CCC League and our Chancellor's Office government relations leadership.

The on-going \$5 million was allocated through the 2018-19 Advance in July 2018. The one-time \$13.5 million will be allocated in September 2018.

### **Purpose of the Grant:**

The purpose of the funding is to support technology advancement and innovations in financial aid processing and management systems.

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### **Chancellor's Office, Student Services**

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[www.CaliforniaCommunityColleges.cccco.edu](http://www.CaliforniaCommunityColleges.cccco.edu)

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**SEC. 68.** (a) For the 2018–19 fiscal year, the sum of thirteen million five hundred thousand dollars (\$13,500,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges to support technology advancements and innovations in financial aid processing and management systems at the community colleges in order to streamline financial aid verification, including, but not limited to, the Student Success Completion Grant established pursuant to Part 54.82 (commencing with Section 88930) of Division 7 of Title 3 of the Education Code, and to enable the community colleges to more efficiently process state and federal financial aid grants.

### Allocation Formula

We allocated the one-time and on-going funds equally by using three factors/functions:

- By College (72 districts)
- By District (114 colleges)
- By Credit Headcount (2016-17 college data)

By College	By District	Own CCC component
1 <sup>st</sup> factor/function	2 <sup>nd</sup> factor/function	3 <sup>rd</sup> factor/function
114 colleges - set amount (one third of total funding divided by 114 colleges)	72 districts - set amount (one third of total funding divided by 72 colleges)	Credit Headcount - fair share using prior-prior data (2016-17)

### Spending guidelines:

These are categorically restricted funds and supplanting is generally not allowed. Using these funds to supplant current and established processes and products will not lead to “technology advancement and innovation” as specified in the legislative bill. The intent of the legislature is to continue to feed the technology cycle, such as streamlining the financial aid verification process, so financial aid staff is able to provide additional technical assistance and guidance to students seeking financial aid. Limited exceptions

to the supplanting guidance will be granted on a case by case basis and must be approved by the Chancellor's Office.

Because this is a new funding stream, districts are authorized to spend the funds over a two year period, from July 1, 2018 to June 30, 2020.

This is an ongoing fund until it is no longer funded by the State, and it may go away if not spent correctly. We advise to manage your funds carefully since the allocation amounts go down for year-two and thereafter.

Funds may be used for any expenditures that meet the intent of the authorizing budget language, as stated above. Districts and colleges must ensure that all expenditures meet the intent of the legislature and administration, and that they are reasonable and justifiable.

#### NON-ALLOWABLE EXPENDITURES

The Chancellor's Office has identified the following non-allowable expenditures:

1. Gifts -- funds may not be used for gifts or monetary awards of any kind. Expenditures for a public purpose are not considered a gift of public funds; such expenditures must be coordinated with financial aid departments and be within a student's cost of attendance.
2. Stipends for Students -- funds may not be used to pay stipends to students for participation in program or classroom activities.
3. Political Contributions -- funds may not be used to pay for political contributions.
4. Courses -- funds may not be used to pay for the delivery of courses that generate full time equivalent students (FTES).

#### Reporting

- Will add a new fund code to SSARCC for final expenditures
  - Need to report how much and where funds were spent
- May have to return funds if those not spent within the intent of the bill which is for "advancement technology and innovation"

**Chancellor's Office vetting products:**

The Chancellor's Office will be vetting products and compatibility for the different financial aid management systems and will have a ready-list for colleges to consult, more to follow in the upcoming months.

**Contact:** Please contact Student Financial Aid Program staff for questions concerning the Community College Completion Grant at and [rnieto@cccco.edu](mailto:rnieto@cccco.edu) or (916) 322-4300 and [bdickason@cccco.edu](mailto:bdickason@cccco.edu) or (916) 323-5952.

cc: Laura L. Hope, Executive Vice Chancellor,  
Educational Services and Support CCCCO Student Services staff

Enclosures:

1. 2018-19 Financial Aid Technology Allocations
2. Legislative language