

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 22, 2019

CAO File No. 0220-00540-1393

Council File No. 16-0703

Council District: Citywide

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Housing and Community Investment Department Transmittal dated October 4, 2019; Received by the City Administrative Officer on October 8, 2019; Additional Information Received through October 22, 2019

Subject: **REPORT ON THE STATUS OF THE PLANNING AND ADMINISTRATION IN SUPPORT OF A LOS ANGELES CHILDREN'S SAVINGS ACCOUNT PROGRAM**

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Find that a Los Angeles Children's Savings Account (CSA) Program that provides seed funding for bank accounts opened for eligible Los Angeles Unified School District (LAUSD) children for the purpose of funding post-secondary education and pre-college expenses is a public benefit;
2. Find that a proposed Los Angeles CSA program similar to the one outlined in the Housing and Community Investment Department's (HCID's) Transmittal dated October 4, 2019, yet addresses concerns raised in this report, is the appropriate structure for the Los Angeles CSA Program identified in Recommendation 1 above;
3. Find that a school selection plan that focuses on high need students in the first year of the proposed Los Angeles CSA program, yet includes equitable geographic representation of the City of Los Angeles, County of Los Angeles, and LAUSD, meets the public benefit identified in Recommendation 1 above;
4. Authorize the HCID General Manager, or designee, to:
 - a. Accept \$286,583 in grant funding from the California Student Aid Commission (CSAC) under the Every Kid Counts grant program for the development and implementation of the proposed Los Angeles CSA Program;
 - b. Negotiate and execute a grant agreement with the CSAC in substantial conformance

with the grant agreement attached to this report, subject to the approval of the City Attorney as to form and legality;

- c. Prepare and submit application(s) for additional grant funding from the CSAC for the development and implementation of the proposed Los Angeles CSA Program, with the assistance of the Chief Legislative Analyst, as needed;
 - d. Prepare and release a Request for Proposals (RFP) in substantial conformance with Attachment A to the HCID Transmittal dated October 4, 2019, subject to the City Attorney review as to form and legality, to select a Financial Institution that will manage deposits made related to the proposed Los Angeles CSA Program and to also select a Technology Provider that will build a data platform for families to access their account information online; and,
 - e. Prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and City Council action on this matter, subject to the approval of the City Administrative Officer;
5. Instruct HCID to report back to the Mayor and Council on:
- a. The RFP results and recommendations to the Mayor and Council for the selection of the Financial Institution and Technology Provider, and request authorization to execute a contract(s) with the selected contractor(s), for a contract term of one year from May 1, 2020 through April 30, 2021, with an option to renew for up to two additional one-year terms, subject to the availability funding, completion of the Charter Section 1022 Determination process, compliance with the City's contracting requirements, satisfactory contractor performance, need, and approval of the City Attorney as to form and legality;
 - b. Any subsequent grant awards or donations from outside entities for the purpose of implementing the proposed Los Angeles CSA Program, and request authority from the Mayor and Council to accept, deposit, appropriate, and expend the funds;
 - c. A proposed incentive structure after it has been developed, along with estimated fiscal impact and potential funding source(s); and,
 - d. A request to release a separate RFP for the evaluation of the proposed Los Angeles CSA Program that will complete an analysis of program implementation within a year after the first year of deposits into student accounts, as well as ongoing evaluation of subsequent years;
 - e. Proposed policies and procedures in the event the City is unable to fund the program with outside funding or the General Fund in any future given year;
6. Instruct HCID, with the assistance of the City Attorney's Office, to work with the County of

Los Angeles and LAUSD to draft a Memorandum of Agreement (MOA) that outlines the roles and responsibilities of each jurisdiction, a cost-sharing agreement, and terms for when a jurisdiction is unable to appropriate funds for the program in any given year, and report back to request Mayor and Council approval of the MOA, subject to the review and approval of the City Attorney as to form;

7. Authorize the Controller to:

- a. Establish a new account "43S872- Children's Savings Account" within the HCIDLA Small Grants and Awards Fund No. 49N/43;
- b. Deposit grants and awards received from the California Student Aid Commission intended for the proposed Los Angeles CSA Program into the HCIDLA Small Grants and Awards Fund No. 49N/43;
- c. Appropriate funds into Account 43S872- Children's Savings Account within Fund No. 49N/43 upon receipt of the California Student Aid Commission grants and awards; and,
- d. Transfer funding within the Housing Community Investment Department No. 43, Community Development Trust Fund No. 424 as follows to provide funding for the administration and oversight of a proposed Los Angeles CSA Program:

From:

Fund	Acct	Title	Amount
424	43S872	Children's Savings Account	\$164,587

To:

Fund	Acct	Title	Amount
424	43S143	Housing and Community Investment Department	\$108,553
424	43S299	Reimbursement of General Fund Costs	56,034
		Total	\$164,587

- e. Increase appropriations in the amount of \$94,394 in Fund No. 100/43, Account No. 001010, Salaries, General account, and \$14,159 in Fund No. 100/43, Account No. 006030, Leasing account.

SUMMARY

The Housing and Community Investment Department (HCID) requests authority for various actions related to the development and implementation of a proposed Los Angeles Children's Savings Account (CSA) Program including: 1) accepting \$286,583 in grant funds and executing a grant agreement with the California Student Aid Commission (CSAC) for the development and implementation of a proposed Los Angeles CSA Program; 2) submitting application(s) for additional

funding from the CSAC; 3) preparing and releasing a Request for Proposals (RFP) to select a Financial Institution that will manage deposits made related to the proposed Los Angeles CSA Program and to also select a Technology Provider that will build a data platform for families to access their account information online; 4) reporting back to the Mayor and Council on the results of the RFP and requesting authority to execute a contract or contracts with the selected contractor(s) for a contract term of one year from May 1, 2020 through April 30, 2021, with an option to renew for up to two additional one-year terms, subject to the availability funding; 5) working with the County of Los Angeles (County) and Los Angeles Unified School District (LAUSD) to draft a Memorandum of Agreement (MOA) that outlines the roles and responsibilities of each jurisdiction as well as a cost-sharing agreement, and reporting back to the Mayor and Council for approval of the final MOA; and 6) authorizing the Controller to take various actions related to the CSAC funding intended for the proposed Los Angeles CSA Program and Community Development Block Grant (CDBG) funds allocated for the proposed program in the Program Year 45 Consolidated Plan budget.

This Office concurs with the Department's recommendations, as amended to: 1) reference a draft grant agreement attached to the City Administrative Officer (CAO) report; 2) specify the proposed term for the contract(s) for a Financial Institution and Technology Provider; 3) require compliance with the City's contracting requirements; 4) require review and approval of the City Attorney for various documents; and, 5) require a proposed Memorandum of Agreement among the City, County and LAUSD to include terms for when a jurisdiction is unable to appropriate funds for the program in any given year. It should be noted that the Controller instructions in this report are also different from those included in HCID's Transmittal dated October 4, 2019 (Report) to clarify HCID's intentions. Subsequent to the release of their report, the HCID verified that it will return to Council to request authority to accept any grants, awards, or donations from various sources of funds intended for the proposed Los Angeles CSA Program.

This Office recommends additional actions not included in any previous HCID reports on a proposed Los Angeles CSA Program. These recommendations require that the Council make certain findings that establishes the City's approval of a proposed Los Angeles CSA Program, including identifying the public benefit of such a program, identifying a proposed structure for the program, and setting a guideline for developing a school selection plan. Appropriations for the proposed Los Angeles CSA Program, including funds to be deposited into bank accounts, as well as for staffing, contracts, and evaluations, should still be considered through the annual budget process. Finally, this Office recommends that HCID report back on various program aspects for Council consideration and approval including a proposed incentive structure, evaluation of the program, and policies and procedures in the event the City is unable to fund the program with outside funding or the General Fund in any given year.

The HCID recommends a five-year phased roll out of the proposed Los Angeles CSA Program, with details of the proposed budget for the first five years included in the HCID Report. The Department projects that the program budget at full implementation will be approximately \$2 million annually for \$50 initial deposits into bank accounts for approximately 40,000 first grade LAUSD students, and at least \$350,000 annually for other program costs, for a total annual budget of \$2.35 million. Assuming constant enrollment numbers for the first twelve years of the proposed program,

by the time the initial cohort of students is preparing to graduate from high school, the City's contributions will have been \$23.48 million.

The Department reports that funding for implementing the proposed Los Angeles CSA Program in the current and next fiscal year will be through a CSAC grant and CDBG funding. While HCID reports that it will work with the County to develop a strategy to reduce public contributions in future program years through grant funding, public-private partnerships, and individual donations, the General Fund is a potential funding source for future program years. Ongoing funding for the proposed Los Angeles CSA Program should be considered with all other priorities and City needs, such as infrastructure, as part of the City's annual budget process.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund at this time. Funding for implementing the proposed Los Angeles Children's Savings Account (CSA) program in the current fiscal year and first year for initial seed deposits (FY 2020-21) will be funded by California Student Aid Commission and Community Development Block Grant funding. Funding for the proposed CSA program beyond FY 2020-21, should be considered during future budget processes. There is potential impact to the General Fund if grant funding, privately raised funds, and other sources of funding are insufficient to cover the costs of the program. Providing an initial deposit of \$50 to approximately 40,000 first grade students in Los Angeles Unified School District schools districtwide, would cost approximately \$2.35 million each year (based on constant enrollment) and \$23.48 million over the first twelve years. These costs exclude program evaluation and requests for staffing in addition to two full time equivalent positions already approved for program administration. The recommendations in this report are in compliance with the City's Financial Policies in that the City will consider General Fund requests for new or expanded programs during the course of the annual budget process.

FINDINGS

1. APPROVAL OF A CHILDREN'S SAVINGS ACCOUNT PROGRAM

The Council instructed City staff to report on the feasibility of establishing a Children's Savings Account (CSA) program for LAUSD students, then instructed City staff to develop a program outline for such a program with the assistance of a consultant. While the Mayor and Council approved funding for HCID staff to develop and implement a program through the Program Year 45 Consolidated Plan budget, the Mayor and Council have not adopted a proposed Los Angeles CSA program as outlined in previous HCID reports.

This Office recommends that Council make certain findings that establishes the City's approval of a proposed Los Angeles CSA Program prior to authorizing the HCID to release a RFP for a Financial Institution and Technology Provider for the proposed program. Appropriations for funding for the proposed program, with potential sources of funding that includes cost-sharing with the County, grants, private financing, and the City's General fund, should be considered through the annual budget process.

2. SCHOOL SELECTION PLAN

The HCID recommends a phased roll out of the proposed Los Angeles CSA program to include all first graders in LAUSD over a five-year period, with approximately 10 percent of first graders in the first year, 25 percent in the second, 50 percent in the third, 75 percent in the fourth, and 100 percent of first graders in the fifth year. The Department reports that a phased roll out would give CSA program staff an opportunity to provide trainings to appropriate LAUSD staff and community organizations, troubleshoot implementation challenges, and reduce the required initial public and private contributions needed to launch the program. The HCID Transmittal dated May 16, 2018 presented a school selection plan developed by the University of Southern California that included criteria such as City of Los Angeles and LAUSD geographic representation and selection of students randomized by socioeconomic status. The HCID Transmittal dated October 4, 2019 presents an alternative approach to the school selection plan that prioritizes higher needs students in the first year. The Department reports that 10 percent of LAUSD first grade enrollment in the first year would be approximately 4,000 students, from between sixty and seventy elementary schools. After Year Five, all LAUSD schools will be program participants resulting in more than 40,000 bank accounts opened each year.

The HCID reports that members of the City, LAUSD, and County are currently developing a school selection plan using LAUSD data called the Student Equity Needs Index with the intent to ensure geographic representation of all jurisdictions involved. The Department reports that additional information and recommendations on the proposed list of schools for each phase will be included in a subsequent report to Council. This Office recommends that prior to HCID submitting the proposed list of schools, Council find that the proposed school selection approach is appropriate for meeting the public benefit identified with adopting a proposed Los Angeles CSA Program.

3. REQUEST FOR PROPOSALS

The recommendations in HCID's Transmittal dated October 4, 2019 (Report) does not specify the initial term for the selected Financial Institution and Technology Provider. The recommendations in this report specifies that a proposed contract(s) will be for a one-year term from May 1, 2020 through April 30, 2021 with options to renew for two additional one-year terms, or a total of three years, to be consistent with HCID's discussion of the RFP in its Report and draft Request for Proposal attached to the Report. It should be noted that HCID would need to issue a subsequent RFP to ensure that there is a Financial Institution and Technology Provider available for the completion of the proposed Los Angeles CSA Program's five-year phased roll out and ongoing years. The proposed RFP does not include an amount for the scope of work related to a Financial Institution and states that up to \$100,000 in grant funding may be available for the Technology Provider.

Pursuant to Charter Section 1022, the Personnel Department determined that City employees do have the employee classifications with the necessary qualifications to perform the work of a Technology Provider. Subsequent to the release of its report the HCID verified that it will submit a request to this Office for a Charter Section 1022 determination for the Technology Provider. The HCID submitted a request to the Personnel Department for the Financial Institution on October 22, 2019. This Office recommends that HCID complete the Charter Section 1022 determination process for the Technology Provider and Financial Institution prior to requesting authority to execute a contract with the selected contractor(s).

4. MEMORANDUM OF AGREEMENT WITH PARTNER JURISDICTIONS

The HCID requests authority to work with the County and LAUSD, with the assistance of the City Attorney, to draft a Memorandum of Agreement (MOA) that outlines the roles and responsibilities of each jurisdiction, similar to those outlined in HCID's Report. The Department reports that it is currently in discussion with the County on a cost-sharing proposal for all program costs, including seed deposits, staffing, technology platform, evaluation, and any other program costs. This Office recommends that the MOA should also discuss terms for when either jurisdiction is unable to appropriate funding for its share of program costs in any given year. HCID notes that it intends to return to Council to present a draft MOA and request authority to execute the MOA when the Department reports to Council on the results of the RFP for a Financial Institution and Technology Provider in January of 2020.

5. INCENTIVES PROGRAM

The Department reports that incentives selected for the proposed Los Angeles CSA Program would be progressively structured so that students from low- and moderate-income families receive additional funds to increase their account balances. The HCID reports that it is currently developing the incentives structure with LAUSD and that, at this time, the Department intends to only offer incentives in future years if privately raised funds become available. This Office recommends that HCID report back to Council with a proposed incentives structure, potential fiscal impact, and funding sources.

6. PROGRAM EVALUATION

The HCID Report states that the Department would identify an evaluation partner to support the annual review of the proposed Los Angeles CSA Program. Subsequent to the release of the Report, the HCID confirmed that if evaluation is an eligible expense in future grants from the CSAC, then it will request funds for evaluation. After HCID secures funding for an evaluation, the Department reports that it will return to Council to request authority to release a separate RFP for program evaluation. This Office recommends that the Department report back to Council and request any necessary authorities to ensure that an initial evaluation will complete an analysis of program implementation within a year after the first year of deposits into student accounts, as well as ongoing evaluation of subsequent years.

7. PROJECTED PROGRAM BUDGET AND SOURCES OF FUNDING

The HCID's projected program budget for full implementation of the proposed Los Angeles CSA Program is approximately \$2 million annually for \$50 initial deposits into bank accounts for 40,000 first grade students in LAUSD, and at least \$350,000 annually for other program costs, for a total budget of \$2.35 million annually. Following is a discussion of the components of the projected program budget.

With HCID's proposal to deposit an initial \$50 (seed deposit) into program participant's accounts and LAUSD's estimated first grade enrollment throughout the five-year roll out period, the projected cost for seed deposits in the first year (FY 2020-21) of the proposed Los Angeles CSA Program is \$197,150 for 3,943 students and \$2,035,350 for 40,687 students in the fifth and subsequent years of the program. The Department secured grant funding from CSAC for the first year of the program and is requesting authority to apply for additional grant funding available through CSAC for subsequent years. The HCID reports that CSAC received a one-time \$25 million appropriation to support the development and launch of local CSA programs, but the time period for which grant funds from CSAC will be available is currently unknown.

The HCID estimates that staff and administrative costs for the proposed Los Angeles CSA Program will be \$330,000 in FY 2020-21 for a program manager, an outreach coordinator, and accounting support. In contrast with the projected program budget included in HCID's Report that estimates a consistent amount for staff and administrative costs, it is this Office's position that staff and administrative costs will likely increase approximately three percent each year due to cost of living adjustments. The Department reports that it will also evaluate staff costs on an annual basis.

Other costs for the proposed Los Angeles CSA Program include funding for marketing and outreach, a technology platform, and annual evaluation. The HCID estimates that the technology platform will cost \$100,000 for development in the first year and \$25,000 in each subsequent year for ongoing maintenance. There is currently no estimate for annual evaluation of the proposed program.

The Program Year 45 Consolidated Plan budget allocated \$330,000 for two full-time staff positions

in the current fiscal year. The HCID reports that it plans to hire staff by no later than December of 2019 after receiving Mayor and Council approval of pending grant exemption requests for the positions. It should be noted that this report requests transferring only \$164,847 in Community Development Block Grant Funds for the estimated salaries, leasing, and related costs expenditures associated with the new positions for the remainder of the fiscal year. The Department reports that the balance of \$165,413 would be available to support other program costs such as marketing, outreach, and the technology platform, among others.

The HCID reports that development and implementation of the proposed Los Angeles CSA Program for the current and next fiscal year will be funded by the CSAC grant of \$286,583 (\$197,150 for seed deposits and \$89,433 for outreach efforts) and CDBG funds. This Office notes that CDBG funds have been allocated for the current fiscal year only, and CDBG funding for FY 2020-21 is subject to the annual Consolidated Plan budget process.

The Department reports that it will work with the County to develop a strategy to mitigate the need for public contributions in future program years through grant funding, public-private partnerships, and individual donations. It should be noted that if grant funding and privately raised funds are insufficient to fund any year of the proposed program, then the General Fund would potentially be considered a source of funding for continuing the program. Requests for resources to continue the proposed Los Angeles CSA Program in each fiscal year in the event outside funding is reduced or unavailable should be considered with all other priorities and City needs, such as infrastructure, during the annual budget process.

8. OBLIGATION TO PARTICIPATING STUDENTS

According to the proposed Los Angeles CSA Program, students have until the age of 26 to withdraw all funds from the account for eligible postsecondary education and pre-college expenses. Any program-provided funds, such as the seed deposit and incentives, not withdrawn by the time the student turns 26 would be rolled back to the program for use with future students.

The Department has not adequately addressed policies and procedures in the event there is insufficient funding to seed accounts for students in any given year. The HCID reports that it could decide to open accounts for students with no funding, and then seed those accounts when funding becomes available. If the program is subsequently terminated, it is unclear what would happen to previously funded accounts. For example, the City could require the contracted financial institution to maintain the opened accounts, and program staff would monitor eligible withdrawals from the accounts up to 20 years after the accounts are opened. This Office recommends that HCID report back to the Mayor and Council on policies and procedures in the event the City is unable to fund the program with outside sources or the General Fund in any given year.

RHL:EIC:02200056c

Attachment

Grant Award Notification

GRANTEE NAME AND ADDRESS City of Los Angeles Housing and Community Investment Department 1200 West 7 th Street, 9 th floor Los Angeles, CA 90017				CSAC GRANT NUMBER E-18-009																			
				ENY	DGS Bill	Approp Ref	Fund																
				2017	070013	001	0001																
Attention Abigail Marquez				STANDARDIZED ACCOUNT CODE STRUCTURE			Program																
Program Office				Account		Alt Account	5770																
Telephone (213) 808 - 8462				5432000		5432000002	Reporting Structure																
Name of Grant Program E-18-009 Every Kid Counts College Savings Program							69800720																
GRANT DETAILS	Original/Prior Amendments	Amendment Amount	Total	Amend. No.	Award Starting Date	Award Ending Date																	
	\$286,583.00		\$286,583.00		05/01/2019	06/30/2021																	
<p>The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.</p> <table border="0"> <tr> <td>Exhibit A – Scope of Work</td> <td>4 Pages</td> </tr> <tr> <td>Exhibit B – Budget Detail and Payment Provisions</td> <td>2 Pages</td> </tr> <tr> <td>Exhibit B1 – FY 18/19 Grant Budget Narrative</td> <td>1 Page</td> </tr> <tr> <td>Exhibit B2 – FY 19/20 Grant Budget Narrative</td> <td>1 Page</td> </tr> <tr> <td>Exhibit B3 – FY 20/21 Grant Budget Narrative</td> <td>1 Page</td> </tr> <tr> <td>Exhibit C – Standard Grant Conditions</td> <td>1 Page</td> </tr> <tr> <td>Attachment 1 – CSAC RFA# 18-002 Every Kid Counts College Savings Program</td> <td>37 Pages</td> </tr> <tr> <td>Attachment 2 – Every Kid Counts College Savings Program Grant Application</td> <td>19 Pages</td> </tr> </table>								Exhibit A – Scope of Work	4 Pages	Exhibit B – Budget Detail and Payment Provisions	2 Pages	Exhibit B1 – FY 18/19 Grant Budget Narrative	1 Page	Exhibit B2 – FY 19/20 Grant Budget Narrative	1 Page	Exhibit B3 – FY 20/21 Grant Budget Narrative	1 Page	Exhibit C – Standard Grant Conditions	1 Page	Attachment 1 – CSAC RFA# 18-002 Every Kid Counts College Savings Program	37 Pages	Attachment 2 – Every Kid Counts College Savings Program Grant Application	19 Pages
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California Student Aid Commission Contact Marlene L. Garcia				Job Title Executive Director																			
E-mail Address Marlene.garcia@csac.ca.gov					Telephone (916) 464--8280																		
Signature of the Executive Director of CSAC or Designee ▶					Date																		
CERTIFICATION OF ACCEPTANCE OF GRANT REQUIREMENTS																							
<p><i>On behalf of the grantee named above, I accept this grant award. I have read the applicable certifications, assurances, terms, and conditions identified on the grant application (for grants with an application process) or in this document or both; and I agree to comply with all requirements as a condition of funding.</i></p>																							
Printed Name of Authorized Agent Abigail Marquez				Title Assistant General Manager																			
E-mail Address Abigail.marquez@lacity.org					Telephone (213) 808-8462																		
Signature ▶					Date																		

EXHIBIT A SCOPE OF WORK

1. This grant agreement (hereinafter "Agreement") sets out the terms and conditions by which a grant is made from the California Student Aid Commission (Commission) to the City of Los Angeles Housing and Community Investment Department (Grantee), for the purposes of operating an Every Kids Count (EKC) College Savings Program.
2. Grantee shall sponsor or administer programs that incentivize families with children to open and maintain college savings accounts.
3. The work to be performed under this Agreement shall be in accordance with the Commission's Request for Application RFA# 18-002 Every Kid Counts College Savings Program, **Attachment 1**, the Grantee's Application dated February 20, 2019, **Attachment 2**, and the Scope of Work (SOW), **Exhibit A**, in this Agreement. The Commission's Request for Application (RFA) and the Grantee's Application are attached hereto and incorporated by reference. If there is any conflict between **Attachment 1**, **Attachment 2**, and provisions in the **Grant Award Notification (FASD 2000)**, including **Exhibits A, B, and C** to this Agreement, the latter will prevail over **Attachment 1** and **Attachment 2**.
4. The program representatives during the term of this agreement will be:

California Student Aid Commission	City of LA Housing & Comm Development
Linda Vu Program Administration and Services Division	Abigail Marquez EKC Program Director
Phone: 916-464-8107	Phone: 213-8208-8462
Fax: 916-464-7977	Fax:
Email: linda.vu@csac.ca.gov	Email: Abigail.marquez@lacity.org

Any questions or problems relating to the EKC College Savings Program should be addressed to the program representatives. The Commission may change the program representative by written notice to the Grantee.

5. Purpose and Background

The Commission accepted grant applications from qualifying entities, including California local government agencies or other entities, that sponsor or administer programs that incentivize families with children to open and maintain college savings accounts. These programs must have been in operation or development on or before December 31, 2018. The Commission will provide one-time funding for a grant period beginning upon the disbursement of funds from the Commission through June 30, 2021. Funds that will be awarded are available based on an eligible applicant's timely submitted and properly completed application and proposed budget.

The goal of this grant is to provide qualifying entities with funds for the following purposes:

1. To award seed, matching, or incentive grants for individual family college savings accounts;
2. To do outreach to educate families about the existence of local college savings accounts;
3. To support an established evaluation consortium that monitors, collects data on, and provides analysis on short-term and long-term college savings program trends and the development of best practices; or
4. To fund one-time administrative costs related to the EKC College Savings Program.

5. Any combination of items 1 through 4 directly above.

The Commission is a State Government Agency established in 1955 with the primary role to administer State-authorized student financial aid programs available to students attending all segments of postsecondary education in California. These programs include grant, scholarship, and loan assumption programs supported by the state and the federal government

6. Every Kid Counts Act

In 2017, the Legislature passed the Every Kid Counts (EKC) Act, and in 2018, transferred authority for the EKC College Savings Program to the Commission (Assembly Bill 108 [Committee on Budget], Chapter 7, Statutes of 2018, Section 27).

The intent of the EKC Act is to support and evaluate programs operated at the local level that provide incentives for low-income families to begin saving for their children's college education. The EKC Act allocates a one-time General Fund dollars to EKC College Savings Program Grantees.

7. Statutory Requirements

As established and administered by the Commission, the EKC College Savings Program is guided by the following statutory requirements stated in Government Code Section 99102:

- A. The Commission shall implement and administer a grant program that supports local governments and other entities that sponsor one or more comprehensive citywide or regional children's savings account programs to help families, especially low-income families with young children, establish and maintain college savings accounts.
- B. The Commission shall distribute grants to qualifying entities.
- C. Grantee must meet all of the following requirements:
 - 1) Have a college savings program in operation or development that primarily targets pupils in kindergarten and grades 1 to 6, inclusive, on or before December 31, 2018.
 - 2) Have moneys, in addition to funding allocated pursuant to this title, to support its college savings program.
 - 3) Agree to enter into an evaluation consortium that allows for independent research and evaluation of activities and outcomes associated with its college savings program.
- D. Funds disbursed by the Commission to Grantee may be used for any of the following purposes:
 - 1) To award seed, matching, or incentive grants for individual family college savings accounts.
 - 2) To do outreach to educate families about local college savings programs that are in operation or development.
 - 3) To support an established evaluation consortium that monitors, collects data on, and provides analysis on short-term and long-term college savings program trends and the development of best practices. Support under this paragraph may include any of the following:
 - a. Data collection and evaluation of college savings account creation and activity.

- b. Data collection and evaluation of the postsecondary aspirations, enrollment, and degree completion for beneficiaries of college savings accounts.
- c. Efforts to help beneficiaries of college savings accounts receive high school diplomas, or the equivalent.

4) To fund one-time administrative costs related to the EKC College Savings Program.

8. Reporting and Collaboration Requirements

A. Introductory Program Report

The Commission requires one (1) Introductory Program Report describing the first six (6) months of activities and how the EKC College Savings Program funds were spent by the Grantee. The Grantee shall provide detailed program activities that are proposed, in progress, and/or completed. This report is due to the Commission by **December 31, 2019**.

B. Annual Program Report

The Commission requires one (1) Annual Program Report for each fiscal year in which the EKC College Savings Program funds are spent by the Grantee. The Grantee shall provide detailed program activities that are proposed, in progress, and/or completed. This report is due to the Commission by **December 31, 2020** and again on **December 31, 2021**.

C. These reports shall include, but not limited to the following:

- 1) The total number of participants in the college savings program, including both the total number of families served and the total number of participating students with a distinct individual college savings account opened in the student's name, broken down by annual family income levels (in increments of \$10,000).
- 2) The total dollar amount in all college savings accounts served by the program, including the amount contributed by funds from the entity, the amount contributed by grant funds from the EKC College Savings Program, the amount contributed by family members or individuals with accounts.
- 3) A summary of all marketing, outreach, and awareness efforts made by the Grantee that are targeted at individuals and families intended to be served by the college savings program, including, but not limited to public and community events that raise awareness of the program; communications via media, social media, and all other electronic and physical forms (such as flyers and brochures); and direct outreach to individuals and families that may be eligible to participate in the program.
- 4) The total dollar amount of funds spent for one-time administrative costs.
- 5) An update on the Grantee's progress toward meeting its goals as stated in the Grantee's original Grantee's Application, **Attachment 2**, including an updated timeline of when the stated goals are expected to be achieved.
- 6) The projected expenditures for the following year, with all data categorized by type of expenditures.

- 7) Recommendations for best practices that other Grantees—including nonprofit agencies, local governments, or the State of California—may wish to consider in developing, establishing, or operating a college savings program.
- D. As part of carrying out its fiduciary responsibility to the taxpayers of the State of California, the Commission may perform compliance reviews of EKC College Savings Program activities. Each awarded Grantee is required to provide information to the Commission upon request.
- E. Grantee will be required to engage in ongoing collaboration with the Commission, which may include, but may not be limited to:
- 1) Attending, in person or via telephone, regular meetings or conference calls to share progress updates on EKC College Savings Program activities.
 - 2) Assisting the Commission with disseminating resources and best practices on a statewide basis.

EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

A. Upon acceptance of this grant, the Commission shall disburse on an annual basis beginning May 1, 2019 and continuing until June 30, 2021, consistent with the Grant Budget Narratives, Exhibit B1, B2 and B3, and the annual reports filed thereafter. It is the Commission's intent to disburse funds as needed and to avoid EKC College Savings Program funds from being used by Grantee to manage their general cash flow and budget concerns unrelated to EKC.

B. Introductory Program and Annual Program Reports shall:

- 1) Bear the Grantee's name as shown on the Grant.
- 2) Include the Grant Number.
- 3) Identify the performance period covered by the report.
- 4) Provide information as described in Exhibit A, Section 8C.

C. Reports and invoices shall be submitted to:

Every Kid Counts
California Student Aid Commission
P.O. Box 419027
Rancho Cordova, CA 95741-9027

D. Any reports that is submitted in a timely manner but is so incomplete as to require significant additional information to be submitted to the Commission in order to determine whether the Grantee has met the conditions of the grant requirements, may be deemed noncompliant under paragraph B may result in delayed or non-payment of the grant installment.

2. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

3. Non-allowable Activities and Costs

A. Funds provided under this grant may not be used for the following purposes:

- 1) Supplementation of existing funding and efforts, including costs otherwise necessary to operate a college savings program without this grant;
- 2) Acquisition of equipment for administrative or personal use unless essential to the establishment or ongoing operation of a college savings program;
- 3) Acquisition of furniture (e.g., bookcases, chairs, desks, file cabinets, tables) unless essential to the establishment or ongoing operation of a college savings program, or to provide reasonable accommodations to employees, interns, or volunteers with disabilities;
- 4) Food services/refreshments/banquets/meals;
- 5) Purchase or rental of space unless essential to the establishment or ongoing operation of a college savings program;

EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

- 6) Payment for memberships in professional organizations;
- 7) Purchase of promotional favors, such as bumper stickers, pencils, pens, or T-shirts, unless essential to the outreach activities allowed under Government Code Section 99102(e) Every Kids Count Act.
- 8) Subscriptions to journals or magazines;
- 9) Travel outside the State of California.

Exhibit B1
FY 2018-19 Grant Budget Narrative



Every Kid Counts
College Savings Program

FORM F: FY 2018-19 Grant Budget Narrative

Each applicant must submit a budget narrative for each program year that explains all expenses under each category for each fiscal year (FY).

Expenditure Category	Narrative Explanation	Budget Totals
Seed/ matching/ incentive grants		N/A
Outreach efforts		N/A
Evaluation consortium		N/A
One-time administrative costs		N/A
Total		\$0

Exhibit B2
FY 2019-20 Grant Budget Narrative



Every Kid Counts
College Savings Program

FORM G: FY 2019-20 Grant Budget Narrative

Each applicant must submit a budget narrative for each program year that explains all expenses under each category for each fiscal year (FY).

Expenditure Category	Narrative Explanation	Budget Totals
Seed/ matching/ incentive grants		N/A
Outreach efforts	The program will contract with a marketing firm to assist with the development of program brand, collateral and electronic content. It is estimated that a three-month contract at \$25,000 per month will cost \$75,000, plus \$14,433 for the cost of printing outreach materials and other associated outreach costs.	\$89,433
Evaluation consortium		N/A
One-time administrative costs		N/A
Total		\$89,433

Exhibit B3
FY 2020-21 Grant Budget Narrative



Every Kid Counts
College Savings Program

FORM H: FY 2020-21 Grant Budget Narrative

Each applicant must submit a budget narrative for each program year that explains all expenses under each category for each fiscal year (FY).

Expenditure Category	Narrative Explanation	Budget Totals
Seed/ matching/ incentive grants	The cost to seed each enrolled student's account at \$50 per student will be \$197,150 based on estimates from Los Angeles Unified School District.	\$197,150
Outreach efforts		N/A
Evaluation consortium		N/A
One-time administrative costs		N/A
Total		\$197,150

EXHIBIT C
STANDARD GRANT CONDITIONS

1. Assurance and Certificates

Grantee must download assurances and certifications and keep these items on file and available for compliance reviews, complaint investigations, or audits.

2. Terms and Conditions

- A. All funds must be expended within the dates designated and for not more than the maximum amount indicated on the notification document. All funds must be expended or legally obligated by June 30, 2021. No extensions of this grant will be allowed.
- B. A budget revision is required if expenditures for any budget category exceed 10 percent of the authorized budget item total in the approved budget. The budget revision must be approved by the Commission before expenditures are made.
- C. The budgets submitted by Grantee must display three years of implementation (ending by June 30, 2021) showing how the grant will be used to support, develop, implement, and sustain the proposed college savings program. Proposed expenditures must demonstrate appropriate use of state funds.

Attachment 1

CALIFORNIA STUDENT AID COMMISSION



REQUEST FOR APPLICATION: CSAC RFA# 18-002

Every Kid Counts College Savings Program

Grant for Eligible Entities

Released January 25, 2019

Applications due on February 21, 2019 by 5:00 p.m. Pacific Time

Administered by the California Student Aid Commission
11040 White Rock Rd, Suite 100
Rancho Cordova, CA 95670

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I. OVERVIEW

Purpose

The California Student Aid Commission (Commission) is accepting grant applications from qualifying entities, including California local government agencies or other entities, that sponsor or administer programs that incentivize families with children to open and maintain college savings accounts. These programs must have been in operation or development on or before December 31, 2018. The Commission will provide one-time funding for a grant period beginning upon the disbursement of funds from the Commission, which is anticipated to be on or about May 1, 2019 through June 30, 2021. Funds that will be awarded are available based on an eligible applicant's timely submitted and properly completed application and proposed budget. The funds available for this grant period total \$2,910,000.

The goal of this grant is to provide qualifying entities with funds for the following purposes:

1. To award seed, matching, or incentive grants for individual family college savings accounts;
2. To do outreach to educate families about the existence of local college savings accounts;
3. To support an established evaluation consortium that monitors, collects data on, and provides analysis on short-term and long-term college savings program trends and the development of best practices; or
4. To fund one-time administrative costs related to the Every Kid Counts (EKC) College Savings Program.
5. Any combination of items 1 through 4 directly above.

Background

California Student Aid Commission

The Commission is a state government agency established in 1955 with the primary role to administer State-authorized student financial aid programs available to students attending all segments of postsecondary education in California. These programs include grant, scholarship, and loan assumption programs supported by the state and the federal government.

The Commission operates according to the following Mission and Vision statements:

Mission: Making Education Beyond High School Financially Accessible to All Californians.

Vision: A California that invests in educational opportunity, fosters an active, effective citizenry, and provides a higher quality of social and economic life for its people.

Every Kid Counts Act

In 2017, the Legislature passed the Every Kid Counts (EKC) Act, and in 2018, transferred authority for the EKC College Savings Program to the Commission (Assembly Bill 108 [Committee on Budget], Chapter 7, Statutes of 2018, Section 27).

The intent of the EKC Act is to support and evaluate programs operated at the local level that provide incentives for low-income families to begin saving for their children's college education. In passing the EKC Act, the California Legislature declared: "Recent pilot programs in California and throughout the nation have proven that low-income people can save [for college] if they have incentives and mechanisms encouraging them to do so."¹

The EKC Act allocates \$2,910,000 in one-time General Fund dollars to EKC College Savings Program grant awards.

Statutory Requirements

As established and administered by the Commission, the EKC College Savings Program is guided by the following statutory requirements stated in Government Code Section 99102:

- (b) The Student Aid Commission shall implement and administer a grant program that supports local governments and other entities that sponsor one or more comprehensive citywide or regional children's savings account programs to help families, especially low-income families with young children, establish and maintain college savings accounts.
- (c) The Commission shall distribute grants to qualifying entities determined pursuant to subdivision (d) based on how many of these entities are eligible to receive grants pursuant to subdivision (d), the amount of available funding to award grants under the Every Kid Counts (EKC) College Savings Program, the number of students that each participating entity intends to serve under the program, and the percentage of low-income families residing in the community served by each participating entity. The amount of each grant award to a participating entity shall be, at minimum, one hundred thousand dollars (\$100,000).

¹ Assembly Bill 108 (Committee on Budget), Chapter 7, Statutes of 2018, Section 27).

Qualifying entities

Pursuant to Government Code Section 99102(d), in order to receive an EKC College Savings grant, a local government or other entity must meet all of the following requirements:

1. Have a college savings program in operation or development that primarily targets pupils in kindergarten and grades 1 to 6, inclusive, on or before December 31, 2018.
2. Have moneys, in addition to funding allocated pursuant to this title, to support its college savings program.
3. Agree to enter into an evaluation consortium that allows for independent research and evaluation of activities and outcomes associated with its college savings program.

Expenditure of funds

Pursuant to Government Code Section 99102(e), funds disbursed by the Commission to a local government or other qualifying entity may be used for any of the following purposes:

1. To award seed, matching, or incentive grants for individual family college savings accounts.
2. To do outreach to educate families about local college savings programs that are in operation or development.
3. To support an established evaluation consortium that monitors, collects data on, and provides analysis on short-term and long-term college savings program trends and the development of best practices. Support under this paragraph may include any of the following:
 - a. Data collection and evaluation of college savings account creation and activity.
 - b. Data collection and evaluation of the postsecondary aspirations, enrollment, and degree completion for beneficiaries of college savings accounts.
 - c. Efforts to help beneficiaries of college savings accounts receive high school diplomas, or the equivalent.
4. To fund one-time administrative costs related to the EKC College Savings Program.

II. PROGRAM DESCRIPTION

A. Grant Information

The Commission will provide one-time funding for grant(s) pursuant to the EKC Act for the period beginning on or about May 1, 2019 through June 30, 2021. Funds will be awarded based on an eligible applicant's timely submitted and properly completed application and proposed budget. The funds available for this grant period total \$2,910,000.

All applications for EKC College Savings Program grant funding must specify, at a minimum:

1. The amount of grant dollars being requested over the period on or about May 1, 2019 – June 30, 2021.
2. The total number of students that would be served by these grant dollars through Fiscal Year 2020-21.
3. The percentage of low-income families residing in the community served by these grant dollars.
4. A narrative of how the funds would be used, including, but not limited to: a) for seed/matching funds for college savings accounts; b) for outreach activities to educate families about local college savings programs that are in operation or development; c) for support of an established evaluation consortium that monitors, collects data on, and provides analysis on short-term and long-term college savings program trends and the development of best practices; d) for one-time administrative costs.

Applications will be reviewed and scored according to these and other criteria specified in this Request for Application (RFA), as denoted in Appendix A: Evaluation Rubric. Successful applicants may not be awarded the entire grant amount for which they have applied, but may receive a reduced amount, commensurate with the legislative direction provided in Government Code Section 99102(c). The minimum grant award amount will be \$100,000. The Commission reserves the right to adjust upward or downward the grant award amount requested if the Commission deems it appropriate to do so to meet the mandate and intent of the governing legislation.

B. Eligibility Requirements

Applicants must be either a local government agency or other entity that sponsors one or more comprehensive citywide or regional college savings account programs and meets the following requirements:

1. Have a college savings program in operation or development that primarily targets pupils in kindergarten and grades 1 to 6, inclusive, on or before December 31, 2018.
2. Have moneys, in addition to funding allocated pursuant to the EKC Act, to support its college savings program.
3. Agree to enter into an evaluation consortium that allows for independent research, data collection and methodology, and evaluation of activities and outcomes associated with its college savings program.

Definitions

Pursuant to Government Code Section 99102(f), the Commission has established the following definitions:

“College savings program” means a comprehensive citywide or regional children’s savings account program that primarily targets pupils in kindergarten and grades 1 to 6, inclusive, designed to help families, especially low-income families with young children, to establish and maintain college savings accounts.

“Entity” refers to *either* a local government agency that currently operates, or has developed, a college savings program; *or* a nongovernmental organization that currently sponsors, or has developed, a college savings program on behalf of one or more local government agencies.

“In development” means that either of the following is met:

1. On or before December 31, 2018, the entity has taken formal legislative, regulatory, or administrative action to establish a college savings program, or has entered into a formal agreement with an entity proposed to operate such a program; **OR**
2. On or before December 31, 2018, the entity has taken and has documented formal or informal action to implement a college savings program.

“Percentage of low-income families” means the result determined under Form D of the application package using the 2017 American Community Survey 5-Year Estimate dataset in American FactFinder at https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_5YR_S1702).

“Qualifying entity” means an entity that has met the three requirements stated in “B. Eligibility Requirements,” above.

C. Allowable Activities and Costs

Budgets for the use of grant funds will be reviewed and any items that are deemed non-allowable or exceed the limits set forth in this RFA will be eliminated. Expenditures must align with the activities outlined in the subsection "Expenditure of funds" under Section I of this RFA, and in Government Code Section 99102(e).

D. Non-allowable Activities and Costs

Funds provided under this grant may not be used for the following purposes:

1. Supplementation of existing funding and efforts, including costs otherwise necessary to operate a college savings program without this grant;
2. Acquisition of equipment for administrative or personal use unless essential to the establishment or ongoing operation of a college savings program;
3. Acquisition of furniture (e.g., bookcases, chairs, desks, file cabinets, tables) unless essential to the establishment or ongoing operation of a college savings program, or to provide reasonable accommodations to employees, interns, or volunteers with disabilities;
4. Food services/refreshments/banquets/meals;
5. Purchase or rental of space unless essential to the establishment or ongoing operation of a college savings program;
6. Payment for memberships in professional organizations;
7. Purchase of promotional favors, such as bumper stickers, pencils, pens, or T-shirts, unless essential to the outreach activities allowed under Section I, "Expenditure of funds";
8. Subscriptions to journals or magazines;
9. Travel outside the State of California.

E. Questions to the Commission

Entities applying for grant funding under the EKC Act may submit questions about the application process or program requirements to the Commission, responses to which will be publicly posted on the Commission's website.

All questions must be submitted via email to the Commission and received **no later than 5:00 p.m. PT on February 4, 2019**. The email address for questions is EveryKidCounts@csac.ca.gov.

Responses to all questions received will be publicly posted on the EKC website (<http://www.csac.ca.gov/everykidcounts>) **by 5:00 p.m. PT on February 7, 2019**.

III. ACCOUNTABILITY

A. Reporting and Collaboration Requirements

To ensure the successful implementation of the EKC Act, grantees will be required to submit the following reports to the Commission showing program activities that are proposed, in progress or completed program:

An Introductory Program Report, describing the first six months of activities and how EKC Program funds are spent by the grantees, due by December 31, 2019.

An Annual Program Report for each fiscal year in which EKC Program funds are spent by the grantee, due by December 31, 2020 and December 31, 2021.

Grantees will also be required to engage in ongoing collaboration with the Commission, which may include, but may not be limited to:

1. Attending, in person or via telephone, regular meetings or conference calls to share progress updates on EKC program activities.
2. Assisting the Commission with disseminating resources and best practices on a statewide basis.

As part of carrying out its fiduciary responsibility to the taxpayers of the State of California, the Commission may perform compliance reviews of EKC Program activities. Each awarded entity is required to provide information to the Commission upon request.

B. Program Deliverables

Reports

Grantees must provide a summary of activities in the Introductory Program Report and the Annual Program Report, that includes, but is not limited to the following:

1. The total number of participants in the college savings program, including both the total number of families served and the total number of participating students with a distinct individual college savings account opened in the student's name, broken down by annual family income levels (in increments of \$10,000).
2. The total dollar amount in all college savings accounts served by the program, including the amount contributed by funds from the entity, the amount contributed by grant funds from the EKC Program, the amount contributed by family members or individuals with accounts.
3. A summary of all marketing, outreach, and awareness efforts made by the grantee that are targeted at individuals and families intended to be served by the college savings program, including, but not limited to public and community events that raise awareness of the program; communications via media, social media, and all other electronic and physical forms (such as flyers and brochures); and direct outreach to individuals and families that may be eligible to participate in the program.
4. The total dollar amount of funds spent for one-time administrative costs.
5. An update on the entity's progress toward meeting its goals as stated in the entity's original EKC application, including an updated timeline of when the stated goals are expected to be achieved.
6. The projected expenditures for the following year, with all data categorized by type of expenditures.
7. Recommendations for best practices that other entities—including nonprofit agencies, local governments, or the State of California—may wish to consider in developing, establishing, or operating a college savings program.

IV. APPLICATION PROCEDURES AND PROCESSES

A. Program Timeline

Activity	Due Date
RFA Release Date	January 25, 2019
Written RFA Questions Due to the Commission by 5:00 p.m. PT	February 4, 2019
Commission Posts Responses to Questions	February 7, 2019
Applications Due to the Commission	February 21, 2019
Mandatory Scoring Begins	February 22, 2019
Announce Grantees recommended to the Commission – posted on http://www.csac.ca.gov/everykidcounts	March 5, 2019
Appeals Due to the Commission	March 12, 2019
Commission Consideration of Appeals and of Awarding of Grants	March 21, 2019
Proposed Start of Grants	May 1, 2019
First Introductory Report Due to the Commission	December 31, 2019
Annual Program Reports Due to the Commission	December 31, 2020; December 31, 2021

B. Application Due Date

The EKC Program grant application, all required forms, and all supporting documents ***must be physically RECEIVED by the Commission by 5:00 p.m. Pacific Time on February 21, 2019.*** Four copies of the application (one with original signatures and three copies), plus an electronic copy (either on a CD-ROM or a USB drive), must be mailed or delivered to:

**Every Kid Counts
California Student Aid Commission
11040 White Rock Road, Suite 100
Rancho Cordova, CA 95670**

Applications must be clearly marked on the packaging by which they are delivered to CSAC that it is an application in response to CSAC RFA #18-002. Please note that faxed or emailed copies of application materials will NOT be accepted.

In addition, please note that postmark dates and times will not be used by the Commission to determine the timely submission of an application. It is the applicant's responsibility to ensure that their application is delivered in a timely manner.

C. Application Review

Each application will be read and scored by a review panel. Application review will start on February 22 and conclude by March 5, 2019.

D. Application Scoring Chart and Evaluation Rubric

Each application will be evaluated using Appendix A: Evaluation Rubric.

E. Application Format and Instructions

To be eligible to receive a grant award, all applicants must adhere to the required application formats, and must include as part of the application submission all requested information, completed forms, supporting documents, and attachments. The application must meet all the minimum requirements listed below. Applications that do not adhere to these requirements will not be scored or considered for funding.

1. One original signed EKC Program application, three physical copies, and one electronic copy (either on a CD-ROM or USB drive) must be physically RECEIVED at the Commission by 5:00 p.m. Pacific Time on February 21, 2019.
2. The application narrative must be typed using 12-point Arial font, with one-inch margins on all four sides of standard 8.5-inch x 11-inch paper, and be single-sided.
3. The narrative section is not to exceed ten (10) pages in length. Do NOT attach additional pages or information not requested in the application.
4. Required forms and supporting documentation are to be included in the application package and will not count toward the 10-page limit of the narrative section.

F. Incomplete and Late Applications

Incomplete or late applications will not be scored or considered for funding.

G. Appeals Process

Applicants who wish to appeal a grant award decision must submit a letter of appeal to:

Catalina Mistler
Deputy Director
Program Administration Services Division
California Student Aid Commission
P.O. Box 419026
Rancho Cordova, CA 95741-9026

The Commission must physically receive the letter of appeal, with an original signature by an authorized person, no later than seven (7) calendar days following the posting of the Grant Award List on the Every Kid Counts Web page at <http://www.csac.ca.gov/everykidcounts>.

Please note that postmark dates and times will not be used by the Commission to determine the timely submission of an appeal. It is the applicant's responsibility to ensure that their letter of appeal is delivered in a timely manner.

Appeals shall be limited to the grounds that the Commission failed to correctly apply the standards for reviewing the application as specified in this RFA. The applicant pursuing an appeal must file a detailed and complete written statement, including the issue(s) in dispute, the legal authority or other basis for the appeal position, and the remedy sought. The Commission will not consider incomplete or late appeals. The appeal may not contain any new information that was not originally contained in the applicant's original application.

The Commission will consider the appeals during the March 21-22, 2019 Commission meeting. That decision shall be the final administrative action afforded to the appeal.

V. GRANT AWARDS

A. Grant Award Notification

Applicants selected for funding will be sent a formal notification document from the Commission. Each grantee must sign and return the notification to the Commission before disbursement of funds can be made.

B. Assurances, Certifications, Terms, and Conditions

Assurances, certifications, terms, and conditions are requirements of applicants and grantees as a condition of receiving funds. The signed grant application submitted to CSAC is a commitment to comply with the assurances, certifications, terms, and conditions associated with the grant.

1. Assurances and Certifications

Applicants do not need to sign and return the general assurances and certifications with the application. Instead, applicants must download assurances and certifications and keep these items on file and available for compliance reviews, complaint investigations, or audits.

2. Terms and Conditions

The grant award will be processed upon receipt of the signed notification document. The document must be signed by the applicant's chief executive officer or authorized designee and returned to the Commission within ten (10) business days.

All funds must be expended within the dates designated and for not more than the maximum amount indicated on the notification document. All funds must be expended or legally obligated by June 30, 2021. No extensions of this grant will be allowed.

A budget revision is required if expenditures for any budget category exceed 10 percent of the authorized budget item total in the approved budget. The budget revision must be approved by the Commission before expenditures are made.

The budgets submitted by applicants must display three years of implementation (ending by June 30, 2021) showing how the grant will be used to support, develop, implement, and sustain the proposed college savings program. Proposed expenditures must demonstrate appropriate use of state funds.

C. Grant Funding

The grant will be disbursed on an annual basis beginning on or about May 2019 and continuing until June 2021, consistent with the budget provided as part of this RFA and the annual reports filed thereafter. It is the Commission's intent to disburse funds as needed and to avoid EKC Program grant funds from being used by awardees to manage their general cash flow and budget concerns unrelated to EKC.

VI. APPLICATION COMPONENTS AND INSTRUCTIONS

A. Application Components

A complete application package must include the following components:

Form A: Application Cover Page

Form B: Application Narrative

Form C: Number of Students Intended to be Served

Form D: Percentage of Low-Income Families

Form E: How Funding From Every Kid Counts Will Be Used

Form F: 2018–19 Grant Budget Narrative

Form G: 2019–20 Budget Narrative

Form H: 2020–21 Budget Narrative

B. Application Instructions

Form A—Application Cover Page

Complete all boxes.

Form B—Application Narrative

The application narrative must be typed using 12-point Arial font, with one-inch margins on all four sides of standard 8.5-inch x 11-inch paper, and be single-sided.

The narrative section is not to exceed ten (10) pages in length. Do NOT attach additional pages or information not requested in the application.

Required forms and supporting documentation are to be included in the application package and will not count toward the 10-page limit of the narrative section.

Forms F, G, and H—Budget and Budget Narrative

Applicants must provide a three-year grant project budget. Program expenses will be identified using grant funds through the 2020-21 school year

Provide a detailed budget narrative for each program year justifying each line item cost contained in the EKC College Savings Program budget pages. These narratives should include how the proposed costs are necessary and reasonable in terms of achieving the goals of the EKC College Savings Program (Forms F, G and H).

VII. Forms

See pages 15-23.

FORM A: APPLICATION COVER PAGE– 1 of 2

For the application to be considered complete, all information must be provided as requested on all Forms.

Applicant Information	
Applicant Name	
Address	
City	Zip Code
EKC Director's Name	
Phone	Fax
EKC Program Director's E-mail Address	
<p>Please provide a summary of your proposal, including the existing (or in development plan) and how the Every Kid Counts funding will be used to further the goal of the Every Kid Counts Savings Program.</p>	
Total Budget Amount Requested for the 2018–19, 2019–20, and 2020-21 fiscal years:	



FORM A: APPLICATION COVER PAGE- 2 of 2

1. If Applicant has an existing college savings plan, what date was the plan established? Provide copies of all plan documents.	Date
2. If the Applicant has a college savings plan in development, as defined in the Request for Application, please list the date you consider it in development and provide all documents establishing the plan was in development on or before December 31, 2018.	Date
3. Identify the source and amount of funding, in addition to Every Kid Counts funding sought in this application, that will support the Applicant's existing or in-development college savings plan.	
Source	Annual Amount
1)	\$
2)	\$
3)	\$
4)	\$
5)	\$
If more sources are available, please list on a separate page	
4. By submitting this application, the Applicant is agreeing to enter into an evaluation consortium that allows for independent research and evaluation of the activities and outcomes related to Applicant's college savings program.	

All Forms and documents are true and correct.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Authorized signatory: _____

Date: _____

Name: _____

Title: _____

FORM B: APPLICATION NARRATIVE

Describe in full applicant's existing college savings program, or the college savings program in development, for which funding from the Every Kid Counts Program is sought.

FORM C: Number of Students Intended to be Served

Provide the number of students intended to be served through the Every Kid Counts College Savings Program. Provide documentation for the numbers. Applicants may add to the chart if more space is needed.

Year	Number of Students Intended to be Served
2018-19	
2019-20	
2020-21	
Total	

FORM D: Percentage of Low-Income Families

"Percentage of low-income families" means the result determined under this Form D using the 2017 American Community Survey 5-Year Estimate dataset in American FactFinder at (https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_5YR_S1702).

Census tracts used to calculate the "percentage of low-income families" in the citywide or regionwide area across multiple census tracts in the citywide or regional community served by the college savings program as set forth in this Form D, may be identified using the following sources:

Individual tract maps by county: https://www.census.gov/geo/maps-data/maps/2010ref/st06_tract.html

Census Tract Map: <https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>

Applicants must provide a list of all census tracts and counties used to calculate the percentage of low-income families.

Determination of Percentage of Low-Income Families

Using a table generated at https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_17_5YR_S1702 for all census tracts included in the citywide or regional community served by applicant's college savings program:

Step D1: Determine the "Estimate" corresponding to the column for "All families" - "Percent below poverty level", for the row corresponding to "Subject" - "With related children of householder under 18 years" (see Example Table – highlighted 16.7%), for each census tract included in the citywide or regional community served by the college savings program. This is the "Census Track Percentage".

Step D2: For each census track separately, multiply the Census Track Percentage from Step D1 by the "Estimate" corresponding to the column for "All Families" - "Total", for the row corresponding to "Subject" - "With related children of householder under 18 years" (see Example Table – highlighted 4,485,556). The product is the "Census Track Family Number".

Step D3: Add together the Census Tract Family Numbers from Step D2 for all census tracks. This is the "Accumulated Number".

Step D4: Add together each "Estimate" corresponding to the column "All families" – "Total", for the row corresponding to "Subject" - "With related children of householder under 18 years" (see Example Table – highlighted 4,485,556) for all census tracks. This is the "Citywide/Regional Total".

Step D5: Divide the Accumulated Number from Step D3 by the Citywide/Regional Total from Step D4. This is the "Percentage of low-income families" for the citywide or regional community served by applicant's college savings program.

Provide the "Percentage of low-income families" for applicant's college savings program here:

_____%.

Example Table

Subject	California											
	All families				Married-couple families				Female householder, no husband present			
	Total		Percent below poverty level		Total		Percent below poverty level		Total		Percent below poverty level	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Families	8,862,523	+/-24,004	11.1%	+/-0.1	6,381,333	+/-31,986	6.6%	+/-0.1	1,716,724	+/-9,048	28.0%	+/-0.2
With related children of householder under 18 years	4,485,556	+/-20,578	16.7%	+/-0.2	3,045,480	+/-23,724	9.5%	+/-0.2	1,029,557	+/-6,622	36.2%	+/-0.3
With related children of householder under 5 years	766,551	+/-8,025	13.6%	+/-0.3	541,681	+/-8,031	6.1%	+/-0.3	146,423	+/-2,836	37.4%	+/-1.0
With related children of householder under 5 years and 5 to 17 years	624,205	+/-6,049	25.4%	+/-0.3	644,212	+/-5,376	15.8%	+/-0.3	203,313	+/-3,750	53.6%	+/-0.7
With related children of householder 5 to 17 years	2,794,800	+/-15,150	14.7%	+/-0.2	1,859,367	+/-15,993	8.3%	+/-0.2	679,821	+/-5,172	30.7%	+/-0.4



FORM E: How Funding From Every Kid Counts Will Be Used

Describe in detail the activities for which the applicant plans to use the EKC grant.
Allowable activities are limited to the following:

1. To award seed, matching, or incentive grants for individual family college savings accounts.
2. For outreach efforts to educate families about local college savings programs that are in operation or development.
3. To support an established evaluation consortium that monitors, collects data on, and provides analysis on short-term and long-term college savings program trends and the development of best practices. The support provided may include any of the following:
 - a Data collection and evaluation of college savings account creation and activity.
 - b Data collection and evaluation of the postsecondary aspirations, enrollment, and degree completion for beneficiaries of college savings accounts.
 - c Efforts to help beneficiaries of college savings accounts receive high school diplomas, or the equivalent.
4. To fund one-time administrative costs related to the applicant's EKC program.

EKC Activity	% of total EKC Award Amount to be used for this activity



FORM F: FY 2018-19 Grant Budget Narrative

Each applicant must submit a budget narrative for each program year that explains all expenses under each category for each fiscal year (FY).

Expenditure Category	Narrative Explanation	Budget Totals
Seed/ matching/ incentive grants		
Outreach efforts		
Evaluation consortium		
One-time administrative costs		
Total		

FORM G: FY 2019-20 Grant Budget Narrative

Each applicant must submit a budget narrative for each program year that explains all expenses under each category for each fiscal year (FY).

Expenditure Category	Narrative Explanation	Budget Totals
Seed/ matching/ incentive grants		
Outreach efforts		
Evaluation consortium		
One-time administrative costs		
Total		

FORM H: FY 2020-21 Grant Budget Narrative

Each applicant must submit a budget narrative for each program year that explains all expenses under each category for each fiscal year (FY).

Expenditure Category	Narrative Explanation	Budget Totals
Seed/ matching/ incentive grants		
Outreach efforts		
Evaluation consortium		
One-time administrative costs		
Total		

VIII.
APPENDIX A: Evaluation Rubric
Every Kid Counts College Savings Program

Minimum Qualifications

Per GOV 99102(d), applicants must satisfy each of the following three criteria in order to be considered for EKC funding:

Name of Applicant Entity:		
CRITERIA	YES	NO
The entity's application establishes that the entity has a college savings program that is either in operation or in development as of December 31, 2018.		
The entity has funding <i>in addition to</i> EKC Program funds being sought in this application support its college savings program.		
The entity agreed, in its application, to enter into an evaluation consortium that allows for independent research and evaluation of activities and outcomes associated with its college savings program.		

If any answer is "No", the applicant is not a qualified entity and will not be considered for an award amount.

Award Amount Determination

Determination of Award Amounts

GOV 99102(c) specifies that the Commission shall distribute EKC Program grants to qualifying entities based on the following factors:

- How many entities are eligible to receive grants;
- The amount of available funding to award grants;
- The number of students that each participating entity intends to serve under the program; and,

- The percentage of low-income families residing in the community served by each participating entity.

The Commission will use a weighted formula to determine how much funding each qualifying entity will receive:

Step 1.

The number of entities eligible to receive grants will depend on how many entities apply.

Step 2

The amount of available funding is **\$2,910,000** (two million, nine hundred ten thousand dollars).

Step 3

The number of students that each qualifying entity intends to serve, identified in Form C, will result in each applicant being assigned a score from **0** to **50**, based on the *total* number of students that *all* applicants indicate they intend to serve from May 2019 through June 2022, as follows:

Step 3a. The number of students intended to be served by all qualifying entities will be added together, the sum of which will be the Total Number of Students to be Served.

Step 3b. The number of students intended to be served by each qualifying entity will then be divided by the Total Number of Students to be Served, producing an Entity Student Quotient for each qualifying entity.

Step 3c. The Entity Student Quotient for each qualifying entity will then be multiplied by 50 points, producing the Entity Students-Served Points for each entity.

For example, there are a total of three qualifying entities, indicating they can serve the following students:

Step 3a.

Entity Number of Students Intended to Be Served

A 328,000
 B + 110,000
 C + 62,000

500,000 – Total Number of Students to be Served

Step 3b.

Entity	Number of Students Intended to be Served	÷	Total Number of Students to be Served	=	Entity Student Quotient
A	328,000	÷	500,000	=	.656
B	110,000	÷	500,000	=	.220
C	62,000	÷	500,000	=	.124

Step 3c.

Entity	Student Quotient	X	50 points	=	Entity Student-Served Points
A	.656	X	50	=	32.8
B	.220	X	50	=	11
C	.124	X	50	=	6.2

Step 4.

The percentage of low-income families residing in the community served by the college savings plan for each qualifying entity, as identified in Form D, will result in each applicant being assigned a score from **0** to **50**, weighted so that the entity with the *largest* percentage of low-income families receives the highest score, and the entity with the *smallest* percentage receives the lowest score, as follows:

Step 4a. The percentage of low-income families residing in the community served by each qualifying entity will be multiplied by 100, which will produce the Entity Low-Income Base for each qualifying entity.

Step 4b. The entity Low-Income Bases for all qualifying entities will be added together, the sum of which is the Total Low-Income Base.

Step 4c. Each qualifying entity's Entity Low-Income Base will be divided by the Total Low-Income Base, to produce an Entity Low-Income Quotient for each qualifying entity.

Step 4d. Each qualifying entity's Entity Low-Income Quotient will be multiplied by 50 points, the product of which is the number of Entity Low-Income Families Points for the qualifying entity.

For example, the three entities from above identify the percentages of low-income families residing in their served communities as follows:

<u>Entity</u>	<u>Percentage of Low-Income Families</u>
A	22.5%
B	59.3%
C	33.8%

Step 4a.

Entity percentage of Low-income families	X	100	=	Entity Low-Income Base
---	---	-----	---	------------------------

A	22.5%	X	100	=	22.5
B	59.3%	X	100	=	59.3
C	33.8%	X	100	=	33.8

Step 4b.

Entity Low-Income Base

A	22.5
B	+ 59.3
C	+ <u>33.8</u>

115.6 Total Low-Income Base

Step 4c.

Entity Low-Income Base	÷	Total Low-Income Base	=	Entity Low-Income Quotient
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A	22.5	÷	115.6	=	.195
B	59.3	÷	115.6	=	.513
C	33.8	÷	115.6	=	.292

Step 4d.

Entity Low-Income Quotient	X	50 points	=	Low-Income Families Points
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A	.195	X	50	=	9.75
B	.513	X	50	=	25.65
C	.292	X	50	=	14.60

Step 5.

Each qualifying entity's Students-Served Points and Low-Income Families Points will be added together, the sum of which will be the Entity Total Points. Since the total number from all entities' scores, combined, cannot exceed 100, this will then be converted into a percentage that will determine the share of the \$2,910,000 in available grant funding that each awardee receives.

Step 5a. Each qualifying entity's Entity Students-Served Points will be added to the qualifying entity's Entity Low-Income Families Points, the sum of which will be the Entity Total Points.

Step 5b. Each qualifying entity's Entity Total Points will be divided by 100, the quotient of which is the Entity Percentage of Funds.

Step 5c. Each entity's Entity Percentage of Funds will be multiplied by \$2,910,000, the product of which is the Entity EKC Award Amount.

Step 5d. Any excess funding remaining after Step 5c will be distributed equally among all qualifying entities. If there are any remaining funds that cannot be equally distributed among all qualifying entities, the remaining funds will be allocated dollar-by-dollar to each qualifying entity in order, beginning with the entity with the earliest date and time, as date-stamped upon receipt by the Commission, of the Commission's receipt of the completed application, until there are no remaining funds.

For example:

Step 5a.

<u>Entity Students-Served Points</u>		<u>Entity Low-Income Families Points</u>	<u>Entity Total Points</u>
A	32.8	9.7	42.5
B	11.0	25.6	36.6
C	6.2	14.6	20.8

Step 5b.

<u>Entity Total Points</u>	÷	100	=	<u>Entity Percentage of Funds</u>
A 42.5	÷	100	=	.425
B 36.6	÷	100	=	.366
C 20.8	÷	100	=	.208

Step 5c.

<u>Entity Percentage of Funds</u>	X	\$2,910,000	=	<u>Entity EKC Award Amount</u>
A .425	X	\$2,910,000	=	\$1,236,750
B .366	X	\$2,910,000	=	\$1,065,060
C .208	X	\$2,910,000	=	\$ 605,280
M				\$2,907,090

Step 5d

Amount of available funding	2,910,000
Amount allocated in Step 5c	<u>2,907,090</u>

Remaining funds	2,910
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Allocation of remaining funds	$2,910 \div 3 \text{ qualifying entities} = \$970 \text{ allocation per qualifying entity}$
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Step 6.

Adjustment for \$100,000 Minimum Award

GOV 99102(c) specifies the minimum grant award to be \$100,000. The Commission may adjust the amount of grant awards, or not award a qualifying entity, to ensure compliance with the minimum grant award requirement, as follows:

If there are 29 or more qualifying entities, Award Determination Steps 1-5, above, will not be applied. When there are 29 or more qualifying entities, the EKC Award Amount will be determined as follows:

Step 6a

If there are exactly 29 qualifying entities, the EKC Award Amount for each qualifying entity will be \$100,000, regardless of the amount of funding requested by each qualifying entity, leaving \$10,000 in remaining funds.

The \$10,000 will be distributed equally among all qualifying entities. Each of the 29 qualifying entities, therefore, will be allocated an additional \$344.82.

Step 6b

If there are 30 or more qualifying entities, qualifying entities that indicate in their applications that they will use their EKC Award Amounts exclusively to award seed, matching, or incentive grants for individual family college savings accounts, will be awarded EKC Award Amounts of \$100,000. If there are 30 or more qualifying entities that satisfy Step 6b, then Step 6f will be applied.

Step 6c

If the number of qualifying entities awarded under Step 6b is fewer than 29, then EKC Award Amounts of \$100,000 will also be awarded to those unawarded qualifying entities that will use their EKC Award Amounts only 1) to award seed, matching, or incentive grants for individual family college savings accounts and 2) for outreach efforts to educate families about local college savings programs that are in operation or development.

Step 6d

If the number of qualifying entities awarded under Steps 6b and 6c are fewer than 29, then EKC Award Amounts of \$100,000 will also be awarded to those unawarded qualifying entities that will use their EKC Award Amounts only 1) to award seed, matching, or incentive grants for individual family college savings accounts, 2) for outreach efforts to educate families about local college savings programs that are in operation or development, and 3) to support an established evaluation consortium that monitors, collects data on, and provides analysis on short-term and long-term college savings program trends and the development of best practices.

Step 6e

If the number of qualifying entities awarded under Steps 6b, 6c and 6d are fewer than 29, Step 6f will be applied.

Step 6f

Awards to qualifying entities under Step 6b, and remaining qualifying entities under Steps 6c-6e, will be determined by the earliest date and time, as date-stamped upon receipt by the Commission, of the Commission's receipt of the completed application. Qualifying entities will be awarded EKC Award Amounts of \$100,000 until the total number of qualifying entities with EKC Awards is 29, leaving \$10,000 in remaining funds.

The \$10,000 will be distributed equally among the 29 qualifying entities. Each of the 29 qualifying entities, therefore, will be allocated an additional \$344.82.

Attachment 2

Application in Response to
California Student Aid Commission
Request for Applications #18-002

Attention: Every Kid Counts
California Student Aid Commission
11040 White Rock Road, Suite 100
Rancho Cordova, CA 95670

Los Angeles Housing and Community Investment Department



FORM A: APPLICATION COVER PAGE- 1 of 2

For the application to be considered complete, all information must be provided as requested on all Forms.

Applicant Information	
Applicant Name: Los Angeles Housing and Community Investment Department	
Address: 1200 West 7th Street, 1st Floor	
City: Los Angeles	Zip Code: 90017
EKC Director's Name Abigail Marquez	
Phone 213-808-8462	Fax 213-808-8999
EKC Program Director's E-mail Address Abigail.Marquez@lacity.org	
Please provide a summary of your proposal, including the existing (or in development plan) and how the Every Kid Counts funding will be used to further the goal of the Every Kid Counts Savings Program.	
<p>Every Kid Counts funding will be used to further the California Student Aid Commission's mission of making higher education financially accessible to all Californians. Launching the CSA program in Los Angeles will increase college accessibility in the largest city in California and in a school district comprised primarily of low-income students.</p> <p>The Los Angeles Unified School District (LAUSD) serves more than six hundred thousand students every year, and nearly 1 in 10 California public school students attend LAUSD. A single CSA program that will serve 10% of the State's primary and secondary school students is a significant step toward both the Commission's and Governor Newsom's goals of statewide CSA access.</p> <p>LAUSD estimates that the program will reach more than forty-thousand students per school year at full implementation. Of those enrolled students, district reports estimate that more than seventy-seven percent of each grade level are low-income. The need for a children's savings program in Los Angeles is acute. The National Student Clearinghouse reported that in 2016, only one in four Los Angeles Unified School District (LAUSD) graduates enrolled in a four-year college or university, while another 36% of graduates enrolled in a two-year college. More than one-third of LAUSD graduates did not pursue postsecondary education at all. The primary goal of establishing a CSA program for Los Angeles is to make higher education an expectation and a reality for students across the city, regardless of socio-economic or immigration status.</p> <p>Key leaders at the City, County, and LAUSD have been working in tandem to develop a comprehensive CSA program that meets the needs of Los Angeles families. For a detailed overview of program development, please refer to Form B. The partner jurisdictions are working toward a launch in the 2020-2021 school year, with fiscal years 2018-2019 and 2019-2020 dedicated to finalizing program</p>	

agreements, selecting financial institution and technology vendors, fundraising, and school-based and community outreach ahead of the official launch.

The Los Angeles collaborative seeks funding to support outreach efforts, seed deposits for all students, and matching and incentive funds for low-income students. In fiscal years 2019-2020 and 2020-2021, the program seeks funds to hire an outreach coordinator to lead outreach efforts at the district and community level. Because the district is so large, it is important that the outreach campaign begin in earnest well before launch. Dedicated outreach staffing in the pre-launch year creates opportunity for thorough training and education for employees at all levels of LAUSD, including elementary teachers, social workers, and district staff. At the community level, an outreach coordinator will identify opportunities for partnership and service integration with existing non-profits and relevant government agencies. For example, the County of Los Angeles' Center for Financial Empowerment and the City of Los Angeles Housing and Community Investment Department's Family Source Centers are a natural fit for integrating children's savings with larger efforts at family financial stability.

In addition to the outreach coordinator position, the program seeks funding to support the development of a professional outreach campaign with a marketing firm. Based on estimates from previous contracts with City officials, the program expects to seek a six-month contract with a firm to develop program logos and branding, content, and program collateral. Materials developed from this contract will be used in all aspects of the program, including communications with families. Given the diversity of the district, having dedicated resources to support family-friendly outreach in the languages Los Angeles' families prefer to receive communication in will be critical to program success.

With a proposed launch in the final year of the grant cycle, the program seeks funding for the first year of seed deposits. LAUSD estimates close to four-thousand students in the first year of the five-year rollout (10% of students). Details about the number of students and cost per cohort can be found in Forms F-H.

Finally, the program seeks funding to support matching and incentive dollars for low-income students. The incentive proposal is still in development with the City, County, and LAUSD, but program estimates include up to \$150 per enrolled student in matching and incentive deposits. The program anticipates matching deposits up to \$100 per student, plus a \$50 additional deposit for low-income students (as determined by LAUSD). Schools with the highest percentage of low-income students may be eligible for additional incentives as determined by the program.

Total Budget Amount Requested for the 2018–19, 2019–20, and 2020-21 fiscal years:

FY 2019–20 \$89,423 / FY 2020-21 \$197,150 = \$286,583



FORM A: APPLICATION COVER PAGE- 2 of 2

1. If Applicant has an existing college savings plan, what date was the plan established? Provide copies of all plan documents.	Date N/A
2. If the Applicant has a college savings plan in development, as defined in the Request for Application, please list the date you consider it in development and provide all documents establishing the plan was in development on or before December 31, 2018.	Date 6/14/2016
3. Identify the source and amount of funding, in addition to Every Kid Counts funding sought in this application, that will support the Applicant's existing or in-development college savings plan.	
Source	Annual Amount \$186,860
1) City Council District 4 Discretionary Funds for Technical Assistance Contract with Prosperity Now	\$80,000
2) Housing + Community Investment Department Discretionary Funds for Technical Assistance Contract Extension with Prosperity Now	\$50,000
3) City Council District 4 Discretionary Funds for Development of promotional/educational literature	\$6,860
4) City Council District 4 and Housing + Community Investment Department in-kind staff time support	\$50,000

By submitting this application, the Applicant is agreeing to enter into an evaluation consortium that allows for independent research and evaluation of the activities and outcomes related to Applicant's college savings program.

All Forms and documents are true and correct.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Authorized signatory:

Title: Assistant General Manager,
Community Services & Development
Bureau

Name: Abigail Marquez

Date: 2/20/2019

FORM B: APPLICATION NARRATIVE

CSA programs can play a key role in the effort to address low postsecondary educational attainment rates in Los Angeles. The National Student Clearinghouse reported that in 2016, only one in four Los Angeles Unified School District (LAUSD) graduates enrolled in a four-year college or university, while another 36% of graduates enrolled in a two-year college. More than one-third of LAUSD graduates did not pursue postsecondary education at all. The primary goal of establishing a CSA program for Los Angeles is to make higher education an expectation and a reality for students across the city, regardless of socio-economic or immigration status. CSA programs invest in children and instill the firm belief that they can and will go to college. The program outline is based on design principles that ensure all children in Los Angeles are included in the program and can save for their future with an account that works for all families.

Section I: Program Development to Date

June 2016: Introduced legislation in coordination with LAUSD instructing City and Board of Education staff to report on the feasibility of establishing a Children's Savings Account program for LAUSD students.

August 2016: Established a CSA working group consisting of Los Angeles City Council District 4 (CD 4) and City staff, the Los Angeles Mayor's Office, LAUSD Board District 4 and LAUSD Staff, and LA County Supervisorial District 1 and Supervisorial District 2, amongst others.

October 2016: Los Angeles City Council approved the motion introduced by Councilmember David Ryu and recommendations from the City's Health, Mental Health and Education Committee, including a City Administrative Office (CAO) recommendation that the City hire an independent consultant to help develop and implement LA's children's savings account program.

January 2017: The Office of Councilmember David Ryu and the Unruh Institute and Price School of Public Policy at the University of Southern California conducted an analysis of existing children's savings account programs, their incentive and matching funds components and the socio-economic characteristics of each LAUSD campus to identify appropriate LAUSD sub-regions for incentive and matching fund dollars and where these funds might have the greatest impact.

August 2017: Council approved a motion introduced by Councilmember Ryu transferring \$80,000 to the Housing and Community Investment Department to release

a Request For Proposals to hire a consultant to help develop and implement LA's program.

January 2018: Contract was executed between the City of Los Angeles and Prosperity Now to assist with the development and implementation of LA's children's savings account program.

March 2018: CSA Working Group Members developed and agreed upon a tentative program structure for Los Angeles' children's savings account program.

April 2018: The City's Health, Education and Neighborhood Councils Committee considered a report from the City's Housing and Community Investment Department (HCIDLA) and Prosperity Now outlining the proposed program structure.

May 2018: LAUSD Board Members Melvoin and Garcia re-introduced a resolution in support of the initiative and instructed Board of Education staff to continue working with the City to develop and implement the proposed program.

August 2018: Los Angeles County Supervisors Ridley-Thomas and Solis introduced legislation in support of the initiative and instructed the Board of Education staff to continue working with the City to develop and implement the proposed program.

December 2018: Los Angeles County Chief Executive Office introduced a motion in support of program development and the Los Angeles City Council approved a motion instructing relevant City staff to work with its counterparts in the County on continued development.

For additional detail on approved City Council and County Board motions and resolutions, please see attached documents.

The Los Angeles CSA program has been and will continue to be a collaboration between the City, County and LAUSD. The program is currently in development with a proposed launch in the fall of 2020. As development continues, the Program will select vendors for program implementation including a financial institution partner and a technology vendor.

Section II: CSA Working Group

To aid in the design of an inclusive and accessible CSA program for Los Angeles, the City of Los Angeles began convening a CSA working group consisting of representatives from:

- City Council District 4: Councilmember David Ryu
- Los Angeles Mayor's Office
- Los Angeles County Supervisorial District 2: Supervisor Mark Ridley-Thomas
- LAUSD Board District 4: Board Member Nick Melvoin

- Los Angeles City Attorney's Office
- LAUSD General Counsel
- LAUSD Division of Instruction
- County Chief Executive Office – Services Integration
- County Department of Business and Consumer Affairs

The working group sessions centered the development of the Children's Savings Account (CSA) program for Los Angeles around several guiding principles. These principles follow the working group's goals of inclusivity and access for all LAUSD students, with particular emphasis on extra supports for vulnerable families. The features the group has supported are based on best practices from CSA programs across the country, as well as those specific to the City and County of Los Angeles. The following principles have guided the design of key program features.

Section III: Program Design Principles:

1. Universal, Automatic Program Enrollment in First Grade

Universal Eligibility

The program will have universal eligibility, meaning that all students in the selected grade level would be eligible to participate regardless of income or any other demographic criteria. A universal program would give children and families across the city and across the income spectrum a stake in the program. It would allow for the creation of a city-wide expectation that all students in Los Angeles — from Boyle Heights to Brentwood — will enroll in some form of postsecondary education. Los Angeles' CSA program will operate like public education itself: universal and open to all.

Within this universal structure, the city will ensure that the program benefits those who need it most by using a progressive incentive structure. This means that students from lower-income families would be eligible to receive additional targeted incentives that attempt to address student-specific challenges.

Automatic Enrollment

Accounts will be opened for students automatically. To facilitate automatic enrollment (also known as opt-out enrollment), LAUSD would transmit the first-grade student roster to the CSA program administrator each fall. However, as has been demonstrated in several opt-in programs throughout the country, students from more affluent families would be more likely to enroll in the program.

Automatically opening accounts would ensure that all students — especially those in the region's most vulnerable communities — are able to participate in the CSA program.

Opt-out Process

Parents or guardians who do not wish for their child to participate in the CSA program would be able to opt out. To opt out of the program, parents or guardians would submit an opt-out form to the program administrator or LAUSD. Parents could opt out during the school enrollment period before the account is opened or request the account be

closed at any time. Data from CSA programs that have automatic enrollment show that fewer than 2% of families choose to opt-out of the program.

Selected Grade Level

Enrolling students in first grade is the designated choice for the Los Angeles program due to significant enrollment shifts between kindergarten and first grade, and the fact that kindergarten is not required in California. Eligible CSA participants would be defined as children who are first-time, first-grade students in LAUSD district or affiliated charter schools within the City of Los Angeles at the time of the LAUSD student roster transmittal in the fall of each school year.

2. Custodial Account Ownership and Program Administration

The program administrator manages the overall implementation and operations of the CSA program, ensuring that all key program responsibilities are met, including:

- Account management,
- Oversight of program budget,
- Data Management and Reporting
- Reporting to public officials, funders and other stakeholders on program outcomes
- Outreach and Engagement
- Participant Management
- Partner Management

The program will open accounts and hold program-provided funds on behalf of participating students in order to:

- Protect families from asset limits: Families are protected from the potential loss of federal and state benefits when participating in public programs that place asset limits on the amount of savings and other resources that recipients can accumulate without losing eligibility.
- Secure savings: Third-party custodianship safeguards program funds, ensuring that they are restricted until the participant is ready to use them to pay for postsecondary education.
- Open accounts on behalf of minors: Most financial institutions are not willing to open bank accounts for individuals under age 18 but will allow individuals or organizations to own bank accounts on behalf of minors.
- Enable automation and scale: Individual parent signatures are not required to open third-party custodial accounts at banks or credit unions, allowing large numbers of students to be automatically enrolled quickly and efficiently.

3. Accessible Financial Institution Partner

An essential piece of all CSA programs is the account(s) used to hold participants' funds. The program will be releasing a Request for Proposals (RFP) to select a financial institution partner that will be an appropriate fit for Los Angeles.

In order to be accessible to families, the selected financial institution should accept a number of deposit channels, such as online transfer (online bill pay or Automated Clearing House), payroll deduction (if allowed by the employer), and in-person contributions by cash or check.

Based on the experience of other CSA programs and taking into account the size of Los Angeles, the financial institution (FI) selected for the program should be able to provide the following:

- An understanding of the goals of the Los Angeles CSA program: The FI should demonstrate an understanding of the Los Angeles CSA program goals.
- The ability to open accounts en masse: The financial institution will need to open more than 40,000 accounts each year at full enrollment.
- The ability to open an account without the use of a Social Security number (SSN): Since the account custodian would serve as the holder or “owner” of the accounts, and designate students as account beneficiaries, the FI should be able to use a student ID number, such as the MiSIS number assigned to every student in a California school district or charter school. This is important, because requiring an SSN would preclude thousands of undocumented students from participation.
- Ability to transmit transaction data to a third-party platform: The FI would need to provide deposit activity to a third-party platform for families to view deposits, if it is not able to provide this service itself.
- Eliminate fees and account maintenance charges: Participants and their families should not incur any fees, such as account use or maintenance fees.
- Complete a financial services agreement: The partner FI would enter into an agreement with the City of Los Angeles, which would include confidentiality requirements for student data. The FI would be limited to using student data for the express purpose of account opening and would not receive any student data that is not absolutely necessary for account opening. Conditions for the use, storage, and secure transmittal of student data would be developed in conjunction with Los Angeles Unified School District.

The account custodian will maintain individual student sub-accounts under a master or “umbrella” account structure. Each student will have a unique bank account number associated with his or her account to make deposits. The sub-accounts will be deposit-only for students until they are eligible to make withdrawals. Once a withdrawal request has been approved by the program, the program manager will transfer the seed deposit amount, incentives earned (if any), and student funds to the requested postsecondary institution.

Anyone can contribute to a beneficiary’s account regardless of their relationship to the beneficiary. However, as is standard in custodial accounts, if a contribution is made by someone who does not hold legal guardian status for the beneficiary, they (1) cannot control how their contribution is managed, (2) will have no future control over the use of their contribution, and (3) will have no recourse through the program to withdraw or

redirect their contribution. These deposit restrictions will be provided to families in welcome packets, displayed on the program's website.

4. Accessible Technology Partner

The technology platform provides a crucial engagement function in CSA programs, especially for a program serving as many students as Los Angeles. Because a CSA is different from a traditional savings account, which only reports deposits and account growth, CSAs typically employ a separate platform to engage with participants using an online portal. The exception to this practice is San Francisco's K2C program, whose financial institution partner, CitiBank, created a proprietary system for participant's families, thereby eliminating the need for a separate platform vendor. The City of Los Angeles' HCIDLA will release an RFP to select an appropriate vendor.

Families would register for the online portal to view the initial seed deposit, family deposits, incentives earned, account growth, and other features introduced by the program. The program will use the portal to: inform families of additional incentives and other financial services they may be qualified for, update participant information, and create surveys for parents or guardians to complete.

5. Flexible Use of Account Funds

CSA savings are to be used for postsecondary education and certain pre-college expenses. Postsecondary education would include colleges, universities, vocational schools, and any two or four-year degree programs from accredited institutions. Eligible postsecondary expenses would include tuition, mandatory fees, books, supplies (including computer equipment), and any other costs necessary to attend school. If a student has special needs, funds could be used to pay for any accommodations needed to attend school.

Eligible pre-college expenses would include certain expenses related to or necessary to prepare for post-secondary education. These could include, but would not be limited to, college application fees, ACT/SAT testing fees or preparatory classes, pre-enrollment enrichment services such as "summer bridge" programs, and deposits for room and board (on-campus). Allowing CSA funds to be used for pre-college expenses provides greater flexibility for students and increases the likelihood that they step into a classroom on the first day of their post-secondary education.

6. Safeguarded Funds

In order to request a withdrawal for postsecondary expenses, the participant must be either (1) currently enrolled in a LAUSD high school or (2) a high school graduate of LAUSD. If a participant who no longer attends LAUSD or graduated from a non-LAUSD high school requests funds, he or she may request a withdrawal of non-program related funds (personal or family and friends' deposits) only. They would not have access to the seed deposit or incentive funds.

To request a disbursement, participants would need to submit a withdrawal request to the program administrator. When a student request for withdrawal is approved for

postsecondary expense(s), the program would transfer funds directly to the postsecondary institution. If a participant does not withdraw all funds by age 26 from his/her account, any program-provided funds (e.g., seed deposit and incentives) earmarked for the participant would be rolled back to program for use with future students.

The program may create procedures for emergency withdrawals of contributions made by families, but since the accounts would be owned by the custodian, parents and guardians would be unable to withdraw funds from the financial institution without program approval. At no time would families be allowed to withdraw program-provided funds (e.g., seed deposit and incentives) for any purpose other than eligible postsecondary and pre-college expenses.

7. Initial Deposits for All Students

Given the size of Los Angeles Unified School District (LAUSD), a modest seed amount is needed to manage costs at full enrollment. All program participants will be automatically awarded a \$50 seed deposit.

8. Additional Incentives for Designated Students

The proposed incentive structure, which is being created in conjunction with LAUSD, is still in development. The criteria that will be used to evaluate potential incentives include whether the incentive would be:

1. Aligned with program goals
2. Aligned with existing indicator(s) of college success
3. Quantitatively measured and easily tracked
4. Provided to students who stand to benefit the most
5. Administratively feasible at full implementation
6. Sustainably funded over the life of the program

The incentives selected for the program will be progressively structured, so that students from low-and moderate-income families receive additional funds to help boost their account balances. For example, students from low-income families could receive a supplemental deposit, or they could have additional opportunities to receive targeted incentives. Providing incentives or bonuses that are progressively structured based on household income has the potential to reduce the wealth gap between lower and higher-income families.

Section IV: Program Implementation

Five Year Phased Rollout

Due to both the size of LAUSD enrollment and geographic scope of the District, the program plans to employ a phased rollout. While the program would begin with the explicit goal of serving all first-grade students, the CSA will scale up over a five-year period. The program will begin with 10% of first graders in the first year, 25% in the second, 50% in the third, 75% in the fourth, and finally 100% of first graders in the fifth

year. Rolling out the program to all schools across a five-year window would give the CSA program staff an opportunity to provide trainings to appropriate LAUSD staff and community organizations and troubleshoot implementation challenges. It also reduces the required initial public and private contributions needed to launch the program.

School Selection Plan

As previously noted, Los Angeles City Councilmember David Ryu's office engaged the University of Southern California to aid in the development of an equitable school selection plan based on data from LAUSD. The school selection plan was designed with the following criteria:

- Schools in all Los Angeles County Supervisorial districts, Los Angeles City Council districts, LAUSD Board districts are included each year;
- The percentage of students in each district and city remains proportional;
- The selection of students is randomized by socioeconomic status;
- The total number of selected students in the following 5 years should be approximately equal to 10%, 25%, 50%, 75% and 100% of the population.

The school selection plan is subject to change, but the collaborative expects to enroll roughly 4,000 students in the first year of the program (2020-2021).

The table below shows the expected costs per year and the approximate number of students for each phase of the rollout based on 2017-2018 enrolled data provided by LAUSD. Exact figures will vary based on actual enrollment at LAUSD schools as determined by the final school selection plan.

Total Program Costs by Year

Expense	Year 1	Year 2	Year 3	Year 4*	Year* 5 +
<i>Target Percentage</i>	10%	25%	50%	75%	100%
<i>Students Enrolled</i>	3,943	9,857	19,713	29,570	39,426
Projected Seed Deposits	\$197,150	\$492,850	\$985,650	\$1,478,500	\$1,971,300
Staff / Admin. Costs	\$329,524	\$329,524	\$329,524	\$659,048	\$659,048
Technology Platform**	\$150,000	\$100,000	\$100,000	\$100,000	\$100,000
Outreach Costs	\$150,000	\$100,000	\$100,000	\$100,000	\$100,000
Total	\$826,674	\$1,022,374	\$1,515,174	\$2,337,548	\$2,830,348

*The program anticipates a staffing increase from 2 FTE to 3 FTE in Year 4 and beyond.

**Technology Platform costs will be outsized in Year 1 due to initial start-up and platform development costs.

FORM C: Number of Students Intended to be Served

Provide the number of students intended to be served through the Every Kid Counts College Savings Program. Provide documentation for the numbers. Applicants may add to the chart if more space is needed.

Year	Number of Students Intended to be Served
2018-2019	
2019-2020	
2020-2021	3,943
Total	3,943

FORM D: Percentage of Low-Income Families

Provide the "Percentage of low-income families" for applicant's college savings program here:

24.6%.

See attached report for all census tracts covered by Los Angeles Unified School District.

Subject	Los Angeles Unified School District, California				
	All families				
	Total		Percent below poverty level		
	Estimate	Margin of Error	Estimate	Margin of Error	
Families	976,672	+/-4,378	16.3%	+/-0.3	
With related children of householder under 18 years	496,489	+/-3,553	24.6%	+/-0.4	
With related children of householder under 5 years	85,324	+/-2,014	18.1%	+/-1.0	
With related children of householder under 5 years and 5 to 17 years	105,103	+/-1,839	35.6%	+/-0.9	
With related children of householder 5 to 17 years	306,062	+/-3,019	22.6%	+/-0.5	

FORM E: How Funding From Every Kid Counts Will Be Used

Describe in detail the activities for which the applicant plans to use the EKC grant.
Allowable activities are limited to the following:

1. To award seed, matching, or incentive grants for individual family college savings accounts.
2. For outreach efforts to educate families about local college savings programs that are in operation or development.
3. To support an established evaluation consortium that monitors, collects data on, and provides analysis on short-term and long-term college savings program trends and the development of best practices. The support provided may include any of the following:
 - a Data collection and evaluation of college savings account creation and activity.
 - b Data collection and evaluation of the postsecondary aspirations, enrollment, and degree completion for beneficiaries of college savings accounts.
 - c Efforts to help beneficiaries of college savings accounts receive high school diplomas, or the equivalent.
4. To fund one-time administrative costs related to the applicant's EKC program.

EKC Activity	% of total EKC Award Amount to be used for this activity
Seed deposits (\$197,150)	16.1%
Incentive grants (\$591,450)	48.3%
Outreach efforts includes administrative (\$435,332)	35.6%
Total (\$1,223,932)	100%

FORM E: How Funding From Every Kid Counts Will Be Used

Describe in detail the activities for which the applicant plans to use the EKC grant.
Allowable activities are limited to the following:

1. To award seed, matching, or incentive grants for individual family college savings accounts.
2. For outreach efforts to educate families about local college savings programs that are in operation or development.
3. To support an established evaluation consortium that monitors, collects data on, and provides analysis on short-term and long-term college savings program trends and the development of best practices. The support provided may include any of the following:
 - a Data collection and evaluation of college savings account creation and activity.
 - b Data collection and evaluation of the postsecondary aspirations, enrollment, and degree completion for beneficiaries of college savings accounts.
 - c Efforts to help beneficiaries of college savings accounts receive high school diplomas, or the equivalent.
4. To fund one-time administrative costs related to the applicant's EKC program.

EKC Activity	% of total EKC Award Amount to be used for this activity
Seed deposits for individual family college savings accounts	68.8%
Outreach efforts to education families about local college savings program in development	31.2%

FORM F: FY 2018-19 Grant Budget Narrative

Each applicant must submit a budget narrative for each program year that explains all expenses under each category for each fiscal year (FY).

Expenditure Category	Narrative Explanation	Budget Totals
Seed/ matching/ incentive grants		N/A
Outreach efforts		N/A
Evaluation consortium		N/A
One-time administrative costs		N/A
Total		\$0

FORM G: FY 2019-20 Grant Budget Narrative

Each applicant must submit a budget narrative for each program year that explains all expenses under each category for each fiscal year (FY).

Expenditure Category	Narrative Explanation	Budget Totals
Seed/ matching/ incentive grants		N/A
Outreach efforts	The program will contract with a marketing firm to assist with the development of program brand, collateral and electronic content. It is estimated that a three-month contract at \$25,000 per month will cost \$75,000, plus \$14,433 for the cost of printing outreach materials and other associated outreach costs.	\$89,433
Evaluation consortium		N/A
One-time administrative costs		N/A
Total		\$89,433

FORM H: FY 2020-21 Grant Budget Narrative

Each applicant must submit a budget narrative for each program year that explains all expenses under each category for each fiscal year (FY).

Expenditure Category	Narrative Explanation	Budget Totals
Seed/ matching/ incentive grants	The cost to seed each enrolled student's account at \$50 per student will be \$197,150 based on estimates from Los Angeles Unified School District.	\$197,150
Outreach efforts		N/A
Evaluation consortium		N/A
One-time administrative costs		N/A
Total		\$197,150