



AGENDA



GRANT ADVISORY COMMITTEE MEETING SM

October 18 - 19, 2007

CALIFORNIA
STUDENT AID
COMMISSION

GRANT ADVISORY COMMITTEE

GRANT ADVISORY COMMITTEE MEETING

AGENDA

Annual Planning Retreat

Thursday, October 18, 2007

3:30 p.m. – 5:00 p.m.

MEMBERS

Mary Lindsey, Chair
Sharon Bowles, Vice Chair
Kate Jeffrey
Lora Jo Bossio
Mary Robinson
Susan Gutierrez
Anthony Martinez
Timothy Bonnel

Marco De La Garza
Ricardo Tejeda
Frederick Holland
Lisa Douglass
Sally Pace
Noelia Gonzales
Louise McClain, Commissioner Liaison

TAB ITEM

Call to Order

Public Comment (**Public Comment will also be asked for every agenda item.**)

1. Approval/Assignment of Minutes from the following meetings:
 - 1.a August 16, 2007
 - 1.b July 19, 2007
 - 1.c May 24, 2007
 - 1.d April 5, 2007
 - 1.e February 14, 2007
 - 1.f January 25, 2007
 - 1.g January 5, 2007
 - 1.h December 14, 2006
 - 1.i September 18, 2006
 - 1.j September 5, 2006
 - 1.k August 4, 2006
 - 1.l June 16, 2006
2. Cal Grant, Specialized Programs, and Public Affairs Update
3. Grant Delivery System (GDS) Phase 1 and 2 Update

Adjournment

Grant Advisory Committee Agenda

Annual Planning Retreat

Friday, October 19, 2007

8:30 a.m. – 3:30 p.m.

Lunch time - to be announced

Reconvene Meeting

Introduction of New GAC Members and CSAC Staff

Public Comment (**Public Comment will also be asked for every agenda item**)

GRANT ADVISORY COMMITTEE

TAB ITEM

4. Committee Chair's Report
5. Executive Director's Report
6. Enhancing GAC Member Participation Discussion
7. Election of New Chair and Vice Chair
8. Cal Grant Program Data and Reports
 - 8.a 2008-09 Income and Asset Ceilings Update
 - 8.b Review of Proposed 2008-09 Selection Criteria
 - 8.c Review Proposed 2008-09 Student Expense Budgets
 - 8.d Student Expenses and Resources Survey (SEARS) Project Update
9. Workgroup Reports and Recommendations
 - 9.a Payment Periods for Non-traditional based Schools
 - 9.b Selection Criteria
10. Annual Interest Calculation Discussion Update
11. Identifying At-risk Institutions Update
12. Determine Workgroup Topics for Upcoming Year and Selection of Workgroups
13. Review 2008 GAC and Workgroup Meeting Schedule
14. Educational Level Verification Overview
15. Budget Principles Overview
 - 15.a Budget Summary
 - 15.b Timeline
 - 15.c Cal Grant Guiding Principles
 - 15.d Budget Letter
 - 51.e Budget Letter
16. State and Federal Legislative Update

Adjournment

Times are subject to change

Information/Action Item

GRANT ADVISORY COMMITTEE

Approval/Assignment of Minutes

Enclosed, for the Committee's review and approval or assignment for review, are the following minutes:

- 1.a August 16, 2007
- 1.b July 19, 2007
- 1.c May 24, 2007
- 1.d April 5, 2007
- 1.e February 14, 2007
- 1.f January 25, 2007
- 1.g January 5, 2007
- 1.h December 14, 2006
- 1.i September 18, 2006
- 1.j September 5, 2006
- 1.k August 4, 2006
- 1.l June 16, 2006

Recommended Action: Approve or assign for review minutes listed above.

Responsible Staff: Jorge Cortez, Staff
School Support Services Branch

Kristen Trimarche, Staff
Program Policy & Development Branch

**CALIFORNIA STUDENT AID COMMISSION
GRANT ADVISORY COMMITTEE MEETING**

10811 International Drive
Rancho Cordova, CA 95670

**MINUTES
AUGUST 16, 2007**

A meeting of the Grant Advisory Committee was held on Thursday, August 16, 2007, in the California Room at CSAC Headquarters.

ADVISORY COMMITTEE MEMBERS:

Mary Lindsey, Chair PI
Lora Jo Bossio, Interim AVC, UC
Louise McClain, Commission Liaison
Timothy Bonnel, CCC
Laura Cunha, PI
Lisa Douglass,
Marco De La Garza, CCC
Kate Jeffery, UC
Noelia Gonzales, CASFAA
Catherine Graham, AICCU Alternate
Susan Gutierrez, CSU
Sally Pace, K-12
Mary Robinson, CSU

STAFF:

Catalina Mistler, Chief, PASD
John Bays, Chief, Information Technology
Steve Caldwell, Chief, GRPA
Jorge Cortez, School Support Services Branch
Bryan Dickason, Manager Cal Grant Operations
Christina Ellis, School Support Services Branch
Gloria Falcon, Manager, PPD
Bob Illa, Manager, Fiscal & Administrative Services
Debi Jackson, Applications & Project Services
Yvette Johnson, Manager, School Support Svcs
Tae Kang, Cal Grant Operations
Lori Nezhura, School Support Services Branch
Thea Pot-Van Atta, Manager, Student Support Svcs
Kristen Trimarche, PPD

Lorena Hernandez, Commissioner

GRPA (Governmental Relations and Public Affairs Division)

PASD (Program Administration and Services Division)

PPD (Program Policy and Development)

Roll Call was taken and a quorum was recognized.

TAB 1 – APPROVAL OF MINUTES FROM OCTOBER 14, 2005, FEBRUARY 21, 2006, APRIL 14, 2006, AND MAY 26, 2006.

Minutes from the October 14, 2005; April 14, 2006; May 26, 2006; and February 21, 2006 meetings were approved.

TAB 2 – CONSIDERATION OF BUDGET CHANGE PROPOSALS (BCP) FOR 2008-09

Steve Caldwell, Chief, Governmental Relations and Public Affairs Division, requested the Committee's assistance in prioritizing proposed changes to the Commission's programs in

Tab 1.a

anticipation of a tight budget year in FY 2008-2009 and in response to the Commissioners' request. In addition, Mr. Caldwell asked for discussion of levels of increase for some programs.

Mr. Caldwell indicated that these BCPs have been brought forward because the issues have been through the Legislature and the Commission has theoretical support from the Legislature to increase the programs.

Tim Bonnel, California Community Colleges Chancellor's Office (CCCCO), raised concerns regarding the inability to come to agreement on prioritizing the BCPs due to each segment's institutional preferences. Kate Jeffery, University of California Representative, agreed and suggested that the Committee would be willing to endorse that all five proposals are important to pursue.

Mr. Caldwell briefly differentiated between the process of submitting BCPs to the Department of Finance versus taking the issues forward as proposals to the Legislature and the need for information to justify the items within either framework. Also discussed were the options of including all of the issues in one BCP or policy paper and indicating that these are the Commission's priorities or presenting them to the Legislature as legislative proposals either individually or inclusively and asking the Legislators which they want to carry.

Committee members suggested two strategies for prioritizing the BCPs:

1. Member Jeffery recommended calculating the cost of each proposal and developing a plan to phase-in the proposals to equalize the costs across the programs. This suggestion was further refined to ensure that a balanced approach be followed to serve all constituency. It was agreed that all of the proposals are important and a plan should be developed to achieve all of them so that some progress may be realized in each area.
2. Member Bonnel suggested considering existing legislation on the subjects of first year Cal Grant B recipients and access grant indexing in order to identify support for specific issues and prioritize accordingly while concurrently considering the affect on all constituents.

Tab 2.a. – Increase Number of Competitive Awards

Mr. Caldwell pointed out that annually over 100,000 students apply, but five out of every six and some years six out of seven students, do not receive funding due to the constraint of awarding 22,500 grants. It was acknowledged that this issue has come before the legislature in the past but has not been taken forward, so a continuation of the discussion is desired.

The GAC Workgroup, which met earlier in the morning, had generated a suggestion, which was to start with asking the Legislature to fund all zero EFCs. Concerns were raised about this approach as it is unknown how many students would be included in that group and that the number would be too large.

Committee members discussed ideas for expanding the entitlement program, which could eliminate some need for increasing the competitive awards. However, due to the fact that many students who are served by the competitive program are re-entry, adult students, they would not be reached for some time if only the entitlement program existed in its current format. Mr. Caldwell also indicated that the Legislature supports

both the entitlement program and the competitive program. While the preference would be to have a purely entitlement program, it's not fiscally possible, so the competitive program exists to serve the secondary population to the extent possible.

Mary Lindsey, Chair, Proprietary Institution Representative, directed the focus of the discussion back to specifically addressing the issue of increasing the number of competitive awards.

Tab 2.b. – Increase Maximum Cal Grant B Access Grant

Mr. Caldwell pointed out that the \$1,551 access grant has not been increased in over eight years and that the Commission is working towards ascertaining how the access grant is applied by students and what other programs may also be applied to costs.

Member Bonnel and Mr. Caldwell agreed to further discuss the figures provided by the SEARS study and the Zumeda Report in relation to calculating a proposed increase to the access grant.

Tab 2.c. – Provide Tuition/Fees to All Cal Grant B Recipients

Committee members did not engage in discussion specifically related to this topic.

Tab 2.d. – Increase Maximum Award at Non-public Institutions

Mr. Caldwell reported that this issue cannot be part of the phased-in approach suggested by Member Jeffery since it is the Commission's intention is to remove the issue from statute and use the UC and CSU formula by which awards are increased when institutional fees increase.

Mr. Bonnel voiced concern about the makeup of the workgroup that reviewed this proposal and stated that it should be an intersegmental issue as the change would impact the other segments served by the Cal Grant Programs.

Tab 2.e. – Increase Number and Amount of Cal Grant C Awards

Chairperson Lindsey advocated separating this issue into three distinct proposals: the total number of awards, the amount of tuition and fees, and the allowance for books and supplies. The priority of these being the book and supply allowance because the amount has not been updated in 20 years and it addresses the greatest number of students who benefit from that program.

In addition, if the issues were bifurcated and the amount of the book and supply allowance was considered independent of from the tuition and fee component, the potential for obtaining an increase in the amount would be improved. When asked for their input, Laura Cunha, Proprietary Institution Representative, Marco De La Garza, California Community Colleges Representative, and Member Bonnel agreed with Chairperson Lindsey.

Mr. Caldwell submitted that the Governor has begun to focus on career technical education, which may provide support for potential increases in the Cal Grant C program. Member De La Garza concurred and pointed out the need to bring Cal Grant C up to the same level of importance as the Cal Grant A and B programs.

Member Jeffery recommended focusing on the amount of the awards not the percentage since 7,700 out of 10,000 students receive the grant.

After Chairperson Lindsey asked the Committee about making a motion or providing feedback to Mr. Caldwell, a motion was made by Mary Robinson, California State University Representative, that the Committee supports the Commission's efforts to seek increased budgetary support for the Cal Grant local assistance programs. Member Bonnel seconded the motion and it was carried with three abstentions.

A second motion was made by Member Jeffery that the Committee endorses pursuing additional funding for the Cal Grant Program and specifically recommended that the pursuit be based on a balanced approach among the five funding increase proposals as presented by staff, with the exception of BCP #5 – Cal Grant C Increases, in which GAC recommended limiting the focus to seeking an increase in the amount of the Cal Grant C books and supply allowance component of the award. Chairperson Lindsey seconded the motion and it carried five abstentions.

There being no further business, the meeting of the Grant Advisory Committee was adjourned at 3:33 p.m.

MARY LINDSEY, CHAIR
GRANT ADVISORY COMMITTEE

**CALIFORNIA STUDENT AID COMMISSION
GRANT ADVISORY COMMITTEE MEETING**

10811 International Drive
Rancho Cordova, CA 95670

**MINUTES
JULY 19, 2007**

ADVISORY COMMITTEE MEMBERS	COMMISSION STAFF
Mary Lindsey, Chairperson, CAPPS	Diana Fuentes-Michel, Executive Director, CSAC
Louise McClain, Commissioner	Keith Yamanaka, Chief Deputy Director, CSAC
Tim Bonnel, CCCCCO	Steve Caldwell, Chief, Governmental & Public Affairs Division
Mary Robinson, CSU	Catalina Mistler, Chief, Program Administration & Services Division
Marco de la Garza, CCC	John Bays, Chief, Information Technology Division
Noelia Gonzalez, CASFAA	Janet McDuffie, Chief, Management Services Division
Susan Gutierrez, CSU	Tom Mays, Manager II, Public Affairs Branch
Lynn Fox, AICCU	Charles Wood, Manager, Program Compliance Branch
Laura Cunha, CAPPS	Bryan Dickason, Manager, Cal Grant Operations Branch
Sharon Bowles, HS Counselor	Lori Nezhura, Staff, School Support Services Branch
Lora Jo Bossio, UC	Drew Schrepel, Staff, School Support Services Branch
Sally Pace, HS Counselor	Tae Kang, Staff, Cal Grant Operations Branch
Kate Jeffery, UC	Irene R. Klauer, Staff, School Support Services Branch
	Jorge Cortez, Staff, School Support Services Branch
	Bob Illa, Manager, Fiscal & Administrative Services Branch
	ALSO PRESENT
	Dan Friedlander, CSAC Commissioner
	Lorena Hernandez, CSAC Commissioner

Tab 1: Institutional Participation Agreement (IPA) Work Group

Kate Jeffery, Chair, IPA Work Group, complimented staff on the completeness and helpfulness of staff write-ups on the subject matter. Although Chair of the work group, she will be referred to as Member Jeffery.

Member Jeffery commented that she felt there were number of ideas that were compromised approaches that were to be pursued, but that what was noted in the agenda materials was

somewhat different. Chair Jeffery asked that staff walk through each idea so that Grant Advisory Committee (GAC) Work Group members would understand them.

Member Jeffery asked work group members if:

1. Work group can support staff proposals as written
2. Work group can support staff proposals with modifications
3. Work group feels the need to make separate recommendations

That being said, review of the separate issues began with the following subject areas:

1) Separate Interest-bearing Accounts:

Catalina Mistler, Chief, Program Administration & Services Division, explained that staff recommends Option 2, which requires that separate accounts be held in trust for Cal Grant funds. This option will allow public institutions to hold funds in a separate or commingled account with the ability to separate Cal Grant funds from other sources if choosing the commingle option; private institutions would be required to have separate accounts with no commingling. The institution would require a presence in the state of California.

Member Jeffery and other members asked for clarification on the following:

- a. Use of the explicit statement that institutions are holding funds in trust for the state; she explained this was new language (Jeffery).
 - a. No response.
- b. How the group had discussed not being limited to an interest-bearing account, but could be an investment account. She wanted to know why this was not mentioned (Jeffery).
 - a. Tae Kang, staff, Cal Grant Operations Branch, said it was an oversight.
- c. Does the requirement apply to both private and public institutions (Jeffery)?
 - a. Mr. Kang said yes, the requirement applies to both.
- d. Explain a segregated account in institutions that can commingle funds (Mary Robinson, California State University (CSU), representative).
 - a. Mr. Kang explained that what is meant by the term "segregate" is for institutions to clarify that a particular account, as part of a commingle account, is Cal Grant funding. The subsidiary ledger has is to be identified as a Cal Grant account.
- e. What constitutes interest on Cal Grant funds? Need clear understanding (Robinson).
 - a. Mr. Kang explained that Grant Operations Memo (GOM) 2007-21 discussed that netting of banking charges would not be acceptable; it would just be the interest incurred that would have to return back to the California Student Aid Commission (Commission/CSAC).
 - b. Member Robinson commented that the money discussed has been appropriated to the institution and it's the interest on it that is of concern. She believed the institution should be able to net out the costs. Keith Yamanaka, Deputy Director, CSAC, explained that:
 - i. When the state allows the holding of funds without the authority to spend it yet, the obligation of the state entity is to ensure funds are used

appropriately and that the funds earn interest. The interest is earned on state money, so the interest belongs to the state.

- ii. Asking CSAC for use of state money to offset expenditures incurred by the institution is not acceptable because CSAC does not have the authority to appropriate money, but instead, the legislature.
- iii. Interest that is earned on General Fund money goes back to the General Fund. Statute dictates how interest is used and where it is housed. Special Funds can justify handling of funds depending on the function (e.g., Department of Corporations)
- iv. In response to Chair Jeffery's comment about finding a way to make a statutory change, Mr. Yamanaka explained that CSAC had language that authorized the offset of cost for an interest-bearing account. This would provide CSAC with the expressed authority to be able to net out the interest or pay the schools.
- v. Member Robinson expressed surprise that a minimum rate of return on the interest earned was not required. Mr. Yamanaka explained that no requirement exists today. Mary Lindsey, Chair/Member, GAC, commented that she hoped it wouldn't come to a point where CSAC is telling institutions the required rate of return because it's the administrative limitations of the agency that require them to invest the money for interest; institutions are not in the business of investments.

Given the discussion, Mary Lindsey, GAC Chair, suggested that the current recommendation include staff seeking statutory change. Member Robinson concurred. Mr. Yamanaka commented that CSAC could try to get legislation aboard; that the University of California (UC) or California State University (CSU) could do the same in an effort to offset expenditures. Chair Lindsey requested that seeking statutory change be a collaborative effort between different stakeholders and have it go through CSAC and that the recommendation specifically state that the effort to change legislation not be delegated to the stakeholders; that the process be initiated and administered through CSAC. Member Robinson explained that she was referencing netting out the costs as it pertains to establishing a separate interest-bearing account.

Chair Lindsey reintroduced the issue of "negative interest," noting there is enough of an issue here that maybe, if the Commission does not initiate legislative change, the stakeholders could address the issue separately. She wants to give Commissioners the opportunity to see the breadth of the issue and possibly take action.

Member Robinson clarified that CSU is not saying that it's going to mess with students if the budget doesn't pass, but she wanted to note that it's frustrating being placed in an absolutely untenable position of being the ones (institutions) to bear the brunt of some of the costs and workloads, knowing that there is no alternative because if they choose the viable ones, the students will suffer. Catalina Mistler, Chief, Program Administration & Services Division, asked Member Robinson how her institutions would suffer.

Susan Gutierrez, California State University (CSU) representative, explained that her campus has to advance the funds to the student account because they know all the needed funds from CSAC are not present when the semester starts. Member Robinson commented that if enough

money isn't available in a student's account and their fees aren't covered, they could be disenrolled; lose their classes.

Member Jeffery clarified that Ms. Mistler's question had to do with the impact of netting out the interest. Member Gutierrez explained that not being able to do so would affect her school's delivery; it would affect the willingness of the institutions to allow an interest-free loan. She explained that what the institutions want is to allow an interest-bearing loan which would then be offset later on when the institution has positive balances that are earning interest; it all would net out when there is a negative balance.

Mr. Yamanaka wanted members to know that staff understands the institution's position; the concern by institutions that they are required to use their funds to cover what would be a state obligation. But he added that the reason CSAC takes the position on the issue of negative-interest is because it does not have the legal authority to authorize spending of that source. Because of this, Chair Lindsey commented that there needs to be a statutory change, but asked who would seek the change. She explained that there is cost in delivery of the Cal Grant funds and the cost gets passed to the students.

Member Jeffery concluded the following thus far:

1. Netting of cost of investing funds out requires statutory change.
2. Netting the negative balances out requires statutory change.
3. GAC recommends that CSAC initiate a statutory change for netting of costs of investing funds.
4. A formula for implementing negative balances is to be included (in recommendation?).

Member Jeffery asked if the group wanted to endorse the current staff recommendation; reiterate GAC's earlier recommendation; or use another approach to address GAC concerns with the recommendation. Chair Jeffery noted that there appears to be staff work on the issue (recommendation) and work completed by staff counsel and the first doesn't reference the second. She asked that GAC reiterate their formal proposal with new information; that she did not support staff's position because she didn't see compelling state interest in doing this.

Member Jeffery asked the group (GAC) to go with the original recommendation to have the interest-bearing requirement be administered across the board for all segments; that high risk institutions be identified and required to put the money in a separate interest-bearing account. This approach, she added, doesn't preclude an institution from keeping their funds in an interest-bearing account, but it doesn't require it for certain segments.

Another option that has come up, but not seriously considered, noted Member Robinson, is that CSAC provide an alternate disbursement system so institutions could opt out. Students, she added, could receive their funds directly from CSAC once their eligibility was verified. In the case of at-risk institutions, she added, CSAC could mandate that the institution keep their funds in separate account (no commingling).

Member Jeffery commented that CSAC does not appear to have the ability to offer the option and pay directly to students. Member Robinson suggested CSAC complete a budget change proposal (BCP) to get the needed resources. The issue, noted Member Jeffery, has more to do with how the at-risk institutions are selected. In the absence of being able to identify at-risk institutions, CSAC will pick a particular segment because there is less risk with the public segment due to the connection to the state's general fund.

Mr. Yamanaka reiterated that there is a fundamental legal requirement for the staff recommendation to the Commission. CSAC's ability to advance funds requires that they take specific steps, regardless of risk, to ensure the state's ownership interest in the money is protected and used appropriately. Mr. Yamanaka noted that CSAC will still work toward identifying high-risk schools, but it will still be recommending that state property (funds) be kept separate from other sources.

Chair Lindsey commented that funds used to be segregated; that CSAC cut co-payable checks to the school and the check would be released to the student once the student did all that needed to be done. It was the agency (CSAC), she explained, that determined that funds would be advanced to the schools; she didn't believe the schools asked for this form of delivery system. Further, she didn't believe that presidents or fiscal officers see themselves as trustees for state money since it was not implied. Mr. Yamanaka explained that the advance process is what creates the trustee condition.

Member Jeffery acknowledged that segregation of funds is the state's way to protect its funds and that how that is done (protection) is not an absolute and is somewhat open to interpretation. She suggested that what GAC is trying to do is point out to the Commission that there may be more effective ways to protect state funds than implementing the state law and commingling constraints. Member Jeffery commented that she wasn't sure what she would be arguing for in the recommendation.

Chair Lindsey said that she wanted to see GAC go on record saying that they believe the problem (not managing state funds correctly) is 1% of the total institution population, and yet a major change (100%) is being made to the program and how funds are managed. She wanted the recommendation to state that GAC sees resolution to the concern in another way.

Chair Lindsey commented that use of current technology (advance to schools) to deliver money to students is a decentralized process and that unlike before; institutions are being required to have funds in separate and interest-bearing accounts. This, she noted is a decentralized responsibility put on the institutions by the agency (CSAC) and this was not the case before.

Mr. Yamanaka explained that the responsibility of institutions for managing state funds has been in place, but the problem with how funds were managed had not been identified since the advances were authorized. In response to why the issue with managing state funds had not be identified before, Mr. Yamanaka explained that how the laws are made doesn't always account for every operational issue.

Member Jeffery offered another way to look at the recommendation: that GAC recognizes that advances are owned by the state and held in trust for the state and that this is a way for the state to safeguard funds, but does that mean that they have to be held in a separate account. This, she explained, is the gray area. She argued that GAC can move forward saying they agree with first piece of the recommendation, but disagreed with the part that requires that funds be held in interest-bearing and separate accounts, noting that this may not be the most effective way to achieve the state's goals. Chair Lindsey agreed; leave the housing of the funds institutional optional unless it has been verified that the institution is high-risk (a criteria set by CSAC in collaboration with GAC).

Lora Jo Bossio, University of California (UC) representative, asked about the "opt out" option previously discussed, that would allow institutions to tell CSAC to administer the checks directly to the student with the institution of the co-payee. Marco de la Garza, California Community Colleges (CC) representative, noted that his campus would not use this option. Member Jeffery

asked if campuses needed to be consulted before going forward to the Commission with the recommendation. Chair Lindsey commented that the opt out issue is separate from the separate account issue being discussed.

Chair Lindsey sought to compromise, noting that instead of going out to the community to determine where they stand with opting out, that the Commissioners be consulted first to see if they are open to exploring the issue. Lynn Fox, Association of Independent California Colleges and Universities (AICCU) representative, commented that the current delivery system was put in place to repair one that wasn't working well in delivering funds. Member Fox recommended that GAC move forward and focus on technology that moves the process forward (just-in-time processing). He cautioned about "recreating" an old process rather than advancing.

Chair Lindsey asked Member Fox, as an independent representative, where he stood on the different issues tied to the recommendation requirements. He explained that while there is frustration in a requirement that is applied to one segment after the fact (differential treatment) he reminds himself that his focus is his students on his campus. He works through the frustration and does not see this requirement as precedent setting.

Chair Lindsey asked if it was fair to say that if non-public segments understood that there was a huge problem with the delivery of money to students; that it was necessary to treat segments differently, that non-publics would be supportive. Member Fox commented that the description was a fair statement.

Member Jeffery brought the group back and asked what the recommendation for this issue would be. When asked by Steve Caldwell, Chief, Governmental & Public Affairs Division, what the strategy for GAC is on this issue, Member Jeffery explained the following:

Recommendation (from Work Group):

1. Endorsing the new language that clarifies for institutions that advances are held in trust for the state.
2. That staff look at the effectiveness of the restriction of commingling funds. The Work Group does not think that this prohibition is the best way to further the broader interest of safeguarding state funds.

2) California Residency:

Ms. Mistler explained that staff recommends the following:

1. The IPA recognize the residency determination dates at the public institutions established by their respective governing boards.
2. Staff recommends that the residence determination date for private institutions be the first day of instruction of the term in which the student is enrolled as a Cal Grant recipient.
3. Staff recommends the adoption of the proposed language requiring residency determinations for Cal Grant purposes, that they be identical to the rules already by the governing bodies of the public institutions for the purposes of student residency classification.

Member Jeffery asked how the issue of the “portability of a Cal Grant” would be addressed administratively. Lori Nezhura, Staff, School Support Services Branch, explained that it would be whatever residency determination date was set in regulation by the governing boards at the public institutions, otherwise the first date of the beginning of the term for which the student is enrolled as a Cal Grant recipient. In the case of a student eligible at one school; transfers to another school and does not have residency at that school, that student would be able to keep the Cal Grant because residency has already been established.

Members discussed different scenarios encountered by students when discussing residency. Member Jeffery explained that, in the case of the UC's, different campuses use their board residency determination (more stringent) and others use the definition used by CSAC (more liberal). In cases where there were differences, she added, campuses defaulted to CSAC's definition.

Other issues that surfaced regarding the residency issue:

1. Use of one method for residency determination increased workload for the institutions with some having to do double determinations.
2. Use of only one definition means some students would be paying out-of-state tuition and receiving a Cal Grant that didn't cover the fees.
3. Institutions did not receive a policy memo from CSAC stating the residency determination definition had changed. According to Member Lindsey, there was CSAC's definition and the CCs just happened to be the same. She expressed concern about different or new definitions disenfranchising students.
4. When determining residency, Cal Grant law refers to Part 41, section 68000 of the Education Code. This code authorizes the institutions governing boards to define residency.
5. The law is silent about establishing residency determination for independent institutions for Cal Grant purposes. It falls to CSAC to do so and CSAC defers to the segment's governing boards.
6. The law allows for three different bodies; three different institutions to apply the same law that is stated in Part 41 of the Education Code. As noted by Member Jeffery, you have three institutions using the same law, but possibly interpreting them differently.
7. Chair Lindsey discussed possibly having to recommend that statute be changed to allow CSAC to determine its residency.
8. Ms. Nezhura noted that residency is secured from the Free Application for Federal Student Aid (FAFSA) and the FAFSA does not define residency. This is another troublesome area because there are students who will note they are California residents, because they just moved here, but it's only been a week.
9. Member Robinson expressed concern that as soon a student recognizes the discrepancy in residency definition between public schools, there will be contact with a member of the legislature and uproar will ensue.

10. In terms of workload concerns, Tim Bonnel, California Community Colleges Chancellor's Office (CCCCO), commented that trying to a separate residency standard for every Cal Grant award (not recipient) can result in students appearing in multiple rosters and getting verified at several locations. Member Bonnel noted that he has huge issues with proposing that the Education Code be changed unless the process and impact has been thought through.
11. Member Jeffery explained that the work group on residency discussed using the CC standard so there would be no additional workload for this segment. The suggested process was that CSAC would look at the initial information on the FAFSA; compare it to the institutional definition. If the information matched, it would be assumed that the student was a resident (presumptive assumption). If it didn't match, a review would be conducted using the CSAC standard. This level of workload was acceptable to the campuses. Member Jeffery has reservations proposing a change to statute unless the impact is known upfront.
12. Chair Lindsey asked if use of the CC definition of residency would require change, on the part of the definition, if at some point the CCs decided to change the definition. She recommended that if this is going to be done, that CSAC go with the least restrictive definition.
13. Chair Lindsey asked if statutory change could be sought to make CSAC the governing board, thereby setting the definition for Cal Grant purposes, and then CSAC could do what it chose to do. Mr. Yamanaka explained that all the residency issues raised would then come to CSAC and he didn't know how the Commissioners would view that approach. He commented that the issue is not necessarily the specifics of the Cal Grant, but instead the issue of residency and how it fits into the big picture discussion.
14. Member Gutierrez commented that a uniform definition would allow the student to have a choice in deciding which educational institution they can afford to attend. For her campus, residency determination is basically done if a student is on the Cal Grant roster. If there is discrepancy, she does follow-up work. Member Gutierrez does not see a downside to the staff recommendation.
15. Member Bonnel, commented again, that when resources are diverted from serving students on campus to do administrative tasks, other students become ineligible because someone is not there to help them fill out an application; do the outreach. He cautioned the membership about adding administrative burdens to financial aid offices.
16. Member de la Garza explained that residency on his campus is determined by the Registrar's Office and as far as the financial office is concerned, they are done. Charles Wood, Manager, Program Compliance Branch, explained that if the school (financial aid office) has conflicting information, CSAC would expect follow-up. Member de la Garza reiterated his position that the question becomes, what constitutes "conflicting information."
17. Member Fox noted that, unlike that for the publics, the initial residency determining point for the privates is the Cal Grant Roster; there will still be a date in the system that makes the determination of residency. He cannot imagine privates using any other date than that adopted into the system roster.

18. Discussing the residency information provided by the student on the FAFSA, Member Fox asked what date was being checked. John Bays, Chief, Information Technology Division, stated that there is a date in the system that is used to determine if the student is a minor or not; if so, the parents' residency is used. Member Fox concluded that there is no longer any editing on the question for residency, but explained that he still needed a system date to initialize the establishment of residency on his campus.
19. Chair Lindsey explained that having a set date (September 20th) by CSAC is a better way for privates to determine residency than for each institution to have different dates; having different dates would require checking every student. Having a set date in the system allows students to show up on the roster. Member Fox explained that he sets his residency criteria to match the initial roster.
20. Member Jeffery asked if it was permissible for privates to use the internal date set by CSAC (September 20th). Ms. Nezhura explained that the institution's governing board is to set the date; CSAC went with the same methodology which, for the majority of institutions, is the first day of instruction.
21. Member Jeffery asked, from a workgroup perspective, if there was support for change in the proposal to include giving the private institutions the option to set their own residency date or use the one set by CSAC. The group agreed.
22. Chair Lindsey asked about making a specific recommendation, along with the original 3, to make the Cal Grant portable so if the student changes institution, the grant goes with them and residency does not have to be reestablished. Member Bonnel asked that the recommendation be stated differently; he offered: In the interest of maintaining portability to the awards, GAC recommends that once a student has been paid a Cal Grant, should they choose to move to another school, no additional Cal Grant residency determination is required for Cal Grant purposes.
23. Various members began discussing the following scenario: 1) CC student with Cal Grant on hold, 2) parent moves out of state, 3) student transfers to UC expecting to use Cal Grant at 4-year, 4) student is no longer eligible for Cal Grant because student's residency is based on parent, 5) student has to pay out-of-state fees. Member Gutierrez explains this is not a new situation and would get an exception (8540) for out-of-state.

Recommendation (from Work Group):

The specific work group recommendation(s) regarding the residency issue was unclear in the transcripts; however, the following was deduced:

1. Work group members are supportive of the staff proposal as written with additional flexibility for the privates. Privates can set their own residency dates or use the one set by CSAC.
2. Work group members do not want to pursue a statutory initiative, or central definition, for the Cal Grant Program.
3. Work group members recommend that once a student has been paid a Cal Grant, should they choose to move to another school, no additional Cal Grant residency determination is required for Cal Grant purposes.

3) High School Graduation Confirmation-

Bryan Dickason, Cal Grant Operations Branch, noted that during discussions, the work group supported centralizing the confirmation of high school graduation by CSAC. Highlights of the discussion included:

1. High schools, if able, are to contribute to the confirmation process.
2. CSAC to create a process/system that could accommodate different means of submitting confirmation information.
3. Colleges, like high schools, to participate in confirmation of high school graduation and to use multiple process approach to report information to CSAC.
4. Students to self-certify, under penalty of perjury and on-line (Web Grants for Students), confirmation of their high school graduation.
5. CSAC to be able to take hard copy confirmation of a student's graduation (e.g., diploma, transcripts, etc.) and update student record in CSAC.
6. Cal Grant recipient record to be put on "hold status" until graduation confirmation.
7. Cal Grant roster used as central repository for confirmation information. Schools to access this information for their use.
8. CSAC to make subsequent efforts to contact a student if confirmation information has not been secured from student or school.

Discussion:

Chair Lindsey commented that the confirmation requirement not only dealt with entitlement students. Mr. Dickason explained that entitlement students and students that are one year out are included; noting that CSAC is not in a position to leave any potential recent graduate out.

Chair Lindsey asked if there had been discussion about adding high school confirmation at the time the GPA Verification Form is completed. Mr. Dickason explained that some students would still be in school; Chair Lindsey said not the one-year out students. Mr. Dickason said adding the confirmation piece to the GPA Verification Form would be considered.

Member Bonnel asked if there would be a hierarchy of certification where, for example, a student verifies they graduated, but a school official goes online and says otherwise. He encouraged staff to consider this piece along with the understanding that graduates come in any age since adult education facilities issue diplomas.

Mr. de la Garza asked if confirmation was needed for the September 2nd applicants for this year. Mr. Dickason said no. Member Bonnel encouraged staff to think the collection of data through and asked what data was being collected. Mr. Dickason commented that the work group envisioned a system that would collect confirmation information only; yes information. He explained that there may be many cases where a student is not confirmed as having graduated, but has (conflicting information), and whoever makes the discovery or confirmation would be communicating that information to CSAC.

Tab 1.b

Member Bonnel recommended that staff not limit themselves in collecting yes-only information; staff has a chance to collect data on the one-year delay student population. Mr. Dickason explained that the students being confirmed with this process are students that have met the financial and academic requirements for the entitlement award. Staff would not be collecting data for students who have not been determined eligible.

Member Jeffery asked if CSAC was interested in having schools submit files of all their high school graduates. Schools, she added, might find this easier to do. Sally Pace, High School Counselor representative, said it would be easier for schools if they did it like they do the GPAs. Mr. Dickason explained that logistically there may be difficulty with SSNs. He noted that the work group wants schools to work in the Web Grants environment making the notation of the student's graduation status. Member Jeffery commented that if there was a way to coordinate the two processes and work towards full reporting from the high schools on most students, it would also address the one-year out students.

Member Robinson recommended that staff keep data regarding how confirmation was secured; who provided the information because this information may be beneficial for determining effectiveness in collecting information. She also agreed with Member Bonnel about establishing a hierarchy for information validity and setting some controls on how that data is provided; maybe, she added, a student's confirmation can only be overridden by a "higher authority" once the hierarchy has been established.

Members expressed concern of only being able to provide a yes confirmation. Member Bonnel commented that a school should be able to go in and override a student's confirmation if the school discovers otherwise; they should be able to "reset the flag." Member de la Garza commented that the mailings need to be reviewed by GAC and the work group so that the membership knows what is going to be said to the students and that can be shared with the segments. Laura Cunha, California Association of Private Postsecondary Schools representative, recommended that school administrators be able to mark a yes or no confirmation for the student and once there, the student cannot change it.

The issue with confirming high school graduation is that a high school cannot confirm that a student "has not" graduated because a student can graduate from another school or get their GED or use some other way. Member Bonnel noted that a student has until December 31st to graduate. Mr. Dickason explained that the reason students would be allowed to self-certify is so that there would be less burden on the schools. In matters of conflicting information, staff could resolve those cases. Member Bossio cautioned about assuming that the information provided by the students is not correct when data from the FAFSA (a study compiled after the first year of the California High School Exit Exam (CAHSEE) proves that this is not happening.

Chair Lindsey recommended that the student be allowed to update confirmation; save the date and the source; and that a school be able to go in and change the data. Once the student attempted to go in and make another change, the system would direct the student to contact an official (FAO/CSAC).

Member Jeffery asked if the confirmation information is in the Institutional Participation Agreement (IPA) for 2008/09. Mr. Dickason said yes, but not a major component; CSAC to be the central repository and done by batch. Member Lindsey asked if the one-year out students could be helped by having the GPA Verification Form confirm they're graduation. Mr. Dickason said yes; he added that request to the list of business rules.

Chair Lindsey asked if the student self-certification overrides what the student reported on the FAFSA or does it create conflicting information. Member noted that GAC has requested direction from staff and CSAC has remained mute. Chair Lindsey noted that the write-up in the agenda may have been misunderstood because it didn't answer the specific question of what constitutes conflicting information for the 2007/08 academic year.

Member Bonnel asked for guidance from staff regarding a determination that a pre-certification statement of graduation is not conflicting with a post-certification statement of graduation. Member Bonnel asked if institutions needed to get secondary confirmation in cases where there are two separate statements given at different times. Member Lindsey explained that the answer provided in page nine of the proposal did not answer the question as asked by Member Bonnel. Member de la Garza added that you may have students for who the school has a grant, but the student has not certified they are a graduate. Member de la Garza saw this as a potentially big problem due to the follow-up needed.

Member Lindsey commented that the Attorney General (AG) wants proscriptive information; verification in form of "post-graduation" certification trumps pre-certification. Member Bonnel commented that "conflicting information" warrants a secondary confirmation and while the group needing this level of review may be small, it is still part of the problem. He cited the case where a student, based on transcripts, is not a graduate, but then the student comes in and says he is because he has until December of that year to graduate. It's this kind of situation, he added, that requires rectifying the conflicting information according to the federal government requirements.

Member Bonnel reiterated that he wants to clarify that for 2007/08, a post-certification verification statement, after a student's graduation, does not conflict with a statement signed prior to graduation. Member Jeffery asked if Member Bonnel asked for this because he wanted to avoid, in those situations, having to get high school transcripts. Member Bonnel said yes. He added that what he wants to do is determine what schools need to do in cases like these and have that in writing; the school may not like it, but they will comply.

Ms. Mistler asked if the definition for conflicting information was answered in the forms (G-8) provided. Ms. Nezhura said that question number 3 of the Frequently Asked Questions (part of the agenda) somewhat answered the question; it wasn't exact, but it addressed the issue. Member Bonnel noted that CSAC's definition would also have to be acceptable to the federal government, since they too, have their requirements. Mr. Wood asked why the federal government would not accept CSAC's definition. Member Bonnel answered that they'd be concerned because of the conflict the subsequent information would create with the FAFSA; the federal government would expect that it be corrected.

Member Jeffery explained that CSAC documentation explained that the post-certification (High School Graduation Certification Form—G8) takes precedence over earlier pre-graduation certification and that high school transcripts take precedence over the latter (Tab 7.c of the agenda). Member Jeffery asked if CSAC's response addressed his concern; Member Bonnel said that it did for Cal Grant purposes.

Member Pace asked if students, in addition to graduating and passing California High School Exit Exam (CAHSEE), had to pass the General Education Development (GED). Mr. Dickason said no. Member Pace asked about a GPA where only the sophomore year was completed. Mr. Dickason noted that currently regulation states what grades are acceptable, but that there is no minimum number of units to be earned.

Ms. Mistler read education code 69432.7. Member Robinson asked about Title 5 of the regulations. This issue would be addressed outside the meeting.

Member Jeffery commented that the official GAC meeting was to begin.

Tab 2: Approval of Minutes (October 14, 2005; February 21, 2006; April 14, 2006; May 25, 2006)

No approval of minutes. Moved to next meeting.

Tab 3: Committee Chair's Report

Comments provided by Chair throughout meeting. Did not see a specific discussion regarding the Chair's Report.

Tab 4: Executive Director's Report

See brief comments made in Tab 9.

Tab 5: IPA Work Group Report/Recommendations

Chair Lindsey started the official meeting noting that the IPA being presented was different than what was expected. The difference in IPA impacted the duration of the workgroup; originally, the workgroup was planned for only two hours.

Member Jeffery, Chair for the Work Group, offered the following recommendations:

1. CSAC to seek statutory change that will allow institutions to deduct the cost of establishing and maintaining interest-bearing or investment accounts for Cal Grant funds.
2. CSAC to seek statutory change that will allow institutions to calculate the interest earned from Cal Grant funds in their accounts and to be returned to the state based on a formula that includes negative as well as positive balances in the account.
3. On the matter of commingling funds, GAC endorses the inclusion of language that indicates that advances made to the institutions are owned by the state. GAC, however, still has concerns about the interpretation of the prohibition of commingling funds in the independent segment. These concerns include:
 - a. The disparate or inconsistent treatment between the public and private institutions.
 - b. Acknowledgement that the separate accounts are not necessarily the most effective way to protect state funds from being used inappropriately or being lost in bankruptcy. A more effective way to protect state funds would be to develop a way of identifying high-risk institutions.

Motion: Member Jeffery moved that the above recommendations be accepted as a GAC motion. Member Robinson seconded.

Motion passed.

Member Jeffery discussed the need to have staff gather information on making statutory change to allow commingling by institutions. Ms. Mistler explained that based on the above recommendation, staff has enough information to start a review. Member Jeffery reminded members and staff that information on the number of institutions with separate accounts would be helpful. Also, staff agreed to include the word investment along with interest.

On the matter of residency, Member Jeffery explained that the work group recommended GAC do the following:

1. Endorse staff proposal on California residency with the modification that provides independent institutions the flexibility to choose the date they use for making the residency determinations.
2. Independent institutions have the flexibility of using the date Commission staff uses for making their initial residency determination.
3. Independent institutions have the flexibility of using the date that coincides with the first date of instruction at the particular institution.

Ms. Nezhura clarified that “residency” consists of the student being in the state one year from the initial determination case. In the case of Member Bossio, if the determination date is first day of class, then it would be one year from that date.

Motion: Member Gutierrez moved that the above recommendations be accepted as a GAC motion. Member Bonnel seconded the motion. Member Fox and Chair Lindsey opposed.

Motion passed.

Member Jeffery explained that the next recommendation dealt with transferring students. The work group recommended that GAC recommend that students who transfer or move from one institution to another, after they have been paid a Cal Grant at their initial institution, will not have to have their residency re-determined (for Cal Grant purposes). Chair Lindsey added that this would allow for grants to maintain their portability; Member Robinson commented that the portability of the grants would not disrupt the student’s educational plans.

Ms. Nezhura, in an effort to capture the essence of the recommendation made by Member Bonnel, explained the following:

GAC recommends that in the interest of maintaining portability, once a student has been determined a resident and received a Cal Grant payment at one institution, should the student move to another school, no other residency determination for Grant purposes shall be required.

Motion: Member Bonnel moved that the above recommendation be accepted as a GAC motion. Member de la Garza seconded the motion.

Motion passed.

Motion: Member Jeffery moved that GAC recommend that CSAC implement for 2008/09 the proposal s described here, which would establish the central repository for collecting post-graduation high school graduation confirmation. Member de la Garza seconded.

Motion passed.

Member Jeffery asked if anyone was interested in recommending that once the student has populated the central repository once, they were locked out and that they would have to speak with someone to repopulate the repository. Chair Lindsey explained that this concern would be a detail that would not be in the IPA, but would be a recommendation. Member Bonnel commented that hopefully staff would work with rules to come up with business rules that work for all entities involved.

Tab 6: GAC Work Group Reports/Action

Non-standard Term:

Member Cunha explained the following regarding non-term schools:

1. Many non-term schools are also proprietary.
2. Most non-term schools have rolling starts and go year-round.
3. Non-term schools need to count the number of days a student will attend school and then see how that fits with the traditional Cal Grant quarter.
4. If the student is attending at least 50% of the time, then the non-term school can pay for the Cal Grant quarter.

Member Cunha explained that it was recommended by Member Bonnel that that non-term schools could pay Cal Grant on some disbursement schedule the same way these schools pay Title 4. Member Cunha explained that non-term schools could pay Cal Grant in two disbursements per academic year with the second disbursement released when the student has met midpoint like it's done with Title 4 funds.

Mr. Dickason explained that schools would have to have two separate rosters to pay in two distinct ways. Member Cunha explained that the next step, in an effort to address this issue, would be that CSAC would with GAC work group and create an issue paper. Member Cunha explained that this information will be shared with stakeholders for input. Once the information is collected, staff can have another meeting and discuss the findings. In response to Chair Lindsey's question, Member Cunha explained that the main issue at a non-term school is trying to fit the school's payment schedule to the traditional quarter schedule.

Selection Criteria:

Member Robinson explained that the current review of the selection criteria would be the first since incorporating the Access Equalizer in 2002/03. The following goals for review of the selection criteria are sought:

Determine the impact of the scoring criteria on the competitive awards.
Look the impact of the scoring criteria on the 2% program where students receive tuition and fees.

Member Robinson explained that the work group is set to meet on August 16, 2007 around 9:30 a.m. The duration will most likely be for at least half day; the necessary data will be compiled by then. The expectation is that the data will be condensed to manageable tables. Member Jeffery asked if the change in the age for the Cal Grant entitlement program have an impact on the competitive program and the selection criteria. Member Robinson said she'd hope it would, but that the change in age would take several years for it to have any real significant impact.

Tab 7: Cal Grant/Outreach Update

Cal Grant Update:

Mr. Dickason began the discussion, providing the following data (awards offered/not necessarily accepted):

- 63,600 Cal Grant Entitlement Awards (each with a High School Confirmation Form)
- 11,250 Cal Grant Competitive Awards (actual take rate is at 12,700 right now)
- 3,800 Transfer Entitlement Awards
- Cal Grant C Awards have not been made (expect to do in a few days)
- 179,000 Renewal Awards

Chair Lindsey commented that supplements and awards went out in April and May respectively. She wanted to know the basis for the current state of awards. Mr. Bays explained that delays were due to changes that needed to be incorporated to the scoring criteria for the competitive awards (need analysis methodology for independent students without dependents other than a spouse). This incorporation delayed issuing the competitive awards and the supplemental forms for the Cal Grant C. Mr. Dickason commented that staff expected to be back on track for next year.

Mr. Dickason explained that schools will be able to change student Cal Grant programs, assuming the student is eligible for both, using a batch process. CSAC expects that the UC system will be the segment using this capability most since the student may benefit most from one program than the other in the long run.

Mr. Dickason introduced Yvette Johnson, Manager, School Support Services Branch; Mr. Bays introduced Ms. Jackson, IT Applications; Ms. Mistler introduced Gloria Falcon, Manager, Program Policy & Development and Joe Lopez, Manager, Business Systems Integration and Thea Pot-Van Atta, Manager, Student Support Services Branch.

Commissioner McClain asked if the California Association of Student Financial Aid Administrators (CASFAA) workshops had been scheduled. Mr. Dickason said they had. Commissioner McClain recommended that a copy of the self-certification form be included in the materials with clear instructions on how to complete it. Member Bonnel asked for the data that comes from the number of awards offered and those accepted. He explained that having GAC look at the data and being able to share findings with member segments would be helpful in figuring out the challenges faced by the segments. He also asked for an update on “utilization statistics” on Web Grants for Students. He noted that some number of his schools expressed concern about the long wait to access the site. Mr. Bays explained that currently there are 65,000 accounts.

Outreach Update:

Tom Mays, Manager, Public Affairs Branch, offered the following update:

Public Awareness Campaign- Due to pending sale of Ed Fund and the “synergies” between CSAC and Ed Fund, it appears that staff is back at square one (somewhat late) with regards to getting the campaign started. CSAC and Ed Fund depend on each other to do outreach activities and in particular, CSAC depends on funding support from Ed Fund to get activities completed. Mr. Mays expects to secure funding in the next 2 weeks.

College Cash Box- Approximately 4,500 issued statewide to high schools and colleges. Staff is on target with continuing the messaging of last year.

Cash for College- Funds for this program are also tied up with the funding decision for CSAC, but staff is hopeful and is working with its regional counterparts to offer, again, the 400 statewide scholarship awards and too, put on fall and winter workshops.

Cal-SOAP- Staff is working closely with Project Directors to address potential fiscal impact to the projects.

Mr. Caldwell explained that some of the bills, currently in place to expand Cal Grant programming, are dead. AB 1540, however, is still alive and staff is working at putting the Cash for College in statute. Mr. Caldwell commented that it appears that progress is being made in signing of budget; he read an excerpt from the paper that talked about Assemblymember Nunez sharing a bottle of wine with his peers. The expectation, he added, is that the legislature may come up with a budget as early as Sunday.

Tab 8: Specialized Update

No information provided.

Tab 9: Budget Update

Bob Illa, Manager, Fiscal & Administrative Services Branch, provided the following update regarding the Governor's budget:

1. Current information reflects CSAC's budget since May revise.
2. Budget is tracked from the Governor's proposed budget to the current state; May revise.
3. No state budget to date.
4. Budget consists of two components: state operations (salaries, operation costs) and local assistance (program portion).
5. Major change for CSAC involves shift from Student Loan Operating Fund to the General Fund (the state source for 15.3 million).
6. Two budget change proposals (BCPs) being submitted: 1) funding for Phase 2 of Grant Delivery System and 2) request for two positions for compliance.
7. 42.8 million decrease: due to populations, the institutions they attend and the cost to attend these institutions.
8. 2.5 million increase in APLE Program
9. California Student Opportunity & Access Program (Cal-SOAP) will be shifted from Student Loan Fund to General Fund and reduce amount from 8.6 to 5.0 million.
10. Ed Fund set to be sold (proposed).

Tab 1.b

Member Jeffery commented that the shift of funds from independents to the UCs doesn't seem like much of a shift; there doesn't seem to be an increase in the number of Cal Grant recipients. Mr. Illa explained that the problem may be with the projection of applicants in January since numbers are still being finalized in May. The first projection in January is an over-estimate of the actual numbers that will be recipients for the upcoming year.

Member Jeffery asked if the numbers for the first projection (January) are compared with the previous January. Steven Caldwell, Chief, Governmental & Public Affairs Division, explained that the numbers may have gone up a little bit, but he explained that the numbers shared in May are based on actual applications received back in January. Member Jeffery simply wants to know if CSAC expects the number of applicants to go up or remain the same. Mr. Caldwell said that the numbers will probably be the same.

Member Jeffery also asked if the Cal-SOAP funding would be restored by the Governor. Mr. Caldwell said that there had been heavy lobbying and had restored the funding level, but that was a while ago; not sure where the funding level stands.

Janet McDuffie, Chief, Management Services Division, in response to questions regarding the sale of Ed Fund, explained the following:

1. Ed Fund is the organization of CSAC that manages the Federal Student Loan Program's daily operations.
2. The Governor proposed the sale of Ed Fund
3. Trailer bill language will provide more detail on the sale
4. The amount of the Ed Fund sale has not been disclosed to CSAC; discussion at higher levels.

Mr. Caldwell explained that the amount put into the budget for the May revise was 1 billion dollars. Louise McClain, CSAC Chair, explained that she and the Chair for the Ed Fund Board were under direction from the Department of Finance not to "devalue" Ed Fund. Mr. Caldwell explained that CSAC is providing information to the legislature on what is needed to continue CSAC operations. Commissioner McClain explained that getting DOF to understand the value and types of outreach can be frustrating. Ms. McDuffie explained that often times, DOF thinks that since funding is allotted to the college budgets, they along with Cal-SOAP and other existing resources should be able to do it.

Diana Fuentes-Michel, Executive Director, noted that on matters of outreach, it's often a matter of philosophical discussion, especially when members of the legislature are looking at having to cut teach salaries, instruction and the like. Member Jeffery commented that the issue of funding outreach is not specific to CSAC; that the UC system has been challenged with the argument being that outreach efforts are not cost-effective.

Mr. Illa continued with his tab and explained the budget the different funding sources as shown on Tab 9b. When asked Chafee Program funding increasing, he explained that he still needed to talk to the Department of Social Services (DSS) to determine what was meant by "roll-over funding." Member Bonnel commented that the amount was thought to be 16 million. Mr. Illa explained that at present, Tab 9b reflects the projections for the 2007-08 CSAC budget.

Tab 1.b

Executive Director Fuentes-Michel commented that she'd been busy with the CSAC's agenda so she wanted to stop by and say hello and see if there were any questions of her. There were none. Executive Director Fuentes-Michel thanked everyone for their hard work.

Tab 10: State and Federal Legislative Update

Mr. Caldwell provided comments throughout the meeting, but specific comments made in Tabs 7 & 9.

Chair Lindsey thanked staff for providing the write-ups and all the work that went into setting the meeting up; she thanks Member Robinson for giving up her workshop day; thanked all the GAC members for making the effort to show for the meeting; and gave a huge thanks to Commissioner McClain, Commissioner Hernandez and all the other folks who participated and contributed to the meeting.

The meeting adjourned at 4:00 p.m.

Mary Lindsey, GAC Chair

**CALIFORNIA STUDENT AID COMMISSION
GRANT ADVISORY COMMITTEE MEETING**
10811 International Drive
Rancho Cordova, CA 95670

**MINUTES
May 24, 2007**

ADVISORY COMMITTEE MEMBERS	COMMISSION STAFF
Mary Lindsey, Chairperson, CAPPs	Catalina Mistler, Chief, Program Administration & Services Division
Kate Jeffery, UC	John Bays, Chief, Information Technology Division
Louise McClain, Commissioner	Tom Mays, Manager II, Public Affairs Branch
Ricardo Tejada, AICCU	Bryan Dickason, Manager, School Support Services Branch
Tim Bonnel, CCCCCO	Lori Nezhura, Staff, School Support Services Branch
Mary Robinson, CSU	Drew Schrepel, Staff, School Support Services Branch
Marco De La Garza, CCC	Tae Kang, Staff, Cal Grant Operations Branch
Noelia Gonzalez, CASFAA	Irene R. Klauer, Staff, School Support Services Branch
Susan Gutierrez, CSU	
Veronica Villalobos, AICCU	
Laura Cunha, CAPPs	
Sharon Bowles, HS Counselor	
Catherine Graham, AICCU	
	ALSO PRESENT
	Lili Vidal
	Mindy Bergeron
	Craig Slaughter

Tab 1: Housekeeping and Roll Call

Mary Lindsey, Grant Advisory Committee (GAC) Chairperson, called the GAC meeting to order; roll call was taken and a quorum secured. Chair Lindsey acknowledged that GAC is not looking to take action during the meeting, but instead see what the California Student Aid Commission (CSAC) staff will be recommending for the major issues discussed at the work group.

Tab 2: Staff Report

Chair Lindsey asked staff to give to provide the following:

- 1) Provide overview of the current status of the three issues discussed at the work group
- 2) Next steps in the process

Bryan Dickason, Manager, School Support Services Branch, provided the following update:

1) High School Graduation Confirmation-

- a) CSAC to find a way to confirm graduation for entitlement students after graduation.
- b) CSAC to develop an electronic way to collect information from students, high schools, etc. online (part of vision).
- c) CSAC to monitor Cal Grant status of students and contact accordingly.
- d) Concerns with the "vision" approach are cost, programming time, and conflict with other Commission projects. Key is to have fall-back positions if initial plan cannot be implemented.
- e) Alternate option #1: CSAC to record if graduation certification received using a simple database.
- f) Alternate option #2: allow online certification by the student.
- g) Alternate option #3: have student self-certify high school graduation in paper form and forward form to CSAC.

Mr. Dickason to complete write-up on the current practice for high school graduation confirmation as well as what is being recommended and the back-up plans. Member Catherine Graham, Association of Independent Colleges and Universities (AICCU) representative, noted that there seem to be confusion between 1) the time frame approved for implementation of the new IPA (July 1st) and 2) the high school graduation requirement approved by the Commission. Mr. Dickason agreed that the two issues were separate, but that discussion about them had occurred at the same meeting.

Mary Robinson, California State University (CSU) representative, commented that she'd forgotten that decisions had been made last September, but nothing had gone out to the institutions regarding the process (high school graduation certification) for 2007-08 and the form had not been brought before the Grant Advisory Committee (GAC) for review. Member Robinson expressed concern about copies of the self-certification form (G-8), shared by staff and a GAC colleague during the meeting, going back to early May (05/01 and 05/08). She explained that both versions, in her view, could use some improvement and in the 6-8 months CSAC has not sought advice from GAC.

Catalina Mistler, Chief, Program Administration & Services Division, informed that the one version of the G-8 was issued as a draft to CASFAA members. The version being presented at the GAC break-out session is the latest version with a greater level of formatting. Ms. Mistler indicated that CSAC was moving forward with an operations memo to institutions explaining how the form would work. She commented that a copy of the G-8 would be issued to GAC for review before the memo went out.

Tim Bonnel, California Community College Chancellor's Office (CCCCO) representative, expressed concern about having noted, in public testimony, the need to communicate changes to schools, since these changes would change processes in college financial aid offices. Getting schools something in late May early June time frame, he added, is really too late for the school's 2007-08 processing. Member Bonnel commented that there was some expectation, perhaps falsely by his system, that there would be recognition by the Commission that

implementation of a new process would dramatically delay payments to students, but it got reaffirmed at the Commission meeting and institutions are still waiting for guidance.

Member Bonnel commented that for the other issues being discussed now like interest-bearing accounts, there are components that will need to be put in place between now and December and formally communicated to the field. Ms. Mistler commented that a memo was issued in February or March advising the institutions that there would be a self-certification form sent out to students and that the form would have to go to the financial aid office. Member Bonnel commented that the institutions replied with a series of questions that had not been responded to. He asked for responses to the questions.

Noelia Gonzalez, California Association of Student Financial Aid Administrators (CASFAA) representative asked if schools, that already verify high school graduation, needed to collect the forms (G-8s) and if not, would there be instruction to the student telling them not to submit the form to a 4-year school. Ms. Mistler said yes; stating the form specifically indicates that if a CSU or UC student, then the form does not need to be submitted. The same, she added, applies to private institutions.

Chair Lindsey noted that if GAC members have questions, then campuses out in the financial aid community have questions so she asked staff to create a document that will address these questions and disseminate it as soon as possible.

2) California Residency-

The next issue to be discussed addressed California residency for initial Cal Grant recipients. Lori Nezhura, staff person for the School Support Services Branch, offered the following:

- a) There are three outstanding issues: 1) term definition, 2) the determination date, and 3) what constitutes conflicting information.
- b) It is recommended that the **term definition** used by the California Community Colleges (CCs), being the least restrictive, be used for public institutions. The student will be required to provide physical evidence of residency with the intent to make California home.
- c) **Residency determination** date to be the one used by the governing board of that institution. For institutions without governing boards, first day of instruction of the term in which the student is enrolled as a Cal Grant recipient shall be the residency determination date for Cal Grant purposes.
- d) Option 2 on the same issue offers that if the governing board of an institution has adopted, by regulation or policy, a residency date, that date shall be used for Cal Grant purposes, otherwise, September 20th shall be the residence determination for Cal Grant purposes.
- e) Once residency is determined and the award has been issued, the award becomes portable.
- f) **Conflicting information**, as recommended by GAC and considered by CSAC, may include "indicators on the ISIR, such as permanent mailing address, driver license state, student's state of residence, the date that that residence was attained."

Tae Kang, Staff, Grant Operations Branch, spoke on the matter of separate/commingled accounts. He provided the following information:

- a) Interest-bearing accounts were approved for the 2007-08 interim Institutional Participation Agreement (IPA).

- b) Outstanding issue continues to be no commingling for the non-public institutions.
- c) Establishing separate accounts came about in an effort to protect Cal Grant funds when an institution found itself in bankruptcy.
- d) Work group concluded that having a separate account for non-publics is not feasible due to administrative costs.
- e) It is believed that the number of schools filing bankruptcy, thereby putting state funds at risk, is small.
- f) Projected revenue from having an interest-bearing account seen as minimal.
- g) Group recommended establishing preventative measures to identify financially unstable schools. Recommendations included 1) having relationships with other bureaus, agencies (CA Department of Education) to set criteria, 2) draft annual survey to ask about institution's financial status, 3) collect audit reports from schools to identify financially unstable schools.

Mr. Kang explained to the group that all recommendations would be considered by CSAC.

Tom Mays, Manager, Public Affairs Branch, asked the members (GAC) if staff was on track with their understanding of the issues as presented in the break-out sessions. Member Bowles asked for input from the members, commenting that there has been concern that follow-through is not consistent and the end product is not necessarily reflective of what was discussed.

Mr. Mays explained that the next step is to take GAC recommendations, from the break-out sessions, to upper management for review and feedback. The biggest issues for CSAC, he added, have been the regulatory concerns; making sure that CSAC is legally compliant and yet, flexible (looking for the middle ground). Mr. Mays noted that CSAC will continue to look at the issues, presented today; address the associated mechanical processes, and report back to GAC.

Member Bonnel commented that he would hope that all the decisions are made in the context of what is best for the student, first, and then in the mutual interest of the agency and industry partners who help deliver the aid. As long as the collaborative dialogue continues, he added, will help alleviate any potential stumbling blocks.

Louise McClain, Commission representative, commented that it would be helpful to have upper management present at committee meetings, noting that this used to be done in the past. In this way, she added, red flags would be identified and going down the wrong path, on any given issue, could be avoided. Mr. Mays noted that it was a good point.

Member Robinson suggested that staff incorporate the break-out discussions to the issue papers prepared for the April 2007 Commission meeting since she found these papers very helpful. Concerns posed by upper management and other members of staff, she added, had not been made clear to GAC in the papers and now staff could vet them out with senior management and conclude, with GAC input. Commissioner McClain concurred with Member Robinson. Chair Lindsey expressed appreciation to Commissioner McClain's comment and noted that to be able to have clear communication on issues, by all parties, saves time and avoids the creation of a communication triangle. Mr. Mays agreed that he would take the original issue papers and modify them to reflect today's input from GAC.

Chair Lindsey asked about follow-through. CSAC staff agreed to contact Chair Lindsey with executive management feedback. Chair Lindsey asked GAC if June or July was a feasible date for the next meeting. Chair Lindsey asked staff to do follow-up and check calendar for next meeting.

Tab 3: Report on Real-Time Database

John Bays, Chief, Information Technology, explained the following regarding the database:

1) CSAC currently underway with a project that is called the Service-Oriented Architecture Feasibility Study Report (FSR).

2) The study is in two phases:

Phase I:

- a) To restructure the existing database to be real-time as opposed to batch oriented. Phase I created to prepare CSAC for Phase II.
- b) Restructuring of database 80% complete.
- c) Batch processes still supported, but moving toward real-time.

Phase II:

- a) To create new service oriented architecture.
- b) This approach will provide web-services capability for schools to be able to automatically and transparently gain access to the data on the CSAC system using their existing systems.
- c) CSAC bringing new staff on board to identify the requirements.
- d) Working with financial aid management system vendors to adapt their systems to support these web services.
- e) Working at completing the request for quotation for vendors to be hired after the budget hearing has started or completed. Once the new fiscal year starts in July, staff will be hired.
- f) Creating an advisory group to deal with functional Phase II requirements and specifications. First meeting anticipated after the budget is signed.
- g) Charter currently being developed that will be issued to GAC for review and comment.
- h) May take two to three years, downstream, for schools to see the impact on schools.

Chair Lindsey asked if the ability to do the “just-in-time” draw down of funds, set to be in place in about a year, is part of Phase II? Mr. Bays said yes; responding to the question that those with web services capabilities may be able to do so in 2008-09.

Member Bonnel asked about the tools that may be provided, from CSAC, to schools that need it. He asked if this service was part of Phase II or III. Mr. Bays said the service may be contiguous with Phase II with the expectation that the vendors may be able to provide specific capabilities within their tools. Member Bonnel also asked how recommendations for the advisory group would be solicited. Mr. Bays said that had not been completely decided and asked for input from GAC.

Marco De La Garza, California Community Colleges campus representative, commented that some schools need time to plan for change in software applications, with some currently using old, limited access information. Mr. Bays explained that CSAC will continue to support existing capabilities for an indeterminate time frame. Member De La Garza explained that if the schools know about what is coming, it may be feasible for them to be ready for the software upgrade.

Laura Cunha, California Association of Private Post-Secondary Schools representative, asked what would happen to a school if it had no financial aid software. Mr. Bays explained that Web Grants would continue to function the same, with automatic procedures created in Phase I folded into Web Grants function, which would then lead to real-time posting of payments and school changes.

Member Graham asked if CSAC could put a “communication protocol” with the end users and start forwarding information to their IT team for early preparation. Mr. Bays said yes; that a communication team already exists as part of the project plan. Member Graham expressed appreciation for the system upgrades, noting that she wanted to be ready.

Chair Lindsey asked if there was a list of the different systems used by institutions that participate in Cal Grants (e.g., Power Base, Data Tel). Mr. Bays said there was an old one from 2001, but didn’t believe that covered many of the changes, for example, with capabilities at the CSU’s. Member Bonnel explained that EdFund may have a list CSAC could start with for creating a current list. He also offered information on the 109 Community Colleges he serves.

Chair Lindsey thanked staff for going from meeting to summary of the issues discussed at the break-out sessions. Member Bonnel asked when the G-8s were going out to students. Ms. Mistler explained the policy memo may go out in one week followed by the G-8 to the students a week after the memo gets issued. Chair Lindsey explained that schools really need to know the time frames for issuing the G-8 because some students will begin to contact the offices.

Member Graham asked if GAC had a chance to provide input on the G-8 to make final comments. Ms. Mistler said no, but that the form could be sent via email. Member Bonnel commented that for those students originally intending to go to a school that didn’t require the G-8, but then changed their mind and went to one that did, they will be behind the 8-ball. He urged CSAC to have discussion with GAC and/or segmental offices before filtering off some of the students.

Ms. Mistler commented that staff had considered the “cross paths” phenomenon discussed by Member Bonnel where the most likely crossing will be between community colleges and state universities. Commissioner McClain and Member Bowles offered to call to arms the high school counselors, but Commissioner McClain commented that she hasn’t even seen her Cal Grant roster; she’ll be calling in her Cal Grant students.

The meeting adjourned at 3:59 p.m.

Mary Lindsey, GAC Chair

**CALIFORNIA STUDENT AID COMMISSION
GRANT ADVISORY COMMITTEE MEETING**

10811 International Drive
Rancho Cordova, CA 95670

**MINUTES
APRIL 5, 2007**

ADVISORY COMMITTEE MEMBERS	COMMISSION STAFF
Mary Lindsey, CAPPS	Diana Fuentes-Michel, Executive Director, California Student Aid Commission
Kate Jeffery, UC	Catalina Mistler, Chief, Program Administration & Services Division
Ricardo Tejeda, AICCU	Janet McDuffie, Chief, Management Services Division
Tim Bonnel, CCCCCO	Steve Caldwell, Chief, Governmental & Public Affairs
Susan Gutierrez, CSU	John Bays, Chief, Information Technology Services
Noelia Gonzalez, CASFAA	Tom Mays, Manager, Public Affairs Branch
Sally Mae Pace, K-12	Charles Wood, Manager, Program Compliance Unit
Mary Robinson, CSU	Bryan Dickason, Manager, School Support Services Branch
Veronica Villalobos, AICCU	Despina Costopoulos, Coordinator, Cash for College
Laura Cunha, CAPPS	Lori Nezhura, Staff, School Support Services Branch
Catherine Graham, AICCU	Drew Schrepel, Staff, School Support Services Branch
Sharon Bowles, High School Rep.	Jorge Cortez, Staff, School Support Services Branch
Marco De La Garza, CCC Rep.	Tae Kang, Staff, Cal Grant Operations Branch
	Irene R. Klauer, Staff, School Support Services Branch
	Sue Pierson, Staff, School Support Services Branch
	Wendy Christensen, Staff, Program Administration & Services Division
	ALSO PRESENT
	Daniel Friedlander, Commissioner

Tab 1: Discussion of Institutional Participation Agreement (IPA) Public Comments

This discussion was part of the workgroup portion from 9:00 a.m. to 12:00 p.m.

Mary Lindsey, Chair, Grant Advisory Committee (GAC), moved the agenda to start with the election of the Vice-Chair for GAC and asked for nominations. Noelia Gonzalez, California Association of Student Financial Aid Administrators (CASFAA) representative, was nominated by Laura Cunha, Association of Independent California Colleges and Universities (AICCU).

Member Gonzalez declined. Mary Robinson, California State University (CSU) representative, nominated Sharon Bowles, High School representative.

Tab 2: Committee's Chair Report

No specific information noted here. Some information may have been combined with discussion in other tabs.

Tab 3: Executive Director's Report

Diana Fuentes-Michel, Executive Director, California Student Aid Commission, welcomed everyone and officially introduced herself to Sally Pace, K-12 representative, noting that Member Pace was last year's Arthur Marmaduke award winner. She commented that she knew Member Pace would be bringing a lot of direct experience with students and ideas on Commission work. Executive Director Fuentes-Michel also thanked Veronica Villalobos, Association of Independent California Colleges and Universities (AICCU) representative, for her work with the committee, noting that she knew she would represent USC in an excellent way.

Executive Director Fuentes-Michel provided the following update information:

1. Roles and Responsibilities- An extended Commission meeting will be held from April 18-20, 2007 to deal with the roles and responsibilities of the Commission and EdFund and the negotiations around the new operating agreement.
2. Budget Hearings- The Commission is set to have its budget hearing in two weeks. California is experiencing financial decline so it is expected that the budget will be cut by a billion dollars, if not more. CSAC needs to meet with new members of the legislators and explain the value of Cal Grant programming.
3. Baseline Data- Cal Grant numbers are still being finalized. Initially, however, CSAC numbers look flat in terms of growth. Some staff view this as the result of having achieved full implementation of the entitlement program, thus reaching a plateau.
4. Switch Proposal- The University of California (UC), anticipating increases, has asked that monies be included in CSAC's budget to ensure that students are able to choose which Cal Grant provides the best value for them.
5. Phase II Real-Time Grant Delivery System- Phase II has the approval of the administration to bring real-time access to CSAC's Grant Delivery System. Approval by the legislature is hopeful.
6. Other issues include potential fee increases, Cal Grant Program expansion, loan assumption programs, taking on another program from the Department of Mental Health, funding outreach efforts (campaign), and preparation for discussion of the Institutional Participation Agreement (IPA) at the next Commission meeting.

Member Robinson asked about the expanded meeting and what would be discussed on October 18th. Executive Director Fuentes-Michel explained that the 18th will cover 1) a request for a contract extension from the Department of Finance (DOF), 2) roles and responsibilities of the organization, and 3) discussion about the operating agreement. In response to Member Robinson's concern about the number of applicants, Executive Director Fuentes-Michel commented that there was concern about errors on Worksheet C of the Free Application for

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Federal Student Aid (FAFSA) as possibly impacting the number of awards for Cal Grants. Member Gonzalez commented that staff from her campus has selected students with worksheet issues for verification. If they discover information that needs to be shared with other institutions and/or the Department of Education (DOE), then they will do so. At present, she added, there is nothing that ties the students together other than they all attend CSU, Northridge.

Member Robinson commented that there has been a significant increase in errors, but at present CSU is still in the process of securing facts. Member Gutierrez noted that schools are requesting follow-up documentation for those students who seem to be reporting suspiciously high amounts on their application (worksheet). This process, she added, is a lot of work for staff. Executive Director Fuentes-Michel commented that information of this kind is important in explaining to the DOF a potential anomaly with the potential for an increase in the number of applicants.

Executive Director Fuentes-Michel asked for ideas from the members in looking at factors that may be contributing to the worksheet issue. Members Gutierrez and Bonnel recommended use of existing databases that look at all FAFSA applicants across segments. Chair Lindsey asked when the real-time capability (Phase II) would be in place, thereby alleviating the need for the electronic funds transfer (EFT) process. John Bays, Chief, Information Technology Services Division, explained that real-time capability would not be available for the current year, but potentially available for 2008-09. Executive Director Fuentes-Michel commented on the move of the Grant Delivery System server from the Teale Data Center to Ed Fund, and the challenges involved with that process, and thanked Mr. Bays for all his work on making that happen. This, she added, will most likely allow for Phase II to happen in a quicker fashion because staff has direct access to our delivery system.

Tab 4: Election of Vice Chair

Member Robinson nominated Member Bowles to serve as GAC Vice Chair. Member Bowles accepted. Member Robinson moved that she be elected by acclamation since there were no other nominations. Chair Lindsey moved that Member Bowles be elected as Vice Chair. Member Gutierrez seconded the motion. Member Bowles was elected to Vice Chair.

Tab 5: Approval of Minutes

The following minutes were assigned to the following review:

October 14, 2005:	Member Robinson; Chair Lindsey
February 21, 2006:	Member Bowles; Member de la Garza
April 14, 2006:	Member Gonzalez; Member Bonnel
May 26, 2006:	Member Graham; Member Cunha

Tab 6: IPA Workgroup Update

Kate Jeffery, University of California representative, began her discussion noting that she would try an overall recommendation with the expectation that the specifics of could be filled in later. The recommendation read as follows:

1. Extend the current Institutional Participation Agreement (IPA) with the prevailing understanding of how the IPA has been interpreted and enforced and apply that to the 2007-08 year.

2. An extended IPA will allow the California Student Aid Commission (CSAC) and campuses more time to resolve specific issues.
3. Develop and approve a revised IPA for 2008-09 by October 2007. This will allow CSAC and campuses adequate time to make system and administrative by the July 1, 2008 effective date.
4. Initiate a comprehensive review of the Cal Grant delivery system to better delineate campus and CSAC responsibilities for determining Cal Grant eligibility requirements. This review should encompass exploration of a fully centralized, decentralized and the current hybrid model of the Cal Grant delivery system.

Member Jeffery noted that the above discussion was the recommendation from the Grant Advisory Committee regarding the IPA, but added that there were a number of issues where staff and GAC had not reached an acceptable compromise. In such cases, Member Jeffery asked that GAC's recommendations be heard by the Commission and understood that further discussion and exploration may be needed. Chair Lindsey noted that Member Jeffery may have a recommendation plus some; Member Jeffery agreed that the recommendation might be two different pieces.

Motion 1 for IPA: Member Jeffery moved to extend the current IPA with the goal of having a final IPA by October 2007 for the 2008-09 academic year. Additionally, initiate a comprehensive review of the Cal Grant delivery system to better delineate campus and CSAC responsibilities. Motion seconded by Member Robinson.

Discussion: Tom Mays, Manager, Public Affairs Branch, asked if GAC would be providing the above recommendations to staff for immediate consideration as they move to prepare their final responses to the Commission or will the GAC recommendation go right after public noticing and given to the Commission to coincide with responses that GAC has yet to see. Chair Lindsey explained how collaboration between staff and GAC previously occurred:

1. Staff would formulate their responses/position and bring them to GAC for response.
2. Collaboration between staff and GAC would ensue and a joint response would be taken to the Commission.

Chair Lindsey explained that this model for addressing issues has not occurred in the last couple of years. She asked if Mr. Mays wanted to partner in preparing a presentation to help the Commissioners understand any differences between the two recommendations.

Mr. Mays, while not speaking for management, suggested that staff and GAC collaborate early on; share information on an issue simultaneously in an effort to help with final deliberations. Chair Lindsey asked if Mr. Mays was speaking about the motions. He said yes. Member Robinson commented that she has found it frustrating, during recent Commission meetings, to have GAC present an issue to Commissioners and have staff pretend to be surprised by the recommendations since staff had participated in the discussions.

Chair Lindsey commented that staff used to write up the discussion (motions); the Chair did an oral report, and then the oral report became a written report and GAC coordinated the effort. Now, she added, the GAC Chair is sought to provide information on what occurred at GAC to the Commission and the conference calls the day after the meeting, which allowed staff and GAC to ensure that all points had been secured, no longer occurs. Chair Lindsey asked if Mr.

Mays was interested in going back to the previous process; Mr. Mays responded that would be happy to discuss ways to improve the working relationship between staff and GAC.

Tim Bonnel, California Community Colleges Chancellor's Office (CCCC) representative, found it interesting that CSAC wants GAC's recommendations up front and in writing before the Commission meeting. He commented that GAC comes to the meeting fully expecting to have staff recommendations in writing. He commented that it was hard for GAC to serve as an advisory committee to the Commission when walks into a Commission meeting and sees recommendations, for the first time, that were being made by staff and had not been shared with GAC in order for GAC to react. He continued that with information up front, GAC can discuss issues that they support and present another side on issues that are not supported so that the Commission can have a transparent deliberation.

Mr. Mays commented that he believed Catalina Mistler, Chief, Program Administration & Services Division, shared preliminary deliberations on the key issues for the current meeting. He continued that it would have been ideal to have fully-fleshed out responses on the various issues presented at the meeting, but the nature of the compressed timeline makes it difficult to do so.

Chair Lindsey redirected the group noting two things: 1) she acknowledged the willingness of staff to look at working at a more collaborative partnership process between staff and GAC, and 2) refocus on the motion on the floor. Chair Lindsey asked that Member Jeffery to read the motion again; called for a vote; and proceeded to do roll call.

Motion passed.

Motion 2 for IPA: In response to an impasse between staff and GAC, Member Jeffery asks the Commission to consider the following recommendations:

1. Further discussion on the issue of 1) commingling fun and 2) conflicting information in regards to income and asset ceilings
2. Recognition of negative balances and interest compilation (interest-bearing account)
3. Further exploration of alternatives regarding the new IPA (acceptable compromises) which would include 1) determination of California residency and 2) a process for determining "after the fact" high school graduation

Motion seconded by Member Bonnel.

GAC was asked to vote on the amended motion, that included further discussion on conflicting information as it pertains to income and asset ceilings (see recommendation 1), and the original motion that did not included this component.

Motion passed.

Motion 3 for IPA: In addition to the original and amended motions, Catherine Graham, Association of Independent California Colleges and Universities (AICCU) representative, made a motion to compliment the revised IPA. She motioned that a complimentary self-audit process be established to assist schools in putting together the plan for the revised IPA and to have it as a tool for subsequent years. This would ensure compliance in administering the Cal Grant

program. Veronica Villalobos, Association of Independent California Colleges and Universities (AICCU) representative seconded the motion.

Motion passed.

Motion 4 for IPA: Member Jeffery, after some discussion with members regarding noting another motion, offered the following: That CSAC staff articulate a definition of California residency for purposes of the Cal Grant program that would apply to all Cal Grant recipients and that the institutional responsibility for implementing that definition be limited to resolving conflicting information.

Discussion: Member Graham wondered if the length of the motion would detract from the goal of having a uniform date that all institutions could use. She asked if all the details in the motion were relevant to having one date. Member Jeffery explained that it appeared Member Graham had a different motion; a different issue. That the goal of the current motion was to get to a definition of what constitutes conflicting information and what institutions, both public and private, need to do to resolve the matter; what their responsibility is in implementing California residency.

Susan Gutierrez, California State University (CSU) representative, asked if it was the intent of the motion to verify that the student who self-reported they were a California resident, truly is a resident or if the idea is for institutions to verify every new recipient for which their last attendance shows a California institution. Member Jeffery explained that institutions would be responsible for comparing the initial California residency determination made by CSAC using the prior school attended (for privates) or with your institutional definition if you're a public institution.

Motion passed with one abstention.

Tab 7: Budget Update

Chair Lindsey explained that in the past, GAC provided input on the guiding principles. She asked that the principles be discussed so that members discuss them and possibly make recommendations at the upcoming Commission meeting.

Janet McDuffie, Chief, Management Services Division, discussed the budget and offered the following:

State Operations:

1. CSAC received funding to move into phase two of the Grant Delivery System
2. CSAC asked for increased funding for the Program Compliance Unit to do additional reviews at the school level.

Local Assistance:

CSAC did not ask for anything out of the ordinary. Using an existing modeling system that looks at different factors, staff projects the growth rate of the programs and presents it to the Department of Finance (DOF) for consideration. Ms. McDuffie noted that only baseline adjustments are being completed for this budget and that is driven by the Governor's current

budget policy. At present, the message is for departments not to bring forward general fund increases unless an item in the general fund will be decreased.

Ms. McDuffie explained that CSAC is grateful that members of the legislature and the Governor's Office recognize the benefit of CSAC programs (Cal Grants and Assumption Program of Loans for Education (APLE), in helping students, and are willing to at least fund the baseline increase.

Ms. McDuffie answered questions on the following:

1. Member Jeffery asked how much cushion CSAC maintained for the baseline adjustments. Ms. McDuffie explained that CSAC does not maintain a cushion, but instead look at the "take rate" which is based on historical data. In the past few years, after some adjustment to the entitlement program, Ms McDuffie explained that the cushion has been at about 2%.
2. Member Bonnel, in discussing the Chafee Foster Youth Program, asked if the extra five million dollars was in the governor's budget. Ms. McDuffie said yes.
3. Chair Lindsey asked about the decrease in the Cal Grant C allocation. Ms. McDuffie noted that there had been no change in number of awards, but thought any change would be tied to the historic take rate or the renewal rate.
4. Chair Lindsey asked if there was an increase for Cal Grant C awards. Ms. McDuffie said no.

Ms. McDuffie commented that the Commission has had guiding principles for the budget discussions in the past, but for the past couple of years, there has been a general fund shortage and the Commission was simply trying to maintain and preserve what could be saved in both the entitlement and competitive programs. This year, she added, the Commission seeks maintenance and expansion of certain programs and therefore discussion of principles for the budget will ensure.

Tab 8: Cal Grant/Outreach Update

No specific information noted here. Some discussion mixed with Tab 9.

Tab 9: State and Federal Legislation Update

Steve Caldwell, Chief, Governmental & Public Affairs Division, discussed the following:

1. Initial budget hearing to start the following week.
2. Bill hearings to start next week. CSAC has two bills in the Appropriations Committee.
3. Personal income tax amounts being counted now. The Governor's May revise set to come out on the 15th. Once the May revision is over, budget hearings will take on a more serious tone.
4. Support from the Commissioners will be sought for AB 175 (Cal B excess costs), AB 1551, AB 302 (entitlement, Cal B; tuition and fees for the first year), AB 1578 (foster youth), AB 1540 (Cash for College), SB160 (Dream Act for undocumented students).

5. The APLE Program, along with other assumption programs, are liked by the legislature because payment to the student comes after they've provided the service.

Member Gonzalez asked if the Dream Act also applied to students who were considered under AB 540 (residency issue). Mr. Caldwell said he'd have to look at the issue again because 540 wasn't just for the undocumented students. Authors of the Dream Act had concerns about students not filing their FAFSAs because they have no Social Security Number (SSN). CSAC will be looking to see if an additional form can be used for this cohort of students (undocumented).

Member Robinson asked if a provision was still in statute that only allowed use of the FAFSA. Mr. Caldwell explained that the provision calls for the completion of an application approved by CSAC regulations. Member Jeffery commented that they could still use the FAFSA application, just not submit through the processor. Mr. Caldwell noted that in Texas, the process is a manual one (submit the application by hand).

Chair Lindsey asked about AB 1329 (technical changes to CSAC's membership). Mr. Caldwell explained that the bill is a "spot fill." It's a bill that is sitting out there anticipating some other component of the issue; waiting to see what happens with the particular issue or subject area. The same applies to SB 337. The bill, he added, is sitting in the Rules Committee and has not been assigned to a Policy Committee. Member Bonnel also mentioned AB 1540, which would take 3 million dollars from Ed Fund's operating fund. Mr. Caldwell agreed that this bill is proposed, but not sure it will remain this way.

Mr. Caldwell noted that federal bills are focusing on increases to the Pell Grant and lowering of student interest rates. But, he added, staff is unclear of what will happen until October when the President's budget gets more solidified and passed and the bills start to move in conjunction with the President's budget. Mr. Caldwell listed the following federal bills:

1. HR 5, the Student Relief Act, would temporarily lower the student interest rates to 3.4%, but would expire in 2011.
2. HR 990, the Pell Grant Equity Act, addresses tuition costs for Community College students.
3. HR 1608, The FAFSA Act, seeks to take tax data (Internal Revenue Service-IRS) and mesh it with the data on the FAFSA so that students don't have to fill out the income data and instead, get it directly from the IRS. Member de la Garza expressed concern about the timing and implementation of the changes, noting that changes may come in May. Mr. Caldwell said he'd heard that.

In response to a question from Member Graham regarding the IPA, Mr. Mays explained that institutions will receive their IPA notification through memos, the Fast Blast notification, and having information on the internet. Catalina Mistler, Chief, Program Administration & Services Division, explained that staff will keep communications open should there be any delays, extensions or new developments from the Commission meeting. Member Graham commented that having IPA information earlier would be better. Mr. Mays offered to have a special edition Fast Blast to address IPA issues.

Chair Lindsey acknowledged Member Villalobo's departure from GAC to assume the position of Director of State Government Relations for the University of Southern California (USC). She

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thanked her for valuable contribution to the efforts of the committee. Commissioner Friedlander, on behalf of the Commission, presented Member Villalobos with a certificate of appreciation for her expertise and service to the Committee, the Commission, and the state's students. Member Villalobos thanked the group for their support and friendship in doing the work of committee for the past six years.

The meeting adjourned at 3:53 p.m.

Mary Lindsey, GAC Chair

**CALIFORNIA STUDENT AID COMMISSION
GRANT ADVISORY COMMITTEE MEETING**

10811 International Drive
Rancho Cordova, CA 95670

**MINUTES
FEBRUARY 14, 2007**

ADVISORY COMMITTEE MEMBERS	COMMISSION STAFF
Kate Jeffery, UC	Catalina Mistler, Chief, Program Administration & Services Division
Mary Lindsey, Acting Chair, CAPPS	Steve Caldwell, Chief, Governmental & Public Affairs
Louise McClain, Commissioner	Charles Wood, Manager, Program Compliance Unit
Tim Bonnel, CCCCCO	Bryan Dickason, Manager, School Support Services Branch
Lora Jo Bossio, UC	Lori Nezhura, Staff, School Support Services Branch
Marco De La Garza, CCC	Drew Schrepel, Staff, School Support Services Branch
Noelia Gonzalez, CASFAA	Sanjay Singh, Staff, Cal Grant Operations Branch
Sally Mae Pace, K-12	Jorge Cortez, Staff, School Support Services Branch
Mary Robinson, CSU	Tae Kang, Staff, Cal Grant Operations Branch
Catherine Thomas, AICCU	Irene R. Klauer, Staff, School Support Services Branch
Veronica Villalobos, AICCU	Justin Masters, Information Security Officer
Laura Cunha, CAPPS	Darrine DeStefano, Staff, State Representative
Sharon Bowles, HS Counselor	
	ALSO PRESENT
	Lili Vidal
	Mindy Bergeron
	Catherine Graham

Tab 1: Housekeeping and Roll Call

Drew Schrepel, Staff, School Support Services called roll for the Grant Advisory Committee (GAC) Teleconference Work Group. California Student Aid Commission (CSAC) staff, GAC members, and members of the public introduced themselves so everyone on the phone knew who was physically present.

Tab 2: Recommendations of GAC Work Group

Mary Lindsey, California Association of Private Postsecondary Schools (CAPPS) representative and Acting Chair for the meeting, called the meeting of the GAC to order. Chair Lindsey noted the agenda items as follows:

- 1) Minutes
- 2) Election of Vice-Chair
- 3) GAC Recommendation(s); California Student Aid Commission (CSAC) Meeting

Kate Jeffery, University of California (UC) representative, noted the GAC Work Group recommendations regarding the following issues:

- 1) Institutional Participation Agreement (IPA) - Extend existing IPA due to the following:
 - a. Impasses regarding the IPA viewed as tied to broader delivery issues for the Cal Grant programs.
 - b. Need full review of delivery system.
 - c. Should the delivery process be centralized or decentralized? Work Group asked for greater clarity on the current sort of "hybrid" process.

Motion: Mary Jo Bossio, University of California representative, motioned that the Commission "extend the existing IPA pending a full review of the delivery process that evaluates the feasibility, cost-effectiveness, and efficiency of the following possibilities:

- 1) Movement to a fully centralized process with additional resources allocated to CSAC to take on responsibility for final determination of Cal Grant eligibility;
- 2) Movement to a fully institution-based process with additional resources allocated to campuses to take on full responsibility for final determination of Cal Grant eligibility;
- 3) Modification of the current hybrid process to clarify CSAC and institutional responsibilities for determination of Cal Grant eligibility with additional resources allocated where needed."

Motion seconded by Cathy Thomas, Association of Independent California Colleges and Universities (AICCU) representative.

Motion passed.

Discussion:

Chair Lindsey asked for comment from the public. Steve Caldwell, Chief, Governmental & Public Affairs, asked if GAC had put a timeframe on completing the full review of the delivery

process. Chair Lindsey said they had not, but that the group expected participants of the review be committed to completing the process.

Tim Bonnel, California Community College Chancellor's Office (CCCCO) representative, asked about the IPA going out to public comment in March. He wanted to know if, after the comment period, GAC would have another opportunity to comment on subsequent changes that are adopted as a result of public comment. Catalina Mistler, Chief, Program Administration & Services Division, explained that the IPA would come back to GAC for review of comments made by additional stakeholders.

Member Jeffery began discussion of GAC's recommendation on commingling of funds noting that GAC recommended the commingling option be available to campuses in all segments, not just the publics.

Motion: Member Thomas motioned that "the commingling option be available to campuses in all segments."

Motion seconded by Mary Robinson, California State University (CSU) representative.

Discussion: No discussion.

Motion passed.

Member Jeffery explained that on the matter of calculation of interest, GAC recommended that the calculation of interest on Cal Grant funds held on the campus recognize both positive and negative balances.

Motion: Veronica Villalobos, AICCU representative, moved that the calculation of interest on Cal Grant funds held on the campus recognize both positive and negative balances.

Motion seconded by Member Robinson.

Discussion: No discussion.

Motion passed.

Member Jeffery began the discussion on the reconciliation process noting that the work group had settled on a single date of December 31st. Using this date, she added, addressed the time constraint issues and therefore was recommended by the work group.

Motion: Member Bossio moved that December 31st be the single reconciliation date requirement in the IPA.

Motion seconded by Member Robinson.

Discussion: No discussion.

Motion passed.

Continuing discussion on the reconciliation process, Member Jeffery explained that the workgroup recommended that for institutions that do not return outstanding funds by the deadline date or that return less than the appropriate amount, CSAC generate invoices for

outstanding funds, payable 30 calendar days from receipt of the invoice. If the refund did not occur within 30 days, she continued, a series of penalty letters would commence. Upon payment in full, the institution would receive an invoice indicating a zero balance.

Chair Lindsey noted that this discussion was about reconciliation in response to the auditor's findings and not limited to the IPA. To this, Member Jeffery asked if this recommendation needed to be in the IPA and explained that maybe the "invoice" recommendation could be considered as part of the reconciliation process.

Motion: Member Thomas moved that the 30-day invoice recommendation be considered as part of the reconciliation process for the school and that if payment did not occur, a series of penalty letters would ensue until full payment.

Motion seconded by Member Bossio.

Discussion: Member Bonnel explained that he was not clear on the motion being discussed. Chair Lindsey reiterated the motion, noting that the recommendation to the Commission would be that the process be considered, but that the process not be listed in the IPA. Chair Lindsey explained that in the "discussion" part of the motion, Member Thomas requested that the process be listed in the IPA so schools know the penalties connected with not complying. Member Bossio explained that there are penalties to other expectations listed in the IPA, but those penalties aren't necessarily stated.

Motion passed.

On the matter of students being able to appeal a "pending" status and receive payment, member Jeffery made the following motion:

Motion: GAC recommends that the appeal process be part of the reconciliation process that CSAC adopts, in response to the audit findings, but that it not be included in the IPA.

Motion seconded by Member Thomas.

Discussion: Member Bonnel asked about the time frame for an applicant's pending status and if it referred to pending during or after the preliminary reconciliation. Chair Lindsey explained that a specific date was not recommended, but the group suggested that a time frame around June, of every year, would be helpful. Member Bonnel then asked what was meant when discussing remaining pending payments. Chair Lindsey explained that the group was talking about payments after the December 31st reconciliation cutoff date that for some reason had not been made.

Member Bossio noted that the "pending" applicant should be identified through the reconciliation process; thus not having many students cropping by the December 31st date. Mr. Dickason, in response to concerns about the pending account harming the student, explained that currently an appeal process is in place for schools to address corrections, but that the appeals occur on an "exception process" bases. Member Bonnel explained that the discussion addressed his concern about the timeframe issue.

Member Jeffery suggested the motion include and understanding that the motion stands, "consistence with current practice." Member Lindsey reiterated the motion stating "consistent with current practice, students whose payments remained pending at the institution would be

permitted to enter an appeal process that permits them to receive payments of their grant past December 31st.”

Motion passed as amended.

Member Jeffery explained following in form of a motion:

Motion: Campuses are not to be responsible for determining the student’s GPA calculation and wanted removal of that responsibility reflected in the IPA.

Motion seconded by Member Robinson with change of the word from determination to confirmation.

Discussion: This recommendation, added Chair Lindsey, does not address those GPA calculations completed by institutions on a voluntary basis. Member Bonnel commented that the GPA calculation determination, in this motion, refers to high school GPA calculations. Member Jeffery commented that this recommendation is in regard to both high school and college GPAs as it pertains to the general eligibility requirement. Chair Lindsey suggested the recommendation should say that the work group the “exclusion” of the confirmation of the Cal Grant GPA from the list of campuses’ responsibilities; so it’s not determination, it’s confirmation.

Member Bonnel clarified by noting that if the institution calculates or determines the GPA themselves (you), then the assumption is that it’s done correctly and the institution is in compliance, but that doing so is not part of the IPA requirement. If done by another college, however, the institution is not expected to go out and re-verify that it was calculated correctly and is accurate. Both Chair Lindsey and Ms. Mistler validated Member Bonnel’s understanding of the issue.

Motion passed as amended.

Member Jeffery noted that confirmation of high school graduation is not included in the draft IPA as one of the institutional responsibilities and wanted clarification from staff; wanted to know if counsel had provided clarification. Ms. Mistler noted that counsel had not responded as yet, but that once that occurred, there would be discussion of the steps involved in securing the information, and too, who will be responsible for the verification.

Discussing California residency, Member Jeffery noted that the work group did not reach a consensus on how to address this issue, so the recommendation made was that “the existing IPA language be continued.” The group, she added, didn’t necessarily know what the current requirement was so some of the issues around the issue could not be resolved.

Member Robinson encouraged the group to resolve the California residency issue before the IPA goes forward, noting that this was one of the reasons for the group’s recommendation that CSAC continue with the existing IPA. She explained that the group recommending the current IPA language on this issue is vague and confusing and, in her view, not a satisfactory alternative. Member Jeffery explained that keeping the existing language was consistent with the overall recommendation that the IPA be extended.

Member Bossio asked if this particular recommendation was needed since the recommendation to extend the IPA was being made. Member Jeffery noted that it was the impasse on the residency issue that lead to the recommendation that the IPA be extended until these matters were resolved.

Ms. Lori Nezhura, Staff, School Support Services Branch, clarified that the current 2003 IPA states institutions are to “confirm and document that students listed on a Commission roster or other award notification meet basic eligibility requirements including California residency, financial need, and appropriate eligibility.” Chair Lindsey explained that what extending the IPA does is allow schools to continue what they’ve been doing because they haven’t been cited (has not come up in a major way in program reviews). Member Jeffery explained that recommending the extension of the current IPA is recognition that the existing language is problematic.

Chair Lindsey called for a motion on the recommendation. Member Bonnel explained that he could not support a motion that points to language that says institutions are supposed to be confirming and documenting residency. He explained that he thought the group had concluded that the segment, as done in previous years, would define residency per their segment and notify CSAC if what they had was different than that on CSAC records. Chair Lindsey recognized that the group had the discussion, but that the group had not come to a final recommendation.

Chair Lindsey had to leave the discussion at this point, but noted for the record that she would vote no on any motion that had different residency requirements for different students at different segments. Member Bossio stated that her concern with trying to resolve the residency issue, again, would lead to the same recommendation to extend the existing IPA that had already been voted on; the discussion would be moot. Member Bossio noted that extension of the IPA makes the point that there a number of unresolved issues surrounding net interest or residency and that’s what lead to the stalemate.

Chair Lindsey, in response to discussion about recommending to CSAC that the issues be resolved, explained that the work group doesn’t have to recommend anything, but instead, is noting a resolution about residency could not be secured. Ms. Mistler explained that the group and staff will want to be able to explain to Commissioners why institutions would not have a recommended process to follow. Member Robinson pointed out that GAC needs information from the Commission about precisely what their residency determination process is and preferably with the Commission having regulations establishing such requirements.

Member Jeffery noted that two issues were unresolved regarding definitions that lead to recommending the IPA be extended: 1) California residency definition, and 2) definition for conflicting information. Member Bonnel, in the case of residency, if both CSAC and the institution agreed that the student was a resident, then there would be no further review of the record. Ms. Mistler explained that her understanding of the recommendation was that the Education Code definition would be used; thereby allowing institutions to use their definitions, and the state would establish a date for the private institutions.

In response to Member Bonnel’s concern of losing a quorum, Member Jeffery noted that there were no more votes to be taken. Instead, she said, the goal was to provide CSAC with clarification on the issues causing campuses concern about definitions, work load and differing definitions used by different institutions. Ms. Mistler asked Member Jeffery if GAC wanted CSAC to move forward on identifying specifics to the issues that are unclear. In previous discussions, she noted, GAC and CSAC had agreed to leave the residency determination to what the institutions currently use. Member Jeffery noted that the IPA did not say this in its glossary section. Mr. Dickason said the definition could be modified, but it was his understanding that in previous discussions the GAC group wanted the opposite.

On the matter of California residency, Member Jeffery offered that CSAC could move forward with using the public institution's definition of residency for the publics and the IPA glossary definition for the privates, at least on an interim basis. The only other remaining issue, she added, would be what CSAC would expect the privates to do regarding conflicting information. Member Thomas expressed that she didn't think conflicting information could be defined for the privates to any degree, but there is a sense of what constitutes "conflicting information" for everybody.

Laura Cunha, Association of Independent California Colleges and Universities (AICCU) representative, asked if the issue of "conflicting information" could be studied. Member Jeffery supported the idea, but commented that in the case of the residency, you first need to know what it means to be a California resident. Member Thomas noted the seemingly inconsistency on how CSAC handles residency issues in-house when conflicting information surfaces. Ms. Mistler explained that when a student is under 18 the parent's residency is used to determine Cal Grant eligibility. Member Jeffery commented that when she thinks of the current process for determining residency, CSAC relies on the student to self-certify they are a resident and there is no definition on the Free Application for Federal Student Aid (FAFSA) for residency.

Member Jeffery recommended that CSAC define residency, for Cal Grant purposes, to be the same as the residency for tuition purposes in the publics. For the privates, she added, CSAC could have a glossary definition, but rely on a self-certification process from the student and require nothing else beyond that. Member Thomas recommended that CSAC tighten up their own requirements as well.

Member Jeffery asked that CSAC be upfront about what's expected of the institution in terms of documentation to be held with the institution for proof and what the consequences would be if the documentation was not in place. Member Thomas agreed with Member Jeffery, but added that CSAC should also check for residency of the parent(s) on the FAFSA for students under the age of 18.

Member Jeffery also asked that "red flags" as defined by CSAC, should also be identified up front for the institutions as well as whether the student attended a California school and if not, that a unit in CSAC would do a review of these student files. The study, she added, would want to work on the "up-front" process of what is required and make it rigorous to effectively identify issues.

Member Jeffery reiterated her strong opposition to requiring public segments to do a re-determination of California residency due to the enormous work load it would create. Member Jeffery also asked that campuses have the option to review the residency of a Cal Grant applicant/recipient according to CSAC's glossary definition and, on a case-by-case basis, deem a student Cal Grant eligible if applicable; use the least restrictive requirements and make the applicant Cal Grant eligible.

Ms. Mistler explained that stakeholder feedback will continue with the expectation that a final product will be in place in April to present to the Commissioners. Member Jeffery reiterated the uncomfortableness among some of the GAC members with the current IPA language, but assured CSAC that the work group would welcome efforts to improve the IPA. Member Thomas explained that all independents will work with CSAC to improve the IPA; they just don't want to put something in place that is unworkable. She encouraged CSAC to do a preliminary review of the issues.

No action taken.

The meeting adjourned at 12:53 p.m.

Kate Jeffery, GAC Work Group Chair

**CALIFORNIA STUDENT AID COMMISSION
GRANT ADVISORY COMMITTEE MEETING**

10811 International Drive
Rancho Cordova, CA 95670

**MINUTES
JANUARY 25, 2007**

**ADVISORY COMMITTEE
MEMBERS**

Kate Jeffery, Chair, UC

Mary Lindsey, CAPPS

Tim Bonnel, CCCCCO

Lora Jo Bossio, UC

Marco De La Garza,

Noelia Gonzalez, CASFAA

Sally Mae Pace, K-12

Mary Robinson, CSU

Catherine Thomas, AICCU
Veronica Villalobos, AICCU

COMMISSION STAFF

John Bays, Chief, Information Technology
Division

Catalina Mistler, Chief, Program Administration &
Services Division

Charles Wood, Manager, Program Compliance
Unit

Bryan Dickason, Manager, School Support
Services

Branch

Lori Nezhura, Staff, School Support Services
Branch

Drew Schrepel, Staff, School Support Services
Branch

Cora Manuel, Staff, School Support Services
Branch

Jorge Cortez, Staff, School Support Services
Branch

Tae Kang, Staff, Cal Grant Operations Branch

Irene R. Klauer, Staff, School Support Services Bra

ALSO PRESENT

No member of the public.

Tab 1: Housekeeping and Roll Call

Drew Schrepel, Staff, School Support Services called roll for the Grant Advisory Committee (GAC) Teleconference Work Group, and California Student Aid Commission (CSAC) introduced themselves so everyone on the phone knew who was present at the meeting.

Tab 2: Discussion on Draft IPA**Interest-bearing Accounts/ Calculation Process**

Kate Jeffery, Chair, University of California (UC) representative, began the discussion about the Institutional Participation Agreement (IPA) requesting that the group walk through the document and have members comment on substantive issues noted in the document. On the matter of interest-bearing accounts, Lori Nezhura, Staff, explained that staff wanted to ensure the Commissioners see all the options regarding interest-bearing accounts since, ultimately, that body would be the ones making the decision. The two options included:

- 1) Cal Grant funds to be held in a separate, interest-bearing account with earned interest returned to the state; Cal Grant funds cannot be commingled with other institutional funds; and the institution must ensure Cal Grant funds are used only for the benefit of eligible students.
- 2) Cal Grant funds to be held in a separate, interest-bearing account with earned interest returned to the state; institution may commingle Cal Grant funds, but must identify the funds through a subsidiary ledger; and the institution must ensure Cal Grant funds are used only for the benefit of eligible students.

Mary Robinson, California State University representative, explained that she saw a problem with both options since both of them specify the account as property of the state. Ms. Nezhura indicated that identifying the funds as property of the state has been consistent with the last three versions of the IPAs. Veronica Villalobos, Association of Independent California Colleges and Universities (AICCU) representative, stated that GAC hadn't agreed with the previous versions, but what she found frustrating was how the recommendation was being applied with no rationale or justification for a separate account. She also found disagreed how it was applied differently based on public or private standing. Member Villalobos added that she would hope that if there were issues with an institution on how they were using Cal Grant funds, the matter would be addressed (consequences) with that institution.

Noelia Gonzalez, California Association of Student Financial Aid Administrators (CASFAA) representative, agreed with Member Villalobos, noting that there should be one regulation for all colleges and universities that is consistent with the issue of commingling. Mary Lindsey, California Association of Private Postsecondary Schools (CAPPS), asked staff the rationale for separating public and private institutions. Ms. Nezhura explained that if a public school went bankrupt, the funds would be returned to the state since the schools are public. The same, she added, is not true for private schools. Ms. Villalobos asked if there had been a private, non-profit institution that had gone bankrupt and had not returned money to the state. Charles Wood, Manager, Program Compliance Unit, explained that while he didn't know if the schools were private, non-profits, in the last five years three institutions had gone bankrupt and the money was lost.

Member Villalobos explained that she would think there would be some other level of protection that CSAC could use to get funds returned; she didn't agree with the precedent being set with the recommendation. Catalina Mistler, Chief, Program Administration & Services Division, asked if Member Villalobos had any recommendations. Member Villalobos commented that in the IPA it would be stated that if an institution is going through financial stress, the student is to be paid first and the remaining funds to be returned to CSAC.

Chair Jeffery asked if there was a way to allow institutions to commingle funds, but if needed, CSAC could require an institution to set-up a separate account if deemed that the institution is at risk for bankruptcy. Bryan Dickason, Manager, School Support Services Division, explained that staff would most likely have to visit each campus to make that determination (at risk), assuming that it could be done legally and schools would be forthcoming.

Member Villalobos asked about the process of students drawing down funds. She commented that an institution would not be enrolling students if going bankrupt. Mr. Dickason explained that an institution would still be sent an electronic funds transfer (EFT) that would end up in an account that would possibly disappear at the time the school ceased operation. Establishing criteria for to determine financial instability in an institution would also be an arduous task, he added.

Member Lindsey recognized that the goal of CSAC was to protect state funds that could be lost through bankruptcy. She asked if there were other options other than those being presented. Member Robinson noted that CSAC has assurance of compliance because it requires participating institutions to also participate in federal programming. She suggested that maybe CSAC could have a mechanism in place to double-check an institution's status with the federal government. Ms. Nezhura noted that there have been times when CSAC is the one notifying the monitoring entity that a particular school is being closed, so they too, she added, can have the same issues regarding school status.

Chair Jeffery asked if the fiscal accountability issue by schools, was indeed, part of a broader issue tied to the licensure or approval of for-profit institutions that should be covered by the legislation and/or entity that governs them; that maybe CSAC has the responsibility to students to ensure the institutions don't them. Member Villalobos asked if there was a way that CSAC could ask institutions report back if they were falling into risk within a specified amount of time. CSAC attorneys, she added, could define risk. Ms. Mistler noted that the definition could vary across institution types.

Ms. Mistler explained that what CSAC needs to see is that Cal Grant funds are used for the intended purpose (funds directly to the student) and not any other purpose. Chair Jeffery commented that keeping Cal Grant funds in a separate account isn't going to stop misuse of those funds. Member Robinson, at this point, noted that the old IPA did not have the account listed as the property of the state. Staff agreed to look at the way this piece of the recommendation was written.

Mr. Dickason reiterated that the thinking behind setting a separate account for Cal Grant funds is if a bankruptcy occurs, and the case went before a judge, that judge would be readily able to identify the state money and treat it differently than other assets that might be in the school's account. Chair Jeffery asked if staff had evidence that judges would treat funds in a separate bank account differently from funds that are in a separate ledger account. Mr. Dickason explained that he did not have expertise in that area. Member Lindsey explained that legal needed to answer Chair Jeffery's question regarding different treatment of CSAC funds before moving forward with the discussion.

Mr. Wood explained that CSAC's experience has been that if the money is commingled, CSAC becomes a normal creditor, with our without subsidiary ledgers, and very little money comes back to the Commission. He also commented that, to date, it hasn't come up that having Cal Grant funds in a separate account would allow the judge to make a distinction in the different funding sources. Maintaining separate accounts, added Mr. Wood, would allow you to see the cash amount sitting in the account and too, how it is being used. Member Lindsey noted that it

would not stop the institution from using it for other purposes. Chair Jeffery noted that an impasse had been reached on the issue. Member Lindsey noted that the work group may want to recommend that staff get supporting information regarding separate accounts, and the distinction of Cal Grant funds in case of a bankruptcy, and coming back to the issue. Chair Jeffery noted that it would be preferable to find a way to identify institutions at risk for recovering funds and work directly with them instead of including institutions that are not at risk.

Ms. Mistler explained that staff can do additional research, but would like to prepare a few recommendations with input from GAC. Chair Jeffery noted that option 2, of staff recommendations, is a step in the right direction because it allows for commingling of funds for some institutions, but it doesn't go far enough since there is no justification for excluding some institutions.

Member Robinson asked if staff recommendations, on having institutions maintain separate accounts, had been run by the attorney. Ms. Mistler explained that they had not, and instead were being presented to GAC first to get input and incorporate the concerns and then forward to the attorneys for review. Ms. Mistler, after being asked if GAC would get a secondary review, explained that there may not be enough time to do so especially since, as noted by Ms. Nezhura, the attorneys may need extended time to complete their review.

Tim Bonnel, California Community College Chancellor's Office (CCCCO) representative, explained that the group may want to talk about whether or not the time line for IPA implementation is going to work for 2007-08. He explained concern over not having enough time to make the necessary changes to implement what is being asked in the IPA. Member Bonnel commented that historically, GAC worked directly with staff to develop joint recommendations, but more recently, staff and GAC find themselves looking at different options. In talking with some of the Commissioners, added Member Bonnel, they would prefer that staff and GAC come to the Commission meetings with joint recommendations. Member Robinson added that GAC members cannot have their attorneys review an IPA without first knowing what CSAC is proposing in that the drafts may change and that would be a waste of time.

Chair Jeffery, noting the timeframe for possibly having the IPA approved by the Commissioners, noted two issues: 1) having enough time for institutions to get their counsel and other people to review the final proposed IPA before the Commission has adopted it, and 2) having enough lead time, after the IPA has been adopted, for institutions to implement the new requirements. Ms. Nezhura explained that every concern expressed about the IPA has been considered by staff and management.

Member Lindsey asked about the status on finding out whether or not the idea of having a separate fund actually does protect the state legally in a bankruptcy proceeding. Chair Jeffery explained that GAC had provided input on the recommendations, but noted that she did not want to hold staff to one particular approach. Instead, she continued, she wants staff to consider an approach that is tied more closely to institutional financial stability than to bankruptcy.

Member Villalobos asked if the conversation regarding calculating interest (using the "net" approach) had been dropped since option 2, item 3, did not provide a specific formula. Chair Jeffery explained that her institution interpreted the section as allowing for net calculation of interest. She explained that interest owed to the state due to Cal Grant funds is calculated based on an average using both positive and negative balances over a specific period and then remit the interest of that calculation to the state. Mr. Dickason, in response to Member Robinson's inquiry of the same issue, noted that the direction provided in the IPA regarding

interest calculation is all that staff had to offer at this time. Ms. Nezhura noted that the calculation process is listed in both options.

Mr. Wood explained that Commission policy does not allow negative interest, but only positive. Chair Jeffery explained that this expectation of the calculation was not noted in the IPA. Member Lindsey expressed that once you make it specific in the IPA, the flexibility for the institutions is gone. Member Robinson understood the need for flexibility, but also expressed that she didn't want the process buried somewhere in an audit program where institutions aren't aware about it until they are audited. Member Lindsey explained that clarification of the calculation can be put out through a special operations memo like it's been done previously.

Member Robinson explained the need to have the calculation process clarified while the IPA is being discussed because not to do so is a disservice to the institutions. Lora Jo Bossio, University of California (UC) representative, agreed stating that the process needs to be clarified. Mr. Dickason explained that CSAC executive did not believe they had the authority to allow the netting of negative interest so that leaves interest that is earned on a positive basis. He explained that language could be drafted that would be more specific on the method to be used when calculating interest.

Member Lindsey reiterated that GAC was recommending the support of section D of the IPA with the following corrections/clarification:

- 1) change the separation of responsibilities between public and private institutions
- 2) specify the calculation process for the interest
- 3) clarify section D(1) since not consistent with previous IPAs
- 4) Member Robinson wanted to look at the language of the Federal Student Aid (FSA) handbook referenced in section 4, option 2. Ms. Nezhura explained that the wording used in this section is directly from the federal model.

Note: It was not clear if GAC was referring to option 1 or 2 or combining aspects of both in their discussion.

Conflicting Information

Chair Jeffery asked if GAC members were comfortable with the language used discussing confirmation of general Cal Grant eligibility. Chair Jeffery's interpretation of this piece of the IPA (article IV) is that the institution confirms to the extent that it has information; you don't confirm if you have no information. The issue for her is that institutions are supposed to confirm eligibility, but using only existing information. She added, "if there is no existing information on your campus, you really aren't confirming anything." Member Lindsey agreed with Chair Jeffery's interpretation that eligibility is confirmed using existing information.

Sally Mae Pace, K-12 Schools representative, asked about the default requirement (article IV, a (4)). Chair Jeffery explained that the lender makes the default determination and sets regulations that govern the process and the institution follows the directive. At times, she added, the institution is the lender and in that case it would be the school establishing the process. Member Robinson noted that, for the most part, the issue is irrelevant because the student has not gone into repayment so they can't go into default.

Residency

Starting the discussion on residency, Chair Jeffery asked the following:

- 1) What is a legal California state resident for a Cal Grant?
- 2) Why is there a distinction between publics and privates as it pertains to what constitutes conflicting information?
- 3) Why would a public institution have to look at ISIR's to determine residency when that's not a document that plays into residency determination?

Member Bossio, along with other members, explained that the financial aid world doesn't have a lot to do with residencies; that residency determination is a very separate process from financial aid and that institutions should not be put in a position where the residency and financial aid experts have to combine information. Member Lindsey added that, as agreed by other members, if an issue of residency comes up, the institution will most likely depend on their source for making that residency determination. Chair Jeffery added that in some cases, a student will end up with a residency designation from CSAC and not one from the university; this would warrant resolution.

In an effort to explain the intent of CSAC's residency requirement in the IPA, Mr. Dickason noted that the goal is to get a date in place for use by institutions and not necessarily provide the exact criteria for determining who can receive a Cal Grant. Chair Jeffery commented that as far as she could tell, institutions only need to look at the physical presence aspect of determining residency for compliance with the state.

Member Robinson commented that section IV of the IPA, discussing residency, is only discussing how to determine residency. She wanted to know where institutions could find the legal definition for California State resident. Ms. Nezhura noted that the definition could be put in the glossary. Member Lindsey asked if the only difference in the public vs. private residency determination requirement is that the date will be different. Ms. Nezhura said yes.

Member Lindsey asked if there would be a policy that says if a student changes institutions, after receiving a Cal Grant, they don't lose it because there's a difference on the date or some other factor. Mr. Dickason explained that he wasn't sure the Commission could go that way since professional judgment would most likely be employed when the student changed schools. Member Lindsey explained that she wasn't talking about special circumstances. Mr. Dickason explained that going with the schools date is the most consistent in making a final determination of student's residency status.

Member Thomas explained that when a student transfers to their institution, they have to assume that the student's residency was correctly calculated by the previous school. Member Lindsey thought that approach to be fair and in keeping with the entitlement program. Ms. Nezhura, in response to Chair Jeffery's request for a definition of Cal Grant residency (or how residency is defined for the purposes of the Cal Grant Program), explained that staff would work on that definition.

Member Bonnel expressed concern about a potential problem if there's inconsistency in how the individual segments are determining residency using the Cal Grant residency definition. Chair Jeffery explained that in a previous discussion, the majority of GAC members did not view having a consistent definition a problem; indeed, the group preferred a consistent definition across segments.

Member Bonnel asked if there would be two definitions of residency in the glossary and if so, which would be the controlling definition. He commented that he needed to understand what GAC was recommending so that when going before the Commission he understands the

recommendation. He was concerned with an auditor being able to point to a definition in a glossary and learn that an institution may be defining residency differently due to variation in the IPA and because of segment.

Chair Jeffery explained that the definition in the glossary and the IPA have to match. Mr. Dickason explained that statute actually talks about a residency determination date, but that too, there would be a standard definition for a California resident (student). Mr. Dickason noted that he did not see a problem with putting the actual residency criteria into the body of the IPA as opposed to the glossary.

Per Member Bonnel's request, Chair Jeffery summarized the concerns on this issue as follows:

- 1) Need definition of California resident for Cal Grant purposes.
- 2) Definition to be referenced in the IPA, regardless of where it is listed.
- 3) Definition to emphasize the physical presence test; de-emphasize other aspects of residency that are in the Education Code and that institutions use in making their residency determinations.
- 4) Residence determination date will be specified for Cal grant purposes and will differ for public and private institutions.
- 5) Physical preference determination will vary by institution but will be specified for Cal Grant purposes.
- 6) Other caveats will be noted in the definition (e.g., working with minors).
- 7) Public will not be held liable for more than what they've got in conjunction with their residency determination date and non-publics are not held responsible for more than what is on the ISIR (Robinson). Mr. Dickason added "or any other information in possession of the institution that's inconsistent with a student's existing status as a resident or non-resident of California."

Member Bossio provided the example of a student who secured a Cal Grant, but her university determines that the student needs to pay out-of-state fees. In that scenario, Chair Jeffery explained that someone would have to decide. Member Bossio explained that she would check the residency of that student if she had reason to think that something did not make sense (as in the case of the admissions finding vs. Cal Grant). Member Bonnel asked the question in reverse; what if the school has identified the student as a resident and subsequently determined that the student was not—would that be a non-issue? Member Bossio said yes. Member Bonnel explained that he did not read the IPA that way, and instead, the school would have to check everything they have to verify residency.

Member Bonnel's expressed concern with putting schools in a situation where they have to become transcript or residency experts because of the new requirements; he views the assessment of "conflicting" information, without clear operational definition, as a major burden and workload for colleges; Marco de la Garza, California Community Colleges representative, agreed.

Chair Jeffery attempted to bring clarification to the discussion of conflicting information by noting the following:

- 1) For privates, conflicting information exists if what the ISIR information differs from that held by the institution.
- 2) What does an institution do when conflicting information is found?
- 3) Who is responsible for resolving the conflict? The institution? Does the institution forward the discrepancy to CSAC for resolution?

- 4) What constitutes conflicting information? What constitutes “red flags” warranting review by the institution?

Per Member Bossio and Catherine Thomas, Association of Independent California Colleges and Universities (AICCU) representatives, GAC members had decided to attempt conflict resolution, at least initially, with the institution or forward the concern to CSAC if the institution cannot resolve the conflict. This would be the recommendation from GAC.

In response to discussion about the intent of the IPA, “red flags,” noted Chair Jeffery, are different from conflicting information and she encouraged staff to be careful. Member Bossio, in response to the directives noted in the IPA asked if the implication of the directives is that institutions should be putting in systems that check conflicting information across the board for everybody. Mr. Dickason said no, stating that the goal of staff has been to go in an apposite direction with the IPA.

Member Thomas commented on the federal model where institutions are given examples of conflicting information, but even there, she added, they don't list all potential conflicting documentation. Administrators are professionals, she added, and CSAC is going to have to count on them to figure what is constitutes conflicting information.

Member Bonnel reiterated his concern with CSAC audit staff holding schools liable for conflicting information without the necessary operational definition. He noted that his concern was with CSAC's definition being the ultimate authority regardless of, for example, how a school's office has determined residency; he called for a clear understanding of conflicting information.

Chair Jeffery noted that the discussion had been helpful in clarifying, and addressing, the need for understanding CSAC's audit unit's interpretation of conflicting information and what they will be expecting of institutions. Member Robinson, in discussing the residency issue, noted that the issue continues to surface because there are concerns about what will happen and what will be done when, according to CSAC's definition, a student is a resident, but according to the public institution's definition the student is not.

Member Bossio offered that the way to address the issue raised by Member Robinson is to have CSAC determine residency and if, for tuition purposes, the student is being charged out-of-state tuition, it would not matter. Chair Jeffery explained that this has been GAC's recommendation to CSAC and CSAC agrees. Member Robinson asked staff what would be done in cases where discrepancy exists.

Chair Jeffery, in an effort to address the residency confirmation issue, explained that GAC would recommend that CSAC get their residency information from the FAFSA and there will be nothing to confirm, or dis-confirm, for the institutions because there won't be conflicting information. And if there is conflicting information, she added, that determination would be made by the institution. Mr. Wood's position was that CSAC compliance would determine what constitutes conflicting information. Chair Jeffery noted that in the scenario provided, there would be “red flags,” but not necessarily conflicting information.

Chair Jeffery commented that she was joining the “camp of people” that recommended the IPA note definitive dates for becoming a resident, and too, CSAC's definition of residency for Cal Grant purposes, but eliminate any reference to what constitutes conflicting information. Regular or routine checking to determine if actual residency exists, she added, may not happen because the institution may not have anything to look at.

Mr. Dickason explained that his concern was that audit personnel would arrive on campus and take exception with a school that paid a student a Cal Grant when any "reasonable" person could have concluded that a red flag (documentation) existed. Member Robinson explained that in light of perceived conflicting information, any reasonable aid administrator at her segment would inquire about the discrepancy, look at the ISIR, and determine if further action was needed. Mr. Wood explained that what he is looking for, in addressing conflicting information in a student's file, is that the school confirm the student's correct information.

Member Thomas asked why the identified red flags or the expectation of private schools was different from that of public schools. She explained that she liked having the schools address conflicting information on the ISIR and leaving it at that. Chair Jeffery concluded that the difference is due to wanting institutions to use the "red flag" that is most useful for them; that the red flag at the public schools may not be as useful for the private schools.

Member Thomas commented that if private schools, for example, are responsible for checking the school the student graduated from, then all other institutions should be checking too. Member Bossio agreed, referencing Mr. Dickason's comment that with federal programming, all segments start off with consistent requirements, but the process becomes disparate between segments when looking at State programming (regulations) requirements; Member Bossio suggested use of a centralized system of verification (residency) for which CSAC would be responsible. Mr. Dickason commented that centralizing a verification system would make it easier for the schools, but may delay getting the money out to the students; a central goal of GAC and CSAC.

Chair Jeffery worked at summing up the recommendations put forth by GAC members:

- 1) CSAC to define conflicting information as it pertains to residency for the Cal Grant program.
- 2) CSAC to provide "best practices" for conflict resolution in their training sessions.
- 3) CSAC to revisit the entire "delivery system" (IPA) for the Cal Grant program. Extend IPA for two years. (Bossio/Villalobos).
- 4) Put residency definition in IPA glossary (Sally Pace, K-12 representative).
- 5) Put residency definition, for purposes of the Cal Grant program, in regulation (Robinson).

The actual recommendations forwarded included the following:

- 1) CSAC to revisit the entire "delivery system" (IPA) for the Cal Grant program and either centralize or decentralize the process.
- 2) Do not adopt the proposed IPA and extend IPA (2 years).

Ms. Mistler commented that these recommendations will be brought forward to the Commissioners. Chair Jeffery suggested that the group may want to endorse the aspects of the IPA they do like, especially if they will be required to go forward with the IPA. She knows there are areas of the IPA that concern the group, like the conflicting information piece and the expectation of CSAC that responsibility for student information is an "institution-wide" responsibility, but this may need to be a consideration. Member Bossio commented that her concern was with making a recommendation to accept pieces of the IPA without truly analyzing the delivery system, thereby weakening the recommendation; she expressed concern about GAC and CSAC's inability to generate a solution that is agreeable to both.

Moving forward to other parts of the IPA, Chair Jeffery asked for input:

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- 1) Member Robinson expressed concern about the item under B, in the IPA, that required institutions to “confirm any additional items,” noting that the request was too vague and she asked, too, why it wouldn’t be listed under section A as number 14.
- 2) Member Bossio asked for clarification of number ten, “the attendance status for each recipient,” of the same section. For this question, Chair Jeffery noted that this requirement should refer to the student’s enrollment status and as noted by Mr. Dickason, the goal is to get the student’s time base of enrollment.
- 3) Member Bossio asked that the line “the institution has the obligation from section B.
- 4) Member Robinson asked that the line discussing “conflicts that may exist in the data the institution possesses, relating to a Cal Grant recipient,” should say “relative to the student’s eligibility for a Cal Grant.” Ms. Nezhura offered: “the institution has the obligation to resolve any conflicts that may exist in the date the institution possesses relating to the recipient’s eligibility for a Cal Grant.” Member Lindsey noted that what was offered was an improvement.
- 5) Member Robinson noted that section CEC 69432.7(k), as noted in the IPA, falls only under the definition of maximum household and income levels. Ms. Nezhura stated that this section is also listed throughout federal methodology and that they (feds) determine what is conflicting and what is not. Member Bonnel questioned whether CSAC, in citing this section in the eligibility requirements, had the authority to do so. Mr. Dickason said the question would be forwarded to legal.
- 6) Member Bossio asked that staff look at the sentence in section B(10)(i) and possibly reword it to say “determine the recipient’s enrollment status at the time Cal Grant funds are paid” or “eligible enrollment status.”
- 7) Chair Jeffery, on page 8, requested that “with the exception of summer term” be taken out of the sentence “All award year Cal Grant funds received and disbursed by the institutions, with the exception of summer term, no later than December 31.” Ms. Nezhura noted that it should have been taken out and that it was missed in the revision.
- 8) Member Bonnel asked what the course of enrollment has to do with the student’s enrollment status as noted in section C(1)(i). Mr. Dickason noted that this section has to do with institutions establishing and maintaining a written disbursement policy as it pertains to enrollment. Member Bonnel suggested the issues be delineated as 1) determine that the student’s in an eligible course, and 2) determine that the payment they are receiving is in accordance to their enrollment status.
- 9) Member Bossio commented that section 5(a), with the IPA noting that institutions are to “make a preliminary determination,” goes back to the bigger issue of the delivery system and ultimately who is responsible. Chair Jeffery noted that it’s been made clear that the institution is responsible. Member Bossio commented that the process is being decentralized through the IPA process. Mr. Dickason offered the change of “preliminary” to “initial.” Member Bonnel commented that the determination lies with CSAC, since this is where the student is withdrawn.
- 10) Member Bossio recommended that the language on security ask that the administrator identify the people who have access to the Commission’s system as opposed to maintaining a historical record.

11) Member Bonnel offered the following:

- a. Regarding document destruction, CSAC to determine who gets the records from schools who file bankruptcy;
- b. If schools are to train their staff on security-related matters, as it pertains to the Cal Grant system, CSAC should provide the training materials. John Bays, Chief, Information Security Office, explained that someone on campus does information security for all confidential data and the kinds of training CSAC is talking about are standard practices that are needed to implement at the institution to protect the information. Member Bonnel commented that most of the Community Colleges have those types of security measures in place and asked if they would be adequate under the IPA requirement. Mr. Bays said he thought so. Ms. Nezhura explained that currently institutions are to “establish training programs for institution employees regarding information security and confidentiality.” Member de la Garza asked what type of proof would be required to determine that training had been done. Mr. Dickason said that CSAC’s Information Security Officer (ISO) recommended the signing of Confidentiality Agreement on a yearly basis.
- c. Member Bonnel expressed concern about security and third-party servicers that package grant data for certain schools. Chair Jeffery explained that the third-party service provider is bound by the same concerns of the institution and these are written into the contract.
- d. Member Thomas recommended that CSAC follow the federal requirements as it pertains to security and third-party processors. She asked if the existing federal requirement could cover CSAC’s requirement. Mr. Dickason explained that he would need to pass that through CSAC’s ISO.
- e. Member Bossio asked if it was appropriate for the System Administrator (SA), since they determine who has access to the Cal Grant data, to also have access. Ms. Nezhura said yes.
- f. Member Bonnel reiterated the need for training for institutions so they fully understand what is expected of them. Mr. Bays suggested CSAC’s ISO provide the training.

Member Robinson asked what was meant by the sentence that stated “institution does not demonstrate financial stability” (p. 14, section A (2)). She asked for clarity on who is being referenced; the institution, CSAC or a specific source.

Jorge Cortez, Staff, School Support Services Branch, explained that sets of transcripts and minutes would be sent to a pairing of individuals who agreed to review them and provide input. Once reviewed, he added, the minutes would be presented to the GAC as a whole for ratification. Member Bonnel asked what would happen if there was no quorum to ratify the minutes. Mr. Cortez explained that the minutes would remain in queue until a quorum was secured. Member Bonnel expressed concern about those voting may not have been involved with GAC at that time and may not vote, thereby not generating the majority vote needed to ratify the minutes. Ms. Nezhura and Mr. Cortez explained the Uniform Policies would be reviewed for direction.

The next Work Group and full GAC meetings are scheduled for February 14, 2007, if needed, to review changes to the IPA warranting GAC review. Member Bossio asked if GAC would be voting at the February meeting to extend the existing IPA. Ms. Mistler noted that staff wanted to present the latest IPA version, after GAC input, to the Commissioners for review and comment at their February meeting; for informational purposes to show the status of the IPA changes. The Commission, she continued, is also looking at having a couple of meetings to meet with institutional staff and other stakeholders for feedback on the IPA.

Member Bossio then clarified that the Work Group is going to recommend to GAC that they recommend to the Commission that the proposed IPA not be moved forward; that the current one be extended with a review of the delivery system that would, in turn, drive the IPA. Chair Jeffery suggested the recommendation be put in context and feedback be provided regarding the sticking points of the IPA.

Member Robinson asked for clarification on the proposed election scheduled for the next meeting. Ms. Mistler explained that the current GAC Chair, Maria Hernandez, California State University representative, resigned and a new one had to be elected. Member Lindsey, previous Chair, could not be re-elected because she was the previous Chair and has had two consecutive terms. Member Bonnel asked Member Lindsey to consider re-election to Chair if it is determined by staff that the break from her previous elections, due to GAC Chair Hernandez' election for a few months, is viewed as a valid break; staff to check rule.

Member Lindsey thanked Chair Jeffery for all her work on the IPA review; she also acknowledged staff and commented on the effectiveness of the color-coding on the IPA.

The meeting adjourned at 4:16 p.m.

Kate Jeffery, GAC Work Group Chair

**CALIFORNIA STUDENT AID COMMISSION
GRANT ADVISORY COMMITTEE MEETING**

10811 International Drive
Rancho Cordova, CA 95670

**MINUTES
JANUARY 5, 2007**

**ADVISORY COMMITTEE
MEMBERS**

Kate Jeffery, Chair, UC

Mary Lindsey, CAPPS

Tim Bonnel, CCCCCO

Lora Jo Bossio, UC

Noelia Gonzalez, CASFAA

Maria Hernandez, CSU

Mary Robinson, CSU

Catherine Thomas, AICCU

Veronica Villalobos, AICCU

COMMISSION STAFF

John Bays, Chief, Information Technology
Division

Catalina Mistler, Manager, Specialized Programs
Operations Branch

Steve Caldwell, Chief, Governmental & Public
Affairs

Bryan Dickason, Manager, School Support
Services

Branch

Lori Nezhura, Staff, School Support Services
Branch

Drew Schrepel, Staff, School Support Services
Branch

Cora Manuel, Staff, School Support Services
Branch

Jorge Cortez, Staff, School Support Services
Branch

Tae Kang, Staff, Cal Grant Operations Branch

Irene R. Klauer, Staff, School Support Services
Branch

Sanjay Singh, Staff, Cal Grant Operations Branch

ALSO PRESENT

No member of the public.

Tab 1: Housekeeping and Roll Call

Drew Schrepel, Staff, School Support Services called roll for the Special Advisory Work Group Teleconference. Kate Jeffery, Chair, University of California representative, explained to the

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group that the meeting was a continuation of the previous call (teleconference). As noted by Mr. Schrepel, in his introduction, noted by the areas to be covered included 1) state-specific eligibility requirements as it pertains to grade point average (GPA) and residency requirements, 2) interest-bearing accounts, and 3) high school graduation verification.

Tab 2: Follow-up Discussion

Chair Jeffery asked if the reconciliation document, created by Grant Advisory Committee (GAC) members and California Student Aid Commission (CSAC) staff, was distributed to the GAC membership. Catalina Mistler, Chief, Program Administration & Services Division, said no. Ms. Mistler was asked to send out the document after the meeting for input from the membership.

Chair Jeffery also asked if the letter, discussing compliance to statute regarding high school graduation verification, was issued to GAC. Ms. Mistler said no, stating that she was awaiting input from the Community Colleges (CCs) and the private institutions. The information, she added, will be shared with the group as soon as it becomes available.

Mary Lindsey, California Association of Private Postsecondary Schools (CAPPS) representative, asked Veronica Villalobos, Association of Independent California Colleges and Universities (AICCU) representative, if there was a consistent way in which institutions verify high school graduation. Member Villalobos stated that they (institutions) do it their own way, but that she could get a better idea on the issue.

Chair Jeffery, at this point, commented that she did not want to use the word “verification” when discussing verifying high school graduation because she sees the process as a supplementary one where the goal is to “resolve conflicting information” which is different from verifying. Chair Jeffery also noted that she hoped the next meeting, scheduled for January 25, 2006, will be spent reviewing the latest version of the draft IPA.

Tab 3: State-specific Eligibility Requirements As It Pertains to GPA and Residency Requirements.

GPA ISSUE:

Chair Jeffery, in discussing the GPA, explained that the context for the discussion is understanding the responsibility of the institution and how that is reflected in the Institutional Participation Agreement (IPA). She explained that in the case of the GPA, there doesn't appear to be institutional responsibility since the process for completing the document is defined by CSAC.

Chair Jeffery asked GAC if the IPA should note that colleges are responsible for filing college GPAs on behalf of students. She explained that colleges do complete GPA verification forms for students, as do high schools, but does not believe completing the GPAs should be a condition of participating in the (Cal Grant) program. When asked, Bryan Dickason, Manager, School Support Services Branch, explained that at present, CSAC expects that the GPA calculation, completed by the school, is calculated correctly. There is no expectation, at present, in the IPA that specifically states the GPA filing requirement.

Tim Bonnel, California Community Colleges Chancellor's Office (CCCCO) representative, cautioned about including GPA filing (how it is calculated) requirements in the IPA, noting that

every school does it differently. He asked that any recommendation to the Commission requiring school GPA calculation be shared with him to see how what's proposed will work with system the Chancellor's Office has in place.

Mary Robinson, California State University representative, explained that the actual definition of the GPA is addressed in regulations in Title IV. Chair Jeffery explained that extensive discussions had been held on how to calculate college GPAs. There was no further discussion on GPA calculation.

RESIDENCY ISSUE:

Chair Jeffery explained that there were two issues to keep in mind. They included:

- 1) **Residency Definition-** How it is defined for Cal Grant purposes;
- 2) **Residency Measurement-** How it is measured and who's responsible for measuring it.

Chair Jeffery also encouraged GAC members to keep the following in mind when having the residency discussion:

- 1) Public institutions have a definition of California residency for tuition purposes and those definitions are all based on the Ed Code statute that speaks to residency for tuition purposes.
- 2) Governing boards of the institution develop rules and policies for implementing the statutes; each segment has already done this.
- 3) Residency determinations are being done, for tuition purposes, in each of the segments and they may not end up being the same.
- 4) Defining residency for the Cal Grant program includes two issues:
 - a. Determining the overall requirement for being a California resident in order to receive a Cal Grant.
 - b. The special case issue with the Transfer Entitlement (E2) program where the student had to be a California resident at the time of high school graduation (10% verification process). Chair Jeffery commented that the CSAC's definition of residency will vary from what the three public segments have developed.

Chair Jeffery outlined the framework for three different options for the residency issue. They included:

- 1) CSAC defines California residency for Cal Grant purposes and ensures all segments use available data. There would be no responsibility on the part of the institution for determining residency for Cal Grant purposes.
- 2) CSAC defines California residency for Cal Grant purposes and determines residency for the independent and proprietary institutions using available data. In their definition, they (institutions?) define residency for Cal Grant purposes to be the same as the definition used for tuition purposes at the public segments, and it is then the public segment's responsibility for ensuring the Cal Grant recipients meets their own (institution?) definition.
- 3) CSAC defines California residency for Cal Grant purposes; makes a preliminary determination for all the segments on using available data; and relies on the institutions to confirm or make the final determination that someone is a California resident for Cal Grant purposes using the CSAC definition. The definition to be described in the Cal Grant Manual.

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Bryan Dickason, Manager, School Support Services Branch, was asked to discuss the current process for determining student residency. Mr. Dickason explained the following:

- 1) CSAC receives the Free Application for Federal Student Aid (FAFSA) if the student indicates they are a California resident OR intends to attend a California school.
- 2) Students can forget to indicate their residency and not be considered for a Cal Grant (approximately 4-5,000 students). If they indicate they intend to go to school in California, they get a chance to correct their residency and be considered for an award.
- 3) Students who indicate California residency and are an entitlement participant and they're residency date is before their graduation date, they are run down the residency path.
- 4) Residency is defined as 1 year prior to the March 2nd date.
- 5) For students who are considered minors, as well as those that are not, and have indicated they are California residents, staff checks against their graduation date to determine program eligibility.
- 6) Students who say they're minors and California residents, but parent(s) are not residents and there is no high school graduation date, are excluded from the competition (they do not pass edits).

Chair Jeffery asked about the expectation of institutions regarding determining student residency and the March 2nd deadline rule (1 year prior to competition deadline). Mr. Dickason explained that the residency deadline was worked into the training curriculum and the Cal Grant Manual, but not necessarily put out via Grants Special Alert (GSA).

Maria Hernandez, California State University representative, asked if schools were to report non-resident students only if conflicting data was available, since this was the expectation of CSAC. Mr. Dickason said yes. Member Bonnel indicated that this was a catch-22 question; noting that if you have the information there's already a conflict and you have to check it.

Member Robinson indicated that by CSAC having their own definition, they are essentially establishing a revised definition and expecting institutions to employ this definition. Mr. Dickason concurred, stating that CSAC would expect that a school check their residency date against the March 2nd date. Chair Jeffery explained that there are many things that go into determining residency and in order to have conflicting information, the person doing the determination would have to do the calculation (analysis) the same way it's done by CSAC. Member Bonnel, in discussing what would constitute conflicting information, noted that the process for resolving conflicting information, as well as what constitutes conflicting information, is not clear.

Member Bonnel explained that the simplest business model would be the one that allowed CSAC to accept the public institution's determination of residency since all are using the same code. Each public institution, he added, should be able to determine residency and in that way there is no double determination or inconsistency. Further, CSAC would define residency for the private and independent colleges.

Catherine Thomas, Association of Independent Colleges and Universities (AICCU) representative, commented that private institutions have not necessarily been responsible for doing anything extraordinary, as it pertains to residency, unless there was conflicting documentation; in her view, this process has worked well to date. In response to Chair Jeffery's question as to what Member Thomas does when a student lists a permanent address out of state, she explained that staff does further research on the file. Staff, she added, also checks further if they think a student is a resident and eligible for Cal Grant consideration, but is not being considered.

Member Thomas explained that the verification process at her school is comprehensive and it is rare that they would miss something like residency or financial eligibility.

Chair Jeffery commented that the residency issue will come down to the following:

- 1) What constitutes conflicting information?
- 2) If conflicting information does exist, based on a set definition, does it require the school to do additional scrutiny?
- 3) How is additional scrutiny done when the process is different from what is currently being done at the institution?

Member Bonnel commented that his segment would be looking to have the IPA be simple to implement; clear and understandable and that it not pose a huge burden on schools not currently doing residency review. Member Lindsey asked why residency verification has become a huge issue and Chair Jeffery asked why the burden of using CSAC's definition was being put on the institutions. Chair Jeffery agreed with Member Bonnel that whatever process is chosen, it must be simple otherwise determining residency will be as difficult as determining need. She further stated that maybe determining residency should be the responsibility of CSAC; using any data available to make sure it's collected upfront so it is not an institutional responsibility.

Member Lindsey commented that the Cal Grant application process (residency issue) has become more complicated with the residency start date going back a year from the March 2nd deadline. When starting in financial aid, added Member Lindsey, the residency date went back one year from September. She noted that if CSAC is going to make processes more complicated, they (CSAC) need to take some of the responsibility instead of passing the responsibility to the campuses.

Catalina Mistler, Acting Chief, Program Administration & Services Division, explained that CSAC needs to know how institutions are verifying residency so that CSAC can definitively state if there is compliance and too, so that concerns from the institutions can be addressed in staff recommendations. CSAC, she added, doesn't seek to complicate matters for institutions.

Member Lindsey explained that she understood Ms. Mistler's position, but added that students have responsibility too when signing under penalty of perjury. Member Lindsey expressed concern about a perceived growing trend that CSAC has difficulty getting matters done (verifying residency) so the responsibility is passed to institutions.

Chair Jeffery offered that maybe CSAC could specify a few factors institutions should look at, as it pertains to the residency issue (e.g., a graduate of a California high school), but she did not support holding a public or private campus responsible for determining California residency for Cal Grant purposes beyond that simple level. Member Lindsey offered, for example, the school verifying that a student did not graduate from a California high school and CSAC following up with the student to resolve the matter.

Chair Jeffery asked for CSAC's definition of California residency. She also asked that Mr. Dickason talk about the correction process completed by staff. Mr. Dickason explained that the student receives a form from CSAC asking them to certify they are a resident of California and to return the form. Once the residency is verified, the student record is run down the "entitlement" path for Cal Grant consideration. In response to different questions regarding the correction process, Mr. Dickason agreed that entitlement students who do not show California residency on the FAFSA receive the correction letter.

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In an effort to get further clarification on how CSAC determines what students to ask, Member Bonnel asked if confirmation was occurring only with 18 year olds and older. Member Robinson asked if CSAC was telling students how residency is defined. Chair Jeffery suggested that different questions be added to the residency form to address the different issues raised by the members.

Mr. Dickason agreed that the edits could be tightened down on the front end and more students would be identified for questioning on the residency issue, but reminded the group that prior to the entitlement program, missing the residency question was a fatal error (could not be corrected). Mr. Bonnel reiterated the need for a simple process for securing the residency information, recommending that public segments be allowed to adopt their own residency requirements as specified in Title V and the Education Code and the school's own documentation. His goal, added Member Bonnel, is to minimize manual intervention.

Chair Jeffery concluded the following from the discussion thus far:

- 1) Institutions should be responsible for identifying and resolving conflicting information, but the conflicting information to be looked at must reflect main factors that are readily available for the institutions to look at (identify).
- 2) Public institutions to look at their definition of residency and, if different from CSAC's definition, the institution to determine if the student met the requirement.
- 3) Public institutions to use their definition of residency for tuition purposes. Institutions responsible for residency determination. CSAC has no responsibility.

During discussion, Member Lindsey asked if 1) a student could be Cal Grant eligible in one school and not another, and 2) how would the definition used for the publics be applicable to the privates. Chair Jeffery answered yes to the first question noting that it becomes a matter of whether or not the institution aligns the Cal Grant definition with the institution so that there isn't a discrepancy or use a single Cal Grant definition across segments. On the second question, Chair Jeffery explained that the discussion was only addressing variations on the option where CSAC defines residency.

Member Thomas explained that what they do is understand what the California (CSAC) definition for residence is and make sure that everything they do is parallel to that definition. She continued that privates, independents, and proprietaries are responsible for making sure there is no conflicting information with the State's definition and nothing greater than that.

Member Lindsey commented, in response to discussion about the reason a private would be checking for residency, that it is not clear what the definition for residency is and that she's unable to discern what, specifically, would be cause for follow-up on a student's file. Chair Jeffery offered that in the case of "red flags" going off regarding a student's residency, verification could be optional for the school to do it, assuming they feel confident in their review, or report back to CSAC for conflicting information. Member Lindsey noted that this approach may work. Member Lindsey agreed, noting that it's in the institution and student's best interest to get the student moving, but in some cases the institution may want to get back to the Commission to resolve the situation and make a determination.

Member Robinson, after hearing the discussion on residency definitions from the different segments, noted that Chair Jeffery's recommendation for schools to abide with CSAC's definition of residency may need to happen due to the entitlement program. CSAC would need to define, by regulation, what a state resident is for Cal Grant purposes and institutions would need to abide, added Member Robinson.

After much discussion, Chair Jeffery reiterated the issues/recommendations being discussed:

- 1) That CSAC have a single definition for California residency for Cal Grant purposes that applies to all students irrespective of the institution at which they enroll.
- 2) That CSAC explore ways to improve that information collected the CSAC supplemental correction form for residency (more accurate).
- 3) Institutions are responsible for resolving conflicting information.
- 4) Conflicting information for private and proprietary segments means that the school has information (at least one factor) that differs from what CSAC determines is residency.
- 5) Conflicting information for the public segment means that CSAC's definition of residency differs from the institution's definition of residency for tuition purposes at that segment.
- 6) The institution (private & public) has the option of applying CSAC's definition, in an effort to correct/ resolve a residency issue, or forward the case to CSAC for final determination.

Member Bonnel expressed concern about the permissive tone of the recommendations. He expressed the need for clarity in what constitutes "conflicting information." Chair Jeffery explained that the only indicator the publics would be responsible for would be their own residency determination. She further agreed with Member Bonnel noting that the publics do not have to go any further in their analysis if the institution's definition of residency is consistent with CSAC. Member Bonnel indicated that he wanted to know the "indicators" before moving forward with recommendations.

Chair Jeffery, after some discussion about the recommendations not being clear, decided to reiterate them (see listing above) and noted that the best indicator of possible conflicting information is the institution's own residency determination, where the institution has put together all the rules based on different factors and sources, and identifies red flags. Member Thomas reiterated concern about the definition of conflicting documentation, explaining that she was left with the impression that even if the registrar knows there's conflicting information, the student would still receive a Cal Grant. Members of the group, and Chair Jeffery, assured her that institutions would still be applying the residency criteria set by CSAC and their own schools.

To further clarify residency, Member Bonnel, in citing what Catalina Mistler, Chief, Program Administration & Services Division, shared with him, offered the following education codes:

- 1) Section 68017- a resident is a student who has residence pursuant to Article 5, commencing with Section 68060 of this chapter in the State for more than one year immediately preceding the residence determination date.
- 2) Section 68022- this section puts the responsibility for determining residency at each of the public segments.
- 3) Section 68012- this section gives the authority for determining who a residence is under the governing authority; to individual boards or districts.

Chair Jeffery clarified that other statutory language says CSAC is to determine residency for Cal Grant programs and in doing that, there is nothing stopping CSAC from saying that one possible implementation of the law is to use the definition that the governing boards have determined for tuition purposes at the segments. Member Robinson explained that this is likely the preferred approach, but there will likely be inconsistency among institutions. Chair Jeffery reiterated that the institution can resolve the conflict given their definition of residency, or forward to CSAC for resolution.

Tab 1.g

Member Bonnel, in response to discussion regarding CSAC defining residency for the program, asked if a clause could be put into the recommendation that addressed portability of the awards; meaning once the determination of residency has been made, that determination is good for wherever the student attends school. Member Lindsey thought it a great idea. Member Bonnel expressed concern with a student being considered a resident at one segment and a year later, at another segment, the student would not be considered a resident.

Chair Jeffery expressed confusion over Member Bonnel's example of residency, noting that this is why a single definition would be used for Cal Grant programs. Member Lindsey explained that the reason the same student can be a resident in one school and not at another has to do with the "triggers" be different within schools.

Member Hernandez asked if, when defining California residency, the group is talking about the definition for the program and not for tuition purposes as defined by the segment. The example she provided had to do with the AB 540 students and what would constitute the red flag in that case. Member Lindsey explained that 540 students were not eligible for Cal Grants because they are undocumented; not United States citizens. Chair Jeffery explained that 75% of UC 540 students are documented and they are non-residents for tuition purposes, but for Cal Grants they would be residents because they'd been in high school for three years. Mr. Dickason agreed, noting that most likely such students would come under the provision of living in California for two years with a non-parent adult.

Bringing the group back to the proposed recommendations, Chair Jeffery asked if there were other concerns. Member Lindsey noted that the outstanding piece for her was the exact definition and criteria for residency. Chair Jeffery explained that CSAC would have share what is noted in the manual. Member Lindsey concluded, then, that the definition, as in the manual, is not being changed and that what is being discussed is how to resolve "conflicting information." Chair Jeffery agreed.

When asked how this language, discussing residency, be incorporated into the recommendation to reflect a CSAC-approved decision, Chair Jeffery explained that either the IPA, or separate document, should discuss the institution's responsibility in terms of resolving conflicting information, but expressed she was unsure on how to address the independents. Member Lindsey explained that no real change had been made in this discussion; that institutions have always been accountable for resolution under conflicting information with the only difference being additional clarification for the publics. Additionally, added Chair Jeffery, GAC is notifying CSAC that there is potential discrepancy on how residency is defined and offering another option to institutions on how to resolve (either the school resolves or turns it over to CSAC).

Discussing implementation of the IPA, Member Bonnel noted that from a legal stand-point, the new IPA would have to go into effect in 2008-09. After hearing Ms. Mistler indicate that the March 2nd date used for residency will be looked at by staff counsel, and may change, both Members Bonnel and Jeffery expressed concern about change to the definition, and implementation of the IPA in 2007-08, especially since the award cycle had begun. Chair Jeffery explained, however, that another meeting was scheduled to discuss what would be noted in the IPA; what should be cited in CSAC memo format or use some other way of communicating to schools what is required. Chair Jeffery moved the group onto the next issue.

Not clear if action was taken.

Tab 4: Interest-bearing Accounts.

Chair Jeffery explained the issue:

- 1) Institutions to establish separate bank accounts to handle Cal Grant funds. This would be put in place to avoid co-mingling funds; there would be separate ledgers.

When discussing the issue of separate bank accounts, Ms. Mistler explained the following:

- 1) Having schools establish separate accounts is still being considered.
- 2) There is staff concern of whether or not funds are used as intended.
- 3) When commingling funds, there is concern that the funds are being directly provided to the student.

Chair Jeffery expressed concern that maybe two different issues were being confused. They included:

- 1) The physical bank account; where the funds actually sit.
- 2) The account systems for the ledger accounts; system used for tracking money in various physical bank accounts.

Federal regulations, noted Chair Jeffery, allow for a commingled bank account with the expectation that the institution will have an internal control system that “identifies the cash balance of the funds in each of these programs that are included in the institution’s bank or investment account as readily as if those program funds were maintained in a separate account.” Chair Jeffery asked if CSAC could put language like this in the IPA to address CSAC’s concern with accountability. Ms. Mistler said she did not think this approach would resolve the commingling issue and she asked if these accounts would identify where the money goes. Chair Jeffery explained that the ledger accounts show how much Cal Grant money is at the university, but within that ledger, there also exist an accounting of the date and the student to whom the money was expensed.

Member Bonnel indicated the recommendation states that there be a separate account and that accounting records are to be kept of the transactions of that account. Part of the issue, added Member Bonnel, is that if a school ceases to exist, they will not be able to tap into Cal Grant funds to pay off creditors if that money is kept in a separate account.

Using the federal model for accountability, Chair Jeffery reiterated the approach that allows commingling of funds by the institution, but requires the institution to identify those accounts where state funds exist. CSAC, as the “secretary” of that account, has the authority to require an institution to keep Cal Grant funds separate from other funds if determined that the institution failed to comply with some set requirements noted by CSAC. This approach, noted Chair Jeffery, would give CSAC the flexibility to go in and require a specific institution to keep separate bank accounts, but not require it across the board; federal regulations would set precedence. Members Thomas, Bossio, and Bonnel agreed.

Member Bossio asked CSAC staff if there were red flags for institutions that had gone bankrupt. Ms. Mistler noted that bankruptcy, and collecting the money, was one of the concerns. She also noted use of the funds, and paying students directly, was the other concern, especially as it pertains to commingling of funds. Chair Jeffery explained that commingling referred to institutions taking cash on hand and investing it. The separate ledger, she continued, allows for accounting for the different sources of funds an institution may have. Chair Jeffery encouraged CSAC to focus on the ledgers and not so much on where the funds are actually sitting so that this way, if there are concerns with the accounting system of an institution, CSAC can require a

Tab 1.g

ledger be put in place. Chair Jeffery's concern is that having a separate account doesn't guarantee appropriate use of money.

Member Thomas indicated she wanted to ensure institutions maintained choice in having Cal Grant funds in an interest-bearing account because in this way, there would be no calculation needed and the institution would know what to do with the interest earned. Member Veronica Villalobos, Association of Independent California Colleges and Universities (AICCU), asked if the concern was with institutions using Cal Grant funds for purposes other than intended, or bankruptcy. Ms. Mistler noted that she could not speak for Charles Wood, Manager, Compliance Unit, but that staff believed there have been some problems. Member Robinson noted that you don't impose requirements on all participating institutions just for thinking there's abuse. Ms. Mistler explained the abuse was not the reason for the recommendation, but instead what the auditors saw in their review. Members Villalobos and Noelia Gonzalez, California Student Financial Aid Administrators (CASFAA) representative, noted that they did not hear or recall there being a problem.

Member Bonnel asked if there was a recommendation on the floor. Member Robinson noted that if CSAC recommends that funds be kept in separate accounts, that CSAC make provisions to have all banking related fees deducted before interest is paid to CSAC or the state. Chair Jeffery expressed concern about providing a recommendation that CSAC will actually adopt. Ms. Mistler explained that staff needs to understand GAC's concerns so they can be incorporated to the recommendation. Chair Jeffery advised that staff look at the federal model for safeguarding Cal Grant funds. Member Bonnel agreed adding that the process used by the federal program may not be what the auditors recommend, but it is a legitimate methodology for tracking, reporting, and gathering interest and returning it to the appropriate parties.

Member Bonnel asked if GAC's recommendation to CSAC simply be to parallel the federal process. Member Bossio and Chair Jeffery agreed, with Chair Jeffery noting that at this point, CSAC needed to come back with language that justified a prohibition against commingling; against use of a process similar to the federal regulations (model).

Member Robinson suggested CSAC could issue checks in the name of the student, forward the check to the institution and the institution could disburse to the student. Member Bonnel reiterated Member Robinson's other point being that if institutions are required to maintain separate accounts, any fees associated with those accounts should be deducted before returning any earned interest. Ms. Mistler noted that the issue of associated fees had surfaced before and asked if the matter had been resolved. Member Bossio explained that her institution had looked at the issue and noted that there were more charges associated with the separate account than interest earned.

Chair Jeffery noted that it's clearly more efficient for the State to have institutions commingling their funds because it allows greater ease in investing the funds and generating better returns than funds sitting in an interest-bearing account; doesn't make sense not to use the ledger accounts.

Chair Jeffery moved the group to the next issue: interest based on a net balance in the interest-bearing account versus interest based just on positive balances. Chair Jeffery asked Ms. Mistler if CSAC was still open to looking at the use of net balances rather than just the positive balances. Ms. Mistler said that staff wanted to better understand the concerns around this issue and also determine the frequency and impact of net balances on institutions.

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Member Robinson, in an effort to work with Chair Jeffery to frame or understand CSAC's concerns with this issue, suggested that CSAC look at the issue in terms of how it impacts the student. In particular, she added, when the State hasn't passed the budget and campuses have to find the money to cover Cal Grant funds. Another scenario, added Chair Jeffery, is when CSAC has not advanced enough funds to the institution to cover their current awards and the funds have to come out of the institution's source until CSAC funds come in.

Member Bossio noted that looking at a net balance is a fair way of looking at the issue because this approach addresses all costs associated with that account (good practice). Ms. Mistler explained that another concern is that if there is a late budget and schools award their students, and the budget is cut, CSAC has no statutory authority to forgive that debt.

In an effort to get clarification on the direction of the discussion, Chair Jeffery asked is the group was discussing the interest being lost by the institution for advancing funds. Ms. Mistler said yes. Chair Jeffery asked if there were other issues with netting out the balances; she asked how staff sought to determine the size of the issue and finally, she commented that the issue may be large now, but it should diminish in size as institutions do better in reconciling the awards (having cash advances).

Chair Jeffery commented that there should no big balances on either side; either advanced or sending out cash that's being spent or returned. She also noted that CSAC's efforts should work toward reducing the positive and negative balances in those accounts (institutions that have accounts with this status) than trying to get interest back from outstanding funds.

Ms. Mistler, again, asked that GAC forward all concerns regarding this issue so that so that they be considered when crafting CSAC's recommendation. Asked to paraphrase the concerns expressed by GAC members, Ms. Mistler noted that the issues included the potential impact of a late budget in paying awards; advances to institutions that aren't large enough; and crediting funds before the budget's passed and before CSAC reimburses funds to schools. Another issue, noted Member Robinson, has to do with reconciliations not completed in time to get additional advances (advance not being sufficient). Member Bonnel noted that the advances issues was resolved because the advances were being calculated on prior year fall reconciled, which would have included the awards for the October rosters.

Member Bonnel noted that at one point, there was discussion about allowing schools to choose when they wanted to receive their advances as well as the percentage of the advance received. Chair Jeffery commented that an institution should not be penalized for advancing funds because advancing funds is serving students and it just seems counter to the goal here of putting something into place that will tend to make institutions not want to advance funds. Having heard all comments on the issue of interest-bearing accounts, Chair Jeffery closed the discussion.

Next issue was to set dates for upcoming workgroups addressing non-term schools and the selection criteria issue. Ms. Mistler noted that Laura Cunha, California Association of Private Postsecondary Schools (CAPPS) representative, will be asked to chair work group for non-term schools. Member Robinson was asked to chair the selection criteria work group; she and Ms. Mistler would discuss the time frame and charge of the work group. Dates for other proposed meetings (GAC & work groups) would be determined through polling of GAC members.

No action taken.

Ms. Mistler adjourned the meeting at 3:45 p.m.

Kate Jeffery, GAC Work Group Chair

**CALIFORNIA STUDENT AID COMMISSION
GRANT ADVISORY COMMITTEE MEETING**

10811 International Drive
Rancho Cordova, CA 95670

**MINUTES
DECEMBER 14, 2006**

**ADVISORY COMMITTEE
MEMBERS**

Maria Hernandez, Chair, CSU
Mary Lindsey, Vice Chair, CAPPs
Sharon Bowles, K-12
Tim Bonnel, CCCCCO
Lora Jo Bossio, UC
Laura Cunha, CAPPs
Noelia Gonzalez, CASFAA
Maria Hernandez, CSU
Kate Jeffery, UC
Sally Pace, K-12
Catherine Thomas, AICCU
Veronica Villalobos, AICCU

COMMISSION STAFF

John Bays, Chief, Information Technology
Division
Catalina Mistler, Manager, Specialized Programs
Operations Branch
Bryan Dickason, Manager, School Support
Services
Branch
Lori Nezhura, Staff, School Support Services
Branch
Drew Schrepel, Staff, School Support Services
Branch
Cora Manuel, Staff, School Support Services
Branch
Jorge Cortez, Staff, School Support Services
Branch

ALSO PRESENT

No member of the public.

Tab 1: Housekeeping and Roll Call

Drew Schrepel, Staff, School Support Services called roll. Catalina Mistler, Acting Division Chief, Program Administration & Services Division, explained to the group that the teleconference was called to review and discuss the Institutional Participation Agreement (IPA).

The two topics identified for the teleconference, she added were 1) high school graduation date and certification and 2) summer reconciliation. Work group Chair Kate Jeffery, University of California representative, proceeded to lead the discussion.

Tab 2: Discussion on Summer Reconciliation Process

Chair Jeffery notified the group that Mary Lindsey, Chair, Grant Advisory Committee (GAC), would co-chair the work group discussion with Ms. Lindsey leading the summer reconciliation discussion and Chair Jeffery leading the issue of high school graduation date and certification. In discussing reconciliation, Ms. Lindsey began the discussion by asking about an appeal process for students who weren't paid by the end date of the reconciliation process for a given year. Based on entitlement program requirements, Ms. Lindsey asked if the student would lose their eligibility due to non-payment.

Bryan Dickason, Manager, School Support Services Branch, explained that if a student has not been paid CSAC sends them two letters:

- 1) The first is the "unable to determine" letters which explains the student's current status, and what they need to do to bring their account current,
- 2) The second is the withdrawal letter. If student responds to letter, they are reinstated.

The letters, he added are issued after the end of the academic year, allowing for ample time to resolve pended files. The practice, noted Mr. Dickason, is to allow for correction (six months out), via a manual correction process, of errors that may have occurred.

Member Lindsey noted a scenario discussing summer term (at the end of the academic year) as it pertains to the life cycle of the reconciliation process. She noted that if a student received payment for a summer term, that would put the six months out to March and then five months past that would be July. Chair Lindsey asked if this was the time frame with which the school would be working. Mr. Dickason said yes, noting that the expectation is that the school and/or the student would be keeping CSAC informed of the student's enrollment status.

Given the background provided by Mr. Dickason, Member Lindsey put forth two possible solutions for addressing the proposed reconciliation requirement:

- 1) **Traditional Academic Year Model (Sept.-June)** - Include a provision in the traditional model that allows for the school to report pending payments. These would be the students who've not been, but the school expects to pay. CSAC could encumber funds for this group of students so that the final reconciliation could be known.
- 2) **Summer Trailer-** Second recommendation is use summer as "trailer" for payment purposes and as a "header" for reconciliation. The thought is that schools could have the final reconciliation date of October 15th each year if the summer reconciliation that fit in that year was always from the prior year. State budget years would be crossed.

In response to Lora Jo Bossio's, University of California representative, inquiry, Mr. Dickason explained the following regarding the handling of state funds:

- 1) CSAC has to choose one date between the agency (CSAC) and the Controller's Office.
- 2) CSAC has up to three years to return all unexpended funds.
- 3) While CSAC has up to three years to return funds, the Controller's Office does not want to be sending out funds far beyond the time frame for which they are intended.

- 4) The Controller's Office keeps funds earmarked for CSAC until notified, by CSAC, that funds can be disbursed to schools.

Member Bossio suggested use of a two tier approach; keep October 15 date for the fall, winter, and spring terms and December 15th for the summer term. She offered this option in response to summer trailer recommendation noted by Member Lindsey. Member Bossio expressed concern about staff trying to reconcile two different years at the same time.

Chair Jeffery asked if having one reconciliation date was a work load issue for the Controller's Office. Mr. Dickason said he thought it was, adding that the State disburses tens of thousands of checks and EFTs for other State entities. He commented that tightening down on the term reconciliation process will help schools stay in compliance and ultimately tighten the year-end process as well.

Chair Jeffery asked if having December 31st as a final reconciliation date, and which would include the summer term, satisfy auditor concerns. Mr. Dickason explained that the auditors, in issuing their recommendation, wanted a physical end (a date) at which point CSAC would not be sending out additional funds and would actually be invoicing the schools.

Chair Jeffery proposed the following:

- 1) Keep the October 15th date as final reconciliation date for the academic year.
- 2) Have an internal reconciliation date with CSAC that did not involve the auditors, but would allow CSAC to start the penalty process, internally after notification to schools.
- 3) Have December 31st be the official total year reconciliation

From a system perspective, noted Mr. Dickason, the academic year could be brought to a close on a set date (Oct. or Nov. 15th) and invoice later, but would hesitate to extend dates, as it pertains to the collection process, per the request of the auditors to "ratchet down" the reconciliation process. Member Bossio explained that it would be fair to say that the October 15th date for year-end reconciliation has been in place, but the process to do so was not and due to the number of schools now doing summer funding, that existing date is not realistic.

Chair Jeffery explained that she simply wanted to have December 31st date to close the entire year, which would include the summer term. Ms. Mistler noted that the issue of a final date is tied to processing records for the next year. The IT shop, she added, needs a final date to bring up the new tables and the new allocations for the awards for the upcoming year.

Ms. Lindsey supported Chair Jeffery's recommendation regarding the two dates. Mr. Dickason said the recommendation sounds like a realistic approach to addressing the needs of all parties; the auditors, schools, and the Controller's Office.

Mr. Dickason began discussion about the "teeth" of the IPA; he wanted to discuss consequences for schools not meeting deadlines. Member Lindsey explained he was addressing two issues: 1) schools with traditional academic school years that, for whatever reason, do not reconcile by October 15th, and 2) the audit piece addressing compliance. Mr. Dickason explained that the purpose for noting this issue is so that this component is built into the IPA.

Member Bossio, in discussing final reconciliation dates, explained that the October 15th date did not work in past years or current year. She asked if the proposed reconciliation dates of November 15th and December 31st dates should not be revisited since choosing these dates

takes school and CSAC operational concerns into consideration. Member Lindsey reiterated the need to reconsider the dates noting that her concern is with schools getting their summer terms done by December 31st.

In discussing invoice letters to collect outstanding funds from schools, Chair Jeffery asked if a set of parallel letters, issued by CSAC, rather than the Controller's Office, could be sent. Mr. Dickason explained that the letters currently sent to schools are issued by CSAC and they have penalties associated with them; the 120-day invoice letter informs the schools that they are no longer participating in the Cal Grant Program.

Member Lindsey paraphrased the group's recommendation regarding the reconciliation process:

- 1) Move existing October 15th deadline to November 15th for institutions with traditional academic years (no summer term).
- 2) Summer term institutions would have until December 31st to get their reconciliation into CSAC.
- 3) CSAC to send same letter to November and December institutions regarding penalties.

Mr. Dickason explained that his understanding for considering the November 15th date was to better meet the processing needs of institutions and CSAC and to have one reconciliation date. For schools with summer term, he added, they would have until December 31st to get their summer term reconciled. Mr. Dickason concluded that the recommendation being put forth by GAC was reasonable.

Chair Jeffery got clarification on the following:

- 1) November 15th reconciliation date is for schools that finish school in June.
- 2) December 15th reconciliation date is for schools that have summer terms.
- 3) Summer schools include voluntary and mandatory summer programs.
- 4) Controller's Office would not start invoice process until December 31st. One date for the Controller's Office.

Member Lindsey asked why a campus would not return outstanding funds based on their own reconciliation at the time of their final reconciliation. Member Lindsey commented that if campuses know how much money they're going to return, then do so in November so as not to add a potential 30 days to the existing process (this would address auditor concerns). Member Lindsey asked if part of the recommendation be that 1) if any unused funds remain after reconciliation, they be sent when the reconciliation is completed (November), and 2) CSAC would only generate invoices to institutions that had not returned correct amounts.

Tim Bonnel, California Community Colleges Chancellor's Office (CCCCO) representative, asked if CSAC has an accounting system in place that would be able to reflect payments that had already been returned from a school and would that be reconciled in enough to avoid invoices going out for money that has already been returned. Mr. Dickason explained that CSAC can accept funds, but would need to check on the process to prevent invoicing a second time for the same funds. Member Bonnel commented that having confirmation from CSAC (confirming email) that funds were received would be critical for the schools from a compliance stand point.

Member Bonnel also asked if the CSAC could accommodate having two separate deadlines. Mr. Dickason explained that CSAC system can handle the two dates and that schools will have to realize that if they don't send in money by November 15th, compliance staff will take action.

In discussing the reconciliation process when you owe money, Member Bonnel asked if a school would be delinquent if they owed money, did not pay it by the November 15th deadline and waited for an invoice from CSAC for November 31st and then paid it within 30 days. Mr. Dickason explained that the school would not be delinquent from the state's standpoint (following the delinquent letters sequence; 30, 60, etc.), but they would be out of compliance because they did not meet the November 15th date. The goal, added Mr. Dickason, is to encourage schools that have funds to return, to simply do so.

Mr. Bonnel noted he was not comfortable with the seemingly loose aspects of the reconciliation penalty process, explaining that it would be hard to explain what schools are to do (what is expected of them). Member Lindsey asked if she was missing something in the discussion because she thought the process to be concrete. Mr. Bonnel explained that he has to be able to tell his colleges the potential for compliance audit findings for both the November and December deadlines, especially since letters are triggered in December for unpaid invoices. If there are other consequences based on a college's reconciliation on or before November 15th, he needs to know that so CSAC can communicate that to the schools.

Member Lindsey explained to Member Bonnel that GAC is proposing the reconciliation dates be hard and fast; noting that the deadline for some institution will be November 15th while for others it will be December 31st. Member Bonnel asked if schools with discretionary summer terms have until December 31st to reconcile. Member De La Garza asked if it was feasible to have a "submission period" for schools of November 15th through December 31st for reconciliation, with a hard deadline of December 31st.

Mr. Dickason explained that the October 15th deadline has always been in place and the audit findings brought about the understanding that it needed to be enforced. When staff learned of the impact of summer payments, the date was pushed back to November 15th as a single reconciliation date. To push it to December 31st, he added, puts the process where it already is.

Member Lindsey disagreed with Mr. Dickason, noting that schools will be doing "near reconciliation" now and should minimize the amount of money outstanding by the December 31st deadline. Mr. Dickason noted that the CSAC executive team, along with CSAC auditors, would need to understand the GAC recommendation, but conceded that he was able to see GAC's point. Member Lindsey added that she believed that the October 15th date was based on academic years ending in June, but with more schools having summer terms, the reconciliation period needs to also offer them the 4-5 months to reconcile.

Chair Jeffery wanted clarification on the reconciliation dates being discussed:

- 1) Near reconciliation date which includes summer and 60 days after the end of the term.
- 2) Reconciliation date for traditional academic year schools (November 15th).
- 3) Reconciliation date for summer term schools (December 15th).
- 4) Reconciliation date for all schools of December 31st).

Mr. Dickason recommended that the traditional academic year schools not making summer payments have the October 15th date. Having heard the potential between the reconciliation dates and the periods for each of the notice letters (30, 60, up to 140 days), Member Bonnel proposed:

- 1) Institutions submit excess funds with their reconciliation. This would apply to all deadlines.

- 2) Invoices issued from CSAC would require that review of that schools account to see if school records match. CSAC would have to review the account beforehand and before issuing invoice.

In response to Member Bonnel's question regarding manual processing of returned funds, John Bays, Chief, Information Technology Division, explained that the invoicing process is automated while the processing of returned funds is manual, unless done through adjustments through the student's payment. Member Lindsey asked if schools could return funds when reconciling, but also let CSAC know that there are student accounts pending. Mr. Dickason explained that would be problematic, creating a back and forth of funds, and that is why CSAC is aiming for a single reconciliation date.

Member Lindsey asked if an appeal process could be put in place to address exceptional cases in the first year of the hard dates. Mr. Dickason explained that for those schools that have reported exceptions, CSAC has been able to accommodate them and ensure the student is not harmed. As for the duration of a student's "entitlement status" once that student has been withdrawn, Mr. Dickason explained he would need direction from legal. Member Lindsey reiterated the need for an appeal process for such cases.

Chair Jeffery explained that the expectation of institutions for "pended" student accounts is that they be resolved before the final deadline. If an error is found later, and depending on what counsel says, the matter can be handled as an exception. Hearing the reconciliation dates change from November back to October, Member Bonnel explained his support keeping the November reconciliation date for the schools given all other work expectations for them in October (year-end, FSAPS). Chair Jeffery opposed the November date for schools with summer terms. Member Lindsey, concerned with the variation regarding amount of time allowed some segments for final reconciliation, explained that the November 15th date is too soon for institutions that have summer terms.

Mr. Dickason agreed to move forward with GAC's recommendation regarding the new reconciliation dates to determine if executive staff support exists. If it does not, Mr. Dickason to contact specific GAC members and open dialogue between staff and GAC members.

No action(s) taken.

Tab 3: Discussion on High School Graduation Date and Certification

Chair Jeffery began the discussion by noting the guiding principles for the discussion:

- 1) **Accuracy of Existing Process-** Work group asked if the current process ensures grants are going to high graduates and the opposite of that, are eligible high school graduates being successful identified and offered a grant. Current study by CSAC shows that current process is working effectively.
- 2) **Theoretical Accuracy of Existing Process-** This refers to having a process in place that "theoretically" is 100% effective/accurate. Current practice employs projection of graduation rate and that keeps CSAC from complete accuracy.

Chair Jeffery provided the following ideas/options on determining high school graduation status for Cal Grant applicants:

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- 1) High school verification to be based on the GPA Verification Form. Colleges to reconcile conflicting information.
- 2) Use current process for determining high school graduation, but also notify all students not to accept a Cal Grant if they know they are ineligible. CSAC to notify students of that expectation through the award letter.
- 3) Use current process for determining high school graduation, but also have a "post-graduation" certification (for 2007-08 ay) that is to be submitted to the college.
- 4) Colleges to be responsible for the final determination of a student's high school graduation status prior to disbursing Cal Grant payment.
- 5) Collaboratively, GAC and CSAC to develop a "new process" for determining high school graduation if none of the proposed options work. This new process would not involve review of transcripts.

Chair Jeffery offered to review the options. She noted that GAC has already recommended that the high school determination process for 2008-09 remain the same as the one for 2005-06 and 2006-07. GAC chose not to recommend use of the 2007-08 model due to change in the process. Additionally, she added, resolving conflicting information, as noted in the IPA, would remain the responsibility of the college.

Member Bossio asked if GAC had recommended CSAC do the study, previously completed to determine the current status of the high school graduation accuracy rate, for the 2007-08. Member Lindsey asked if GAC would also want to add to the recommendation for 2007-08, not only the follow-up study, but also the rate at which students got paid. Chair Jeffery stated that the follow-up on payment for those students who did not get paid would have been completed for 2006-07.

Chair Jeffery commented that she would think the current study would be completed next year to see if the recommendations by GAC, 1) to have the award notification state that the student must inform CSAC if they did not graduate, and 2) schools to resolve conflicting information, had any effect on the number of non-graduates receiving a grant. The reason for doing the study, she added, was to see the full impact of the California High School Exit Exam (CAHSEE) requirement.

Sally Pace, K-12 representative, asked how students receiving their CAHSEE results in July and September are verified as having graduated. Chair Jeffery explained that if the student is attending a school that does a final transcript review, the student will be identified; if attending a school that doesn't verify, the student will probably be awarded a grant (theoretical model). Member Bonnel explained that about 95% of the Community Colleges (CCs) do not collect transcripts. Under the recommendation made by GAC, added Chair Jeffery, the student would self-report that they did not graduate. Member Pace asked if the California High School Proficiency Exam (CHSPE) had the same weight as the General Education Diploma (GED). Sharon Bowles, High School Counselor representative, explained that with parent permission takes the test; the State issues a diploma; the school considers them graduated; and the student is eligible for Cal Grant consideration. Member Bonnel noted that challenge with the CHSPE is that there are no scores; its pass or fail and consequently students end up taking the GED to get a score. Member Bowles noted that the CHSPE graduate is not really a high school graduate, but instead have an equivalency diploma.

Chair Jeffery pulled the group back to the discussion regarding the second option; keeping the current process of high school graduation verification in place and adding the piece that holds the student responsible for notifying CSAC if they did not graduate. Member Bonnel asked about "conflicting information" issue. He noted that if what the student notes in their original

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information conflicts with the information on the Free Application for Federal Student Aid (FAFSA), the school has to get secondary confirmation and that is a huge, burdensome workload issue for the CCs because a secondary confirmation would mean a transcript or a diploma. Member Bonnel reiterated the importance of defining conflicting information as it pertains to policy that requires resolution of conflicting information by schools.

Chair Jeffery noted Member Bonnel's comment, adding that she agreed with him and that CSAC would want to be clear of what would be expected of the school and what would be required in the IPA (future implications). Member Bonnel noted that the clarification was needed for both 2007-08 and 2008-09 so that schools would know what is expected of them as we move forward in making awards for 2007-08.

Member Bonnel recommended that GAC not recommend the model used for 2007-08, citing the delay in getting students paid. Getting high school graduation verification from approximately 35-40,000 students will be problematic and costly and divert existing administrative services to focus on compliance issues, noted Member Bonnel; if the previous 2005-06 model works, why change it. Member de la Garza added having to follow up with conflicting information for Cal Grant will also create conflict for federal aid. It will stop the student's file from moving forward, he added.

Member Lindsey noted that Chair Jeffery's concern is whether CSAC's current process is viewed as sufficient to the Attorney General's (AG) Office in terms of program accountability. Chair Jeffery noted the concern she had for program integrity (not enough theoretical accuracy), but equally, expressed concern about burdening the students with the additional certification piece.

Chair Lindsey encouraged the members to look at all options in terms of effective and theoretical accuracy In the case of the proposed options. Member Bonnel noted that in the case of schools collecting transcripts, many would have to be evaluated for whether they met standards of graduation and every local school district's standards would have to be known; existing staff at his segment does not have the skill to do so. Member de la Garza noted the potential burden placed on high schools as well since, historically, CC students have not had to provide transcripts.

In response to a question posed by Noelia Gonzalez, California Association of Student Financial Aid Administrators (CASFAA), the issue of "cognizant authority" (e.g., school official) surfaced when discussing verification of the ACG. Chair Jeffery Lindsey asked if, as part of the transcript option, CSAC would consider using such an authority. Member Bonnel explained that when the issue of high school graduation verification first surfaced, it was suggested that CSAC develop a system where students could report their status directly to them (CSAC). The thought here, he added, was that there be a single point of contact with the people that made the award and where the data could be shared electronically.

Member Lindsey expressed concern about GAC creating a response, to a process, in response to what may come out of the AG's office. She added that there is 100% practical process, not just theoretical, once CSAC shares the responsibility of verification with the student.

That comment from Member Lindsey spun off another discussion about what the colleges are doing to resolve conflict, as described by Chair Jeffrey. Ms. Mistler explained that, in asking legal about the law's interpretation of high school verification, staff needs to know what schools are currently doing with that process themselves so that there can be an analysis. Maria

Tab 1.h

Hernandez, Vice Chair, California State University representative, noted that high school verification is not the school's (college) responsibility.

Member Bonnel asked if CSAC has the authority to put the verification requirements in the IPA. He explained that some of what's in the IPA is specifically policy and that some of the requirements may have to go through a formal regulatory process. Chair Jeffery explained that a current process of resolving conflicting information is currently in place and CSAC wants to know how schools resolve these matters. The school works, she added, at ensuring that the student's graduation status is consistent with Cal Grant program requirements (e.g., inconsistent information on a student's transcripts or looking at a student's FAFSA).

Chair Jeffery asked the group if they needed to add more to the description of the process for resolving conflicting information. Member Hernandez noted that the process, as described by Chair Jeffery, was fairly complete. When asked, Ms. Mistler explained that the documented process of how conflicting information is resolved would be shared with the executive team. Member Jeffery, in response to moving forward with the information to the AG's office, asked that the final draft of the process be shared with GAC again for final review.

Chair Jeffery wanted to ensure that CSAC also notes that it's the student's responsibility to notify CSAC or their school if they are not a high school graduate. She wanted that requirement noted in CSAC correspondence to the student (award letter). Mr. Dickason confirmed that requirement was listed for the 2007-08 academic year. GAC's position, noted Chair Jeffery, is that this student certification should be enough for the verification process and have further requirement from the school. Member Lindsey explained that the benefit of informing the student is that they understand the liability, when accepting an award, and if audited, the student would owe repayment of funds; not the institution. Member Hernandez noted that GAC had discussed noting the graduation requirement on the GPA too.

Chair Jeffery informed Ms. Mistler that, in talking to the AG, she may want to incorporate discussion of the guiding principles that that impact the process of determining high school graduation (background). Additionally, Member Lindsey added that the discussion would want to ask if the state could legally recover funds if a student erroneously receives a Cal Grant entitlement award. Chair Jeffery commented that the process involves looking at the issue within a context and weighing out the various principles at play. Ms. Mistler added that too, the effort should be to ensure that CSAC and the schools are in compliance with the education code.

Member Lindsey asked two questions:

- 1) Who is liable in the current year (2006-07) if the student received a Cal Grant and did not graduate?
- 2) For the next year (2007-08) when the process notifies the student of the requirement, who is liable then?

Mr. Dickason explained that, at present, if there is conflicting information the expectation is that the school would catch it, but it would be a student liability and the school can say, "Please give us back our money." If that were not successful, he added, then CSAC would work at collecting the money. Member Lindsey reiterated that the liability, then, does not lie with the institution. Chair Jeffery wondered, if indeed, the responsibility lied with the student citing transfer entitlement (E2) issue where CSAC "grandfathered" the deficient students into the program.

Tab 1.h

Member Bonnel expressed concern about the schools being expected to collect funds from students and returning them to CSAC. He asked how a student in this situation is reconciled and further, does the program manual inform schools that they are required to recover such funds. Mr. Dickason explained that the school could report the GR code on the roster, informing CSAC that the student owes a "grant refund" (GR) and CSAC would begin the collection process. On the practical side, he noted, most schools want to be able to explain to the student that if he does not repay the owed amount, he will never be able to apply and receive state aid again.

Member Jeffery asked Mr. Dickason if he thought the student was liable under the current process. Mr. Dickason explained that the Cal Grant Reference Manual, issued with the award letter, explains the requirements of the program. Chair Jeffery thought it helpful, as CSAC moves forward to speak with the attorneys, to note that this expectation of student liability is already in place.

In an effort to bring clarity and reiterate GAC's recommendation regarding high school graduation verification, Chair Jeffery noted the following:

- 1) Use the current process for determining high school graduation, but also notify all students not to accept a Cal Grant if they know they ineligible. CSAC to notify students of that expectation through award letter (explicit notification).
- 2) IPA to reflect specific program requirements.
- 3) Institutions are not liable for student awards issued due to student error.
- 4) Institutions are not responsible for recovering funds, but may help with the process.

Chair Jeffery, Ms. Mistler, Member Lindsey, and possibly Mary Robinson, California State University (CSU) representative, will teleconference to discuss the questions/discussion to be held with the AG's office and then forward the collaborative document to the GAC group for final review and input.

Other discussion regarding CAHSEE ensued. GAC members and CSAC staff discussed eligibility for the Cal Grant entitlement program if the student does not pass CAHSEE and subsequently secures the GED. The student's graduation date starts when the student passes the GED exam and therefore would be eligible for Cal Grant consideration.

Chair Jeffery adjourned the meeting at 3:03 p.m.

Kate Jeffery, GAC Work Group Chair

**CALIFORNIA STUDENT AID COMMISSION
GRANT ADVISORY COMMITTEE MEETING**
10811 International Drive
Rancho Cordova, CA 95670

**MINUTES
SEPTEMBER 18, 2006**

ADVISORY COMMITTEE MEMBERS	COMMISSION STAFF
Lora Jo Bossio, UC	Paula Rockwell, Manager, Research & Policy Analysis Branch
	Drew Schrepel, Staff, School Support Services Branch
	Betty Washington, Staff, Research & Policy Analysis Branch
	Soulemane Kano, Staff, Research & Policy Analysis Branch
	ALSO PRESENT
	None.

Tab 1: Housekeeping and Roll Call

There was confusion about GAC members having been notified of the current meeting (Special Advisory Work Group). The group in attendance determined that the meeting did not have to be noticed or that a quorum was needed. Everyone introduced themselves and moved forward with the meeting.

Tab 2: Discussion of the status of the high school graduation verification study

In discussing the high school graduation verification study, Paula Rockwell, Manager, Research & Policy Analysis Branch, a discussion about the constraints and factors associated with the study. She provided the following details:

1. Ms. Rockwell ensured she used language for the study that would clearly identify the issues regarding the topic. In particular, she wanted to use existing work already completed on the issue.
2. The student population for the study would be defined by 1) the segment the student attended, 2) the high school student attended, and 3) the size of the high schools (looking to identify the larger-size schools).
3. Ms. Rockwell explained that staff would not be calling every high school, but instead calling high schools that have the largest number of students reported by them.
4. Doing the study in this way is more manageable and will allow staff to 1) use an existing high school list, 2) identify the students linked to that list, 3) randomize the student population with the identified high schools, and 4) go out to those schools with the survey questions.
5. The identified schools will be receiving a letter from CSAC with all the pertinent questions to be checked off.
6. Ms. Rockwell expects to be able to share some of the preliminary findings of the high school verification study at the next Grant Advisory Committee (GAC) annual retreat.
7. The study will allow for staff and GAC to remove identifier information.
8. The way in which the study is crafted means that research staff does not have to be concerned with matters related to human subjects studies.

In terms of reporting the findings of the study, Ms. Rockwell explained that she would be issuing a preliminary (“draft”) report out to GAC members for input before the mentioned retreat. In this way, she added, when at the retreat it will be easier to sit around and discuss the contents since it has already been viewed at least once.

Lora Jo Bossio, University of California representative, found the components of the study to reflect what she and the GAC committee viewed important. Her hope was that the sample size be large enough to make it a credible study and it appears that it will be. Soulemane Kano, Research Staff, expressed concern about high schools with less than 10 students. Ms. Rockwell explained that there may be concern about smaller schools with a fairly even split between Cal Grant A and B recipients, but she’s ok with possibly over-sampling the identified schools. Ms. Rockwell explained that staff had a large staff of data to be analyzed for the current study.

Member Bossio commented that the study seemed exciting and that there may be other findings that come from the review of the data. She commented that in her school staff is on top of administering the programs, but limited time exists to do the research, check the data, and identify potential trends. Ms. Rockwell commented that this particular study, and the sample size identified, is good for this study; the work is manageable.

Discussion turned to the October 2-day GAC meeting coming up. Member Bossio commented that she believed the meeting would be held in Rancho Cordova, California. She did not

anticipate anything different from the usual two days for the “retreat” meeting. Ms. Rockwell explained that would make the meeting more manageable.

The meeting adjourned at 1:20 p.m.

Lora Jo Bossio, GAC Member

**CALIFORNIA STUDENT AID COMMISSION
GRANT ADVISORY COMMITTEE MEETING**

10811 International Drive
Rancho Cordova, CA 95670

**MINUTES
SEPTEMBER 5, 2006**

ADVISORY COMMITTEE MEMBERS	COMMISSION STAFF
Tim Bonnel, CCCCCO	Paula Rockwell, Manager, Research & Policy Analysis Branch
Lora Jo Bossio, UC	Bryan Dickason, Manager, Cal Grant Operations Branch
Kate Jeffery, UC	Betty Washington, Staff, Research & Policy Analysis Branch
Catherine Thomas, AICCU	Allen Scott, Staff, Cal Grant Operations Branch
	Drew Schrepel, Staff, School Support Services Branch
	Soulemane Kano, Staff, Research & Policy Analysis Branch
	Judy Fredericks, Staff, Cal Grant Operations Branch
	ALSO PRESENT
	Ted Waite, Member of the Public

Tab 1: Housekeeping and Roll Call

Drew Schrepel, Staff, School Support Services Branch, took roll call and turned meeting over to Paula Rockwell, Manager, Research & Policy Analysis Branch.

Tab 2: Develop recommendation, as directed by the Commission, regarding the nature, timing and scope of a study of the high school graduation data of Cal Grant award recipients.

Ms. Rockwell started by asking the members if they what they thought their task to be with regards to the report. It was her understanding that the work group could conduct their study as

they deemed appropriate. Kate Jeffery, University of California (UC) representative, explained that she thought the group was directed to do something different, as noted in the Grant Advisory Committee (GAC) recommendation. She thought the group was to do the following:

1. Look at the whole process for determining whether someone was a high school graduate or not;
2. Look at the information the California Student Aid Commission (CSAC) relies on to make the initial determination of Cal Grant eligibility for making awards (Grade Point Average (GPA) Verification Form);
3. Look at the information reviewed by the institutions; publics looking at transcripts and Community Colleges (CCs) looking at the Free Application for Federal Student Aid (FAFSA) or enrollment information.

Member Jeffery commented that she did not believe the work group was directed to evaluate the self-reported data on the FAFSA; she asked how the directive changed along the way. Ms. Rockwell explained that she got her information, regarding the study, from the Commission transcripts. She thought that maybe what was discussed at the GAC work group may have expanded on the Commission's directive, but noted that she could include it into the study if it can fit into the methodology that's not just related to self-reporting, but also the process.

Member Jeffery commented that the Commission was trying to decide whether there was some kind of additional requirement the institutions would have to do to validate high school graduation over and above what they are already doing. Ms. Rockwell stated that she heard the Commissioners state they wanted to know if there was a problem at all and if the problem was tied to self-reporting.

Member Jeffery asked if a problem would exist if students, who did not graduate, got a Cal Grant. Ms. Rockwell agreed. Member Jeffery posited, then, that it would be helpful to know if it's the GPA verification process that lets students through or some other source or step in the process (FAFSA information, GPA Verification Form, enrollment information).

Ms. Rockwell commented that staff could look at the current high school graduation verification process as part of the directive and also look at the institutional process to see what they look at (e.g., transcripts) when verifying high school graduation. This would be added to the existing research plan.

Participant Selection:

Selection of the participants was discussed by Souleymane Kano, staff, Research & Policy Analysis Branch. Before he began his discussion, Catherine Graham, Association of Independent California Colleges & Universities (AICCU) representative, asked if the study was on 2006 graduates. She commented that she didn't expect to do the study on 2005 graduates because the study was being initiated, in part, due to the advent of the California High School Exit Exam (CAHSEE) and there was no CAHSEE for the 2005 high school graduates. Lora Jo Bossio, University of California (UC) representative, agreed. She expressed concern that some of the material discussed 2005 graduates.

Mr. Kano explained that he had data for both 2005 and 2006 high school graduates. Member Jeffery and Bossio expressed concern about using students where were not required to take CAHSEE. Member Jeffery thought that only students who graduated after a certain date

(December 2005) and were subject to CAHSEE would be part of the study. Ms. Rockwell asked if the group wanted to look at graduates from December 2005-June 2006.

Member Bossio noted that her concern with the proposed range was that these students were not subject to CAHSEE, but instead, just the June ones. Tim Bonnel, California Community Colleges Chancellor's Office (CCCCO) representative, stated that for most high schools, if a student starts mid-year, they walk in June which keeps them in the 2005-06 cohort which means they have to meet the graduation requirement.

Member Bonnel asked staff how difficult it would be to select a specific graduation date as opposed to the 2005-06 cohort. Ms. Rockwell explained that an additional problem with the time frame is that FAFSA only identifies June as a cohort for graduation. Member Jeffery commented that the data would be pulled from the GPA Verification Form. Ms. Rockwell commented that graduation data would be taken from the GPA Verification Form from December 2005 through May 2006 and then off the FAFSA for June 2006. Member Jeffery said no, the June data would also be taken off the GPA Verification Form because that drives CSAC's process.

In response to Member Bonnel's earlier question of a specific date, Bryan Dickason, Manager, explained that GPAs come by school code and the data would be available to access specific date ranges. Member Jeffery asked if it would be necessary to look at the supplemental process completed by the institutions to see if they needed to look at the FAFSA, enrollment forms or transcripts and weeding out those that were awarded. Member Jeffery asked if the study would need to look at unreconciled payment data; or if it could even be done.

Member Bonnel commented that the study would need to look at all actual awards made so the numbers won't be skewed. He suggested that the work group would want to discuss what the sample would look like. Member Jeffery asked if CSAC had the actual pool that was awarded and of which some were withdrawn. Mr. Dickason said that the Grant ID Number, held by CSAC, would reflect if an award was given regardless of status. He commented that staff should be able to query the entire database; Member Jeffery added that within that pool, staff could also look at those students who indicated on their GPA Verification Form that they would graduate sometime between December 2005 and June 2006.

Member Bonnel commented that in restructuring the table, the study looked at the following:

1. The cohort will be 18 years old or under
2. The cohort will be entitlement students (E1s)
3. The graduation date range is December 2005-June 2006

Member Jeffery asked if the 2005 graduate sample could be obtained by looking at the graduation date on the GPA Verification Form for the dates of December 2005 through June 2006; this would allow any age to be considered. Member Bonnel commented that it may be a good idea, but that the applicants submitting General Educational Development (GED) test scores and other types of test scores may need to be excluded. By removing the small number of GEDs, the study would be focusing on students that were required to actually graduate and pass CAHSEE.

Member Bonnel commented that those students presenting American College Test (ACT) or Scholastic Assessment Test (ACT) scores are most likely home-schooled students and that is a

whole other issue as it pertains to verifying graduation. Member Thomas commented that, in the study, she thought there'd be a way to identify those students who had been home-schooled and the percentage they represented in the study. Member Jeffery commented that she felt it important to be able to identify the percent of students, in the study, that were not high school graduates; this even if CAHSEE is not checked.

Member Bonnel asked about private schools that don't administer CAHSEE and whether they would be left in the study. Member Thomas reminded the group that CAHSEE is the real reason behind the study. She commented that regardless of the reason for a student not graduating, it would be good information to get; CAHSEE, she commented, seems less important as you work down the study. Member Bossio commented that looking at the methodology of the study; it appears, at least preliminarily, that the information isn't accurate enough on which to be awarding Cal Grants.

Member Jeffery asked about the need to address the "human subject" piece and whether or not students under 18 years of age needed to be excluded. Ms. Rockwell explained the following:

1. Use of only 18 year olds keeps the sample size manageable.
2. She does not use children (under 18 years of age) in her studies.
3. Student age is secured from the FAFSA
4. A separate table can be created showing students under the age of 18 who were part of the overall cohort (entire population vs. sample population).
5. The survey can "sample" for each identified group within the main sample.

Member Jeffery explained that the study is supposed to look at the impact of CAHSEE on graduation and while she recognized the value of being able to sample different subgroups, she didn't want to be concerned with having the necessary sample size to do the survey; she wanted the sample to address basic CAHSEE concerns. Member Bossio and Ms. Rockwell agreed.

Member Jeffery asked about sample size. Ms. Rockwell explained that her concern was with adequate representation from all segments (representative sample). She commented that she wanted to move forward with the survey, due to time constraints, and asked that one GAC member be identified as a contact person for staff. Her concern was with the fast pace of the study and the requirements (meeting notice) of the department. Ms. Rockwell believes that once the survey parameters (factors) are identified, collecting the data should not take too long. Member Bonnel asked Member Jeffery to work with staff. Ms. Rockwell clarified that the CCs are not to be over-sampled and that the goal is to get a representative sample of all the segments.

Data Collection:

Ms. Rockwell prefaced her discussion with explaining that the identified data collection process was based on what she thought was the survey directive from the Commission transcripts. The discussion with the work group changed that so her model may need to be modified. As far as sources for collecting the survey data, Ms. Rockwell offered the following:

1. **Mail Survey-** Survey students (18+ years) by mail with a postcard return.
2. **Phone Survey-** Survey students (18+ years) by phone. More time consuming because it requires getting phone numbers and use of staff.
3. **School Survey-** Survey high schools by mail or phone (same time constraints).
4. **Mail Survey/Follow-up Call-** Same as number one, but follow-up with school by calling to verify.

Member Bossio commented that she was unsure about sampling actual students. She thought the enrolling school could provide the information needed for the identified students. Member Jeffery chose option 3; stating that the survey is trying to find out if the student actually graduated. Member Bonnel asked about the schools releasing the information without a release form from the student. Member Jeffery did not see it as an issue given that the schools had provided the GPA Verification Form and the survey did not go beyond this population.

Ms. Rockwell explained that for those schools that did not want to provide the information, due to confidentiality issues, over sampling would be completed to get the desired response. Ms. Rockwell noted that ideally, what could be done is have the student information on a zip disk; have the schools do the verification and send the disk back to CSAC. Member Bonnel commented about some schools possibly not having the technology to do the verification; Ms. Rockwell said they could then complete the paper form.

Ms. Rockwell asked if phone calls would make more sense. Mr. Bonnel said that the biggest concern for him is the privacy issue; he encouraged the vetting of this piece of the plan. Ms. Rockwell commented that she may need to send a letter to the identified schools telling them they would receive a call during a certain week and if there were concerns with privacy issues to call her directly so they could be removed from the survey list. Members added that she could talk to schools about privacy issues and explain that the survey would not harm the student; and again, that all that is being asked is that the information, already in place, be verified. If any issue concerning privacy surfaced, added Member Jeffery, it would most likely be at the time that staff is contacting the school and it could be addressed at that time.

Ms. Rockwell asked if work group members were comfortable with the selection of method number three for the data collection. Member Thomas commented that she thought the colleges and universities would be asked to verify high school graduation first and then follow-up with the high school for those that could not be verified. Member Jeffery explained that high schools would be the ultimate source in knowing if a student graduated. She also noted that follow-up questions would be needed that only the school could answer like date of graduation, passage of CAHSEE, or if the student missed some other district requirement. The high schools, she added, are a better source of information, plus talking to the schools directly will allow staff to evaluate the effectiveness of the CSAC GPA Verification Form. Ms. Rockwell concluded that the work group supported option three.

Analysis and Presentation:

Ms. Rockwell recommended the use of a short information report. This report, she added, would be shared with Commissioners and staff would work with Member Jeffery, as the designated work group person, to ensure the report reflects the agreed upon components. Ms. Rockwell asked that all work group communication go through Member Jeffery and then to staff; in this way, information is secured without having to notice a meeting.

Timeline Development:

Ms. Rockwell attempted to secure an overall sense of a timeline. She asked when the group expected to be done with the study. Members commented about 1) the payment dates used by schools, and asked about 2) the status of payments to students. Member Bonnel explained that the first part of the survey focuses on who got an award; who was eligible for payment with the schools reporting out. He added that if the data shows that the award process is intact, then the study doesn't need to worry much about the disbursement process if very few students, who were not graduates, got awards.

The work group concluded that staff would do the following:

1. Preliminary survey data will be presented at the next GAC meeting in October 2006 (mid-point of the timeline).
2. An outline of the draft survey will be available at the next October 2006 GAC meeting for review and input by members.
3. Staff will take comments from GAC members during October 2006 meeting.
4. Final due date for survey would be November 29/30, 2006 to be presented at the Commissioner's meeting.
5. Staff to hold the following meetings with GAC/GAC Work Group (require meeting notices):
 - a. September 18, 2006 from 1:00 – 4: 30 p.m.: High School Verification Work Group meeting.
 - b. October 19, 2006 (no time; prior to GAC meeting) : GAC Work Group
 - c. November 3, 2006 from 1:00 – 4:30 p.m.: High School Verification Work Group meeting.
6. Staff to launch high school survey on the week of the 17th (September 2006).
7. Following tasks to be completed by"
 - a. Draft Final Survey Report—November 3, 2006
 - b. Data Compiled—October 19, 2006
 - c. Survey Methodology—September 5th-21st, 2006

Ms. Rockwell would like to start surveying schools by September 11, 2006. Member Bossio suggested that the first and only letter go out to the principal and head counselor; this will establish contact personnel at the school. Member Bonnel asked that staff have a sample or listing of the high schools being surveyed. Ms. Rockwell explained that internally, the data will be set and the number of schools for each segment identified so there will be data for the work study group to review.

Tab 3: Discussion of presentation of recommendation to the Commission at its September 7-8, 2006 Meeting

Content of this tab item included in Tab 2. See note above.

Tab 4: Opportunity for Public Comment

No public comment.

The meeting adjourned at 2:38 p.m.

Paul Rockwell, Work Group Facilitator

**CALIFORNIA STUDENT AID COMMISSION
GRANT ADVISORY COMMITTEE MEETING**

10811 International Drive
Rancho Cordova, CA 95670

**MINUTES
AUGUST 4, 2006**

ADVISORY COMMITTEE MEMBERS

Mary Lindsey, Chair, CAPPs

Maria Hernandez, Vice Chair, CSU
Louise McClain, Commission Liaison

Sharon Bowles, K-12

Tim Bonnel, CCCCCO

Lora Jo Bossio, UC
Laura Cunha, CAPPs

Noelia Gonzalez, CASFAA

Kate Jeffery, UC
Mary Robinson, CSU

Catherine Thomas, AICCU

Veronica Villalobos, AICCU
Craig Yamamoto, CCC

COMMISSION STAFF

Diana Fuentes-Michel, Executive Director, CSAC

John Bays, Chief, Information Technology Division
Carole Durante, Manager, Public Relations
Paula Rockwell, Research Manager II, Research &
Policy
Analysis Branch
Bryan Dickason, Manager, School Support Services
Branch
Anne Robertson, Manager, Cal Grant Operations Bran
Catalina Mistler, Manager, Specialized Programs
Operations
Branch
Dianna Ximenez, Staff, School Support Services
Branch
Justin Ngo, Staff, School Support Services Branch
Corazon Manuel, Staff, School Support Services
Branch
Despina Costopolous, Staff, Cash for College
Coordinator
Cheryl Lenz, Staff, Outreach and Public Relations
Judith Beck, Staff Specialized Programs Operations
Branch
Jorge Cortez, Staff, School Support Services Branch

ALSO PRESENT

Michelle Loper, Legislative Analyst, California
Military Department

Introduction/ Call to Order

Chairperson Mary Lindsey began the meeting by acknowledging the dedicated efforts of California Student Aid Commission (CSAC/Commission) staff, and in particular, Anne Robertson, Manager, Cal Grant Operations Branch and Bryan Dickason, School Support Services Branch. Chair Lindsey noted that Ms. Robertson would be leaving CSAC after 26 years; expressed that she would be greatly missed.

Tab 1: Approval of Minutes for September 29, 2005 and March 10, 2006.

Chair Lindsey corrected the reference to Commissioner McClain as a committee member when she is a Commission Liaison to GAC. This is on page 3 and possibly in other areas of the minutes.

Sharon Bowles, K-12 representative, indicated that her name was not listed as a committee member for GAC. Per Chair Lindsey, the September 29, 2005 minutes passed with the two noted corrections; Mary Robinson, California State University (CSU) abstained.

For the March 10, 2006 GAC minutes, Chair Lindsey noted that Mary Robinson, California State University (CSU) representative should be listed as having attended the meeting. Additionally, Chair Lindsey indicated that on page 2, tab 1, approval of minutes, where it says Chair Lindsey, those comments were attributed to her and they were Member Robinson's comments.

Minutes approved with said corrections.

Tab 2: Committee Chair's Report

Chair Lindsey explained that Jim Sandoval, Chair, California Student Aid Commission, has left the Commission and the new Chair is Jim Fousekis. Louise McClain continues to be the Vice Chair and is now the chair of the Grants and Programs Committee (GPC) for the Commission.

Chair Lindsey reported that the Grant Advisory Committee (GAC) forwarded two major issues to the Commission meeting of June 22 & 23, 2006. The first was the cash advance issue. GAC and staff, she noted, agreed to recommend that CSAC continue using the same advance method (process) previously used; the Commission supported the recommendation.

The second issue, Chair Lindsey noted, was high school graduation verification. After lengthy discussion, she added, the Commission implemented a three-part resolution that reads:

- 1) **High School Graduation-** for the 2006-07 award year, staff will follow the direction of the Grant Operations Memo (GOM) 2003-05 which requires institutions to resolve any conflicting information in regards to high school graduation.
- 2) **Program Compliance-** staff will enforce the institutions resolving conflicting information through program compliance review, which is business as usual, except previously, the program review staff was not consistently checking conflicting information.
- 3) **High School Graduation Study-** staff is to develop and bring back a proposal for a study to look at whether or not students self-reporting high school graduation was a problem. The proposal was to include the scope, timeline, and the nature of the study and staff was to consult with GAC.

This concluded Chair Lindsey's report of issues addressed or presented to the Commissioners on behalf of GAC.

Tab 3: Executive Director's Report.

Executive Director Fuentes-Michel acknowledged the work completed by Ms. Robertson and Cheryl Dobbins, Senior Information Systems Analyst, and thanked them both for their valuable contributions.

Executive Director Fuentes-Michel also noted the following organizational activities:

- 1) **Phase I-** the Commission kicked-off the improvements for Phase 1 of the grant delivery system with both divisions (Program Administration & Services Division (PASD) and Information Technology Division (ITD)) working incredibly hard to get that effort off the ground.
- 2) **Audit Plan-** the Commission adopted an audit plan for the Cal Grant Program last spring (2005) and staff has been working closely with auditors from the Bureau of State Audits in the various Cal Grant areas.
- 3) **2007-08 Budget-** staff is currently preparing the budget for the next Commission meeting.
- 4) **New Administration-** Executive Director Fuentes-Michel noted that there may or may not be a new administration in the fall and that always sets up a conversation of priorities in terms of policy. There will be discussion on how GAC might influence that process in terms of policy.

Executive Director Fuentes-Michel ended her report and thanked GAC for the opportunity to be at the meeting. She also complimented the staff for their tremendous work in putting a thorough agenda together for the meeting.

Tab 4: Cal Grant/ Outreach Update.

Ms. Robertson's Cal Grant update included the following:

- 1) **Cal Grant C Awards-** 28,000 applications issued; 11,000 returned. 8,277 Cal Grant C awards were made and students were notified.
- 2) **Cal Grant Renewal Process-** approximately 180,000 students were contacted and their names are on the roster. The release of the letters has been staggered to help staff with the call volume.
- 3) **Unable to Determine Letters-** these were created and are available, electronically, for schools to view and determine if students are still eligible for payment.
- 4) **Cal Grant Top 2% Awards-** these awards completed at end of June with 857 awards issued. This amount is comparable to last year.
- 5) **AB 840/ E2 Withdrawals-** the bill was passed and signed and allowed for reinstatement of E2 withdrawals. These students are now on the roster.

Chair Lindsey asked about the seemingly lateness of the Cal Grant C awards. Ms. Robertson explained that there was a discrepancy on the form between the direction provided on the cover of the letter and the actual form. There was also concern about zero to four months time frame for a program because if the student marked this box, they would be disqualified from the program.

These issues were corrected and staff took the necessary measures to ensure students noted the correct information on the form by asking them to note the length of their course. There were approximately 300 students who received the form for additional information. Ms Robertson noted that there few calls on the issue.

Timothy Bonnel, California Community Colleges (CCC) representative asked if the September award cycle had been set. Ms. Robertson explained that it had and that staff would have later awarding, like last year, to allow all Community Colleges (CCs) the appropriate time to get their enrollment files in. October is set for making the September 2nd awards noted Ms. Robertson.

Tab 1.k

Mr. Dickason explained that within the last two months, the training staff held beginning and advance Cal Grant workshops in Pleasant Hill, Diablo Valley College, Redding, Shasta College and CSU, San Marcos. The next workshops, he added, will be held at Moorpark College and the Pepperdine Business School in Los Angeles.

Mr. Dickason explained that the Beginning Cal Grant Workshops are two-day workshops with approximately 12 hours of training for the school(s) over a two day period. The goal, he added, is to sit with the beginning level Cal Grant administrators and allow for in-depth questions about the Cal Grant Program. Mr. Dickason explained that the Commission has been very successful having the most "active year" ever with four workshops already completed this year, with another two scheduled. Mr. Dickason acknowledged the contributions of Drew Schrepel, Cora Manuel and Lori Nezhura.

Chair Lindsey acknowledged that the Commission, and its staff, has a long history of being very proactive in terms of administering the Cal Grant programs, which includes going out and doing training in general and at the institutions, while answering their question to head off any possible compliance problems.

Member Bonnel asked if staff has plans for more work on reconciliation training and if so, what communications are coming with regards to the change in the deadline. Mr. Dickason explained that a portion of the Advanced Cal Grant Administrative Workshops has been used to go over possible changes to the reconciliation and for school staff to be aware. Both beginning and advanced workshops have a component of reconciliation, added Mr. Dickason.

Despina Costopolous, Coordinator, Cash for College, Outreach & Public Relations Division (OPRD), provided the following update on the Cash for College Program:

- 1) **Program Evaluations-** Approximately 10,000 evaluations came back to the Commission, posting a 66% increase over last year. The increase was accomplished by the work of over 60 CCs and universities, as well as high schools, hosting workshops.
- 2) **Strategic Planning Session-** This event was held in July, first ever, with the Cash for College Advisory Group.
- 3) **Education Financing Foundation-** Asked to increase funding from last year to \$300,000 and \$135,000 for outreach through a call center and other efforts.
- 4) **Scholarship Results-** Students being notified throughout the summer of results. They are to talk to their financial aid advisor, tell them that they are receiving a scholarship, and then get enrollment verification to the Commission. Payments will begin to out as early as August.
- 5) **College Attendance-** 60% of students calling the Call Center noted that they were motivated to attend college due to the scholarship.

Carole Durante, Public Relations Manager, Outreach and Public Relations Division (OPRD), provided the following update regarding outreach efforts:

- 1) **Program Focus-** Ms. Durante explained that the 2006 Cal Grant Public Awareness Campaign had a different focus than that of last year with the concentration on "priority" schools in California. Commission staff worked with University of California (UC) Accord to identify families and schools to develop the list of priority schools that became the target of the campaign.
- 2) **Program Budget-** The campaign's budget was reduced by one-third from last year, but staff, through working with Crocker Flanagan, was able to leverage corporate and

community sponsorships to double the budget amount to a total of approximately 4.3 million.

- 3) **Research Results-** Staff sought feedback from schools, students, parents regarding the campaign's success. The data shows that there is high awareness of Cal Grant Programs among school counselors and high school students. 95% of the students contacted at the priority schools had heard of the Cal Grant Program. The same study, however, also noted that Cal Grants are not at the top of the minds of students; some students are unclear on how to apply; and that parents also have inaccurate information about the application process and income requirements. Continued work, added Ms. Durante, is needed.
- 4) **College Cash Box-** The majority of school counselors at priority schools indicated they liked the materials and that they had been used on a "one-on-one" basis with students as well as groups.
- 5) **2007 Outreach Plans-** The Commission, through EdFund, has issued a Request for Proposal to secure bids for a new contract. A contract is expected to be in place by late August.
- 6) **2007 Outreach Campaign Goals-** 1) do earlier outreach students in terms of grade level, 2) include messaging that Cal Grants are for an education beyond high school including technical and vocational training, 3) move the campaign to a year-round campaign, and 4) post billboards with leftover campaign funds.
- 7) **Cal Grant Hotline-** Hotline access/information will be in English and Spanish and expected to be up in late September.

Member Bonnel complimented the outreach staff on their effort to move toward a year-round campaign, noting that people have been talking about that effort and that it is good to see staff move on it. Member Bonnel asked if the research results were going to be made public. Ms. Durante said yes. Katherine Thomas, Association of Independent Colleges and Universities (AICCU) asked if the study could be emailed to GAC members. Ms. Durante said yes.

Craig Yamamoto, Community College (CC) representative, asked if outreach staff was doing much to help with the September 2nd campaign, noting that many CC students are unaware of this deadline or needing to complete the Free Application for Federal Student Aid (FAFSA). Ms. Durante explained that an operations memo, with access to a poster discussing the September 2nd deadline was issued to schools in May. She also explained that a couple of emails have been issued to the Community College Chancellor's Office (CCC) to see about a collaborative effort to review the September 2nd materials in light of the www.icanaffordcollege.com campaign so that the Commission can assist the CCs.

With regards to the September 2nd deadline, explained Ms. Durante, the Commission has pulled back some because data show that for ever available grant there are eight eligible applicants. Cheryl Lenz, Research Analyst II, explained that the Commission is aware that getting the September 2nd Grade Point Average (GPA) Form in June is not helpful to the schools so there is some consideration for getting the form out shortly after the March 2nd deadline has passed.

Member Bonnel explained that outreach for the September 2nd competition is critical for CCs because the bulk of the financial aid administered by the CC is Pell and in order to get a Cal Grant, you have to apply for a Pell Grant. He added that growth in the CCs was fueled by the filing of FAFSAs by the students; not fee waiver or Cal Grant applications, but financial aid applications and it is this message that the CCs want really wants to address in working with the Commission.

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Member Thomas commented that she would like to focus on getting the message out to students that even if they did not apply for a Cal Grant the first year, there is a second year of entitlement for which they can apply. Ms. Durante welcomed any suggestions anyone had on that particular audience because admittedly, it is a difficult group to reach. Member Thomas recommended issuing a reminder letter to students who are income-eligible, but for which a GPA is not on file with the Commission.

Ms. Durante thanked Member Thomas for her suggestion and encouraged others to forward any ideas they may have to her or any other Commission staff.

Tab 5: Update of Commission's Actions Regarding Cal Grant High School Verification.

Chair Lindsey acknowledge the hard work completed by staff and Kate Jeffery, University of California (UC) representative, for doing a excellent job facilitating the work group meeting and this issue.

Ms. Robertson began explained that the Commission has directed staff to do the following:

- 1) use current methodology for 2006-07 for high school graduation verification
- 2) work at increasing program compliance for 2006-07
- 3) ensure the information needed to verify high school graduation is valid and in place
- 4) in consultation with GAC, submit a study proposal to the Commission for further study regarding the highs school graduation issue.

Paula Rockwell, Research Manger II, Research & Policy Analysis Branch, note that a new work group had been established to study the high school graduation verification issue and it included 1) Member Bonnel, 2) Member Thomas, 3) Lora Jo Bossio, University of California (UC) representative, 4) Chair Lindsey, 5) Member Robinson, and 6) Member Jeffery. In the next two weeks, continued Ms. Rockwell, the work group will meet refine the questions of the survey and have a first run at the randomized sample.

Member Jeffery noted that she had a workgroup recommendation concerning the Cal Grant high school verification issue that read as follows:

Recommendation: In response to the Commission's request for the GAC to advise on the development of a study on the process for determining that Cal Grant entitlement recipients are high school graduates, the work group recommends the following study which is designed to assess the effectiveness of the current process for limiting Cal Grant entitlement awards to high school graduates and inform decisions about the need to enhance the process.

For clarification, Member Jeffery explained that the current process discerns high school graduation by student or high school reports of actual past or anticipated high school graduation dates. The schools, she added, address student records with conflicting information. The specific timeline for the study, she continued, will be determined by Ms. Rockwell, in consultation with the study work group and the goal will be to have preliminary results by the end of November 2006.

Member Jeffery noted the following components of the recommendation:

- 1) Focus of the study will be on the 2006-07 high school entitlement Cal Grant awardees whose high school graduation is affected by the new California High School Exit Exam (CAHSEE) requirement.

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- 2) Sample information will be collected directly from the high school after the 2006-07 Cal Grants have begun to be disbursed.
- 3) Specific information to be reported by the high school for each enrollee will include whether the student has graduated, and if so, the date of graduation, and if not, the reason for not graduation (must include if cause is failure to pass CAHSEE).
- 4) To determine effectiveness of the initial CSAC process for determining high school verification through the GPA verification process, results will first be reported on the actual high school graduation status of the Cal Grant awardees. And then after CSAC has information on the actual 2006-07 payments, the same results will be reported on the actual Cal Grant B recipients in order to assess the contribution of the supplemental review that institutions perform.
- 5) Results will be reported for the overall sample as well as desegregated by segment and Cal Grant Program type.
- 6) A stratified sample of sufficient size to allow for such reporting will be developed by Ms. Rockwell and the study work group with consultation with survey statisticians, if necessary.
- 7) Results of the study will inform the decisions about any need to modify the process for determining that Cal Grant recipients are high school graduates for the 2008-09 award year.
- 8) Cal Grant entitlement awardees for 2007-08 to be notified, with their award notification, that their Cal Grant is contingent on their graduation of high school including passage of the CAHSEE.

End of recommendation (applause). Chair asked if there were any questions of staff. Ms. Rockwell explained that Member Jeffery went through her notes almost identically so staff is in line with what she delineated. Member Bonnel noted that the group did not address the issue of liability. Chair Lindsey explained that Ms. Rockwell discussed making the study a blind one so you have data versus identities of students. Ms. Rockwell explained that in the work group, there will be more discussion about human study concerns.

Motion 1: Member Robinson moved that Member Jeffery's recommendation be accepted. Member Thomas seconded.

Discussion:

Member Bonnel asked for a friendly amendment to the motion, acceptable to the move and the second, that the group does not believe liability should be assessed and that it not be so as a result of the motion. Member Robinson noted that it was her understanding that if schools knew that a student was not a high school graduate, but had already enrolled for the fall, that these students not be penalized for any award they had already been paid, but instead, that the institutions would take action to correct the situation by rescinding the award or notifying the Commission.

Member Jeffery acknowledged that there was much discussion about liability, but that the group had concluded that awards of students in the study would not be affected. Member Thomas indicated that any conflicts with a student record would have to be resolved at the institutional level. Her concern was with knowing that a student is not a high school graduate and not resolving it because of the involvement of federal funds as well. If it is truly a blind study, she added, she would vote for that, but other issues, such as continued payment after you know the student is not a graduate, would also have to be addressed.

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Member Bonnel noted that the issue was one of equity, where a subject may be penalized because he was part of the study, but another student, with the same profile, would not be penalized because they were not part of the study. If the study is a blind one, added Member Bonnel, and the information is not shared with the schools, there is no violation of federal or state policy since no information would be known to the school that would change the payment. The group, he added, did not want to subject anybody to something onerous as a result of the study.

Member Bossio echoed Member Bonnel's position adding that if the data shows a significant margin of error, that schools be notified as a function of policy change. Member Jeffery suggested the following amendment:

"The results of the study are not intended to affect the awards of students included in the study. Confidential information on study participants will not be released to institutions or the operational end of CSAC." Chair Lindsey noted that GAC is approving the recommendation with an amendment that the study be blind.

Executive Director Fuentes-Michel, as a point of information, explained that the language used for the study will be reviewed by legal from the Attorney General's Office and the standard for human subject requirements will be applied.

Motion 1 passed with amendment as noted above.

Tab 6: Implementation of Assembly Bill (AB) 840 and GAC Work Group Recommendations.

Ms. Robertson explained that the work group discussed the following:

- 1) A pool of E2 students will be established after the self-certification forms (G-6) are returned.
- 2) From that pool, 10% of them will be randomly selected and put on hold for verification.
- 3) Schools will be notified using the roster.
- 4) A report would be created and issued to institutions identifying those students needing verification
- 5) The number of students impacted is approximately 700.
- 6) California residency, at the time of high school, is being verified.
- 7) The student graduated from a California high school on or after July 1, 2000.

When discussing how the verification issue would occur, Ms. Robertson explained that the work group discussed the following:

- 1) Check the student's transcript. Also can check for residency.
- 2) If not a graduate of a California school, but claim military reasons, collect order papers.
- 3) collect the student's transcript and see if he graduated from California high school.

Member Jeffery provided GAC's recommendation on this issue:

Motion 2: The GAC workgroup supports the staff proposed implementation of AB 840, as outlined in the attached summary in the agenda, with the following additions and modifications:

- 1) Both options (1 & 2—see agenda summary) for institution reporting of verification results should be allowed

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- 2) Institutional verification of the required eligibility requirements will be satisfied by determining, through a review of the high school transcript, that the student has graduate from a California high school and attended a California high school for the year prior to graduation.
- 3) For students who provide and equivalence (GED, proficiency exam), they will have to provide documentation of the passage of the test alternative and evidence that he or she resided in the state for the year prior to passing the test. The school will determine what constitutes acceptable evidence.
- 4) For students who did not graduate from a California high school because of student or parent military orders, the institution will need to collect and review the military orders of the student or parent.

Discussion

Member Robinson recommended GAC use the term provided or facilitated, as opposed to “permitted,” when discussing the use of both options. She also asked for the collection of the military orders and whether or not that was listed on the self-certification report. Ms. Robertson, later in the discussion clarified that the question was asked on the self-certification form. She also clarified another issue proposed which was the downloadable report that could be interactive. She explained that for the current year, this would not be possible.

Laura Cunha, California Association of Private Post-secondary Schools (CAPPS) representative, asked if their schools were required to report information on transfer entitlement students (E2), if selected for the study, since they could not pay E2 students at her schools because they are not 4-year institutions. Member Jeffery explained that only student to be paid had to be verified.

Motion 2, seconded by Vice Chair Hernandez, passed.

Tab 7: Cal Grant Disbursement/Advance Reconciliation Processes & Proposed Changes.

Ms. Robertson began her presentation explaining that an audit had been completed of CSAC’s reconciliation and disbursement processes. From that audit, she explained, six recommendations were generated with four being approved by the Commission. The remaining two recommendations, she added, required that staff meet with GAC and do more work.

The two outstanding issues, warranting more review and work, include:

- 1) Requiring all institutions to maintain Cal Grant funds in interest-bearing accounts and to return back any interest earned from those accounts, and
- 2) Enforcement of the October 15th reconciliation deadline (previously allowed reconciliation through December 15th). While it was approved by the Commission, there were concerns regarding summer payments for some schools and allowing them enough time to complete the process without penalty.

Regarding the October 15th issue, Ms. Robertson explained that the following was considered:

- 1) For 2005-06 award year, continue to have an October 15th deadline, but allow schools until December 31st to submit their final reconciliation so that there would not be a significant change for the school year.
- 2) For the 2006-07 award year, the proposal was to eliminate the summer advance and to invoice all schools on the October 15th deadline and to allow any adjustments for the

summer terms to be report and pay so that once the account was reconciled, any further payments would continue to keep the money in check and be reconciled.

- 3) Implement the “real-time” database, which would eliminate the advances and the reconciliation process, would be automated which would provide more accurate and timely accounting of the budgeting information.

Most of the discussion, noted Ms. Robertson, surrounded Phase II and what would be done. Eliminating the summer advance was not a viable option for schools. A procedure discussed by the work group, noted Ms. Robertson, allowed for CSAC to issue a preliminary invoice on October 15th and allow the schools to know the level of outstanding funds; not close off the online roster, but allow schools to continue working out any discrepancies (adjustments); and then return any outstanding funds. This too, she added, would allow summer term advance to continue. A final reconciliation on December 31st would close out the award year and the final invoice would be sent at that time.

The understanding with the schools, added Ms. Robertson, would be that the preliminary invoice should be paid, but it would give them time to make some adjustments or work out any discrepancies with use of the roster process.

GAC and Commission staff has agreed to disagree on the interest-bearing account issue, noted Ms. Robertson. She allowed Member Jeffery to address those differences.

Motion 3: Member Jeffery provided GAC’s recommendations regarding the reconciliation process to be as follows:

- 1) That the summer advance not be eliminated.
- 2) Until the real-time disbursement system is implemented, that CSAC invoice institutions on October 15th for any outstanding balances owed CSAC as of that date or institutions to notify CSAC within 30 days.
- 3) That CSAC continue to accept institution reports of payments and adjustments via Web Grants through December 31st.
- 4) That institutions resolve the discrepancies and submit a final reconciliation by December 31st.
- 5) CSAC to issue a final invoice to institutions on December 31st, which will eliminate the penalty process if institutions fail to pay the invoice properly.

Discussion

Member Robinson asked for clarification on the 30- 60- 90- 120 day letter notification process. Ms. Robertson explained that the State Administrative Manual (SAM) requires the Commission to send out letters escalating the concern for payment to the institutions. At 60 days, for example, advance payment requests would be stopped, so if the institution did not pay within 60 days, CSAC would stop any future advances. Ms. Robertson explained that 90% of institutions reconcile before the 60-day notice, so CSAC does not anticipate many schools going beyond the 60-day limit.

Member Thomas asked for clarification on the start of the notice period and whether it started after the October 15th deadline. Allen Scott, Staff, Cal Grant Operations Branch, explained that this issue needs to be discussed if CSAC is going to leave the processing open until December 31st and send an preliminary invoice on October 15th. The incremental notice process probably would not start until after the actual invoice was sent, added Mr. Scott.

Chair Lindsey explained, after continued discussion on the penalty notice process, that additional discussion was needed, especially to address matters of schools with no summer payment that don't provide a final reconciliation on the October 15th. The concern here, added Mr. Scott, is that if CSAC goes with October 15th being a preliminary reconciliation date and then the final on December 21st, the reconciliation process could be extended.

Member Robinson wanted clarification on the penalty process; the issuance of the letters. Mr. Scott clarified that, as proposed, the preliminary invoice would be completed on October 15th and even if an institution does not have a summer session they have until December 31st to reconcile and will not be subject to penalty letters until after that date.

Chair Lindsey asked why the work group did not decide to start the penalty phase on October 15th with schools with no summer term. Mr. Scott noted that the State Controller's Office only allows one final reconciliation per year. Member Jeffery clarified the difference between CSAC's recommendation and the work group's is that the work group recommended having a standard approach for reconciliation for all institutions for award years 2005-06, 2006-07, and 2007-08.

John Bays, Chief, Information Technology Division, explained that analysis will have to be made of the changes required to see if they can be incorporated to the 2005-06 year. In discussing both the end-of-term- and end-of-year reconciliations, Member Bossio encouraged that the end-of-year reconciliation be viewed as part of a bigger situation. Member Robinson agreed, noting that if this piece is made part of the recommendation, she moved to have GAC adopt the amended recommendation.

Motion 3, seconded by Member Bonnel, passed.

Member Jeffery noted the highlights of the interest-bearing account issue as follows:

- 1) There was concern about administrative costs tied to setting up the account.
- 2) Of most concern, was the issue of interest to be returned only on positive account balances. There is no accounting for institutions carrying negative balances (covering the student).
- 3) That this issue of interest-bearing accounts was being viewed by a very narrow viewpoint and instead, should be viewed part of the overall administrative cost that institutions are now incurring in order to administer the Cal Grant program.

The work group, added Member Jeffery, recommended the following:

- 1) That CSAC not require institutions to hold funds in an interest-bearing account and remit interest earned on the funds in the account to CSAC without full review and accounting of all administrative costs being borne by institutions in support of the Cal Grant program. The costs include, added Member Jeffery, the loss of interest earned on institutional funds advanced to Cal Grant recipients when State funds are delayed or otherwise unavailable.

Motion 4: Member Thomas moved that the recommendation be adopted as written. Member Bossio seconded.

Discussion

Chair Lindsey asked Member Bossio to state for the record, the input received by her business office in relation to institutional cost of maintaining an interest-bearing account. Member Bossio explained that in talking to UC Davis' Chief Accounting Officer, Eban Sutton, he noted that setting up a new interest-bearing account would cost approximately \$18,000 a year to do so. The bigger issue for the officer, however, was that he'd have to go back to previous years and check processes and that would create more financing costs. Member Bossio explained that in 2004-05 UC incurred 67,000 in financing costs and only returned \$89.12 to the Commission.

Motion 4 passed.

Tab 8: Discussion of University of California's Request to Modify the Commission's Cal Grant A & B Overlap Policy and GAC Work Group Recommendations.

Ms. Robertson explained that the Cal Grant Overlap Policy refers to the assignment of one Cal Grant award to a student's account when eligible for both. Institutions, she added, are allowed to tell CSAC what their Cal Grant preference is for their students when eligible for both and this information is noted on an "overlap" table. The tables are set to accommodate all grade levels for all new recipients and they are set to an automatic default, she added.

Member Bossio asked if a student could request a change in Cal Grant after receiving payment in one award for one year and requesting a change to another award the following year. Ms. Robertson explained that once the student has received payment, they are set in their grant. The guiding principle for this policy, added Member Jeffery, is that the student should be able to get the "most advantageous" Cal Grant for which they are eligible. The issue with UC, added member Jeffery is that the default mechanism chooses across both the freshman and the E2 and above levels and that may not be the most advantageous for the student. It was the default mechanism, added Member Jeffery, that people were concerned about correcting.

The other area of concern, added Ms. Robertson, is the Cal Grant group of top 2% awards. In this case, she commented, if the pool of new applicants for Cal Grant B applicants for the entitlement program is diminished and go over to the Cal Grant A, fewer Top 2% awards would be made. Finally, this matter would also have to be addressed with Department of Finance to see if the shift in policy would be a burden to the state.

Member Jeffery discussed the highlights of the discussion by the work group and made the following recommendations:

- 1) The work group sought to address the uniform default mechanism and sought one that would allow differentiation at the freshman and continuing or higher educational levels (EL), over solving the 2% problem. Ultimately, the group viewed the solution to the 2% issue is to have all the students receive their fee coverage in their first year.
- 2) Priority of the work group is to address and recommend the first issue (option 2—see Tab 8 recommendations).

Ms. Robertson explained that the original request to have E1s (freshman) default to A and all other awardees default to Cal Grant B came from the UC, but private institutions would also like to have that in place so that their upper ELs could get Cal Grant Bs rather than Cal Grant As. And the recommendation, added Chair Lindsey, is to have all segments be part of this new policy.

Member Bonnel asked that there be “design flexibility” in whatever is developed because some bills, currently being considered, could change first-year benefits and the system in place needs to be able to respond. .

Motion 5: Member Thomas moved that the recommendation, as stated by Member Jeffery, be adopted by GAC. Member Bossio seconded.

Motion 5 passed.

Tab 9: Update of the Review and Revision of the Cal Grant Institutional Participation Agreement (IPA) and GAC Work Group Recommendations.

Corazon Jacob Manuel, Staff, School Support Services Branch, noted that input from institutions had been sought from 400 participants and that 42 responses had been secured. Some schools, she added, called on the IPA and staff has plans to meet with school officials, face-to-face, and encourage input/discussion. Staff, she added, is doing this to better understand what is needed in the IPA by schools.

Executive Director Fuentes-Michel explained that there has been concern about the visits and their intent. In speaking with some college presidents and other institution officials she explained that the goal of the Commission is to 1) expand outreach activities to the high schools, and 2) increase the number of Cal Grants as it relates to eligible students.

Additional concerns have been about outreach funds and the effectiveness of the outreach program, added Executive Director Fuentes-Michel. So part of the visit, she added, will be related to the IPA while the other part will be related to outreach efforts. The IPA, noted Executive Director Fuentes-Michel, is a legal document, which is a contract with the institution, but the Commission believes that the relationship exists beyond the contract process. The discussions, she added, have lead to creative ways in which the Commission can secure input from institutions and students about what works and what does not; the visits are not audits.

Member Robinson expressed concern about college presidents not having the Cal Grant IPA prominent on their minds due to the other work on their plates. She asked if other schools officials were included in the discussions and if financial aid officers were notified of the visit to help ensure the presidents are available and not commit themselves elsewhere. Executive Director Fuentes-Michel cited the example of a college president in the east bay who has scheduled out the day to meet with CSAC and has included varied staff on his campus to ensure all areas of concern are addressed. In her view, this president wants to have all the responsible individuals connected to various segments of the community (high schools, other colleges).

Veronica Villalobos, Association of Independent California Colleges & Universities (AICCU), asked for a list of the institutions being visited. Executive Director Fuentes-Michel she would provide the list once it was compiled, but that the process of visiting institutions was being done with a more personal touch; as she's being asked to meet or talking to schools she knows.

Chair Lindsey explained that she get the impression that the IPA visits are much broader with the primary focus now on outreach. Executive Director Fuentes-Michel explained that the visits are about how the IPA works as well and if they have questions, they Commission will respond.

Tab 1.k

Member Bonnel asked how a school that wanted to be visited could make that request. Executive Director Fuentes-Michel stated that if there were any volunteers, they could call her office and request it; she would be glad to talk to the financial aid director and the president.

Chair Lindsey redirected the IPA discussion to address the need for clarity in using “verification” or “validation.” In the field of financial aid, she noted, validation is a very specific term with specific meaning. She asked that not use the term “verify” unless specifically intending to use that term (do not interchange).

Chair Lindsey turned the discussion to Member Jeffrey who explained the following:

- 1) In talking to staff, the work group was able to discern that staff is asking schools to look for specific application information and not asking for supplementary documentation.
- 2) That if time becomes compressed when GAC is reviewing a document, that rather than rush a document through, that GAC (work group) take the time to get the review right all the way because it is critical that the review be done correctly.

On the matter of the IPA, Member Jeffery recommended the following:

- 1) That time be set aside to allow for comment from GAC members on the proposed IPA changes.
- 2) That time frames be adequate to allow for complete consultation with GAC on the process, and if it means that a document is not ready to go, then it does not go.
- 3) That when the final draft is in place, that staff call a conference call with GAC to have further discussion and input.

The goal of the IPA review, clarified Chair Lindsey, is to have a final draft for review by GAC for the October meeting and then be ready to recommend to the Commissioners in November. Chair Lindsey will be adding review of the IPA for the work group meeting (day before the GAC meeting).

Member Thomas provided input regarding the IPA in the following areas:

- 1) Item 5- Separate the federal from the state issues.
- 2) Item 11- Separate the issues of citizenship, eligibility, service requirements, etc.

Member Bossio noted that in Article 4 of the IPA, it would be best to simply say “A, program eligibility, so that it’s similar to the way B is, which is disbursement of Cal Grant funds. So we can do program eligibility, colon, and then maybe we say something like resolve and document all federal edits, as identified via the ISIR, that impact the Cal Grant program eligibility criteria as follows, and then list what those are, which is basically what we’re already doing, because we’re already doing it for all Title IV programs.”

Executive Director Fuentes-Michel explained that all IPA modifications and recommendations will be reviewed by legal. Member Robinson asked that the document reviewed at the October meeting be reviewed by legal prior to the meeting so that time is spent reviewing a document whose terminology and definitions have been viewed. Member Bossio requested that legal counsel be present during the next review of the IPA. Chair Lindsey, as Chair, echoed the same sentiment adding that the next draft of the IPA needs to be vetted by legal counsel.

Executive Director Fuentes-Michel noted that the Commission is working with legal counsel from the Attorney General’s Office. She cautioned about the kind of advised asked when

working with attorneys from that level, because at that level there will be no differing opinion. Executive Director Fuentes-Michel explained that when the IPA is ready, staff should have the Attorney General's Office look at it at that time.

Chair Lindsey, noting the concerns of legal oversight as GAC reviews the IPA, asked Executive Director Fuentes-Michel what she proposed the group do given that the IPA is a legal document and clarification on legal issues directly impacts various aspects of the process. Executive Director Fuentes-Michel explained that she would like to speak with legal counsel (from the Attorney General's Office—on loan to CSAC) and ask for direction on how to proceed when consulting with GAC on the IPA.

Chair Lindsey asked that the IPA issue be tabled until Executive Director Fuentes-Michel can get direction from legal counsel.

Tab 10: Review and Discussion of Bagley-Keene Open Meeting Act.

Chair Lindsey explained since legal counsel is not available for input, GAC would ask questions and staff would note them, forward to legal counsel, and report back on Bagley-Keene.

Mr. Dickason discussed the use and noticing of teleconferences. In referencing an email issued by Mr. Espinoza about teleconferences, he explained that once an address is noticed on a GAC meeting, the location has to be made available to the public for input and too, it has to be accessible to disabled persons. So calls from a car or from a private residence cannot be used unless they have been noticed. The intent of California's Open Meeting Act, he added, is to make sure that the public always has access to all meetings being held.

Member Cunha asked if her address is noticed, but she is not at the address, and instead, somewhere else, would she still be able to participate. Staff was unable to give clear direction so Chair Lindsey asked staff to note the question and get an answer back to Member Cunha. Member Bonnel explained that several times his physical office address has been listed on the notice, but he has attended the meeting at CSAC. He asked that before noticing an address, that staff check to see where the member will actually be and from where they will be participating. Because, as he explained, several times his address has been noticed and no one has checked to see where he will be at.

Member Robinson repeated Member Bonnel's concern stating that the addresses from the members have been provided, but there has been no check to see if the member will be present. In her case, notices have gone out after she has left her office (address on the notice) and she has not made arrangements for public access. Jorge Cortez, Staff, School Support Services Branch, noted that the questions would be listed and a response would be provided.

Chair Lindsey also asked about adding a location after the notice has been issued and too, what constitutes a quorum. As she read about multi-member bodies, she wanted to know what would be considered a meeting if, for example, for our five GAC members were at a meeting, but the in order to have a quorum, there needed to be eleven (11) members. Would that be considered a meeting? Member Bonnel also asked for clarification on the Advisory and Enhancement meetings since members from GAC attend those meetings as well. Mr. Cortez offered his email for forwarding questions.

Member Jeffery asked for clarification on the practice that CSAC staff convenes a special work group on a particular topic and invites particular individuals to serve on that work group, that the process of bringing this group together is not governed by Bagley-Keene. She wanted to know

what combinations of groupings would be covered by Bagley-Keene. Finally, Member Bonnel asked for clarification on the dividing line in terms of what is considered GAC business and what is financial aid business, when, for example, segmental representatives, outside the GAC forum, touch up against some GAC agenda item (example, discussion at a conference where there are multiple GAC members and a discussion is being had).

Commissioner McClain asked if new members, coming into advisory bodies, given instruction on Bagley-Keene. Mr. Cortez explained that there is orientation for Commissioners, but not aware of formal materials for advisory members. Chair Lindsey advised GAC that if they had other questions, they could forward them via email for further consideration and get the questions answered.

Tab 11: Update of Revision Process with Respect to the Commission's Uniform Policies for Advisory Bodies.

Mr. Dickason explained that the current Uniform Policies for Advisory Bodies had its last update in 2001 and is currently in the process of being revised. This document, he added, has been the CSAC's working document on the conduct of meetings, travel requirements, and other related items.

In explaining why the Bagley-Keene document is in the agenda, Executive Director Fuentes-Michel explained that the Commission has directed CSAC to revise all internal policies and procedures. Jacque Tsang, former Deputy Director, noted, Executive Director Fuentes-Michel, has been delegated the assignment to review all internal procedures and the sources that govern them such as internal memorandums or directives from the Governor's Office.

The goal, added Executive Director Fuentes-Michel, is to the various bodies to look at the document, know its intent, and provide input as needed. Chair Lindsey asked if the Commission directed staff to revise or revisit all internal policies. Executive Director Fuentes-Michel said revise, noting that this came about from conversations at the CSAC workshop among Commissioners about officers, rules of committees, and their own committees.

Chair Lindsey informed GAC that Vice Chair Hernandez will be representing GAC when working with Ms. Tsang in the work group she developed. She added that one of the reasons the Bagley-Keene piece was added to the agenda was to bring GAC up to date and see if there was anything glaring that people wanted to ensure would be discussed.

Member Villalobos asked for clarification on the following:

- 1) Do terms for segmental representatives, like her, expire, and
- 2) How long does a student representative have, after graduation, before their term expires? Member Villalobos read the document to state that the student had six months after graduation.

Member Bonnel noted that there were no formal timelines for how the review of the Bagley-Keene is going to go through consultation and when GAC will have the opportunity, as a group, to comment on the final draft. He also asked about proposed changes. Member Bonnel noted that many GAC members have been uncomfortable knowing that the guidelines have not been used for the appointments that have been made. Member Bonnel asked for clarification on the duration of terms and how different representatives are allowed to serve (at the will of their respective offices?).

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Member Thomas asked the director what CSAC sought to gain through the review process. Executive Director Fuentes-Michel noted that the goal is to look at how different committees/ ad hoc groups are created; if there are inequities that need to be addressed, and too, are there policies that need to be revisited and practices that need to be considered for policy, as well as what issues or areas need to be flexible for effective functioning.

Executive Director Fuentes-Michel wants to be clear that CSAC has a base of understanding for how it does its business and address the concerns regarding lack of consistency in policies and procedures and the fact that CSAC has been relying on practice for too long. Chair Lindsey added that the sense from the Commissioners, too, was that it would be good practice to go back and revisit the policies and procedures and update them as necessary.

Upon return from lunch, Mr. Dickason clarified the issued about the student representative. He explained that he spoke with legal counsel and she explained that the student representative would not be able to continue to serve since he had graduated and the length of his set term was no longer than six months. Based on this discussion, Mr. Dickason informed the student that he could not serve any longer. Chair Lindsey noted that it would have been helpful is she had known about this. Mr. Dickason agreed. She added that the issue raised by Member Bonnel; his understanding that institution representatives do not have terms, was also incorrect and that, indeed they have two year terms and that this is the reason for revisiting the policies.

There were no actions taken. GAC to discuss Bagley-Keene and get their questions answered at next meeting.

Tab 12: Review of Revised State Nursing Assumption Program of Loans for Education (SNAPLE) Regulations and GAC Work Group Recommendations.

Catalina Mistler, Manager, Specialized Programs Operations Branch and Student Support Services Branch, explained that staff is preparing to send out a 15-day notice on proposed regulations discussing the State Nursing Assumption Program of Loans for Education (SNAPLE). These regulations, she noted, have 45-day comment period and at the last Commission meeting, the regulations did not get adopted within the time frame to make awards for the 2005-06 academic year.

Member Jeffery noted that the regulations did not have to be reviewed since the day before, GAC members made comments and staff noted them. She did indicate, however, that Member Robinson was charged with developing new language for academic year.

Member Robinson explained that the definition of academic year means a period from July 1, of one calendar year, through June 30th of the following calendar year. She noted that there is nothing with respect to what that really means in terms of a period of time or a minimum period of time; it is just a period and it is not qualified by any length of time. This piece is important, Member Robinson explained, because the context that academic year is used in, in the statute, is with respect to the student's eligibility for the loan assumption benefits. A student is eligible for benefits, she added, based on the number of academic years they teach nursing and so if a time period is not set, you do not know when the student has satisfied the academic year.

Member Robinson noted that the concern with the academic year is that there be some equity in terms of the awards by using at least some consistent or minimum definition of what constitutes an academic year. Member Bonnel recommended that a word search on "academic year" be done since the term is used in various parts of the regulations and how and where it is used

may have differing impact. Member Robinson noted that what can be done is define academic year as it pertains to the SNAPLE section.

Member Jeffery recommended use of “award year” in place of the term academic year and then come up with a new definition for academic year that provides a time frame (for example, 30 weeks). Member Robinson also asked that use of the term be clarified so that what is being addressed, whether referring to teaching service or to when the year refers to being a student, is clear to the reader. This, she added, could be now since the SNAPLE program, and corresponding legislation, is still being cleaned up.

Chair Lindsey noted that the definition of “academic year,” for consistency purposes, might better serve the institutions and the program if the federal definition is used since institutions are used to it, it is consistent, and it is what institutions use for Cal Grant. Member Robinson agreed. Member Bonnel asked about calling the academic year a “qualifying service year.”

Judith Beck, Staff, Specialized Programs Outreach Branch, was asked by Chair Lindsey how the law defined academic year for the purposes of SNAPLE. Ms. Beck explained that the law has not been clear in defining academic year as it pertains to payment under the SNAPLE program. Chair Lindsey returned to Member Robinson’s definition that:

- 1) That award year be defined distinctly from academic year and award year mean a period from July 1, of one calendar year, through June 30th of the following calendar year
- 2) That academic year means a period of time of 30 weeks or the equivalent clock hours within a 12-month period.

Ms. Beck offered that staff could also inquire, for regional accreditation, what they define as an academic year. Member Robinson noted that the Western Association of Schools and Colleges (WASC) defines a quarter as approximately 11 weeks, with ten full weeks of academic class work, or its equivalent. And, she continued, WASC defines a semester with 17 weeks, with at least 15 full weeks of academic class work or its equivalent. So WASC and other regional accrediting entities, she added, also define, essentially, what an academic year is.

In defining academic year, Chair Lindsey offered that the term can be defined using the regional accrediting entity, of which there are five, and if one of the entities does not have a definition, they are to default to the federal definition for Title IV. Member Bossio asked who would have to know the definitions. Chair Lindsey explained that it would be the institution, but they would only have to know the definition of their own accrediting entity. Member Jeffery explained that the employing institution would have to know about the definition and not the financial aid office.

Chair Lindsey asked if there was a formal recommendation put forth by GAC on the SNAPLE regulations. Member Bonnel asked staff to consider the flexibility of students who employ a different service model (some period of part-time and/or full-time) and be able to provide service to them.

Ms. Mistler explained that there is pending legislation that makes changes to the current program (SB 1309) so there may be changes to the existing SNAPLE regulations, but that CSAC will continue to move forward.

There was no recommendation on this item.

Tab 13: Proposed Changes to the Cal Grant Regulations Related to the Submission of Grade Point Averages after the March 2nd and September 2nd Deadlines and GAC Work Group Recommendations.

Ms. Robertson presented the following oversight on the Cal Grant regulations:

- 1) CSAC received GPA appeals from institutions after the 20-day application deadline.
- 2) Cal Grant regulations allow for institutions to file appeals within the 20-day period.
- 3) Institutions are required to provide proof that they attempted to meet the GPA deadline.
- 4) Legal has advised CSAC that there is no authority that allows the Commission to accept appeals after the 20-day period.
- 5) Approximately 30 schools have filed appeals, requesting appeals for about 809 students.
- 6) The Commission has asked staff to draft emergency regulations that would allow CSAC to accept appeals for entitlement students after the 20-day grace period.
- 7) The Commission has also asked that the regulations be modified to allow both institutions and participants to appeal. The 20-day appeal period only applies to institutions.
- 8) Appeals after the 20-day period would be made directly to the Executive Director and this would continue to be enforced for competitive students. Entitlement students would be able to appeal anytime after the application deadline (no time restriction for the academic year).
- 9) The change does not modify the requirements for filing an appeal, but instead, the time frame for when an appeal can be filed is extended (changed).

Member Robinson explained that having a June 30th deadline for the appeal, for the academic year, would be appropriate for the appeal process. Member Jeffery presented the work group's recommendations as follows:

- 1) To endorse the proposed regulations, as drafted, with the addition of "up to the end of the award year" after the first bullet.
- 2) That CSAC implement proposed enhancements to the GPA verification upload process so that high schools will receive immediate confirmation that their GPA records were successfully submitted.

Motion 6: Member Bonnel moved that the recommendations be accepted. Member Bowles seconded.

Discussion

Member Thomas asked if the June 30th deadline need to be reconsidered and to do so from the perspective of the school so that processing time is considered, like a deadline date of May 1st instead of June 30th. Member Bonnel expressed concern about the June 30th date because the appeal process, for CSAC, is on a case-by-case basis and is the student is not granted an award automatically.

Mr. Bonnel noted that there may be compelling appeal reasons that would warrant granting the appeal both pre and post June 30th, but that too, there may be local policies that dictate how the processing of an award will proceed. He recommended that it be left up to the institution, and institutional policy, on how to handle awarding of a granted appeal and leave the date for getting an award at June 30th.

Motion 6 passed.

Tab 14: Proposed Regulations for National Guard Assumption Program of Loans for Education (NG-APLE) and GAC Work Group Recommendations.

Chair Lindsey called for comment from the public. Michelle Loper, Legislative Analyst with the California Military Department explained that she has been working with the Commission on the National Guard APLE Program from the upstart. Her department, she added, is looking to do some clean up legislation to fix some of the code sections so the program will run more smoothly.

Ms. Loper also noted that work is being done to look at the true intent of the law and determine, specifically, what the National Guard means in the context of the program. She added that her department is pleased that the State will be offering help (college aid) in the form of the Loan Assumption Program since California is only one of two states, nationwide, that does not offer true college assistance to their National Guard members.

Ms. Jeffery asked Ms. Loper to comment on her view of the true intent of the legislation. Ms. Loper responded saying that the Military Department believes the intent of the law was to provide some sort of an award or an enticement to members of the National Guard to stay in it. Ms. Loper explained that her department will be talking to members of the legislature and asking if the NG-APLE is an award to encourage continued participation in the National Guard or another type of financial aid assistance. The Military Department, she added, views the program as more of an award for the guard members.

Ms. Villalobos asked about AB 2551. Ms. Loper explained that AB 2551 makes technical changes to the NG-APLE program and extends the sunset. The Military Department has contact Assemblyman Blakelee's office to ask for assistance in creating legislation that would make significant changes to NG-APLE as it pertains to the criteria. Her department, she added, is looking to soften some of the income criteria currently in place. At this point, however, Ms. Loper stated that her department does not have a firm approval from the legislature that the recommendations to change will be made. For now, she added, work is being done on the language to possibly craft an urgency bill, adopt regulations, and get them to the Commission so the program can begin.

After public comment from Ms. Loper, Ms. Mistler discussed the following about NG-APLE:

- 1) 100 warrants authorized for NG-APLE effective July 1, 2006
- 2) Regulations must be adopted six months after funding has been authorized so that means adoption of regulations by December 31st.
- 3) Discussion of NG-APLE in this forum (GAC meeting) is being considered the first stakeholder meeting.
- 4) NG-APLE is similar to other loan assumption programs with benefits of up to \$11,000 for students who are enrolled half-time, and who are members of the National Guard.
- 5) After providing a year of qualifying service as a member, applicants are eligible for loan assumption benefits.
- 6) Consultation with the Military Department has begun to establish regulations.
- 7) GAC is being provided, now, with the additional draft regulations, so that staff can move to the regulatory process from here.
- 8) A stakeholder's meeting is being held on August 8, 2006 to present current version of regulations.

Member Jeffery, in discussing this issue, reported that the work group had a relatively brief discussion on the proposed regulations, in part because of the stakeholders meeting to be held

next week and too, because of the discussion to be had in the GAC meeting with the Military Department. The only comment she recalls was encouraging staff to keep the regulations as consistent with SNAPLE and other Cal Grant regulations.

Chair Lindsey asked if the military had a definition for “year of service.” Ms. Loper said yes. Chair Lindsey also commented on the definition of California resident being used and wondered if not appropriate to include a definition of residence determination date in the regulations. Other language that Chair Lindsey found interesting was the use of the word “representation” when discussing a student enrolled at an institution of higher learning; the term representation seemed unusual to her since much discussion about “verification” had occurred in the past two days.

Member Robinson noted reference to use of the Cal Grant A scoring methodology. She noted that the scoring methodology discussed is the one used for the competitive grant program. She then went on to point out that in section 8, of the document, “verification of the information can be requested by the Commission.” So maybe, noted Member Robinson, the Commission will choose to verify that (laughter).

Member Villalobos asked if the student applies to the military and then the military identifies a number of students and nominates them to the Commission and the Commission reviews the application. Member Bossio said exactly.

When Chair Lindsey asked if there was any additional input, Ms. Loper noted that she is looking forward to getting the regulations finalized so that National Guard members, that are deserving, will get some assistance with their student loans and she’s really happy to work with the staff on the regulations right now. She thanked the GAC membership and Commission staff.

Tab 15: Status of Real-Time Database Project Phase I and the Section of School Representatives to serve on the Real-Time Database Project Advisory Committee

Mr. Bays explained that included in the agenda is a power point discussing the “kick-off” for the real-time database project. He discussed the following:

- 1) The project kicked off on June 13th; approved and signed by the Governor as part of CSAC’s budget on July 1st.
- 2) In the process of hiring programmer vendors to back fill program staff that will be on the project. Schools and students will be solicited to also be part of the project.
- 3) IT is requesting input from GAC on how to go about selecting participants outside CSAC.
- 4) He shared the organizational chart for the project and noted the role of external participants.

Member Cunha volunteered her school for participation with the project. Commissioner McClain asked Mr. Bays to check with Dean Johnston, Commissioner, to see if he’s interested in participating. Member Bossio asked if the A&E group would automatically be part of the project. Mr. Bays said yes, adding that A&E will be briefed and asked if they want to participate. Member Yamamoto offered to serve on the committee. Member Robinson noted that the CSU system would like to have a couple of participants, offering to get names for Mr. Bays.

When asked what the role of the school participant would be by Member Cunha, Mr. Bays explained that he’s looking for “processes” that may impact the way schools do business. The goal of the project, he added, is to review the processes and change them as needed to better meet the needs of the schools in processing Cal Grants. He added, his is not looking for a

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specific number of participants, but instead input, in general, about processing. Equally, he noted, if the participants are close by, it would help with the convenience factor.

Member Thomas, in response to having participants close, asked if people further away from the meeting place could also be include, especially in the beginning of the review process to get a lot of brain storming. Mr. Bays added that, along that vein, a greater number of community members could get involved as screen start to change because participants could look at these changes and provide input. Member Thomas provided the name of Paul Dieken and she noted that she loved the idea of testing at the local level.

Final notes on the issue included:

- 1) Getting the names of participants in the next two weeks to Mr. Bays.
- 2) Participants from one institution are interchangeable.
- 3) Teleconferences and other tools will be used to conduct meetings.

No actions taken.

Tab 16: Work Group Updates

Craig Yamamoto, California Community College representative, representing the Technology and Enhancements (T&E) Work Group, provided the following update:

- 1) Mr. Yamamoto explained that the primary reason he and Member Bossio attend A&E meetings is to listen to concerns raised by the participants and ensure those concerns get forwarded to GAC.
- 2) He noted that he and Member Bossio have focused on the real-time database project and encouraged participation by financial aid and business people to ensure the system works for the schools.

Member Jeffery, representing the Enhancing Reporting & Analysis (ERA) Work Group, provided the following update:

- 1) Some discussion about looking at the development of the Student Expense Budget. The work group that works with staff is looking to review the way in which the budget is developed and making recommendations as needed. Identified areas include student response rates and use of one expense budget for all institutions across the state.

As a member of the SEARS Advisory Committee working with staff, Member Cunha explained the following concerning the committee's activities and area of focus:

- 1) A committee member is looking at cost by zip code, when discussing the expense budget.
- 2) SEARS surveys are being completed on line.
- 3) There are core questions asked of all schools, but then there are specific ones asked by segment.

Chair Lindsey commented, regarding the expense budget. She wanted to know about the higher personal expense amount allowed for commuters than those students living on or off campus. Member Robinson explained that the higher expense budget for commuters is due to their reporting, when surveyed, higher expenditures. The committee, she added, does not give one group more money than another.

Member Jeffery proposed that the SEARS Advisory Committee bring forth their report to GAC for consideration, action, discussion. Chair Lindsey noted that she would add this request to the October GAC agenda, but thought that GAC isn't necessarily going to weigh in on the design of the questions for the design of the survey. The ERA group, she explained, will probably address the concerns expressed by GAC.

Tab 17: State and Federal Legislative Update

Ms. Lenz provided the following information for the legislative update:

- 1) The State legislature is currently on break, returning on Monday, August 7, 2006.
- 2) Most of the bills that are sitting right now in either appropriations or in committee will have to be addressed by the end of August.
- 3) The Commission is currently watching 16 assembly and five senate bills. These include AB 1452, the Cal Grant Endowment Scholarship Program (\$25 million). AB 476 seeks to expand the APLE Program. AB 751 would require the Commission to develop a fraud unit. Other bills include AB 2313, AB 2813, AB 2489, etc. Bills are listed in the agenda.

Member Bonnel asked about SB 1309. Member Robinson explained that 1309 allows for a one-time stipend to Cal Grant for students entering nursing programs. Ms. Lenz added that the bill may add undergraduates to the program and that may create changes to the SNAPLE program which would impact staff and work load. Member Villalobos noted that her understanding of the program is that if you're an undergraduate Cal Grant recipient, and you're entering a nursing program, you get a \$500 stipend to purchase textbooks, uniforms, and other related items. Ms. Lenz explained that this particular bill will not be heard until the 17th of August and staff is currently working on comments discussing the bill's impact on the Commission. Member Villalobos noted also AB 358

On the federal side, noted Ms. Lenz, the Reauthorization Bill does not look like it will go through unless there is a lame duck session and it gets passed towards the end of the session. Ms. Lenz ended her discussion.

Chair Lindsey discussed the IPA here. She noted that Executive Director Fuentes-Michel was unable to get legal response. Member Bossio asked if the current meeting with the last opportunity for input to the IPA. Chair Lindsey said yes. Member Bossio went on record stating that one of the concerns she has with the IPA situation is that she believes it would be more effective for GAC to be looking at the individual program requirements, discussing responsibility or where the requirement belongs, and then writing the IPA based on that review. Member Bossio expressed that she felt GAC was looking at the end document instead of starting at the beginning. She recommended that the IPA review be done differently in an effort to be more effective in securing GAC input.

Member Bonnel noted that his recollection of IPA input was that GAC would first be looking at legislation (1644), determining areas warranting modification or further analysis, and then be able to move forward and be clearer on where to go with the IPA. Chair Lindsey asked staff if they had a response to committee members. She then noted, hearing no response, that the concerns of the members was noted.

Tab 18: October GAC Planning Retreat and Meeting Agenda Items

Vice Chair Hernandez began her discussion by noting the items identified for the next meeting's agenda:

- 1) IPA review
- 2) Use of the SEARS survey
- 3) Bagley-Keene (follow-up to the questions)
- 4) Have first draft of the Uniform Policies
- 5) Review of proposed changes to the Cost of Attendance for 2008-09
- 6) Review of income and asset ceilings
- 7) Review of 1644 in preparation for the IPA or apart from IPA. Member Bossio warned about following the correct sequence of reviewing the law and then the IPA document. Member Bonnel recommended that everything connected to 1644, and not just the selection criteria, should be addressed (comprehensive review). Vice Chair Hernandez reiterated that the group wanted a review the selection criteria of 1644, in work group setting, and then deal with other aspects or components that the law affects (IPA, Uniform Policies, cost of attendance, etc.)
- 8) Update on Chafee Program
- 9) Update from the Commission on the impact of pending legislation (bills)

Ms. Robertson explained that typically, staff brings forth to GAC discussion about student budgets and selection criteria for the November Commission meeting. She also added that if there were any data elements that GAC wanted to review that request would have to go to research so that work can begin on securing the data for those elements.

Identified items were noted and discussion on the tab ended. No actions taken.

Chair Lindsey gave staff big thanks for putting together two comprehensive binders addressing GAC issues. She thanked all the GAC members for their hard work and sitting through two days of GAC business and she especially thanked Member Jeffery for heading up the work group and for her stewardship to get through the GAC meeting date. Finally, she again acknowledged and thanked Anne Robertson for her work and wished her well, noting that she will be greatly missed.

Member Bonnel thanked Vice Chair Hernandez for doing a wonderful job in the GAC meeting and again, Member Jeffery for her efforts during the work group the previous day. He added that the meetings were very, very productive and a great use of member time.

Member Jeffery echoed Chair Lindsey's comment regarding staff work in getting meaty items in the agenda. She explained that the items brought forth allowed for thorough review of the issues listed. Chair Lindsey concurred. Member Thomas thanked Commissioner McClain for being present and sticking through the process with the GAC members. Chair Lindsey also acknowledge Commissioner Friedlander for taking the time to come down and sit through the GAC meeting and seeing who the members are and how business is conducted.

Chairperson Lindsey adjourned the meeting at 3:24 p.m.

Mary Lindsey, Chair

**CALIFORNIA STUDENT AID COMMISSION
GRANT ADVISORY COMMITTEE MEETING**

10811 International Drive
Rancho Cordova, CA 95670

**MINUTES
JUNE 16, 2006**

**ADVISORY COMMITTEE
MEMBERS**

Mary Lindsey, Chair, CAPPS

Maria Hernandez, Vice-Chair, CSU

Louise McClain, Commission
Representative
Tim Bonnel, CCCCCO

Lora Jo Bossio, UC

Laura Cunha, CAPPS

Greg Gollihur, CPEC
Noelia Gonzalez, CASFAA

Kate Jeffery, UC
David Kopperud, K-12

Mary Robinson, CSU

Catherine Thomas, AICCU

Veronica Villalobos, AICCU
Craig Yamamoto, CCC
Kevin Woolfork, CPEC

COMMISSION STAFF

Max Espinoza, Chief, Program Administration &
Services

Division

John Bays, Chief, Information Technology Division
Janet McDuffie, Chief, Management Services
Division

Anne Robertson, Manager, Cal Grant Operations
Branch

Bryan Dickason, Manager, School Support Services
Branch

Paula Rockwell, RM II, Research & Policy Analysis
Branch

Veronica Rodriguez, Staff, Program Administratic
Services

Division

Tina Kilgore-Goodwin, AVP Audit Services, EdFund
Matthew Lieu, Associate Information Systems
Auditor,

CSAC Internal Audits

Lori Nezhura, Staff, School Support Services Branch
Drew Schrepel, Staff, School Support Services
Branch

Allen Scott, Staff, Cal Grant Operations Branch
Division

Corazon Manuel, Staff, School Support Services
Branch

Justin Ngo, Staff, School Support Services Branch

Jorge Cortez, Staff, School Support Services Branch

ALSO PRESENT

No public members.

Call to Order

Chairperson Mary Lindsey began the meeting by asking Max Espinoza, Chief, Program Administration & Services Division (PASD), to summarize staff recommendations to the California Student Aid Commission (Commission) as it pertains to the audit findings.

Tab 1: Cal Grant Disbursements/ Advance Payments/ Reconciliation Internal Audit-Commission Staff Audit Work Plan & Recommendations

Mr. Espinoza explained that the pending issue from the last meeting dealt with the Cal Grant disbursement and reconciliation audit work plan recommendations from staff. He explained that the Grant Advisory Committee (GAC) members had asked for data comparing use of the new advance funds methodology to that of the existing one.

Since that review, explained Mr. Espinoza, Commission staff has concluded that no change to the existing advance funds process will be recommended and instead, will advocate that the process remain the same. Turning to Paula Rockwell, Research Manager II, Research & Policy Analysis Branch, Mr. Espinoza asked that she discuss the “rationale” behind existing use of the 95% rule for advancing funds to schools.

Ms Rockwell explained that she and her team looked at the existing methodology in an effort to understand the logic, and too, see if the process was a fair one. After reviewing the data, Ms. Rockwell concluded that the 95% rate has historic validity in terms of advancing institutions the amounts of money they need. The focus of the study, due to these findings, she added, had to change.

Seeking additional staff support from within the Commission, Ms. Rockwell, in talking with the executive staff, staff counsel and members of the audit review team, was able to conclude that the existing advance process used with institutions was an acceptable method of advancing funds. She noted that the “calculated” advance methodology did account for historical attrition rates, thereby addressing the concerns of staff and GAC alike.

Mr. Espinoza added that the methodology is reasonable and that now, due to the research, staff has the supporting documentation to justify use of the process. Ms. Rockwell concurred, adding that staff will continue to monitor the validity of the 95% rule and too, that use of the second recommendation (reconciliation of payments 30-60 days after the term) would take care of a lot of the audit findings. Mr. Espinoza reiterated the importance of the second recommendation.

Mary Robinson, California State University representative, asked if institutions are really receiving adequate funds when fees increase in the payment year and grant awards are actually, in some instances, substantially higher. Mr. Espinoza responded by noting that some institutions were holding onto the funds and not distributing to students and too, that the Commission would be looking at adding another advance date to deal with some of the timing issues involved with getting the money out to students. Member Robinson expressed the Mr. Espinoza had not answered her question.

Ms. Rockwell added that the audit concern with schools holding onto funds would remain. She asked that we wait to see how some of the changes put into place will change behavior and whether the funds can get distributed to students in a quicker fashion. Ms. Rockwell explained

that staff would continue to monitor the data and report back if shortcomings exist and what can be done to resolve some of the processing issues.

Chair Lindsey reiterated the contents of the discussion, but added that Mr. Espinoza had not addressed Member Robinson's question regarding the actual amount advanced and whether or not the 95% could go higher given that fees and enrollment go up as well as the amount of awardees. Mr. Espinoza explained that what he was trying to say is that one of the initial issues with the audit findings was that institutions were holding on to a significant portion of the funds so he was not sure if the issue would get resolved by changing the methodology to advance more funds (give more money upfront). He explained that staff recommendations need to be assessed to determine their impact on institutional behavior.

Timothy Bonnel, California Community Colleges representative, asked if GAC could see the data. Mr. Espinoza said that staff could share the current methodology as it pertains to the 95% policy. Member Robinson clarified what she was asking by stating that she was not disputing the 95%, but instead, to what "base" or amount is that 95% applied. Veronica Villalobos, Association of Independent Colleges and Universities (AICCU), attempted clarification by citing the example of the change in award amount from one academic year to the next and how that change affected the amount received by the institution. Mr. Espinoza commented that there were many variables that could impact the amount advanced.

Chair Lindsey commented that were outstanding issues surrounding this matter and asked that 1) GAC be involved with staff in looking at the data as we move forward, and 2) that we not address issues like this at the eleventh hour. Mr. Espinoza explained that staff is not proposing a change. Chair Lindsey clarified that she's asking that GAC and staff look at the data before having to propose changes, especially if looking to address this matter in the future. Mr. Espinoza commented that staff hopes to have the advance eliminated altogether and go to "real time" processing. He assured Chair Lindsey that staff is happy to work with GAC.

Member Robinson, in response to Chair Lindsey's request for the development of a work group to look at the data, offered to be part of the review as well as to look at the correlation between institutions potentially being short in funds during the fall and the recommendations being made today, particularly with respect to interest-bearing checking accounts. Kate Jeffery, University of California (UC) representative, asked about the data used to conclude to not go forward with the take rate approach.

Ms. Rockwell explained that there was nothing wrong with the take rate, adding that a lot of it had to deal with the data that the Commission had available in order to make the assumptions needed to create an estimate. She continued that use of the take rate would not allow the Commission to get as close as needed to give institutions an amount that would work. Finally, she noted that the research effort looked to address the internal audit findings and not necessarily looking at what could be done in the future. Mr. Espinoza noted that staff was trying to be sensitive to the perceived concerns by GAC about the proposed changes being disruptive to the institutions as well as the Commission.

Member Jeffery asked if the analysis of the take rate, in comparison to the current advance funds methodology, resulted in larger amounts of advances to the institutions. Ms. Rockwell explained that the analysis provided varied results (all over the board).

Member Bonnel asked to see the results of the analysis of the proposed advance funds methodology (take rate). Mr. Espinoza explained that he'd have to address that with the internal staff and legal counsel. Chair Lindsey commented that in all her years of working with GAC,

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she had never heard of supporting data would not be available for GAC to review and use to work with staff. Chair Lindsey asked Commissioner McClain to weigh in on the discussion. Commissioner McClain asked the question directly of Mr. Espinoza.

Mr. Espinoza explained that staff was working with legal on this issue so legal would need to be included in the conversation. Mr. Espinoza clarified that staff did not say they would give the information to GAC, but would have to consult before doing anything. Chair Lindsey commented that legal used to attend GAC meetings and asked Mr. Espinoza why that no longer was the case. Mr. Espinoza explained that the Commission does not have in-house full-time legal counsel at present, but when the Commission did, the attorney attended GAC meetings when available.

Janet McDuffie, Chief, Management Services Division, offered that Mr. Espinoza could ask legal counsel from the Attorney General's Office to attend GAC meetings. Chair Lindsey asked Commissioner McClain if the Commission can help staff expedite the hiring of permanent legal counsel. Commissioner McClain said she could look into it.

Chair Lindsey decided to table review of the data until the next meeting in August. Mr. Espinoza requested clarification on the data to be reviewed. GAC members agreed that they wanted to review all the data used to conclude that the Commission would continue to use the current advance funds methodology. Member Robinson explained that she is not concerned with having to change the methodology, but instead concerned that change may result in disrupting the flow of funds to the campuses. She also noted that the other option proposed based on take and historic rates applied to the budget year award roster.

Member Jeffery asked to see the data of the take rate proposal in comparison to current methodology so that people would not think that the proposed take rate methodology ended up putting more money out on the campuses and that is why the Commission went back to the original methodology. Chair Lindsey proposed a follow-up meeting to discuss the data secured from the analysis for August. Mr. Espinoza clarified that this issue would be addressed under the Research, Reporting and Analysis Workgroup.

Member Robinson expressed concern about the current data being used to support other recommendations such as the interest-bearing checking account issue and that matter going to the Commission and being dealt with before the proposed August meeting. Mr. Espinoza explained that he understood that at least one person (Mary Robinson) was not as concerned with change as much as being concerned with making sure the methodology did not lead to disruption. Also, he added, staff is viewing the advance issue as short-term because the hope is to get to a real-time situation.

Chair Lindsey sought to redirect the focus of the group, since discussion about the absence of a real time work group to develop business requirements started, and sought to paraphrase what Member Robinson had asked. When discussing interest-bearing accounts, Chair Lindsey noted if indeed, the data supports the 95% advance methodology, then that outcome suggests that the money given to campuses is adequate and not so excessively over what they need to disburse to their students.

Tina Kilgore-Goodwin, Assistant Vice President, Audit Services with Ed Fund, explained that the paraphrase did not necessarily depict the entire picture because it doesn't take into consideration the fact that those very same institutions may be requesting supplemental disbursements. What the audit findings reflect, added Ms. Kilgore-Goodwin, are a number of instances where folks retained and did not report advance and supplemental disbursements

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throughout the term. Of the 300 institutions reviewed, 230 of them, during the 2003-04 and 2004-05 award year, had a portion of their advance offset for the next term. For Ms. Kilgore-Goodwin and her team, the data suggests that payments are not being reported in a timely manner.

Member Bonnel asked if Ms. Kilgore-Goodwin had a range of the amounts that were offset and was that data statistically valid. He commented that it may be that a few schools were the ones that had significant amounts that were offset the following term. Ms. Kilgore-Goodwin explained that the number of schools and the dollar amount of the offset is significant and that the data was all over the board; some institutions have small offset amounts while others had larger amounts.

Chair Lindsey explained that student behavior may be causing the delay in payment to students. She asked if the data from the analysis completed by Ms. Kilgore-Goodwin, regarding reporting payments, could be included with the review being completed for the advance methodology in August. Chair Lindsey explained that there was a discomfort level with not seeing the data, and while not disputing the data, she would like to see the interpretation of the findings.

Member Bonnel stated he did not want to lose sight of the adverse affect the changes may have on the students; students need to be held harmless, he added. He added that payment cannot be delayed in getting to the student because of reconciliation or advance processes that delay their funding sometimes six or eight weeks. Mr. Bonnel also noted that situations occur at the schools where a student may be delayed, due to review of the application, in getting a form back to complete the process and sending the money back to CSAC, because the student was delayed, may delay payment an additional 2-6 weeks.

Chair Lindsey informed CSAC that GAC has an alternative recommendation as it pertains to requiring schools to hold excess funds in an interest-bearing account. GAC is recommending that for schools found to hold money, that as a sanction the following year, they would be required to hold money in an interest-bearing account, and that would be on a user/abuser basis versus across the board for everybody.

Member Jeffery asked if keeping track of the interest, earned by schools is going to continue to be an issue once the "just-in-time" process is in place. She encouraged both CSAC and the institutions to look at the amount of work needed to establish the process for tracking interest-bearing accounts. Mr. Espinoza explained that the federal government requires institutions hold money in interest-bearing accounts, so discussion has occurred about modeling their approach. Mr. Espinoza asked for clarification on the data being sought regarding interest-bearing accounts. Chair Lindsey explained that GAC wanted the data (analysis) used to recommend that institutions maintain interest-bearing accounts.

In an effort clarify what is being requested, Member Bonnel explained that it would be helpful to see the data in terms of 1) the number of schools not processing as expected (230) and of that number 1) the degree (\$ amount) non-reporting from the subset. In this way, he added, it can be determined what may have contributed to the non-reporting. Chair Lindsey, in discussing the 230 institutions cited in the analysis, asked if the number was unduplicated. After explaining what was meant (counting the number of instances per institution per award year), the answer was yes. One school could have two instances of term advances that exceeded the amount disbursed.

Member Bonnel asked if it would be fair to say that 50% of the schools identified, held less than 10 or \$15,000. Ms. Kilgore-Goodwin said no, it would not be. This, expressed Member Bonnel,

is what he'd like to see in the August meeting so that the data can be reviewed and questions, such as the ones being asked, can be answered. Member Bonnel told Mr. Espinoza, in response to his question about what is being asked, that it was this data GAC wanted to see. Mr. Espinoza and staff agreed that the data could be shared. Mr. Bonnel then asked if he could also have the data by segment since the CCs get awards in mid-October due to the September 2nd competition.

Chair Lindsey sought to clarify a comment, made by Mr. Espinoza, regarding the federal government requiring campuses to keep their funds in interest-bearing accounts and the State wanting to parallel that approach. There are exceptions, noted Chair Lindsey, to the requirement including instances where the school request funds under the "just in time" payment method and when the school could demonstrate that they would not earn more than \$250 in interest. Mr. Espinoza stated that the exceptions would be considered.

Lora Jo Bossio, University of California (UC) representative, asked if there was a lot of time to finalize the recommendations. Both Mr. Espinoza and Chair Lindsey said no, with Chair Lindsey stating that staff would be asking the Commission to have all institutions, participating in the 2007-08 Cal Grant program, be required to keep Cal Grant funds in an interest-bearing account and return any interest on those funds at the end of the year.

Again other issues surfaced regarding this analysis, including the enforcement of the October 15, 2006 deadline and 60-day reconciliation period (Bossio) and the need for institutional and Commission expenditures to implement the interest-bearing account effort (Lindsey). Member Bossio explained that the 60-day recommendation is for "preliminary" reconciliation with Mr. Espinoza noting that this process would allow for payment changes after the 60 days for the prior term.

Chair brought the discussion back noting that staff is recommending the same thing as GAC and that is a 30-60 day, per term, preliminary recommendation, with nothing about it being a final reconciliation. Mr. Espinoza agreed. Chair Lindsey commented that if the reconciliation is preliminary, then staff will have to develop some parameters for reasonable changes after the fact. Mr. Espinoza explained that this part of the discussion can be added to the August meeting as well. Chair Lindsey also clarified that the reconciliation recommendation is for the 2007-09 year; Mr. Espinoza said yes. An Operations Memo would be issued, added Ms. Robertson, but there would be no automation in any fashion, to implement the reconciliation program, until 2007-08.

Member Bossio asked where the summer awards fall in this 30-60 day, after term, reconciliation process since the summer payment would run into the October 15th deadline. Member Bossio was concerned that this issue would be voted on by the Commission the following week (next meeting). Mr. Espinoza explained that the Commission already voted on the October 15th date and have directed staff to enforce it.

Member Jeffrey asked if no changes could be made, on a student's record, after the October 15th deadline if it was determined after that date that the student is eligible (example, a student disputing a residency issue). Mr. Espinoza explained that a case like that would be addressed through the appeals process in an appeals basis. Chair Lindsey offered that on the October 15th deadline, the requirement could be that this date be a final closed reconciliation or 90 days following the end of the last term of the academic year or whichever comes first.

Mr. Espinoza explained that staff did not feel there was flexibility on the October 15th deadline. Chair Lindsey asked if staff understood that for some institutions, the October 15th date only

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allows them four to six weeks to reconcile following the end of their entire year. Mr. Espinoza stated that staff understood that, but it was pretty clear from the Commission's perspective that this was something that needed to be done; that it was not being enforced. And, he added, CSAC recognized it was not being clear and direct with the institutions that the October 15th date had to be done so the CSAC's hope is, in the next year, provide sufficient training and support so that everyone knows that the deadline will be enforced.

This, expressed Member Bonnel, is the crux of the problem; last minute, just-in-time agenda items that result in Commission decisions without adequate information resulting in decisions that are basically untenable for many of the institutions. He continued, stating that the October 15th deadline is going to cause problems and the 30-60 day reconciliation is going to wreak havoc for financial aid offices if the data is locked down and schools have to go through an appeals process. Mr. Bonnel noted that, at least with the CCs, they are willing to do the preliminary reconciliation, but in some cases, upwards of 15-30% of some of those awards get adjusted out in the spring term because of some other payment that came in that puts a student in an over-award situation, thereby making the student less eligible.

Member Bonnel explained that he would not support a 30-60 day reconciliation on term end unless it came with a preliminary comment and didn't lock down the data and force a manual intervention, administratively, to fix. He expressed concern about the deficiency in detail in the recommendation. Mr. Espinoza noted that staff would not agree with Member Bonnel's characterization, noting that concerns about summer payment have been addressed and that this matter has been in discussion for over five months.

Member Bossio expressed concern about not being able to get summer awards reconciled by the October 15th deadline, noting that it was a physical issue; one that the training will not be able to address because of the timing frame issue. While Member Bossio recognized that the fall term has a certain start date, as noted by Mr. Espinoza, she clarified that disbursement of funds can occur three or four times a year and that, too, could create difficulty. Mr. Espinoza agreed that the summer issue needs to be looked at, with GAC, during the August meeting.

When asked again if the October 15th deadline was already to be enforced, Mr. Espinoza pointed out that the decision was already made and passed by the Commission. Chair Lindsey explained that GAC discussed enforcing, at minimum, October 15th deadline because it was already in place and had been around for many years. Summer payment, she added, used to be the exception, but with advent of tidal wave two impact and the enrollment of more students, it is becoming more frequent and this is what may be bringing up this issue of summer payment.

Chair Lindsey expressed that staff has their position on the October 15th issue and they have made their recommendation. This, she noted, does not preclude GAC from saying the issue has been revisited and six weeks after the October 15th deadline is not enough to reconcile the year due to summer payments. Mr. Espinoza clarified that the reconciliation being required was and not a hard and fast reconciliation.

Mr. Espinoza, again, asked for clarification on the issue of October 15th because he understood that GAC had supported enforcement. Chair Lindsey explained that GAC is dealing with the October 15th issue and not the 30-60 preliminary post-term reconciliation. Member Bonnel explained that the 30-60 reconciliation recommendation does not say preliminary and that GAC has major concerns about it be a hard lock down on the data and a forced manual appeal process. He added that the CCs had no problem telling their campuses to get their data reconciled as soon as possible, but if they had to make adjustments, that the process be a simple one. And this, he added, is the "devil in the detail" argument he continues to bring up.

Chair Lindsey explained that the two issues (term reconciliation and end of year reconciliation) continue to be discussed interchangeably. She brought the discussion back to the term-by-term preliminary reconciliation because everyone seemed to be in agreement with that recommendation, especially if changes could be made after the preliminary reconciliation was completed. Chair Lindsey's concern was that GAC would hear staff say they were not sure if, indeed, changes could be completed after the preliminary reconciliation.

In discussing the 30-60, preliminary post-term reconciliation recommendation, Chair Lindsey recommended that the implementation and effectiveness of the requirement be assessed after one year and not create major procedural changes until data is secured and analyzed. Member Jeffery asked Mr. Espinoza and the staff what was being proposed, specific to this issue. Mr. Espinoza explained that staff is in agreement with GAC noting that there will be a preliminary 30-60 post-term reconciliation process that will allow for correction after the 60 days. Mr. Espinoza explained that staff wants to encourage adherence to the recommendation and too, give one year for the requirement to be phased in (no audit for the initial year and put the focus on training).

Member Bonnel noted that the problem with the recommendation was the last five words of the recommendation the noted the "with penalties for noncompliance" following the part about at the end of the term. Mr. Espinoza explained that the penalties for noncompliance referenced the October 15th date. He also discussed noted there the recommended 30-60 end of term reconciliation is in phases and since it will not be audited the first phase (year), there will be no penalties because staff knows time has to be allowed for behavior to change.

Member Bonnel commented that lately, much of what has been discussed during the teleconferences is a shift in workload away from Student Aid, onto schools, or created new workload as a result of new interpretations of Ed Code and other policies that would create a greater workload on a college campus. He added that in not defining what the process for the recommendation is going to be, the issue can be handed back to GAC to work it out. Mr. Espinoza asked what Member Bonnel meant by having the issue handed back. Member Bonnel explained that it would be handed back to GAC to work with the Commission staff and find a system that is not administratively burdensome.

Chair Lindsey attempted to craft a motion noting that GAC supports the staff recommendation with the amendment to clarify that it is a preliminary reconciliation. Member Bossio asked that the recommendation go one step further and say that GAC interprets preliminary to mean that adjustments will be made through the normal channel and not require appeals or a manual process. Member Jeffery reiterated that what she heard campus people say is that they want to be able to continue to make adjustments after the preliminary reconciliation date through Web Grants other than through some other process. Chair Lindsey recommended the use of "reasonable adjustments."

Motion 1: After discussion on how to frame the motion, Chair Lindsey noted that GAC supports staff recommendations, with the addition that it be amended to specifically include that it's a preliminary reconciliation and that we interpret preliminary reconciliation to mean that it allows for reasonable adjustments after the preliminary reconciliation through existing channels. Member Bonnel moved. Member Bossio seconded.

Discussion

Maria Hernandez, Vice Chair, California State University (CSU) representative, asked if use of the term “preliminary” will address the part on the recommendation that says that if a school does not reconcile with 30-60 days of the end of term, they will not be allowed to receive supplemental pay. Chair Lindsey noted that if the majority of the schools reconciled 95% of the money that was advanced, then staff could provide training for those schools that need help.

Mr. Espinoza, in response to Member Hernandez’ comment, noted that the different processes are tied to the other and the idea behind holding the supplemental was to hold them until these schools actually reconciled. Mr. Bonnel asked how CSAC would know whether a school reconciled or not. Mr. Espinoza asked the issue being raised should be discussed now. Member Bossio offered that the issue be addressed at the August meeting.

Motion passed.

Chair Lindsey began the discussion of the October 15th final reconciliation requirement in terms of the institutions that have summer enrollment, which is a trailer and therefore, may be making disbursements through September, four to six weeks before that October 15th deadline, and not have enough time to do a final reconciliation. Chair Lindsey noted that there are number of increasing institutions that fall into this category and recommended that all industry members would be served, including CSAC, if the issue could be addressed and resolved with minimal workload increase for all.

Chair Lindsey sought to revisit the suggestion of a year-end reconciliation of October 15th or 90 days from the close of your last term in that award year, whichever comes later. Mr. Espinoza asked if GAC was changing its original recommendation that CSAC enforce the October 15th deadline. Chair Lindsey said yes. Mr. Espinoza asked if further discussion on the Chair’s recommendation (how to handle summer payment) was needed. Member Bossio asked if Mr. Espinoza’s suggestion was that GAC approach the Commission and ask if, in light of the summer payment issue, GAC be given the opportunity to review the October 15th requirement again.

Chair Lindsey explained that the problem with Member Bossio’s suggestion is that the October 15th date is already a date that the Commission has in effect (place) by virtue of the Institutional Participation Agreement (IPA) and the only recommendation the Commission approved to enforce that. Member Bossio asked if GAC could go back and ask for reconsideration in light of things being different since the IPA was written.

Mr. Espinoza explained that the summer term, in his view, is the issue and that the recommendation be that said issue be looked at and resolved. In doing so, he added, how the summer payment is dealt with may have to be modified, but that does not necessarily mean that change to the October 15th requirement needs to be recommended. Member Bonnel noted that the Chair’s request is that, for those schools that have summer terms, that they be given 90 days from the end of those terms to get the final reconciliation done for the year. Member Bonnel also asked if there were other issues with the October 15th requirement other than the summer issue.

Discussing post-October 15th adjustments, Chair Lindsey asked if clarification was needed regarding the appeal process. Mr. Espinoza explained that there would be an appeal process, but then too, there would also be penalties. He added that the different aspects of the October 15th requirement are all wrapped up in the recommendation. Member Thomas asked what the

Tab 1.I

penalty would be for a school that needs more money, but has not completed their reconciliation. Ms. Robertson explained that there would be no penalty for that school in that scenario. Member Thomas also asked if Web Grants would still be up as a way to make changes after the October 15th deadline. Mr. Espinoza said Web Grants would be closed.

Member Jeffery asked if the appeal process referenced in the recommendation was in relation to the penalty. Chair Lindsey did not think stating that it has more to do with holding funds and that those funds could be pending some legitimate Cal Grant awards that going to be finalized post-October 15th. So in her view, the institution may 1) appeal the invoice and not return the money and 2) be able to appeal to allow those students to be included so the student gets paid; two issues. Member Jeffery noted that the appeals in the recommendation are only about the first type of appeal and not the second one. Ms. Robertson added that an institutions appeal for additional funds will be considered after the outstanding balance has been paid in full.

Catherine Thomas, Association of Independent Colleges and Universities (AICCU) representative, asked how those schools with summer terms would be identified as eligible for the 90 day from end-of-term reconciliation process as opposed to being required to use the October 15th deadline. Ms. Robertson explained that the current process requires that reconciliation by the October 15th deadline with schools being invoiced for the funds not expended. The schools, she added, pay the invoice then, as needed, would make adjustments for those students needing payment and CSAC would issue that amount. This, Ms. Robertson added, is how the process currently works. Member Thomas noted that there is no relief for those schools with large amounts of summer payments and CSAC is making a very cumbersome process.

Ms. Robertson asked the group for a reasonable date for schools to reconcile the year. Member Thomas said December 15th. Member Thomas noted that those schools asking for an extension of the reconciliation requirement should be able to show that they have actual summer payments than just claiming summer payment because they have summer terms. Chair Lindsey offered that one way this could be accomplished is by saying that outstanding summer payments by October 15th, given the current IPA and appeal process, have to be submitted for appeal, however, you can count on having that appeal approved.

Ms. Robertson asked for clarification on the recommendation from GAC regarding the 90-day reconciliation for schools with summer terms. Member Thomas stated that this was what she was trying to figure out because in her view, the October 15th requirement should apply only to academic-year processes that didn't get done in that time period and not to "legitimate" summer billings. Mr. Espinoza reiterated the need to address these issues further during the upcoming August meeting.

Motion 2: Member Bonnel motioned that for schools that make payments in a summer term, that those schools are given an opportunity to do their final reconciliation no later than 90 days from the end of that term. Member Thomas seconded.

Motion 2 (amended): Member Bonnel motioned that for school that make payments in a summer term, that those schools are given an opportunity to do their final reconciliation no later than 90 days from the end of that term or December 31st, whichever comes first. Member Thomas seconded and agreed to the amendment.

Discussion

No discussion.

Motion passed.

On the issue of interest-bearing accounts, Mr. Bonnel asked if GAC had a standing recommendation. Chair Lindsey stated that GAC's recommendation is that it be only done as a sanction to schools who abuse the system. GAC is not in favor of interest-bearing accounts. Commissioner McClain asked Chair Lindsey her plan to address the high school verification issue not being noticed. Commissioner McClain wanted to know if it was going to be discussed at the Commission meeting. Chair Lindsey explained that staff has their position on the issue and so does GAC. Mr. Espinoza noted that the issue was not listed on the agenda because it was not requested of staff, but it will be posted by Monday.

Chairperson Lindsey adjourned the meeting at 11:58a.m.

Mary Lindsey, Chair

Information/Action Item

GRANT ADVISORY COMMITTEE

Cal Grant, Specialized Programs, and Public Affairs Update

Staff will provide updates on the processing of Cal Grants, Specialized Programs, and Public Affairs.

Recommended Action: No action necessary.

Responsible Staff:

Bryan Dickason, Manager
Cal Grant Operations Branch

Linda Brown, Manager
Specialized Programs Branch

Gloria Falcon, Manager
Policy Program & Development Branch

Yvette Johnson, Manager
School Support Services

Tom Mays, Manager
Public Affairs Branch

Clarita Cortez, Staff
Specialized Programs Branch

2007-2008 Cal Grant Update

High School Grade Point Average (GPA) Submissions

	2006/07	2007/08	Change	%
Total High School GPAs	290,033	330,091	34,124	13.8%
Submitted via Paper	62,954	62,942	-12	0.0%
Submitted via WebGrants	227,079	267,149	40,070	17.6%
Handkeyd by Schools via WebGrants	49,561	57,868	8,307	16.8%
Electronic GPA Upload via WebGrants	177,518	209,281	31,763	17.9%
Total High Schools Submitting GPAs	1,836	2,068	232	12.6%
Submitted GPAs via WebGrants				
Number of High Schools	937	1,013	76	8.1%
Percent of Total High Schools	51%	49%		

Plan to increase the number of high schools using WebGrants in 2008-2009:

- Continue to train schools on electronic GPA upload process.
- Continue to provide online training for electronic GPA upload process for schools.

High School Entitlement Appeals

2007- 2008 HS Entitlement Appeals	Notice Sent	Responses Received (Appeals)	Approved	Denied
Received GPA After March 2nd	1,134	203		
On-time FAFSA but no GPA	22,295	1,129		
Total	23,429	1,332	644	688

Reasons provided by students on appeals:

Unaware of the GPA form/process
 School acknowledged their failure to submit GPA on time
 Student indicated school was in error
 Medical reasons/ death in the family
 SSN corrections
 Other reasons

2007-2008 Cal Grant Update New Award Offers By Program

High School Entitlement (E1)	2006/07	2007/08	Change	%
Cal Grant A	18,680	19,147	467	2.5%
Cal Grant B	45,108	46,242	1,134	2.5%
Total	63,788	65,389	1,601	2.5%

Status of Program Activities for 2007-2008:

- Mailed G-8 (High School Graduation Self-Certification) forms to all new E1 students
- Processed more than 16,000 paper School Change forms to date

CCC Transfer Entitlement (E2)	2006/07	2007/08	Change	%
Cal Grant A	3,571	2,817	-754	-21.1%
Cal Grant B	5,110	7,504	2,394	46.8%
Total	8,681	10,321	1,640	18.9%

Status of Program Activities for 2007-2008:

- Mailed G-6 (CA Residency & H.S. Graduation Self-Certification) forms to all new E2 students
- More than 9,700 G-6 forms were returned and processed determined eligible

March Competitive (C1)	2006/07	2007/08	Change	%
Cal Grant A	1,120	1,189	69	6.2%
Cal Grant B	9,683	11,523	1,840	19.0%
Total	10,803	12,712	1,909	17.7%

Status of Program Activities for 2007-2008:

- Cut-off score was set at 153

Cal Grant C	2006/07	2007/08	Change	%
Total Cal Grant C	8,252	8,111	-141	-1.7%

The Commission sets a cut-off score to offer grants as close as possible to the authorized number of awards. This creates a minor variance in awards from year to year.

September Competitive (C2)

C2 awards processed October 2, 2007. Stats not yet available.

Total Award Offers	91,524	96,533	5,009	5.5%
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OPERATIONS MEMO

Update of the California Student Aid Commission

August 10, 2007

GOM 2007- 24

TO: Financial Aid Administrators & High School Counselors

FROM: Catalina Mistler *Catalina Mistler*
Chief, Program Administration & Services Division

CONTACT: Program Administration & Services Division
Phone: (888) 294-0153
Fax: (916) 526-8002
E-mail: schoolsupport@csac.ca.gov

SUBJECT: September 2, 2007 Competitive Cal Grant Deadline
Reminder and Deadline Clarification

The California Student Commission (Commission) would like to remind high school counselors of the September 2, 2007, Competitive Cal Grant award deadline. This deadline is to award a second cycle of Cal Grant awards for students attending a California Community College for the fall 2007 school term.

Eligibility Criteria

Students who did not receive a Cal Grant award for the March 2, 2007 application process, or who applied after March 2, 2007, but no later than September 2, 2007, may be considered for the 2007-2008 September 2 award competition.

In order to be considered for the 2007-2008 September 2 award competition, applicants must have:

- a completed 2007-2008 Free Application for Federal Student Aid (FAFSA) on file with the Commission, submitted no later than September 2, 2007,
- a verified 2007-2008 Cal Grant GPA Verification Form submitted to the Commission no later than September 2, 2007; and,
- a Social Security number included on a California Community College enrollment upload file.

As with the March 2nd Cal Grant awards, schools may submit GPAs by electronic upload or by using the paper GPA form.

For more information you may contact us at:

California Student Aid Commission, Program Administration & Services Division
P.O. Box 419028, Rancho Cordova, CA 95741-9028 (888) 294-0153 Fax: (916) 526-8002
Website: www.csac.ca.gov E-mail: schoolsupport@csac.ca.gov



For the September 2nd selection, the Commission will re-use the GPAs of students who submitted a GPA for the March 2 awards but were not offered a Cal Grant award. Since the student may have completed further coursework, you may wish to resubmit the student's new GPA. Schools may verify the submission and acceptance of Cal Grant GPAs by accessing the GPA summary report from the Report Download menu in WebGrants.

Please note that the statutory application deadline for the September Competitive Cal Grant award selection is September 2, 2007. In compliance with California Government Code 6707, when a state deadline falls on a Saturday, Sunday or holiday, applications can be accepted through the next working day. In 2007, the next working day is September 4th, 2007.

Cal Grant Grade Point Average Verification forms fall under this provision. The Commission will be accepting school certified GPAs sent with a September 4, 2007 postmark. GPAs submitted via WebGrants will also be accepted through September 4, 2007. Likewise, provisions will be made to accommodate Free Application for Federal Student Aid (FAFSA) applications that are filed through September 4th both via paper and by using FAFSA on the Web.

Forms

The September 2, 2007 Cal Grant GPA Verification Form and instructions are available for download from the Commission Web site at www.csac.ca.gov. If additional GPA paper forms are needed, schools may submit a request using the EdFund online ordering system. Instructions for using the on-line system can be found at www.csac.ca.gov/doc.asp?id=1072.

Schools may also submit their order to the Commission's warehouse by calling (916) 526-7282 or by faxing the order to (916) 525-8838. Schools must include their school code, delivery address, a contact name and telephone number with the quantity of forms requested.

If you have any questions regarding the information contained in this alert, please contact School Support Services, at (888) 294-0153 or by email at schoolsupport@csac.ca.gov.

Enclosures: September 2, 2007 Cal Grant GPA Verification Form

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OPERATIONS MEMO

Update of the California Student Aid Commission

August 10, 2007

GOM 2007-25

TO: Financial Aid Administrators

FROM: Catalina Mistler *Catalina Mistler*
Chief, Program Administration & Services Division

CONTACT: Program Administration & Services Division
Phone: (888) 294-0153
Fax: (916) 526-8002
E-mail: schoolsupport@csac.ca.gov

SUBJECT: WebGrants Program Change Capability

The California Student Aid Commission is pleased to announce an enhancement to WebGrants that will allow schools to perform program changes for newly awarded Cal Grant recipients who meet the eligibility criteria in both the Cal Grant A and B programs. Program changes into or out of the Cal Grant C program cannot be accommodated by this functionality.

Each year, a number of new Cal Grant applicants will simultaneously meet the eligibility criteria for both the Cal Grant A and B awards. Since state law allows a student to participate in only one Cal Grant program at a time, the Commission places the student into the program that appears to provide the greatest monetary benefit over the student's projected participation time in their college program. However, since the Commission lacks information on other factors that may determine which Cal Grant award is best for the student, award changes can be requested. Based on how the Cal Grant A and B awards are paid out, the overwhelming majority of students that would benefit from a program change would be first year students. Please refer to Grant Operations Memo (GOM 2007-20) issued June 21, 2007 to find more information on the Cal Grant Program overlap process.

In the past, Cal Grant program changes were completed manually using the Cal Grant New Recipient Change Form. This form was first completed by the student, then signed by the student's school and submitted to the Commission. Processing each student's recipient change form is time consuming.



Now, in response to the anticipated large numbers of students attending the University of California who will require a program change, schools now have the ability to submit program change requests through WebGrants. Students will also continue to have the ability to request a program change using the Cal Grant New Recipient Change Form.

To assist schools in identifying those participants who are eligible for both the Cal Grant A and Cal Grant B awards, a report will be available on the WebGrants report download screen. Once a school has identified those students who would benefit from a program change, the school can upload a list of these students in WebGrants. A weekly batch job will process the requested changes and generate an accept/reject report for each file that has been changed. *The Commission will continue to allow Cal Grant program changes for students prior to the disbursement of their first payment.*

The enclosed WebGrants User Guide has been updated to reflect the new program switch capability and will provide instructions to successfully complete this function.

If you have any questions regarding this Operations Memo, please contact Tae Kang at (916) 526-7961 or tkang@csac.ca.gov.

Enclosures: Student Overlap Report User Guide
Student Program Change Upload File Specifications

Working together to effectively promote education beyond high school!



OPERATIONS MEMO

Update of the California Student Aid Commission

August 24, 2007

GOM 2007-26

TO: Financial Aid Administrators

FROM: Catalina Mistler *Catalina Mistler*
Chief, Program Administration & Services Division

CONTACT: Program Administration & Services Division
Phone: (888) 294-0153
Fax: (916) 526-8002
E-mail: schoolsupport@csac.ca.gov

SUBJECT: Cal Grant Competitive Community College Submission Information

This Operations Memo provides guidance to California Community Colleges regarding the 2007-2008 September Competitive Cal Grant A & B GPA and enrollment information submission process. These awards are for students who will attend an eligible California Community College this fall. This memo addresses the following:

- Deadline Extension
- Students Eligible to Participate in the 2007-2008 Cal Grant Community College Competition
- Cal Grant Grade Point Average (GPA) Verification Process and Submission
- California Community College Enrollment Verification and Submission

Deadline Extension

This year the Cal Grant Competitive Community College award selection filing deadline is extended to September 4th. In compliance with California Government Code 6707, when a state deadline falls on a Saturday, Sunday or holiday, applications can be accepted through the next work day.

Students Eligible to Participate in the 2007-2008 Cal Grant Community College Competition

Students who did not receive a Cal Grant award from the March 2nd application process, or who applied after March 2nd, but by September 4th, 2007, may be



considered for the 2007-2008 Community College award competition.

In order to be considered for the 2007-2008 September community college competition, an applicant must have:

- A complete 2007-2008 Free Application for Federal Student Aid (FAFSA) postmarked or posted on-line no later than September 4th;
- A verified GPA submitted to the California Student Aid Commission (Commission) for the 2007-2008 award year no later than September 4th, 2007; and
- A Social Security number included on a California Community College enrollment upload file.

Students who are offered an award must enroll in and attend a California Community College for the fall 2007 term to receive payment.

Cal Grant Grade Point Average (GPA) Verification Process and Submission

The September Community College Cal Grant GPA Verification Form and Wraparound has been available for ordering from the Commission warehouse since late March. A downloadable version of the form has been posted to the Commission's Web site since March 3, 2007. The Commission continues to encourage schools to utilize WebGrants to submit GPAs. The following information is provided to assist community colleges in the submission of GPAs:

- Submitting Verified GPAs

Authorized school officials may submit verified GPAs by uploading data files through WebGrants using the GPA upload option. GPA data files must be received by the September 4th filing deadline. Please refer to the enclosed record layout for the data fields to include in your data file. You may also submit certified paper GPA Verification Forms.

- September Cal Grant GPA Verification Forms

The 2007-2008 September Cal Grant "wrap-around" provides complete instructions on how to calculate a college, community college or reestablished GPA. If a student chooses to submit the paper Cal Grant GPA Verification Form, please advise the student to keep a copy of the form and to obtain a \$1.05 U.S. Postal Service (USPS) Certificate of Mailing; which must be postmarked by the September 4th deadline.

- Reestablished GPAs

Please identify reestablished GPAs by:

1. WebGrants GPA Upload: When uploading both regular and reestablished GPAs, each requires a separate data file. Use a naming convention to readily identify which file is a regular GPA and which is a reestablished GPA file; or
2. GPA Verification Form: Bubble in the oval that identifies the verified GPA as a reestablished GPA, if applicable.

California Community College Enrollment Verification and Submission

Enrollment data files are to be uploaded directly to the Commission through WebGrants. Users have the option to upload a complete data file or to enter individual records. The enrollment record layout specifications are the same as last year. A copy of the record layout is enclosed.

California Community Colleges should report the Social Security numbers of all students enrolled for Fall 2007, regardless of the number of units in which the student is enrolled. The Commission is requesting all enrollment data no later than September 11, 2007 for semester community colleges and by September 18 for quarter schedule schools. If you need further assistance, please contact Charles Johnson, Cal Grant Operations, at (916) 526-7976 or cjohnson@csac.ca.gov

Enclosures:

- WebGrants GPA Record Layout
- Enrollment and GPA File Upload Q&A
- Enrollment Data Electronic File Layout
- September Cal Grant GPA Verification Form
- September Cal Grant GPA Verification Wrap Around

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OPERATIONS MEMO

Update of the California Student Aid Commission

August 31, 2007

GOM 2007-28

TO: Financial Aid Administrators

FROM: Catalina Mistler *Catalina Mistler*
Chief, Program Administration & Services Division

CONTACT: Program Administration & Services Division
Phone: (888) 294-0153
Fax: (916) 526-8002
E-mail: schoolsupport@csac.ca.gov

SUBJECT: Fall Advance and Reporting 2007-2008 Payments

The purpose of this Memo is to notify institutions that the Cal Grant Fall Advances have been processed for institutions that have submitted their 2007-2008 Institutional Participation Agreement (IPA). The Commission processed the fall Cal Grant advance on August 30, 2007. Electronic Funds Transfer schools that have not received their funds by September 5, and schools that have not received paper checks by September 11, should contact Tae Kang at 916-526-7961.

As previously announced in GSA 2007-08 dated August 6, 2007, schools have an option to receive either an August or October Cal Grant program fund advance. If your school is interested in the October advance option for next year's Fall Advance, please contact Tae Kang at 916-526-7961 or by email at tkang@csac.ca.gov.

Schools can now report 2007-2008 payments for eligible Cal Grant students with the exception of California Community College Transfer Entitlement (Transfer Entitlement) Award participants who are part of the 10% verification process. These award participants must have their high school graduation and California residency status verified by the college of attendance prior to the disbursement of any payments. Also, those schools with no submitted IPA have been placed on a halt-pay status. Questions on the status of IPA documents should be addressed to School Support Services at 888-294-0153 or via email at schoolsupport@csac.ca.gov.



Please be aware that there are now two academic years available to choose from when submitting WebGrants payments. The default WebGrants payment year is 2007-2008. Payments will reject if uploaded to the wrong academic year. Schools should carefully check their Cal Grant accept/reject reports and make any appropriate corrections if necessary.

If you have any questions, please contact the Commission at 888-294-0153 or via email at schoolsupport@csac.ca.gov.



OPERATIONS MEMO

Update of the California Student Aid Commission

September 5, 2007

GOM 2007-29

TO: Financial Aid Administrators

FROM: Catalina Mistler *Catalina Mistler*
Chief, Program Administration & Services Division

CONTACT: Program Administration & Services Division
Phone: (888) 294-0153
Fax: (916) 526-8002
E-mail: schoolsupport@csac.ca.gov

SUBJECT: September 2 Cal Grant Grade Point Average Appeal Deadline

The purpose of this memorandum is to inform schools of the deadline to submit late GPA appeals to the California Student Aid Commission (Commission) for September Cal Grant Competitive program applicants. This year, the appeal deadline, which is set 20 days after the filing deadline, will fall on Monday, September 24, 2007.

Since September 2nd fell on a Sunday and the next day was a national holiday, the Commission accepted GPA submissions for Cal Grant Competitive program applicants postmarked through Tuesday, September 4, 2007. As required by Government Code 6707, when a state deadline falls on a Saturday, Sunday or holiday, applications can be accepted through the next working day.

Appeals for late GPA submissions on behalf of September Cal Grant Competitive program applicants will be accepted through Monday, September 24, 2007. The Commission's appeal deadlines are set in the California Code of Regulations (CCR). Section 30023(c) of Title 5 of the CCR states, "The Commission may, on a case-by-case basis, accept the submission of grade point average(s) from an applicant or reporting institution after the March 2, or September 2, deadline if, in the opinion of the Executive Director, circumstances beyond the control of the applicant delayed or prevented the timely submission of the grade point average(s) by the applicant or reporting institution(s) by the March 2 or September 2 deadline."



In addition, Section 30023(c)(3) of the CCR states: "In the case of an application for a Competitive grant award under Education Code sections 69437, 69437.3, or 69437.6, any request to the Executive Director to accept grade point average(s) after the March 2, or September 2, deadline shall be received by the Commission no later than March 22, or September 22, (twenty (20) days after the March 2 or September 2 deadline) and the computed grade point average(s) and the certification specified in subsection (1) shall be included with the request."

Since the filing deadline is extended this year, the appeal deadline will be extended as well. The Commission recommends that schools access their GPA Summary Report in WebGrants prior to the GPA appeal deadline to assist in determining whether their GPA submissions were received and accepted by the Commission.

Each school appeal request for late GPA submission will be independently evaluated to ensure that the circumstances which caused the delay or prevented the timely submission of GPAs to the Commission were beyond the control of the applicant, and that the request was received by the Commission no later than Monday, September 24, 2007. Each request must also include the computed GPA for the applicant.

Appeals for late GPA submission may be sent to the Commission by mail to:

California Student Aid Commission
Attn: Cal Grant Operations Branch
P.O. Box 419028
Rancho Cordova, CA 95741-9028

Once again, the regulation is very specific in limiting the GPA appeal grace period to twenty (20) days following the filing deadline. All such requests must be received by the Commission no later than September 24, 2007. Please note that the law does not give the Commission any leeway in consideration of GPA appeal requests beyond the 20-day grace period.

If you have any questions regarding this Operations Memorandum, please contact Charles Johnson, Cal Grant Operation Branch, at (916) 526-7976 or at cjohnson@csac.ca.gov.

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OPERATIONS MEMO

Update of the California Student Aid Commission

September 25, 2007

GOM 2007-31

TO: Financial Aid Administrators

FROM: Catalina Mistler *Catalina Mistler*
Chief, Program Administration & Services Division

CONTACT: Program Administration & Services Division
Phone: (888) 294-0153
Fax: (916) 526-8002
E-mail: schoolsupport@csac.ca.gov

SUBJECT: California Community College Transfer Entitlement Cal Grant Awards

The purpose of this memo is to update schools on the processing of California Community College Cal Grant Transfer Entitlement (Transfer Entitlement) awards. The California Student Aid Commission (Commission) is pleased to announce that the Commission has offered approximately 3,900 Transfer Entitlement awards to students. Students have been sent a California Aid Report (CAR) notifying them of the award amount and school of attendance.

Assembly Bill (AB) 840, passed last year, required the Commission to make preliminary awards to all applicants currently eligible for a Transfer Entitlement award and required each person who receives a preliminary award to affirm in writing, under penalty of perjury, that he or she meets the eligibility requirements for the program. The Transfer Entitlement Cal Grant Certification Form (G-6) is used for this purpose.

In addition, AB 840 also requires that the Commission randomly select prior to disbursement a minimum of 10% of the new and renewal Transfer Entitlement awards for verification by the institution that the student meets the specified requirements for eligibility in the program.

Transfer Entitlement Award Processing

For 2007-2008 processing, the Commission placed Transfer Entitlement awards in an "on-hold" status. Applicants were sent a Preliminary Award letter along with a G-6 form notifying them of the preliminary award and requiring them to complete and return a G-6 in order to receive further consideration for



an award. When a completed form was received, the student's record was reevaluated for a Transfer Entitlement award based on the information provided on the form. Students awarded a Transfer Entitlement award were placed into a pool and randomly selected to be verified by the school.

Students who returned their G-6 form and certified that they were not eligible to receive a Transfer Entitlement award will have their preliminary Transfer Entitlement awards withdrawn and will be considered for a 2007-2008 competitive Cal Grant award.

The Commission will also soon be processing those students who have not returned a G6 form for consideration in the Competitive Cal Grant program. After a student is processed in this manner, the student may only again receive Transfer Entitlement award consideration upon successful written appeal to the Commission including a completed G-6 form. The G-6 is attached for those schools that would like to have this available for their Transfer Entitlement award candidates.

Verification of eligibility

For the 2007-2008 academic year, the 10% school verification selection pool will include new Transfer Entitlement students and those renewing an award from 2006-2007. Please be advised that students who were awarded a Transfer Entitlement award prior to 2006-2007 will not be included in the verification selection. In addition, please note that once a student has been verified as eligible, they will not be selected again for verification.

All of the following information must be verified by schools for the selected students:

(1) that the student graduated from a California high school or equivalent during or after the 2000-01 academic year; or that the student who could not satisfy criteria (1) graduated from a high school outside of California due solely to military orders that required the student or the student's parent to be out of the state at the time of high school graduation.

(2) that the student was a California resident at the time of high school graduation or equivalent; and

For purposes of verification, schools must obtain documentation that verifies a student's eligibility for the award. For instance, schools may use a student's high school transcript to verify that they meet the requirement for graduation from a California high school. If the student was required to be out of state due to orders received from a branch of the United States Armed Forces, the student should provide documentation for the orders and the effective dates. Tax returns, utility bills or documents that show permanent parental address may also be used to determine California residency at the date of high school graduation of a minor student. Schools must retain the verification documentation of the student in their files for future audits. Schools may only verify students who are in attendance at their institution.

Verification on Roster

Students who are chosen for verification will be listed in the eligible section of the Cal Grant roster. Schools will be able to identify those students who have been selected for verification by the message next to their names on the Cal Grant roster, indicating that they are "Entitlement Transfer Verification". On the downloadable roster, students will be marked with a 'V' next to the program code if they have been chosen for verification. For instance, a Transfer Entitlement student who has been selected for verification will appear as "AV-E2" or "BV-E2". Schools will also have the ability to custom sort their roster to show only those students who require verification.

When using the on-line Cal Grant roster, the school will be prompted to affirm that they have verified the student's eligibility under penalty of perjury, prior to posting a payment transaction for the student. Payment transactions for a student who has not been verified will not process in a Grant Roster upload and will show up on the weekly Accept/Reject Report. Commission staff will not be able to verify the final eligibility of a student as AB 840 requires this to be done by schools. A WebGrants Transfer Entitlement Processes Guide is available on the WebGrants "Help" page to answer questions on this process.

If you have any questions regarding any of the information contained in this memorandum, please contact School Support Services at (888) 294-0153, or schoolsupport@csac.ca.gov.

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Enclosure: 2007-2008 Transfer Entitlement Cal Grant Certification Form (G-6)



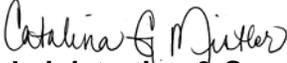
OPERATIONS MEMO

Update of the California Student Aid Commission

September 24, 2007

GOM 2007-30

TO: Financial Aid Administrators

FROM: Catalina Mistler 
Chief, Program Administration & Services Division

CONTACT: Program Administration & Services Division
Phone: (888) 294-0153
Fax: (916) 526-8002
E-mail: schoolsupport@csac.ca.gov

SUBJECT: 2007 Fall Cal Grant Workshops

The California Student Aid Commission (Commission) is pleased to announce the 2007 Fall Cal Grant Workshops. These workshops are offered annually as part of the Commission's on-going effort to provide training to college financial aid officials on the administration of the Cal Grant programs.

The Cal Grant workshops will be held at 12 locations throughout the state from October 23 through November 16. The workshops will begin at 8:30 a.m. and will conclude no later than 12:30 p.m. Participants are encouraged to arrive 30 minutes early to find parking, check-in, and receive training packets.

Registration is required for the workshops. Those planning to attend may register online at <http://www.csac.ca.gov/doc.asp?id=864>. Additional information about the workshops, including a list of the locations, and a preliminary agenda, can also be found on the Commission's website. Registrants will receive immediate confirmation and a follow-up e-mail. Due to limited seating, attendance is reserved for personnel from California institutions that currently participate, or are applying for participation, in the Cal Grant programs.

Copies of training materials used at the Fall workshops are available on the website above. If you have any questions regarding this Operations Memo, please contact School Support Services, at (888) 294-0153 or by e-mail to schoolsupport@csac.ca.gov.

Enclosure: 2007 Workshop Announcement and Agenda



CALIFORNIA STUDENT AID COMMISSION

Fall 2007 CAL GRANT WORKSHOPS

Each year, the California Student Aid Commission holds workshops in the fall to give participating schools the opportunity to hear the latest program information on the Cal Grant and other Commission programs.

This year, a full agenda of pertinent topics has been put together. This is an ideal opportunity to ask questions and receive clarification on the Cal Grant programs.

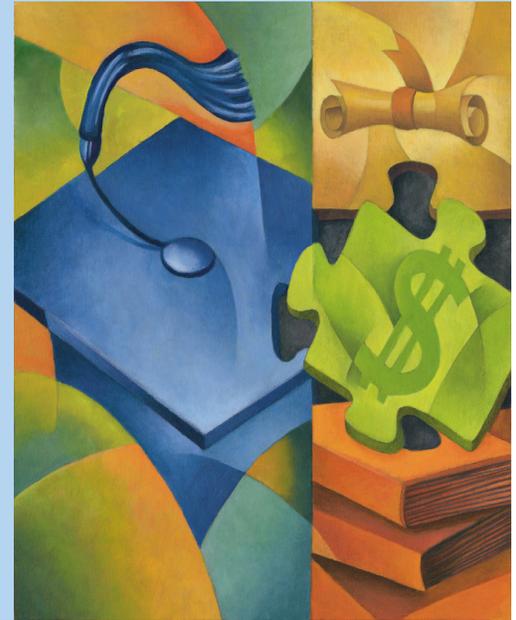
We're looking forward to seeing you at the workshops.

TO REGISTER BY WEB: <http://www.csac.ca.gov/doc.asp?id=864> (From CSAC main site: Schools • Colleges • Training • CSAC Training Academy • 2007 Fall Cal Grant Workshop Sites).

Your confirmation will be made by e-mail.

BY FAX: (916) 526-8002

BY PHONE: (888) 294-0153



Fall 2007 Cal Grant Workshop Agenda

This four-hour workshop begins at 8:30 am. Participants are encouraged to arrive 30 minutes early to find parking, check in, and receive training packets.

Agenda:

- 8:00 am Registration
- 8:30 am Welcome and Introductions
- 8:45 am Working Through the 2007-08 AY
 - Verifying Student Eligibility
 - Chafee Grants
 - Uploads and Downloads
 - Starting the GPA Process
 - Annual Reconciliation
 - Year-end Withdrawals
- 10:10 am Break
- 10:30 am What is in Store for 2008-09?
 - New Awards Processing Timeline
 - The New Institutional Participation Agreement (IPA)
 - Grant Delivery System Update
- 11:30 am Tools for You and Your Students
 - The Commission's Web Site
 - WebGrants for Schools
 - WebGrants for Students
- 12:30 pm Conclusion

If registration exceeds workshop capacity, registrations will be processed in receipt order until workshop slots are full. Please contact us if you have any questions.

California Student Aid Commission
School Support Services Branch
schoolsupport@csac.ca.gov
(888) 294-0153

Workshop Locations:

October 23 • Redding
Red Lion Hotel
1830 Hilltop Drive
Redding, CA 96002
530.221.8700

October 24 • Rohnert Park
DoubleTree Hotel, Sonoma Wine Country
One Doubletree Drive
Rohnert Park, CA 94928
707.584.5466

October 25 • Oakland
Hilton Oakland Airport
One Hegenberger Road
Oakland, CA 94621
510.635.5000
Parking: \$5.00 event rate

October 26 • Santa Clara
Marriott
2700 Mission College Blvd
Santa Clara, CA 95054
408.988.1500
Parking: \$5.00 event rate
Valet Parking: \$15.00

October 31 • Sacramento
Lions Gate Hotel & Conference Center
3410 Westover Street
McClellan, CA 95652
916.643.6222

November 1 • Fresno
Picadilly Inn University
4961 North Cedar Avenue
Fresno, CA 93726
559.224.4200

Parking free unless otherwise noted.

November 7 • Universal City
Hilton Hotel
555 Universal Hollywood Drive
Universal City, CA 91608
818.506.2500
Parking: \$8.00
Valet Parking: \$12.00

November 8 • San Bernardino
Clarion Hotel & Convention Center
295 North E Street
San Bernardino, CA 92401
909.381.6181

November 9 • San Diego
Handlery Hotel and Resort
950 Hotel Circle North
San Diego, CA 92108
619.298.0511
Parking: \$5.00

November 14 • Garden Grove
Marriott Suites Anaheim
12015 Harbor Blvd
Garden Grove, CA 92840
714.750.1000

November 15 • Long Beach
Marriott
4700 Airport Plaza Drive
Long Beach, CA 90815
562.425.5210

November 16 • Ventura
Crowne Plaza Ventura Beach
450 East Harbor Blvd
Ventura, CA 93001
805.648.2100
Parking: \$10.00

CALIFORNIA STUDENT AID COMMISSION

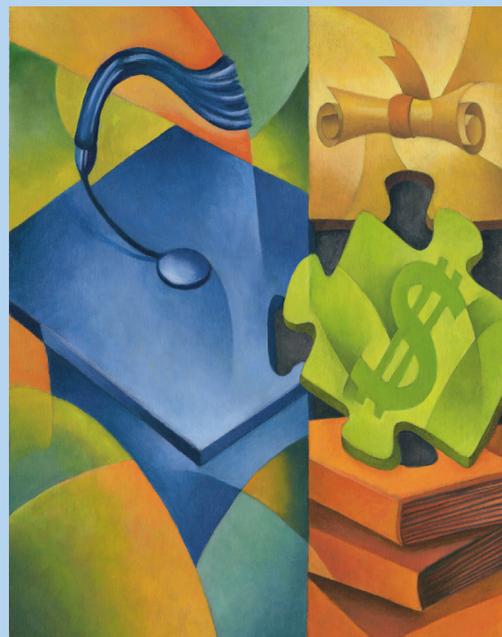
Fall 2007 CAL GRANT WORKSHOPS

Fall 2007 Cal Grant Workshop

- Verifying Student Eligibility
- Chafee Grants
- Uploads and Downloads
- Starting the GPA Process
- Annual Reconciliation
- Year-end Withdrawals
- New Awards Processing Timeline
- Institutional Participation Agreement (IPA)
- Grant Delivery System Update
- The Commission's Web Site
- WebGrants for Schools
- WebGrants for Students

Use this form if you wish to Fax in your workshop registration. Fax number: (916) 526-8002

Registration also is available on-line at <http://www.csac.ca.gov/doc.asp?id=864>



REGISTRATION

Please complete the following:

institution name _____

address _____

city • state • zip _____

contact name _____

contact phone _____

e-mail address _____

WORKSHOP ATTENDEES & LOCATIONS

Please list attendees and indicate workshop location and date:

name _____

title _____

Workshop location and date _____

e-mail _____

name _____

title _____

Workshop location and date _____

e-mail _____

name _____

title _____

Workshop location and date _____

e-mail _____

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Workshop location and date _____

e-mail _____

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Workshop location and date _____

e-mail _____

name _____

title _____

Workshop location and date _____

e-mail _____

2007-2008 SPECIALIZED PROGRAMS UPDATE
As of September 2007

LOAN ASSUMPTION PROGRAMS**Assumption Program of Loans for Education
(APLE)**

Status of Program Activities for 2007-2008:

- 2007 State Budget authorized 8,000 new APLEs, which increased by 600 from FY 2006.
- 7,400 applications were initially allocated to participating institutions and institutions will be informed of the additional 600 APLEs.
- Institutions, counties and district intern programs continue to submit APLE nominations until the authorized allocations are met or through June 30, 2008.
- Loan assumption payments for teachers who taught during the 2006-2007 school year are currently being processed.
- 13,000 teachers are projected to be paid approximately \$49 million from fiscal year 2007.

Status of Program Activities for 2006-2007:

- More than 11,000 APLE teachers received approximately \$34 million in loan assumption benefits for teaching during the 2005-2006 school year.
- Staff continues to process loan assumption payments for teachers who taught during the 2005-2006 school year and have not yet submitted all their forms.

**State Nursing Assumption Program of Loans for Education for Nurses in
State Facilities (SNAPLE NSF)**

Status of Senate Bill 139:

- Senate Bill (SB) 139 was forwarded to the governor on September 19.
- It allows individuals who have already completed an accredited program of professional preparation for licensing as a registered nurse in California to apply for the SNAPLE NSF program.
- If signed, staff is required to amend the current SNAPLE NF regulations and adopt new rules no later than six months after the January 1, 2008 operative date.
- If signed, the Commission will host a stakeholders meeting on October 26, 2007.

Status of Program Activities for 2007-2008:

- 2007 State Budget authorized 100 new awards.
- 2007-2008 application materials will be updated and prepared for distribution.

Status of Program Activities for 2006-2007:

- Five applicants were selected to participate.
- Participants signed a loan assumption agreement.
- Participants who complete their education will be sent employment documents to verify eligible employment as a registered nurse in a State Facility in order to qualify for loan assumption benefits.

State Nursing Assumption Program of Loans for Education for Nursing Faculty (SNAPLE NF)

Status of Senate Bill 139:

- Senate Bill (SB) 139 was forwarded to the governor on September 19.
- It allows individuals who have already completed an accredited program of professional preparation for licensing as a registered nurse in California to apply for the SNAPLE NSF program.
- If signed, staff is required to amend the current SNAPLE NF regulations and adopt new rules no later than six months after the January 1, 2008 operative date.
- If signed, the Commission will host a stakeholders meeting on October 26, 2007.

Status of Program Activities for 2007-2008:

- 2007 State Budget authorized 100 new awards.
- 2007-2008 application materials will be updated and prepared for distribution.

Status of Program Activities for 2006-2007:

- 62 applicants were selected to participate.
- Participants signed a loan assumption agreement.
- Staff will verify employment as a nursing faculty to determine eligibility for loan assumption payments benefits.

National Guard Assumption Program of Loans for Education (NG APLE)

Status of Program Activities for 2007-2008:

- No new awards authorized in the FY 2007 State Budget.
- Monitor eligibility for participants who meet requirements for loan assumption benefits during 2007-2008.
- Funding authorized for loan assumption payments to eligible NGAPLE participants.

Status of Program Activities for 2006-2007:

- 100 allocations authorized.
- 180 applications received.
- 100 applicants selected to participate.
- Participants signed loan assumption agreements.
- Participants are currently performing their first year of satisfactory military service.
- Eligibility for loan assumption benefits will be determined at the end of the fiscal year.

Graduate Assumption Program of Loans for Education (Graduate APLE)

Status of Program Activities for 2007-2008:

- No new authorized awards for FY 2007 State Budget.
- 439 active program participants. 98 students enrolled in graduate degree programs.
- 341 college faculty employed and receiving loan assumption benefits.
- Local Assistance funds for program participant loan assumption benefits will continue until all participants are no longer eligible.

SCHOLARSHIP PROGRAM

Robert C. Byrd Honors Scholarship Program (Byrd Program)

Status of Program Activities for 2007-2008:

- Federal budget authorized \$5.2 million for 2007-2008.
- CSAC has an Interagency Agreement with the California Department of Education for administration of the Byrd Program.
- More than 1,700 applications nominated for 2007-2008 academic year.
- Applicants were ranked in score order by GPA and SAT/ACT scores.
- \$1,500 merit-based scholarships.
- 904 new scholars selected.
- 3,014 renewal students eligible to renew.
- Payments will be prorated by term and mailed to financial aid offices for disbursement to scholars.
- Processing 2007-2008 fall term payments for new and renewal scholars.

GRANT PROGRAMS

Child Development Teacher and Supervisor Grant Program (Child Development Grant Program)

Status of Program Activities for 2007-2008 :

- Federal Budget authorized \$350,000 for 2007-2008.
- Federal funds appropriated from the Child Development Block Grant Act of 1990 through an interagency agreement with the California Department of Education.
- Over 800 applications nominated.
- Applicants ranked in score order by need and merit.
- 100 new students selected.
- 93 renewal students.
- Processing fall term payments to be mailed to financial aid offices.

Law Enforcement Personnel and Dependents Grant Program (LEPD)

Status of Program Activities for 2007-2008:

- 11 participants eligible to renew.
- Applicants eligible to apply year round – no deadline.
- Eligibility based on being a dependent of a law enforcement personnel killed or permanently disabled in the line of duty.
- Awards equivalent to Cal Grant Program – up to \$9,708.
- Renewable up to four years.

Chafee Foster Youth Grant Program (Chafee)

Status of Program Activities for 2007-2008:

- 2007 State Budget authorized \$5.7 million.
- Approximately \$7.2 million authorized in federal funding.
- Additional federal funding expected in October 2007.
- CSAC has a multi-year interagency agreement with the California Department of Social Services.
- On-line and paper applications became available in March 2007 for the 2007-2008 academic year.
- Financial Needs Analysis Reports (FNAR) became available to schools in May 2007.
- Award notifications began on August 17, 2007.

- 1,096 renewal students to date.
- 693 new students to date.
- \$1.0 million from federal fiscal year 2006 was used to award 400 of the 1,096 renewal students.
- 11,993 applications on file to date.
- Award cycle will be processed on a weekly basis until all authorized funding is exhausted.

Status of Program Activities for 2006-2007:

- 1,220 renewal awards.
- 1,623 new awards.
- Approximately \$300,000 available for 2006-2007 retroactive awards to eligible students.
- Funding is available until September 30, 2007.
- Funds may be rolled over 2007-2008 payments in order to exhaust all funds.

ScholarShare Trust Awards

Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP)

Status of Program Activities for 2007-2008:

- CSAC has a Memorandum of Understanding (MOU) with the Regents of the University of California to administer the GEAR UP ScholarShare Trust awards.
- ScholarShare Trust Accounts are established for each participant in the amount of \$2,000 and earn interest until the student withdraws the funds.
- 5,557 participants in the program.
- High school graduates were mailed forms in July to qualify for their ScholarShare Account funds.
- Funds are disbursed to the student's campus financial aid office.
- 650 students are eligible to receive 2007 fall term payments and staff is processing forms to have funds mailed to campuses.



OPERATIONS MEMO

Update of the California Student Aid Commission

August 28, 2007

GOM 2007-27

TO: Financial Aid Administrators

FROM: Catalina Mistler *Catalina Mistler*
Chief, Program Administration & Services Division

CONTACT: Program Administration & Services Division
Phone: (888) 294-0153
Fax: (916) 526-8002
E-mail: schoolsupport@csac.ca.gov

SUBJECT: California Chafee Foster Youth Grant Program Update

This Operations Memo is to provide you with an update on the California Chafee Foster Youth Grant Program (Chafee) for 2006-2007 and 2007-2008.

Program Background

The California Student Aid Commission (Commission), through an interagency agreement with the California Department of Social Services (CDSS), is now in its fifth year administering the Chafee and a multi-year Chafee contract was approved for the period of July 1, 2006 through June 30, 2009. The Chafee Program provides eligible California youth aging out of foster care with financial assistance to attend a postsecondary institution in a Title IV-eligible program. Students may be eligible to receive up to \$5,000 per year if they are enrolled in an eligible program. Funding is intended to supplement, not supplant, any grant funds that a student may not otherwise be entitled to receive, nor may the total grant funding exceed the student's cost of attendance.

2006-2007 Status

As of today, the California Student Aid Commission (Commission) has awarded over \$12 million to 2,835 foster youth students. Of these awarded students, the Commission was pleased to make 1,616 new grant awards and 1,219 renewal awards for the 2006-2007 academic year. The Commission's objective is to continue processing the remaining 2006-2007 allocated federal funds prior to the end of the federal fiscal year (October 1 - September 30). Of these 2006-2007 funds, \$1 million will be used to make awards for the 2007-2008 academic year.



To make awards available to other needy students, the Commission encourages schools to return 2006-2007 checks by **September 10, 2007** for students who are no longer eligible or who can not be located.

The remaining 2006-2007 funds will be awarded to students with 2006-2007 Needs Analysis Reports (NAR) completed and posted by **September 14, 2007**. After September 14, 2007 the remaining funds will be allocated to 2007-2008 awards so that Fiscal Year 2006 funds can be depleted by **September 30, 2007**.

2007-2008 Award and Payment

With consultation and direction from CDSS, the Commission maintained the existing 2006-2007 selection criteria (as referenced in GOM 2006-03 and GOM 2006-29) for the 2007-2008 award year. The 2007-2008 Chafee award process was as follows:

- Priority 1: Renewal students who received a payment in a prior year
- Priority 2: Students who are aging out of the program
- Priority 3: Students with dependents
- Priority 4: Student with an unmet need of \$5,000 or higher
- Priority 5: Submission date of completed application

Award Announcement letters were processed for the 2007-2008 academic year and were mailed to all eligible Chafee recipients on August 27, 2007. The Commission will begin mailing Chafee payments to your institutions via Federal Express by the end of August 2007, now that the Fiscal Year 2007 State Budget has been approved.

Renewal Applicants and Renewal Deadline

Chafee students who submitted an application during the 2006-2007 academic year do not have to re-submit an application. However, the completion and filing of a 2007-2008 FAFSA is required. The Commission has already notified all renewal students of their status and has notified those students who have not filed a 2007-2008 FAFSA. Your institution can check on WebGrants under Report Download to identify any students that can not be processed at this time due to incomplete/missing documents. We ask that you please assist us in contacting these students to complete the awarding process.

Need Analysis Report

The Cost of Attendance for the NAR is pre-populated from the standard cost of attendance record maintained in the Commission's database. The NAR information processes on a weekly cycle for eligible students. The NAR is available on WebGrants under "Report Download." Schools with access to WebGrants must update their need analysis data. Schools without access to WebGrants or who require special calculations must complete a paper NAR or request access to WebGrants reports and complete the necessary security forms by contacting the Commission's helpdesk at 888-294-0148.

Students who do not have their information posted on the NAR will not receive an award. Based on the large number of new applicants and the limited federal funding, students with a completed NAR will receive priority in the awarding process. Therefore, *it is the institution's responsibility to ensure that all NARs are completed in order not to jeopardize a student's opportunity to be awarded a grant.*

Stakeholder's Meeting

The Commission would like to remind representatives of the financial aid community to participate in the California Chafee Foster Youth Grant Program Stakeholder's Meeting Thursday, September 13, 2007, (as mentioned in GSA 2007-18). Your input and participation is very valuable to the continued success of the Chafee award process. At the meeting, Stakeholders will review program administration strategies, including successes and challenges, and will engage in program planning for the 2008-2009 academic year. We look forward to the opportunity to consider recommendations from Stakeholder's meeting regarding program enhancements and improvements.

Contacting the Commission

Schools may contact the Commission's Specialized Programs Operations Branch at (888) 224-7268, option 3, for questions regarding the content of this memo. Students may contact Student Support Services with general Chafee inquiries at 1-888-224-7268. The Commission encourages students to use *WebGrants for Students* at <https://calgrants.org> to access account information.

Working together to effectively promote education beyond high school!

Enclosures: GZ0005 2007-2008 Award Announcements

PUBLIC AFFAIRS BRANCH UPDATE

Communications Unit

Public Awareness Campaign: The College Cash box, featuring all campaign collateral, was expected to be distributed to approximately 4,500 schools and other interested parties in early October to help local supporters promote the Cal Grant application deadline. Additionally, the Campaign, in partnership with the Cash for College program, is developing an expanded Cash Crew to help educate parents and students to the benefits of applying for financial aid. The peer-to-peer communications effort, to be launched as a pilot in the Los Angeles area, will cover local community groups, faith-based organizations.

Cash for College Program: The College Access Foundation of California will provide \$1.25 million in scholarship grant funding to the Cash for College Program. The program, in collaboration with the Los Angeles Area Chamber of Commerce Foundation as fiscal agent to the grant, has structured its request for funds for a two-year time span to increase continuity and strategic planning. In other news:

- Regional Cash for College lead organizations, including the Los Angeles Area Chamber of Commerce, San Diego and East Bay Cal-SOAP consortia, and the Shasta Union High School District, are conducting annual regional Cash for College and Cal-SOAP college fair activities
- More than 300 scholarships have recently been awarded to high school seniors who attended 2007 Cash for College workshops.

Fund Your Future: This yearly financial aid resource material, including the California Workbook, bookmark, counselor's guide and brochure, was distributed this month to schools throughout the state. The Spanish version of the workbook will be out October 26.

Media Relations: The Unit developed a press release in support of the newly enacted (College Reduction and Reconciliation Act), which provides increases to the Pell Grant and other financial benefits to students (see attached).

Outreach Unit

Cal-SOAP: The Commission voted last month to approve a new budget for the program that cut \$2.2 million, or more than 25 percent, based on reductions called for in the State Budget. The new \$6.3 million program budget maintains all 15 existing regional programs, which have been reduced in funding by 10 to 25 percent, depending on the size of the program. To accommodate the reduction, the 15 Cal-SOAP programs will trim back on college transfer and other program services, while maintaining Cash for College and tutoring programs. Cal-SOAP is a pre-college program that provides tutoring services, college access and financial aid information to seventh through 12th graders in middle and high schools throughout California. In other news, the Commission voted to

PUBLIC AFFAIRS BRANCH UPDATE

continue funding Cal-SOAP operations in the Solano area. Staff is now reviewing proposals from interested parties, and plans to have a new consortium in place by the spring.



NEWS RELEASE

FOR IMMEDIATE RELEASE
September 28, 2007

CONTACT: Yvonne Stewart-Buchen
(916) 526-7385

RANCHO CORDOVA — The California Student Aid Commission (CSAC) today praised President Bush for signing the College Cost Reduction and Access Act of 2007, which provides increases in grant assistance to students across the country.

“I am pleased that Congress has passed and President Bush has signed legislation that will make postsecondary education more affordable for students with the most financial need,” said CSAC Executive Director Fuentes-Michel. “This law not only increases the maximum Pell Grant but it also provides tuition assistance to qualified students who commit to teaching in communities in high need areas.”

The law increases the Pell grant from \$4,310 a year to \$5,400 a year by 2012. It also eliminates a tuition sensitivity provision in the Pell Grant program that previously prevented some community college students from receiving full financial aid.

Fuentes-Michel said the extra cash can be used by students to pay for non-tuition related expenses, such as room and board, books, parking and school supplies.

“There are benefits to student borrowing, but grants are monies they don’t have to pay back,” she said. “The Commission is generally supportive of any increase that will provide access for California’s students, especially those from underserved populations.”

The California Student Aid Commission is the state’s principal provider of statewide grant aid to postsecondary students. The commission awarded over \$809 million to more than 277,000 Cal Grant recipients for the 2007-08 Fiscal Year.

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Listed below are regional partner FALL Outreach/PIN events and currently scheduled Cash for College Mega Workshops.

2007 FALL REGIONAL OUTREACH/PIN EVENTS

DATE & TIME

<p>Jumpstart Senior Year in San Diego The Joan Kroc Corps. Community Center 6845 University Avenue San Diego, CA 92115 Contact: Linda Doughty, ldoughty@ucsd.edu; sandiegocalsoap.com</p>	<p>SAT SEPT 08 9 TO NOON</p>
<p>Jumpstart Senior Year in North San Diego County California Center for Arts-Escondido 340 N Escondido Blvd, Escondido, CA 92025 Contact: Linda Doughty, ldoughty@ucsd.edu; sandiegocalsoap.com</p>	<p>SAT SEPT 15 9 TO NOON</p>
<p>College Quest 2007 Redding Convention Center 777 Auditorium Drive, Redding, CA 96001 Contact: Marylee Boales, mboales@subhsd.net</p>	<p>TUES SEPT 25 5-7:30 PM</p>
<p>Los Angeles Cash for College, College and Career Convention Los Angeles Convention Center 1201 S. Figueroa Street, South Hall Contact: Alma Salazar, asalazar@lachamber.org; lacashforcollege.org</p>	<p>WED/THURS OCT 10-11 8:30 AM - 1 PM (BOTH DAYS) 6 TO 9 PM (THURS ONLY)</p>
<p>East Bay Cal-SOAP College Information Day UC Berkeley – Wheeler Hall, Berkeley, CA 94720 Contact: Denise Little denise@eastbayconsortium.org</p>	<p>SAT OCT 20 9 TO 1 PM</p>
<p>San Diego Cal-SOAP College Fair Scottish Rite Center, 1895 Camino del Rio South, San Diego, CA 92108 Contact: Linda Doughty, ldoughty@ucsd.edu</p>	<p>WED OCT 24 6 TO 8:30 PM</p>
<p>SAVE THE DATE – CASH FOR COLLEGE MEGA WOKSHOPS</p>	
<p>San Diego Cash for College Mega Workshop</p>	<p>2008 SAT JAN 26</p>
<p>Los Angeles Cash for College Day</p>	<p>SAT FEB 9</p>

july

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Information Item

GRANT ADVISORY COMMITTEE

Grant Delivery System (GDS) Phase 1 and 2 Update

Staff will provide an oral update of Phases 1 and 2 of the Grant Delivery System (GDS) Real Time Database Project.

Recommended Action: No action necessary.

Responsible Staff: Debi Jackson, Data Processing Manager III
Information Technology Division

Information Item

GRANT ADVISORY COMMITTEE

Committee Chair's Report

The Committee Chair will provide an oral update on the Grant Advisory Committee's activities since the last meeting.

Recommended Action: No action necessary.

Responsible Staff: Mary Lindsey, Chair
Grant Advisory Committee

Information Item

GRANT ADVISORY COMMITTEE

Executive Director's Report

The Executive Director will give an oral update on the recent activities of the Commission.

Recommended Action: No action necessary.

Responsible Staff: Diana Fuentes-Michel, Executive Director
California Student Aid Commission

Information/Action Item

GRANT ADVISORY COMMITTEE

Enhancing GAC Member Participation Discussion

The GAC Chair will lead a discussion to promote member contribution to the discussion of and voting on issues.

Recommended Action: No action necessary.

Responsible Staff: Mary Lindsey, Chair
Grant Advisory Committee



CALIFORNIA STUDENT AID COMMISSION

**UNIFORM POLICIES
AND PROCEDURES**

FOR

**COMMISSION ADVISORY
BODIES**

Revised and Approved November 30, 2006

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CHAPTER ONE - GENERAL

1. Introduction

The California Student Aid Commission (Commission) advisory bodies were established to advise the Commission on the financial aid and outreach programs it administers. By serving in this important capacity, the advisory bodies enhance the Commission's ability to effectively administer and deliver financial aid. The advisory bodies of the Commission are:

- California Student Opportunity and Access Program (Cal-SOAP) Advisory Committee
- Grant Advisory Committee (GAC)
- Loan Advisory Council (LAC)

The Commission has the final authority and responsibility to define financial aid policy and administer its programs. The following policies and procedures should in no way be deemed to transfer this authority or responsibility to the advisory bodies.

These uniform policies and procedures apply to all Commission advisory bodies unless otherwise specified by law.

2. Effective Date and Applicability

These policies and procedures are applicable and effective as revised on November 30, 2006, with the exception of any revision to terms, lengths and limits of advisory body appointments, which is applicable with new appointments made after the effective date.

3. Background

A comprehensive guidebook on "Uniform Policies for Advisory Bodies" was first adopted by the Commission on September 8, 2000. The guidebook was developed to serve as a tool in helping the advisory bodies undertake their responsibilities, to define the respective roles of the advisory bodies, and to provide a clear understanding of policies that govern the interaction between the advisory bodies and the Commission.

At its 2001 Annual Workshop, the Commission discussed the development of policies regarding the nomination and appointment process for its advisory bodies including terms, term limits, multiple nominations, and the form letters used for the nomination process. As a result of the work completed at the Annual Workshop, the Commission subsequently made changes to the policies and procedures contained in the Uniform Policies. Those changes have been incorporated into this first revision of the Uniform Policies where appropriate.

4. Mission Statements

All advisory bodies to the Commission should establish and maintain a mission statement that is consistent with the mission and goals of the Commission. Mission statements must be reviewed and approved by the Commission.

5. Operating Accountability

5.1. Each advisory body will be accountable for meeting its responsibilities in a competent, conscientious, and effective manner.

5.2. Each advisory body will monitor and discuss its own activities and performance on an annual basis, including continual measurement of its goals and means.

5.3. Each advisory body will impose upon itself whatever discipline needed to provide the Commission with superior guidance and recommendations.

6. Review and Effectiveness of Advisory Bodies

6.1. All advisory bodies will present their annual objectives, meeting calendar and their past year's accomplishments to the Commission on an annual basis.

6.2. The Commission shall annually review the effectiveness of each advisory body.

CHAPTER TWO - NOMINATIONS, APPOINTMENTS AND TERMS

1. Appointment Policy

The Commission adopted the following Appointment Policy for Advisory Bodies (and the EDFUND Board) on June 20, 2003:

The California Student Aid Commission is charged with providing equal opportunity and access to postsecondary education, for California and for Commission clients in other states, to persons of both sexes and all races, ancestries, incomes, ages and geographies. It is also charged with reducing barriers to a college education for students from schools that have low eligibility and college participation rates. The Commission will seek to appoint to its advisory committees (and to the EDFUND Board), persons who have knowledge and/or experience which would be useful in achieving these goals. Such persons can best advise the Commission on whether its programs are adequately serving relevant groups, and whether its outreach efforts are as effective as possible in contacting underserved populations as mandated by law.

2. Nominations and Appointment Process

2.1. Requests for nominations or appointments will be obtained from the appropriate nominating or appointing authority as established by the Commission or by applicable law.

2.2. The appropriate nominating or appointing authority and the chair of the advisory body will be notified by the Commission in advance of term expiration dates and any upcoming or existing vacancies so that nominations or appointments can be made in a timely manner.

2.3. Nominating authorities will submit their nominations to the Executive Director of the Commission.

2.4. Each nomination shall include a cover letter, the nominee's name, title, segment or organization, company or agency, address, telephone, e-mail address, and a brief biography or resume.

2.5. The Commission's Personnel, Evaluation and Nominations (PEN) Committee will meet to review the nominations, conduct interviews if necessary, and make recommendations on appointments to advisory bodies for action at the next scheduled meeting of the Commission.

2.6. The Commission must take action to approve nominations to advisory bodies and their appointment terms. If a term expiration date has already passed, a new term will begin effective with the date action was taken by the Commission to approve the nomination.

2.7. If a member of an advisory body leaves or resigns from that body, a new appointee will complete that member's term, if such a term was designated.

2.8. Appointing authorities other than the Commission will submit their appointments to the Executive Director of the Commission specifying the appointee's name, the position to be filled, and contact information.

3. Eligibility

3.1. Participation in Commission Programs - Nominees for appointments made by the Commission for the student, higher education institution, and lender representatives must be participants in the programs administered by the Commission. The student will be considered a participant if enrolled at an institution that participates in the Commission's programs.

3.2. Maintain Association – Advisory body members must maintain an association with the segment, organization or business they represent throughout the term of their appointment. An association can be determined by employment, enrollment or membership. Advisory body members are responsible for notifying the chair of the advisory body, the nominating or appointing authority, and the Commission should his or her association end.

3.3. Conflict of Interest - No appointment shall be made if the nominee is engaged in any employment, activity or enterprise which is clearly inconsistent, incompatible, or in conflict with the duties of a member of an advisory body. A conflict of interest would exist if the nominee is employed by or affiliated with an entity that is in competition with services provided by or through the Commission. The Commission’s PEN Committee will determine whether a conflict of interest exists. A conflict of interest under this section which arises during a member’s term shall result in disqualification under Chapter Two, Section 5.

3.4. A nominee or member who has a conflict of interest based on occasional special circumstances is not disqualified from serving on the advisory body but must follow the procedures set forth in Chapter Four, Section 5.

4. New Member Requirements

4.1. The following forms must be completed by each new member:

- Acceptance of Appointment Form
- Establishment of Headquarters Form

4.2. New members will be provided and will become familiar with the following:

- Uniform Policies for Advisory bodies with an addendum detailing current travel expense limits
- Bagley-Keene Open Meeting Act
- Any other information specific to the advisory body to which they have been appointed

4.3. New members are expected to attend an orientation session within the first year of appointment to any advisory body.

5. Term Expiration and Disqualification

5.1. An advisory body member whose term has expired may continue to serve for 60 calendar days or until a successor has been appointed, whichever occurs first.

5.2. A student member who graduates from an institution or who is no longer enrolled in the segment he or she represents may continue to serve for up to six months or until a successor has been appointed, whichever occurs first.

5.3. An advisory body member, other than a student member that falls under Section 5.2 above, who no longer meets the appointment eligibility requirements, automatically relinquishes his or her appointment as of the date of the occurrence.

5.4. The final determination with respect to the expiration or disqualification under this section shall be made by the Executive Director and the Chair of the Commission.

6. Re-appointments

6.1. A member may be re-appointed by the Commission after his or her term has expired if the member is considered in good standing, the nominating body has submitted his or her name for re-appointment, and the PEN Committee recommends the re-appointment.

6.2. A member is considered to be in good standing if he or she meets the requirements of Chapter Two, Sections 3 and 6, and Chapter Four, Sections 1, 2, 4 and 6.

6.3. The Executive Director and the Chair of the Commission in consultation with the advisory body chair shall determine whether a member is considered to be in good standing.

CHAPTER THREE - MEETINGS OF ADVISORY BODIES

1. Bagley-Keene Open Meeting Act 1998

1.1. Advisory bodies are governed by and shall, at all times, abide by the Bagley-Keene Open Meeting Act, Statutes of 1998, and Government Code sections 11120-11132.

1.2. Notice shall be given and also made available on the Internet at least 10 days in advance of the meeting of any advisory body, ad hoc committee, or workgroup. If an ad hoc committee, special committee or workgroup consists of less than three (3) members, notice is not required.

1.3. A serial meeting, in which members collectively deliberate on public business through a series of communications without appropriate notice to the public, is prohibited.

2. Meeting Calendar and Meeting Location

2.1. Advisory bodies shall establish a meeting calendar indicating the number and dates of meetings that shall be presented to the Commission for its approval on an annual basis.

2.2. The number of meetings held by any advisory body is subject to State budget considerations and directives, available funding and workload considerations.

2.3. The need for additional ad hoc bodies, special meetings, and workgroups is determined by the chair of the advisory body and the Commission staff liaison, and may be subject to approval by the Commission or Executive Director.

2.4. Selection of meeting sites shall be based on available funding, workload considerations, meeting effectiveness and location-specific agenda items, and shall be subject to approval by the Executive Director of the Commission.

3. Order of Business

The order of business at each meeting of the advisory body shall generally be as follows:

- Call to Order
- Determination of Quorum
- Public Comment
- Report of the Chair
- Report of the Executive Director or Staff Liaison
- Review of the Agenda
- Approval of the Minutes
- Report of Ad Hoc Committees or Workgroups
- Information/ Action Items
- Adjournment

4. Quorum

4.1. A quorum of the advisory body shall constitute fifty percent, plus one, of the membership of the advisory body entitled to vote, unless otherwise specified under law.

4.2. No formal action shall be taken unless a quorum is present.

5. Minutes and Recording of Meetings

5.1. Minutes of each meeting of the advisory body, and any ad hoc committee or workgroup, shall be prepared. The chair and the Commission staff liaison shall ensure that advisory body meetings are recorded.

5.2. A copy of the minutes of each scheduled regular meeting shall be mailed to each member of the advisory body as soon as possible following the meeting or with the next scheduled meeting agenda packet. The chair shall inquire whether there are corrections or amendments to the minutes and shall order them approved, absent any objection, with any corrections or amendments.

5.3. The minutes of the advisory body shall be kept by the Commission staff liaison. The staff liaison is charged with the custody of all papers, books, documents, and materials of the advisory body and shall make these available to the public during normal business hours.

6. Meeting Notice and Agenda

6.1. A meeting notice and agenda shall be prepared and issued for each scheduled meeting of an advisory body in accordance with the Bagley-Keene Open Meeting Act. Notice shall be given and also made available on the Internet at least 10 days in advance of the meeting.

6.2. An advisory body cannot discuss or consider any agenda items not properly noticed.

6.3. Matters on the agenda that have not been considered and acted upon or continued to a subsequent meeting shall be deemed continued to the next scheduled meeting as an agenda item.

6.4. The members of the advisory body, the Commission's Executive Director, and the staff liaison shall be authorized to place items on the advisory body agenda for scheduled meetings. The chair of the advisory body shall have the authority to consider a request by a member of the public to place items on the agenda.

7. Public Comment on Agenda Items

7.1. Members of the public may appear and present their views on scheduled items at all advisory body meetings.

7.2. The public shall be given the opportunity to comment before or during consideration of an agenda item.

8. Disruption of Advisory Body Meetings

In the event that a meeting of the advisory body is deliberately interrupted or disrupted so as to prevent the advisory body from conducting its business in a timely or orderly manner, the chair may, unless there is an objection by a majority of voting members, order the offending person(s) to remove themselves or be removed from the meeting in accordance with Government Code section 11126.5

CHAPTER FOUR - ROLES AND RESPONSIBILITIES

1. Selection of Chair, Vice Chair

1.1. Members accepting the positions of chair and vice chair should become familiar with and be able and willing to perform the duties and accept the responsibilities of the positions.

1.2. The nomination and election of the chair and vice chair shall be conducted annually.

1.3. The method of electing the chair and vice chair shall be by nomination from duly appointed voting members of the advisory body.

1.4. The terms of the chair and vice chair shall be for a period of one year. The chair and vice chair shall hold that office for no more than two consecutive terms.

1.5. During the absence of the chair, the vice chair shall preside, and, in the event that both the chair and vice chair are absent, the voting members present shall select a member as temporary chair.

1.6. In the event that the office of the chair or vice chair becomes vacant, the advisory body at the next scheduled advisory body meeting shall elect one of its members to complete the term(s) of office.

2. Role of the Advisory Body Chair

2.1. The chair is considered to be an active member and participant in all advisory body matters.

2.2. At meetings of the advisory body, the chair shall ensure that the advisory body operates in a manner consistent with its own rules, the Bagley-Keene Open Meeting Act, and any other applicable rules or requirements.

2.3. The duties of the chair are as follows:

- Presides over advisory body meetings and facilitates the process whereby the advisory body accomplishes its business.
- Fosters advisory body cooperation and teamwork.
- Publicly represents the advisory body on actions taken by the advisory body, policy recommendations of the advisory body, and other matters affecting the advisory body.
- Appoints the chair and members of advisory body workgroups and ad hoc committees.
- Sets the agenda items for scheduled advisory body meetings.
- Follows up on members with attendance problems, per the established attendance policies.
- Makes advisory body reports and presentations to the Commission, including the presentation of the advisory body's proposed annual meeting calendar, annual objectives and accomplishments, and the establishment of any workgroups or ad hoc committees.

2.4. In the absence or temporary incapacitation of the chair, the vice chair of the advisory body assumes the duties of the chair.

3. Role of the Commission Staff Liaison to the Advisory Body

3.1. Attends committee meetings, actively participates in discussion, and contributes to decision making consistent with the advisory body's charge and the mission of the Commission.

3.2. Serves as a two-way communications channel between the advisory body and the Commission.

3.3. Fosters inter-segmental and stakeholder cooperation.

3.4. Participates in the planning of the advisory body meeting agenda so that it includes topics of interest to the Commission.

3.5. Complements the advisory body's report to the Commission by providing supplemental comments.

3.6. Serves as an advocate for the enhancement of the relevant programs.

3.7. Serves as a non-voting member of the advisory body.

3.8. Notifies the appropriate nominating/appointing authority and the chair of the advisory body of any upcoming or existing vacancies and term expiration dates in a timely manner.

3.9. Notifies the advisory body of any amendments or revisions to policies and procedures that may affect the advisory body through proposed legislation, State government directives, or action of the Commission.

4. Role and Expectations of an Advisory Body Member

4.1. Attends and actively participates at meetings of the advisory body.

4.2. Adequately prepares for discussion on agenda items by reading agenda materials in advance of the meetings and, if necessary, gathers information and conducts their own research on an item.

4.3. Notifies the staff liaison to the advisory body of any changes, such as changes in address and phone number, or any change that affects their appointment to the advisory body.

4.4. Remains in attendance at a meeting until it is formally completed.

4.5. Promptly notifies the chair and staff liaison if unable to attend a scheduled meeting.

5. Conflict of Interest Affecting a Member's Participation at Meetings

5.1. Members must disqualify themselves from voting or participating in an advisory body decision when a conflict of interest is present.

5.1.1. A conflict of interest refers to situations in which a member may have the opportunity to influence the advisory body's business decisions in ways that could lead to personal or other gain or give advantage to firms in which the member has an interest.

5.1.2. A conflict of interest exists when a member is aware, in a particular circumstance, that someone in his/her family has existing or potential financial or other interests which impair or might reasonably appear to impair such a member's independent judgment in the discharge of his/her responsibilities.

5.2. If a member determines that a conflict of interest does exist, the member must disqualify and recuse himself/herself from voting or participating in any way in the decision or using his or her status to influence any other person with respect to the matter in which he or she has a conflict of interest.

5.3. The minutes of the meeting shall reflect the member's recusal from voting due to a conflict of interest.

6. Attendance Policy

The Commission adopted an attendance policy for advisory bodies on March 14, 1997. The attendance policy was updated as follows when the Uniform Policies for Advisory Bodies was adopted in September 2000:

It is the Commission's belief that advisory body representatives serve a critical role in providing expertise and assisting the Commission in formulating and refining policies that represent the best interests of all Commission program participants. Given the critical nature of advisory body assignments, it is imperative that the Commission seeks the fullest participation of its advisory body members. The Commission has therefore adopted the following attendance policy for all appointed advisory body members:

- All advisory body members are expected to attend each meeting of the advisory body and participate to the fullest extent possible.
- In order to ensure that quorum requirements are met and maintained, advisory body members are expected to be in attendance at meeting commencement and remain in attendance until the meeting is formally completed.
- The advisory body chair will contact members who miss two meetings or display a pattern of partial attendance during a twelve-month period and will remind them of their responsibilities and ask them to confirm their commitment to their advisory body assignments. The advisory body chair will determine whether further discussion or referral to the Commission chair is warranted. The advisory body chair will notify the nominating or appointing authority of the advisory body member's missed meetings.

- Advisory body members who miss three meetings during a twelve-month period will be sent a letter by the Commission chair that will ask whether they can responsibly fulfill their advisory body assignment. A copy of this letter will be sent to the appropriate nominating or appointing authority and the advisory body chair. The letter should include an explanation of the advisory body member's responsibilities and a reminder of the critical significance of those responsibilities to the advisory body. The Commission chair will review the advisory body member's response and determine whether further review or action is warranted. Based on the member's response, the Commission chair may suggest that the member consider resigning from the advisory body.
- Advisory body members who miss four meetings during a twelve-month period will be sent a letter by the Commission asking the member to submit a letter of resignation. The letter will stress that attendance is vital to the success of the advisory body process. A copy of this letter will be sent to the appropriate nominating or appointing authority and the advisory body chair. The advisory body representative will be given two weeks to respond to the chair's letter. After the two-week response period, the Commission chair will consider any response and determine whether to initiate further action.
- In the event that an advisory body member is unable to attend meetings due to unusual or compelling circumstances, such as a long-term illness or personal tragedy, the appropriate chair may waive any of the above actions.

7. Alternate Representatives for Advisory Bodies

The California Attorney General has published an opinion which concludes that alternate voting is not permitted where members of a body do not serve ex officio and are required to exercise judgment and discretion (Opinion number 79-613, issued August 31, 1979, Volume 62, Opinions of the Attorney General, page 479). The Commission has concluded that this opinion applied to both the Loan Advisory Council and the Cal-SOAP Advisory Committee. The Commission expects appointed Grant Advisory Committee members to attend each meeting and participate fully in those meetings. However, since there are circumstances that might prevent appointed members from attending scheduled meetings, the Commission feels that it is in the interest of the Commission and the public to allow committee alternates to ensure the most consistent and informed representation possible for advisory bodies. The Commission has therefore adopted the following policy for alternate representatives on its advisory bodies:

7.1. Cal-SOAP Advisory Committee

Alternates are not allowable.

7.2. Grant Advisory Committee

7.2.1. In the event that an appointed Grant Advisory Committee member is unable to attend a scheduled advisory committee meeting, the Commission will permit an alternate representative to serve in place of the appointed member.

7.2.2. Alternate advisory committee representatives may participate fully in the committee discussions and exercise a vote in any formal committee voting action.

7.2.3. A representative of the nominating body may designate an alternative representative without prior Commission approval by written notification to the chair of the Grant Advisory Committee and the Executive Director of the Commission. That notification may be sent in the form of an email note.

7.2.4. In the event that neither an appointed member nor designated alternate can attend a scheduled committee meeting, the nominating body, or representatives thereof, may exercise its right to address the committee as a member of the public.

7.2.5. Attendance by an alternate at a scheduled advisory committee meeting does not constitute attendance by the appointed committee member nor does it exclude the appointed member from meeting the requirements of the Attendance Policy.

7.3. Loan Advisory Council

Alternates are not allowable.

CHAPTER FIVE - AD HOC COMMITTEES AND WORKGROUPS

1. Formation

1.1. The chair, in consultation with the staff liaison, may form ad hoc committees and workgroups as needed to conduct the advisory body business.

1.2. The formation of additional committees and workgroups by an advisory body, may be subject to approval by the Commission due to budget and workload considerations.

1.3. Specific objectives shall be established for each committee/workgroup along with a timeline for completion of the objectives. Committee/workgroup costs and staff resources required shall be considered in determining the scope of the objectives and timelines.

2. Appointment and Terms

2.1. Ad hoc committees or workgroups appointed by the chair of the advisory body, as prescribed herein, shall be deemed temporary in nature and shall cease to exist when the function or mission for which they were created is achieved or abandoned.

2.2. The chair of the advisory body shall specify the committee/workgroup’s purposes and objectives.

CHAPTER SIX - CAL-SOAP ADVISORY COMMITTEE

1. Authority

The Cal-SOAP Advisory Committee was established pursuant to Section 69562 of the California Education Code, which prescribes the composition and purpose of the committee.

2. Purpose and Duties

The Cal-SOAP Advisory Committee advises Cal-SOAP project directors and the California Student Aid Commission on the development and operation of the Cal-SOAP projects, as well as other student outreach activities related to the Cal-SOAP program. The committee is responsible for reviewing the Cal-SOAP program’s overall budget; addressing outreach policy issues related to Cal-SOAP; monitoring project programmatic activity; and making recommendations on the funding levels for each of the projects currently in place and proposed.

3. Membership and Appointing Authorities

The Cal-SOAP Advisory Committee consists of 12 members:

- Three representative of outreach programs, representing the University of California, California State University, and California Community Colleges, appointed by their respective governing boards.
- One representative of private colleges and universities, appointed by the Association of Independent California Colleges and Universities.
- One representative of the California Postsecondary Education Commission (CPEC), appointed by CPEC.
- Two secondary school staff appointed by the Superintendent of Public Instruction.

- Two representatives of the general public: one appointed by the Speaker of the Assembly and one appointed by the Senate Rules Committee.
- Two postsecondary students appointed annually by the Student Advisory Committee of CPEC.
- One college financial aid officer, appointed by the California Student Aid Commission.

4. Terms, Lengths, Limits

4.1. The two postsecondary students serve a term of one year.

4.2. The Commission appointee serves a two-year term and may be re-appointed by the Commission to serve for additional terms.

4.3. All other members of the committee serve as designated by their appointing authority.

5. Alternates

Alternates are not allowable. (See Chapter Four, Section 7)

CHAPTER SEVEN - GRANT ADVISORY COMMITTEE (GAC)

1. Background

Through 1986, several committees provided guidance to the Commission on specific state programs. While the Program Policies and Operations Advisory Committee provided overall guidance on the Cal Grant programs, the Assumption Program of Loans for Education (APLE) Advisory Committee provided guidance on the APLE and Paul Douglas Teacher Scholarship programs. A State Work-Study Advisory Committee was also in existence to provide guidance on the new program. In 1986, all of the advisory committees were consolidated into one committee, the Grant Advisory Committee, which would provide guidance on all of the Commission's programs other than issues pertaining to the loan program.

2. Authority

The Grant Advisory Committee (GAC) was created by the Commission in 1986 and is not authorized through statute. The Commission approves the purpose and composition of GAC, appoints the members, and sets appointment terms. The Commission approves the annual goals of GAC and the number and purpose of workgroups that may be formed by GAC.

3. Purpose and Duties

GAC was established to review and provide recommendations to the Commission on major proposed or planned grant program or policy changes, particularly those relating to the administration of the Cal Grant programs. In past years, GAC has assisted the Commission with Cal Grant eligibility changes designed to mitigate the impact of a growing eligible student population. GAC may form workgroups, with the approval of the Commission, to address specific issues or areas of interest.

Typical duties of GAC include but are not limited to the following:

- Review and recommend approval on Cal Grant Student Expense Budgets;
- Review and recommend approval on Cal Grant Program Income and Asset Ceilings;
- Review and recommend approval on Cal Selection Criteria for Cal Grant A and B Competitive award recipients and to select the two percent of new Cal Grant B High School Entitlement recipients who receive tuition and fees in addition to the access grant in their first year of enrollment;
- Review and discuss Grant statistics and data, operational issues that have policy implications, Grant Delivery System (GDS) enhancements/ changes, new program development and implementation, and proposed legislation and regulations;
- Review and comment on reports to the Legislature as needed.

4. Membership

The composition of GAC is set by the Commission. GAC consists of 20 members appointed by the Commission based on nominations it receives from nominating authorities as follows:

- Ten school representatives: two representatives (one system and one campus-based) from each of the five postsecondary segments. These segments include the California Community Colleges, California State University, University of California, private nonprofit postsecondary education institutions (Independent California Colleges and Universities), and private for-profit postsecondary education institutions (Proprietary Institutions).
- Five student representatives: one from each of the segments listed above.

- One representative from the California Association of Student Financial Aid Administrators (CASFAA).
- One representative from the California Postsecondary Education Commission (CPEC).
- Three K-12 school representatives: one must be a high school counselor.

5. Nominating Authorities

Appointments to GAC are made by the Commission based on recommendations and nominations obtained from the appropriate nominating authorities as established by the Commission. The nominating authorities for GAC are:

- The President of the University of California is the nominating authority for the representatives from the University of California (UC).
- The Chancellor of the California State University (CSU) is the nominating authority for the representatives from the California State University.
- The Chancellor of the California Community Colleges is the nominating authority for the representatives from the California Community Colleges (CCC).
- The President of the Association of Independent California Colleges and Universities (AICCU) is the nominating authority for the representatives from California's private nonprofit postsecondary institutions.
- The Executive Director of the California Association of Private Postsecondary Schools (CAPPS) is the nominating authority for the representatives from private for-profit postsecondary institutions.
- For those higher education segments where a student association exists, the President of the student association is the nominating authority for student representative for the respective segment. If the student association fails to nominate, the higher education segment may nominate a student representative for the segment.
- The President of the California Association of Student Financial Aid Administrators (CASFAA) is the nominating authority for the CASFAA representative.
- The Executive Director of the California Postsecondary Education Commission (CPEC) is the nominating authority for the CPEC representative.

- The Superintendent of Public Instruction is the nominating authority for representatives from K-12 schools, including the high school counselor representative.

6. Terms, Lengths, Limits

6.1. All members of GAC serve a two-year term, except for members who are the system representatives of UC, CSU, CCC and private nonprofit postsecondary education institutions. These system representatives serve for terms designated by the nominating authority for their segment.

6.2. Members of GAC may be re-appointed to serve for additional terms upon the recommendation of their nominating authority and approval by the Commission. There is no limit on the number of terms that a member may serve.

6.3. If a member leaves or resigns, a new appointee will complete that member's term, if such a term was designated.

7. Alternates

Alternates are allowable. (See Chapter Four, Section 7)

CHAPTER EIGHT - LOAN ADVISORY COUNCIL (LAC)

1. Authority

The Loan Advisory Council (LAC) was established pursuant to Sections 69769 through 69769.7 of the California Education Code, which prescribe the composition and purpose of LAC.

2. Purpose and Duties

The LAC reviews the activities and policies of the Federal Family Education Loan (FFEL) Program and advises the Commission of its findings and recommendations. LAC may request information and data that it deems appropriate from the Student Aid Commission with respect to the FFEL Program or any other loan program administered by the Commission.

3. Membership

3.1. According to statute, LAC shall be composed of 17 members, appointed by the Commission, composed of representatives of students, postsecondary educational institutions, eligible lenders, and participating secondary markets. These members shall be appointed from the following groups:

- Four representatives from the lending community participating in the FFEL Programs.
- Five school representatives: one from each of the five postsecondary segments. These segments include the University of California, the California State University, the California Community Colleges, private nonprofit postsecondary education institutions, and private for-profit postsecondary education institutions.
- Five student representatives: one from each of the postsecondary school segments listed above.
- One representative from the California Association of Student Financial Aid Administrators (CASFAA).
- One representative from a secondary market participating in the FFEL Programs.
- One representative from the California Lenders for Education (CLFE).

3.2. In addition to the members appointed to the Loan Advisory Council by the Commission, the United States Education Department (USED) may appoint one nonvoting representative who serves as liaison between the Department and LAC.

4. Nominating Authorities

4.1. Pursuant to Section 69769.3 of the California Education Code, the representatives appointed by the Commission pursuant to Section 3 above shall be selected by the Commission from lists provided to its chair by each group described above.

4.2. The nominating authorities for these groups are:

- Participating lenders and secondary markets shall be the nominating authorities for lender and secondary market representatives, respectively.
- The President of the California Lenders for Education (CLFE) shall be the nominating authority for representatives from CLFE.

- The President of the California Association of Student Financial Aid Administrators (CASFAA) shall be the nominating authority for representatives from CASFAA.
- The President of the University of California, the Chancellor of the California State University, the Chancellor of the California Community Colleges, the President of the Association of Independent California Colleges and Universities, and the Executive Director of the California Association of Private Postsecondary Schools shall be the nominating authorities for the representatives of their respective segments.
- For those higher education segments where a student association exists, the President of the student body association shall be the nominating authority for the student representatives from their respective segments. If the student body association fails to nominate, the higher education segment shall nominate a student representative. In no event shall a student representative be appointed to serve simultaneously as the representative of more than one of the five postsecondary groups.

5. Terms, Lengths, Limits

5.1. With the exception of the student representative for private for-profit postsecondary education institutions, who serves a one-year term, each member of LAC serves a two-year term.

5.2. Members of LAC may be re-appointed to serve for additional terms upon the recommendation of their nominating authority and approval by the Commission.

5.3. If a member leaves or resigns, a new appointee will complete that member's term.

6. Alternates

Alternates are not allowable. (See Chapter Four, Section 7)

CHAPTER NINE - TRAVEL REIMBURSEMENTS

1. Eligible Travel Reimbursements

1.1. Advisory body members should use the most economical mode of travel.

1.2. Advisory body members are reimbursed for eligible meals and lodging expenses incurred when traveling over 50 miles from their home or headquarters in the course of official business.

1.3. Each advisory body member shall be reimbursed for actual and necessary travel expenses incurred in the course of duty, subject to State reimbursement limits and, when appropriate, State or Commission contracted rates. Note: It is the policy of the USED that its representatives not get reimbursed for travel costs.

1.4. Course of duty is defined as attendance at regularly scheduled meetings of the advisory body. Chairs of advisory bodies or their designees are also reimbursed for travel expenses to attend Commission meetings. Travel costs for attendance at other meetings (i.e. - workgroups, special meetings, ad hoc committee meetings) will not be reimbursed unless funding is available and approved in advance by the Executive Director of the Commission. Student representatives may petition the Executive Director for travel cost reimbursement if not otherwise reimbursed by the student body association or the system-wide office of the educational segment they represent. Information on the current expense reimbursement limits will be provided to members at or about the time of appointment as an addendum to those policies and as State rates change.

1.5. All receipts pertaining to the trip shall be submitted. An explanation must be offered when required receipts are not available.

1.6. Expenses incurred due to the failure of the member to cancel reservations within the required cancellation timeframe are not reimbursable and the member will be held responsible for the expenses incurred.

2. Travel

2.1. Advisory body members shall complete a Travel Expense Worksheet and note the expenses incurred during the official travel. The travel claimant must sign the Travel Expense Claim (STD 262) in blue ink at the "Claimant's Signature" box #15 ONLY and must return both forms and receipts to the Commission staff liaison assigned to the advisory body.

2.2. Travel Expense Claims shall be completed with the information provided by the advisory body member on the Travel Expense Worksheet.

2.3. Travel expense reimbursements will be made within 3-4 weeks of receipt of required documentation.

3. Commission Authorized Travel Agency

3.1. To ensure that they obtain State discounted rates, advisory body members should use the Commission’s authorized travel agency or designee. The advisory body member will provide the travel agency with a four-digit authorization code provided by the staff liaison. Charges are billed directly to the Commission.

3.2. Airline Reservations - Airline reservations should be made through the Commission’s authorized travel agency or designee to obtain the contracted discount rates.

3.3. Car Rentals - Car rentals reservations should be made through the Commission’s authorized travel agency to obtain the contracted discount rates. Advisory body members shall make every attempt to refuel the rental car prior to returning it to the rental agency.

4. Mileage

Advisory body members will be reimbursed for use of a privately owned car on official State business at the approved State rate.

5. Parking Fees

Parking fees shall be reimbursable expenses and require receipts for amounts exceeding the State limit.

6. Bridge and Toll Fares

Bridge and road tolls fees are reimbursable expenses and require no receipts.

7. Taxis

Taxi charges are reimbursable expenses and require receipts (The State allows the addition of a 10 percent tip for taxis only.)

8. Tips

With the exception of tips for taxis, tips are not reimbursable, since the State considers tips to be part of the “incidentals” reimbursement.

9. Hotel Arrangements

9.1. Lodging accommodations will be arranged for the advisory body members. Hotel selection is based on the current State rate. A block of rooms will be secured and contracted for the group of advisory body members who have indicated a need for lodging.

9.2. Advisory body members will be notified of the hotel where accommodations have been secured and will be given the deadline for cancellation.

9.3. Cancellations of lodging accommodation must be received within the required cancellation timeframe.

9.4. Advisory body members will be responsible for lodging expenses incurred due to the late cancellation.

10. Telephone Calls

Business telephone calls are reimbursable expenses and require receipts for charges exceeding the State limit. Claims must include the place and party called.

11. Incidentals

Incidentals are reimbursable up to the State limit for a full 24-hour period. Incidentals may not be claimed for less than a 24-hour period.

12. Meal Allowances

12.1. For travel less than 24 hours:

- No lunch or incidentals may be claimed.
- Breakfast may be claimed if the trip begins at or before 6:00 a.m. and ends at or after 9:00 a.m.
- Dinner may be claimed if the trip begins at or before 4:00 p.m. and ends at or after 7:00 p.m.

12.2. For travel of 24 hours or more:

- Breakfast may be claimed for actual expenses up to the State limit.
- Lunch may be claimed for actual expenses up to the State limit.
- Dinner may be claimed for actual expenses up to the State limit.

Action Item

GRANT ADVISORY COMMITTEE

Election of Chair and Vice Chair

Nominations for Chair and Vice Chair for the Grant Advisory Committee will be solicited during the Committee's October meeting. The Chair and Vice Chair are elected by the Committee membership for a 12-month term.

After receipt of nominations, each member may receive a ballot or a roll call vote may be taken. The current Chair will announce the results. The new Chair and Vice Chair will assume their new roles at the next scheduled meeting of the Grant Advisory Committee.

Enclosed is a Committee list with the expiration date of each member's term. At the time of the meeting, any updates regarding changes in membership will be made.

Recommended Action: Select a new Chair and Vice Chair for 2008.

Responsible Staff: Mary Lindsey, Chair
Grant Advisory Committee

CALIFORNIA STUDENT AID COMMISSION ADVISORY BODIES

Grant Advisory Committee (GAC)
(Membership appointed by CSAC)

Commission Liaison	Catalina Mistler
Commissioner Liaison	Louise McClain
Staff Liaison	Catalina Mistler

Segmental Representative	Member	Appointment Date	Expiration Date
UC System Representative	<p>Ms. Kate Jeffery 1111 Franklin Street, 9th Floor Oakland, CA 94607-5200 PH: (510) 987-9530 FAX: (510) 987-9546 kate.jeffery@ucop.edu Assistant: Katy (510) 987-9517 katy.lindsey@ucop.edu</p>	05/24/91	N/A
UC Campus Representative	<p>Ms. Lora Jo Bossio Office of the Vice Chancellor-Student Affairs 476 Mrak Hall University of California, Davis 1 Shields Avenue Davis, CA 95616-8596 PH: (530) 752-6449 ljbossio@ucdavis.edu Assistant: Katy mkportWucdavis.edu</p>	11/29/06	11/29/08
UC Student Representative	VACANT		

Election of New Chair and Vice Chair

Tab 7.a

Segmental Representative	Member	Appointment Date	Expiration Date
CSU System Representative	<p>Ms. Mary L. Robinson Associate Director, Academic Affairs, Student Academic Support Office of the Chancellor 401 Golden Shore, 6th Floor Long Beach, CA 90802-4210 PH: (562) 951-4737 FAX: (562) 951-4867 mlobinson@calstate.edu</p>	03/28/01	N/A
CSU Campus Representative	<p>Ms. Susan Gutierrez Director of Financial Aid Sonoma State University 1801 East Cotati Avenue Rohnert Park, CA 94928 PH: (707) 664-2287 FAX: (707) 664-4242 susan.gutierrez@sonoma.edu</p>	02/22/07	11/18/09
CSU Student Representative	<p>Mr. Anthony Martinez Chief Governmental Officer Associated Students, Inc. California State University, Fullerton 735 North Frijole Avenue West Covina, CA 91790 PH: (714) 278-4226 dirgovrel@fullerton.edu</p>	09/05/07	11/29/08
California Community Colleges System Representative	<p>Mr. Timothy P. Bonnel Coordinator, Student Financial Assistance Programs California Community College Chancellor's Office 1102 Q Street, 3rd Floor Sacramento, CA 95814 PH: 916) 445-0104 FAX: (916) 327-9232 tbonnel@cccco.edu</p>	05/23/06	05/23/08
California Community Colleges Campus Representative	<p>Mr. Marco De La Garza Dean, Student Services Los Angeles Pierce College 9747 Sophia Ave. North Hills, CA 91343 PH: (818) 710-2955 delagamj@piercecollege.edu Notes: See mailing instructions</p>	11/29/06	11/29/08

Election of New Chair and Vice Chair

Tab 7.a

Segmental Representative	Member	Appointment Date	Expiration Date
California Community Colleges Student Representative	VACANT		
Independent California Colleges and Universities System Representative	<p>Ms. Lisa Douglass Vice President, Public Affairs Association of Independent California Colleges & Universities 1100 Eleventh Street, Suite 10 Sacramento, CA 95814 Phone: (916) 446-7626 Fax: (916) 446-7948 lisad@aiccu.edu</p>	09/05/07	05/23/08* *Remainder of Veronica Villalobos' term
Independent California Colleges and Universities Campus Representative	<p>VACANT</p> <p><i>Current Alternate:</i> Catherine Graham Director of Financial Aid Loyola Marymount University Xavier Hall 1 LMU Drive Los Angeles, CA 90045-2659 310-338-7544 cgraham@lmu.edu</p>	07/14/06	07/14/08
Independent California Colleges and Universities Student Representative	<p>Mr. Ricardo Tejada Romero 1 LMU Drive MS-B 6019 Los Angeles, CA 90043 PH: (310) 422-1120 (cell) Rictejeda541@aol.com</p>	02/22/07	03/16/09
Proprietary Institution Representative	<p>Ms. Mary T. Lindsey - CHAIR Director, Financial Aid Special Projects The Fashion Institute of Design And Merchandising 580 Black Hills Drive Claremont, CA 91711 CELL: (951) 235-0671 mtlindsey@ca.rr.com</p>	05/23/06	05/23/08

Election of New Chair and Vice Chair

Tab 7.a

Segmental Representative	Member	Appointment Date	Expiration Date
Proprietary Institution Representative	Mr. Frederick Holland Executive Director Westwood College 20 West 7 th Street Upland, CA 91786 PH: (916) 649-8168 CELL: 951-318-7201 fholland@westwood.edu	09/05/07	09/12/09
Proprietary Institution Student Representative	VACANT		
K-12 Schools Representative	Ms. Sally Mae Pace Consultant, Woodlake Union HS 19524 Ave. 364 Woodlake, CA 93286 HPH: (559) 564-2054 CELL: (559) 805-3975 WPH: (559) 564-3307 ext. 139 FAX: (559) 564-3320 Use this: runningp@clearwire.net sally@woodlake.k12.ca.us	11/29/06	11/29/08
K-12 Schools Representative	VACANT		
High School Counselor Representative	Ms. Sharon Bowles-VICE CHAIR Consultant Skyline Senior High School Oakland Unified School District 12250 Skyline Blvd. Oakland, CA 94619 HPH: (510) 562-1133 CELL: (510) 325-1602 FAX: (510) 638-2473 airshay2@cs.com Note: See mailing instructions	05/23/06	05/23/08

Election of New Chair and Vice Chair

Tab 7.a

Segmental Representative	Member	Appointment Date	Expiration Date
California Postsecondary Education Commission (CPEC) Representative	VACANT	06/23/05	11/16/07
California Association of Student Financial Aid Administrators (CASFAA) Executive Council Representative	Ms. Noelia Gonzalez Senior Counselor, Financial Aid and Scholarships California State University, Northridge 18111 Nordhoff Street Northridge, CA 91330 PH: (818) 677-7074 FAX: (818) 677-4665 noelia.gonzalez@csun.edu	06/24/06	06/24/08
Commissioner Liaison California Secondary Schools Representative (Governor Appointee)	Ms. Louise McClain 1719 East Madison Avenue El Cajon, CA 92019 PH: (619) 593-5547 FAX: (619) 588-9389 lmcclain@guhsd.net	01/25/02	N/A

Information/Action Items

GRANT ADVISORY COMMITTEE

Cal Grant Program Data and Reports

Staff will provide information and lead discussion about the following statistical topics:

- 8.a 2008-09 Income and Asset Ceilings
- 8.b Review of Proposed 2008-09 Selection Criteria
- 8.c Review Proposed 2008-09 Student Expense Budgets
- 8.d Student Expenses and Resources Survey (SEARS) Project Update

Recommended Action: See individual tabs.

Responsible Staff: Steve Caldwell, Chief
Governmental Relations and Public Affairs Division

Karen Henderson, Research Analyst II
Research and Policy Analysis Branch

8.a

Information/Action Item

GRANT ADVISORY COMMITTEE

2008-09 Cal Grant Program Income and Asset Ceilings

This enclosure reflects the 2008-09 grant program income and asset ceilings as mandated by statute.

Recommended Action: No action necessary

Responsible Staff: Karen Henderson, Research Analyst II
Research & Policy Analysis Branch

2008-09 CAL GRANT PROGRAM INCOME AND ASSET CEILINGS

2008-09 Income and Asset Ceilings

The California Department of Finance provided the Commission with the change in per capita income used in the 2007-08 May Revision. Using the 4.42 percent change, staff updated the 2008-09 Income and Asset Ceilings as illustrated below:

CALIFORNIA STUDENT AID COMMISSION
2008-09 CAL GRANT PROGRAM INCOME CEILINGS

	Cal Grant A and C	Cal Grant B
Dependent students and Independent students with dependents other than a spouse		
Family size:		
Six or more	\$88,300	\$48,500
Five	\$81,900	\$44,900
Four	\$76,400	\$40,200
Three	\$70,300	\$36,100
Two	\$68,700	\$32,100
Independent students		
Single, no dependents	\$28,000	\$28,000
Married, no other dependents	\$32,100	\$32,100

CALIFORNIA STUDENT AID COMMISSION
2008-09 CAL GRANT PROGRAM ASSET CEILINGS

	All Programs
Dependent students**	\$59,100
Independent students	\$28,100

** These ceilings also apply to independent students with dependents other than a spouse.

8.b

Information/Action Item

GRANT ADVISORY COMMITTEE

Review of Proposed 2008-09 Selection Criteria

This action item provides the Committee with the proposed selection criteria which will be used to select Competitive Cal Grant award recipients as well as for the statutorily required 2 percent of Entitlement Cal Grant B award recipients who will receive tuition/fee benefits in addition to the access grant in the first year of enrollment.

The family income and household size matrices have been updated to reflect the 2008-09 Income and Asset Ceilings.

Recommended Action: Review and recommend approval of the proposed 2008-09 Selection Criteria.

Responsible Staff: Karen Henderson, Research Analyst II
Research and Policy Analysis Branch

**COMPETITIVE CAL GRANT A AND B PROGRAM
SCORING SUMMARY FOR 2008-09**

ELEMENTS	MAXIMUM POINTS
GRADE POINT AVERAGE (GPA)	70
PARENT EDUCATIONAL LEVEL (Mother and Father)	18
ACCESS EQUALIZER	18
STUDENT or PARENT HOUSEHOLD STATUS	18
FAMILY INCOME and HOUSEHOLD SIZE	76

GPA	SCORE
2.00 - 2.04	30
2.05 - 2.09	31
2.10 - 2.14	32
2.15 - 2.19	33
2.20 - 2.24	34
2.25 - 2.29	35
2.30 - 2.34	36
2.35 - 2.39	37
2.40 - 2.44	38
2.45 - 2.49	39
2.50 - 2.54	40
2.55 - 2.59	41
2.60 - 2.64	42
2.65 - 2.69	43
2.70 - 2.74	44
2.75 - 2.79	45
2.80 - 2.84	46
2.85 - 2.89	47
2.90 - 2.94	48
2.95 - 2.99	49
3.00 - 3.04	50
3.05 - 3.09	51
3.10 - 3.14	52
3.15 - 3.19	53
3.20 - 3.24	54
3.25 - 3.29	55
3.30 - 3.34	56
3.35 - 3.39	57
3.40 - 3.44	58
3.45 - 3.49	59
3.50 - 3.54	60
3.55 - 3.59	61
3.60 - 3.64	62
3.65 - 3.69	63
3.70 - 3.74	64
3.75 - 3.79	65
3.80 - 3.84	66
3.85 - 3.89	67
3.90 - 3.94	68
3.95 - 3.99	69
4.00	70

FAFSA VALUE	PARENTS' EDUCATION	SCORE per PARENT
1	Middle School/Jr High	9
2	High School	5
3	College or Beyond	0
4	Other / Unknown	9

DEPENDENT STUDENT: PARENT HOUSEHOLD	
Married	0
Unmarried	18
Separated / Divorced	18
Widowed	18

PARENTS' EDUCATION SAMPLES		
FAFSA VALUE		SCORE
FATHER	MOTHER	
		0
	1	9
	2	5
	3	0
	4	9
1		9
1	1	18
1	2	14
1	3	9
1	4	18
2		5
2	1	14
2	2	10
2	3	5
2	4	14
3		0
3	1	9
3	2	5
3	3	0
3	4	9
4		9
4	1	18
4	2	14
4	3	9
4	4	18

INDEPENDENT STUDENT: STUDENT HOUSEHOLD	
Married	0
Single, no dependents	0
Single, with dependents	18

OR

INDEPENDENT STUDENT: IF STUDENT IS AN ORPHAN OR WARD OF THE COURT	
Married	0
Single, no dependents	22
Single, with dependents	18

Single, no dependents can receive a maximum of 72 points on income and family size. To ensure that these students can earn the maximum 200 points, they receive an additional four points for household status.

**2008-09 COMPETITIVE CAL GRANT A AND B PROGRAM
SCORING FOR ACCESS EQUALIZER**

Student will receive Access Equalizer points if a disadvantaged high school experience is indicated either by:

1. The high school code on the GPA verification form is one of the following:
 - * A continuation high school; or
 - * A high school in the upper quartile of free or reduced lunch program; or
 - * A high school in the lowest quartile of university-going rate, excluding those high schools having no reported university-going rate and those having a free or reduced lunch rate of less than 25 percent.

or

2. The student submitted a GED test score.

GPA from	Disadvantaged High School Experience	
	No	Yes
High School	0	18
Non-High School	0	See below chart

Number of Years Out of High School	Educational Level				
	No College	1	2	3	4
2-3	9	6	3	0	0
4-5	12	9	6	0	0
6-7	15	12	9	3	0
8 or more	18	15	12	6	3

**2008-09 COMPETITIVE CAL GRANT A AND B PROGRAMS
PROPOSED SCORING FOR FAMILY INCOME AND HOUSEHOLD SIZE
TABLE 1: DEPENDENT STUDENTS**

Parents' Income	Size of Household								
	10	9	8	7	6	5	4	3	2
\$0 - \$18,000	76	76	76	76	76	76	76	76	76
\$18,001 - \$19,300	76	76	76	76	76	76	76	76	75
\$19,301 - \$20,600	76	76	76	76	76	76	76	76	74
\$20,601 - \$21,900	76	76	76	76	76	76	76	76	73
\$21,901 - \$23,200	76	76	76	76	76	76	76	75	71
\$23,201 - \$24,500	76	76	76	76	76	76	76	74	70
\$24,501 - \$25,800	76	76	76	76	76	76	76	73	69
\$25,801 - \$27,100	76	76	76	76	76	76	76	72	68
\$27,101 - \$28,400	76	76	76	76	76	76	75	71	67
\$28,401 - \$29,700	76	76	76	76	76	76	74	70	66
\$29,701 - \$31,000	76	76	76	76	76	76	73	68	65
\$31,001 - \$32,300	76	76	76	76	76	76	72	67	64
\$32,301 - \$33,600	76	76	76	76	76	75	71	66	63
\$33,601 - \$34,900	76	76	76	76	76	74	70	65	62
\$34,901 - \$36,200	76	76	76	76	76	73	69	64	61
\$36,201 - \$37,500	76	76	76	76	76	72	68	63	60
\$37,501 - \$38,800	76	76	76	76	76	71	67	62	59
\$38,801 - \$40,100	76	76	76	76	75	70	65	61	58
\$40,101 - \$41,400	76	76	76	76	73	69	64	60	57
\$41,401 - \$42,700	76	76	76	76	72	68	63	59	56
\$42,701 - \$44,000	76	76	76	75	71	66	62	58	55
\$44,001 - \$45,300	76	76	76	74	70	65	61	57	54
\$45,301 - \$46,600	76	76	76	73	69	64	60	56	53
\$46,601 - \$47,900	76	76	76	72	68	63	59	55	51
\$47,901 - \$49,200	76	76	74	71	67	62	58	54	50
\$49,201 - \$50,500	76	76	73	69	66	61	57	53	49
\$50,501 - \$51,800	76	76	72	68	65	60	56	51	47
\$51,801 - \$53,100	76	75	71	67	64	59	55	50	46
\$53,101 - \$54,400	76	74	70	66	63	58	54	49	44
\$54,401 - \$55,700	76	72	69	65	62	57	53	47	43
\$55,701 - \$57,000	75	71	68	64	61	56	52	46	41
\$57,001 - \$58,300	74	70	67	63	60	55	50	44	40
\$58,301 - \$59,600	73	69	66	62	59	54	49	43	39
\$59,601 - \$60,900	72	68	65	61	58	53	48	41	37
\$60,901 - \$62,200	71	67	64	60	57	52	46	39	35
\$62,201 - \$63,500	70	66	63	59	56	50	45	38	33
\$63,501 - \$64,800	69	65	62	58	55	49	43	36	31
\$64,801 - \$66,100	68	64	61	57	54	48	41	33	29
\$66,101 - \$67,400	67	63	60	56	52	46	40	31	27
\$67,401 - \$68,700	66	62	59	55	51	45	38	29	26
\$68,701 - \$70,000	65	61	58	54	50	43	37	27	25
\$70,001 - \$71,300	64	60	57	53	48	42	34	25	22
\$71,301 - \$72,600	63	59	56	52	47	40	32	23	20
\$72,601 - \$73,900	62	58	55	50	45	38	30	20	18
\$73,901 - \$75,200	61	57	53	49	44	37	27	18	16
\$75,201 - \$76,500	60	56	52	48	42	34	25	16	15
\$76,501 - \$77,800	59	55	51	46	41	32	23	14	13
\$77,801 - \$79,100	58	54	50	45	39	30	21	12	11
\$79,101 - \$80,400	57	53	48	43	38	28	19	10	9
\$80,401 - \$81,700	55	51	47	41	36	25	17	8	7
\$81,701 - \$83,000	54	50	45	40	33	23	15	5	5
\$83,001 - \$84,300	53	49	44	38	31	21	13	3	4
\$84,301 - \$85,600	52	47	42	37	29	19	10	1	2
\$85,601 - \$86,900	51	46	41	34	27	17	8	0	0
\$86,901 - \$88,200	49	44	39	32	24	15	6	0	0
\$88,201 - \$89,500	48	43	37	30	22	13	4	0	0

NOTE: The maximum income ceilings for the Cal Grant program are within the family income ranges.
The cells above the bold line in the matrix show Cal Grant B eligible incomes.
All unshaded incomes are Cal Grant A eligible.

2008-09 COMPETITIVE CAL GRANT A AND B PROGRAMS
PROPOSED SCORING FOR FAMILY INCOME AND HOUSEHOLD SIZE
TABLE 1: DEPENDENT STUDENTS
(With Estimated EFC)

Family Income	Size of Household												
	10	9	8	7	6	5	4	3	2				
\$0 - \$18,000	76	76	76	76	76	76	76	76	76	= <	-752	76	-658
	-750	-750	-750	-750	-750	-750	-750	-750	-750				
\$18,001 - \$19,300	76	76	76	76	76	76	76	76	75	= <	-564	75	-470
	-750	-750	-750	-750	-750	-750	-750	-750	-545				
\$19,301 - \$20,600	76	76	76	76	76	76	76	76	74	= <	-376	74	-282
	-750	-750	-750	-750	-750	-750	-750	-750	-327				
\$20,601 - \$21,900	76	76	76	76	76	76	76	76	73	= <	-188	73	-94
	-750	-750	-750	-750	-750	-750	-750	-750	-109				
\$21,901 - \$23,200	76	76	76	76	76	76	76	75	71	= <	0	72	102
	-750	-750	-750	-750	-750	-750	-750	-582	110				
\$23,201 - \$24,500	76	76	76	76	76	76	76	74	70	= <	204	71	306
	-750	-750	-750	-750	-750	-750	-750	-364	328		408	70	510
\$24,501 - \$25,800	76	76	76	76	76	76	76	73	69	= <	612	69	714
	-750	-750	-750	-750	-750	-750	-750	-146	546		816	68	918
\$25,801 - \$27,100	76	76	76	76	76	76	76	72	68	= <	1020	67	1122
	-750	-750	-750	-750	-750	-750	-750	73	751		1224	66	1326
\$27,101 - \$28,400	76	76	76	76	76	76	75	71	67	= <	1428	65	1530
	-750	-750	-750	-750	-750	-750	-626	291	955		1632	64	1734
\$28,401 - \$29,700	76	76	76	76	76	76	74	70	66	= <	1836	63	1938
	-750	-750	-750	-750	-750	-750	-408	510	1,159		2040	62	2142
\$29,701 - \$31,000	76	76	76	76	76	76	73	68	65	= <	2244	61	2346
	-750	-750	-750	-750	-750	-750	-190	728	1,363		2448	60	2550
\$31,001 - \$32,300	76	76	76	76	76	76	72	67	64	= <	2652	59	2754
	-750	-750	-750	-750	-750	-750	29	946	1,567		2856	58	2958
\$32,301 - \$33,600	76	76	76	76	76	75	71	66	63	= <	3060	57	3162
	-750	-750	-750	-750	-750	-613	247	1,165	1,771		3264	56	3366
\$33,601 - \$34,900	76	76	76	76	76	74	70	65	62	= <	3468	55	3570
	-750	-750	-750	-750	-750	-395	466	1,383	1,975		3672	54	3774
\$34,901 - \$36,200	76	76	76	76	76	73	69	64	61	= <	3876	53	3978
	-750	-750	-750	-750	-750	-176	684	1,601	2,179		4080	52	4182
\$36,201 - \$37,500	76	76	76	76	76	72	68	63	60	= <	4284	51	4386
	-750	-750	-750	-750	-750	42	902	1,809	2,383		4488	50	4590
\$37,501 - \$38,800	76	76	76	76	76	71	67	62	59	= <	4692	49	4794
	-750	-750	-750	-750	-708	260	1,121	2,013	2,588		4896	48	4998
\$38,801 - \$40,100	76	76	76	76	75	70	65	61	58	= <	5100	47	5202
	-750	-750	-750	-750	-489	479	1,337	2,217	2,791		5304	46	5406
\$40,101 - \$41,400	76	76	76	76	73	69	64	60	57	= <	5508	45	5610
	-750	-750	-750	-750	-271	697	1,541	2,421	2,996		5712	44	5814
\$41,401 - \$42,700	76	76	76	76	72	68	63	59	56	= <	5916	43	6018
	-750	-750	-750	-750	-53	915	1,745	2,625	3,225		6120	42	6222
\$42,701 - \$44,000	76	76	76	75	71	66	62	58	55	= <	6324	41	6426
	-750	-750	-750	-569	166	1,127	1,950	2,830	3,457		6528	40	6630
\$44,001 - \$45,300	76	76	76	74	70	65	61	57	54				
	-750	-750	-750	-350	384	1,331	2,154	3,036	3,689				
\$45,301 - \$46,600	76	76	76	73	69	64	60	56	53				
	-750	-750	-750	-132	603	1,535	2,358	3,268	3,922				

2008-09 COMPETITIVE CAL GRANT A AND B PROGRAMS
PROPOSED SCORING FOR FAMILY INCOME AND HOUSEHOLD SIZE
TABLE 1: DEPENDENT STUDENTS
(With Estimated EFC)

Family Income	Size of Household												
	10	9	8	7	6	5	4	3	2				
\$46,601 - \$47,900	76	76	76	72	68	63	59	55	51	= <	6732	39	6834
	-750	-750	-649	86	808	1,739	2,562	3,500	4,191	= <	6936	38	7038
\$47,901 - \$49,200	76	76	74	71	67	62	58	54	50	= <	7140	37	7242
	-750	-750	-430	304	1,012	1,943	2,766	3,732	4,460	= <	7344	36	7446
\$49,201 - \$50,500	76	76	73	69	66	61	57	53	49	= <	7548	35	7650
	-750	-750	-212	519	1,216	2,147	2,970	3,972	4,729	= <	7752	34	7854
\$50,501 - \$51,800	76	76	72	68	65	60	56	51	47	= <	7956	33	8058
	-750	-728	6	723	1,420	2,351	3,196	4,241	5,009	= <	8160	32	8262
\$51,801 - \$53,100	76	75	71	67	64	59	55	50	46	= <	8364	31	8466
	-750	-510	225	927	1,625	2,555	3,428	4,510	5,325	= <	8568	30	8670
\$53,101 - \$54,400	76	74	70	66	63	58	54	49	44	= <	8772	29	8874
	-750	-292	434	1,131	1,829	2,759	3,659	4,779	5,640	= <	8976	28	9078
\$54,401 - \$55,700	76	72	69	65	62	57	53	47	43	= <	9180	27	9282
	-750	-73	638	1,335	2,033	2,963	3,891	5,068	5,956	= <	9384	26	9486
\$55,701 - \$57,000	75	71	68	64	61	56	52	46	41	= <	9588	25	9690
	-590	144	842	1,539	2,237	3,188	4,157	5,383	6,271	= <	9792	24	9894
\$57,001 - \$58,300	74	70	67	63	60	55	50	44	40	= <	9996	23	10098
	-371	349	1,046	1,743	2,441	3,420	4,426	5,699	6,552	= <	10200	22	10302
\$58,301 - \$59,600	73	69	66	62	59	54	49	43	39	= <	10404	21	10506
	-153	553	1,250	1,948	2,645	3,652	4,695	6,014	6,824	= <	10608	20	10710
\$59,601 - \$60,900	72	68	65	61	58	53	48	41	37	= <	10812	19	10914
	59	757	1,454	2,151	2,849	3,884	4,970	6,330	7,095	= <	11016	18	11118
\$60,901 - \$62,200	71	67	64	60	57	52	46	39	35	= <	11220	17	11322
	263	961	1,658	2,356	3,058	4,148	5,285	6,645	7,598	= <	11424	16	11526
\$62,201 - \$63,500	70	66	63	59	56	50	45	38	33	= <	11628	15	11730
	467	1,165	1,862	2,560	3,290	4,417	5,600	6,960	7,972	= <	11832	14	11934
\$63,501 - \$64,800	69	65	62	58	55	49	43	36	31	= <	12036	13	12138
	672	1,369	2,066	2,764	3,522	4,686	5,916	7,276	8,347	= <	12240	12	12342
\$64,801 - \$66,100	68	64	61	57	54	48	41	33	29	= <	12444	11	12546
	875	1,573	2,270	2,968	3,754	4,959	6,231	7,909	8,722	= <	12648	10	12750
\$66,101 - \$67,400	67	63	60	56	52	46	40	31	27	= <	12852	9	12954
	1,080	1,777	2,474	3,193	3,997	5,275	6,547	8,345	9,097	= <	13056	8	13158
\$67,401 - \$68,700	66	62	59	55	51	45	38	29	26	= <	13260	7	13362
	1,284	1,981	2,678	3,425	4,266	5,590	6,862	8,781	9,472	= <	13464	6	13566
\$68,701 - \$70,000	65	61	58	54	50	43	37	27	25	= <	13668	5	13770
	1,488	2,185	2,883	3,657	4,535	5,906	7,177	9,217	9,847	= <	13872	4	13974
\$70,001 - \$71,300	64	60	57	53	48	42	34	25	22	= <	14076	3	14178
	1,692	2,389	3,097	3,889	4,804	6,221	7,773	9,653	10,222	= <	14280	2	14382
\$71,301 - \$72,600	63	59	56	52	47	40	32	23	20	= <	14484	1	14586
	1,896	2,593	3,328	4,154	5,098	6,536	8,209	10,089	10,596	= <	14688	0	14790
\$72,601 - \$73,900	62	58	55	50	45	38	30	20	18				
	2,100	2,797	3,560	4,423	5,414	6,852	8,645	10,525	10,971				
\$73,901 - \$75,200	61	57	53	49	44	37	27	18	16				
	2,304	3,001	3,792	4,692	5,729	7,167	9,081	10,961	11,346				
\$75,201 - \$76,500	60	56	52	48	42	34	25	16	15				
	2,508	3,232	4,042	4,967	6,044	7,759	9,517	11,397	11,721				
\$76,501 - \$77,800	59	55	51	46	41	32	23	14	13				
	2,712	3,463	4,311	5,282	6,360	8,195	9,952	11,832	12,096				
\$77,801 - \$79,100	58	54	50	45	39	30	21	12	11				
	2,916	3,695	4,580	5,597	6,675	8,631	10,389	12,269	12,471				

**2008-09 COMPETITIVE CAL GRANT A AND B PROGRAMS
PROPOSED SCORING FOR FAMILY INCOME AND HOUSEHOLD SIZE
TABLE 1: DEPENDENT STUDENTS
(With Estimated EFC)**

Family Income	Size of Household								
	10	9	8	7	6	5	4	3	2
\$79,101 - \$80,400	57 3,135	53 3,929	48 4,849	43 5,912	38 6,990	28 9,066	19 10,824	10 12,704	9 12,845
\$80,401 - \$81,700	55 3,367	51 4,198	47 5,150	41 6,228	36 7,306	25 9,503	17 11,260	8 13,140	7 13,220
\$81,701 - \$83,000	54 3,598	50 4,467	45 5,465	40 6,543	33 7,950	23 9,938	15 11,696	5 13,576	5 13,595
\$83,001 - \$84,300	53 3,830	49 4,736	44 5,781	38 6,859	31 8,386	21 10,374	13 12,132	3 14,012	4 13,970
\$84,301 - \$85,600	52 4,086	47 5,019	42 6,096	37 7,174	29 8,823	19 10,811	10 12,568	1 14,401	2 14,345
\$85,601 - \$86,900	51 4,355	46 5,334	41 6,412	34 7,768	27 9,258	17 11,246	8 13,004	0 14,776	0 14,720
\$86,901 - \$88,200	49 4,624	44 5,649	39 6,727	32 8,204	24 9,694	15 11,682	6 13,431	0 15,151	0 15,095
\$88,201 - \$89,500	48 4,893	43 5,964	37 7,042	30 8,640	22 10,130	13 12,118	4 13,805	0 15,526	0 15,469

NOTE: The maximum income ceilings for the Cal Grant program are within the family income ranges.
The cells above the bold line in the matrix show Cal Grant B eligible incomes.
All unshaded incomes are Cal Grant A eligible.

TABLE 2
2008-09 COMPETITIVE CAL GRANT A AND B PROGRAM
SCORING FOR FAMILY INCOME AND HOUSEHOLD SIZE
INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN SPOUSE

With Dependents Student/Spouse Income	Size of Household									
	10	9	8	7	6	5	4	3	2	
\$0 - \$18,570	76	76	76	76	76	76	76	76	76	76
\$18,570 - \$20,170	76	76	76	76	76	76	76	76	76	75
\$20,170 - \$21,770	76	76	76	76	76	76	76	76	76	74
\$21,770 - \$23,370	76	76	76	76	76	76	76	76	75	73
\$23,370 - \$24,970	76	76	76	76	76	76	76	76	74	72
\$24,970 - \$26,570	76	76	76	76	76	76	76	76	73	71
\$26,570 - \$28,170	76	76	76	76	76	76	76	76	72	70
\$28,170 - \$29,770	76	76	76	76	76	76	75	71	71	69
\$29,770 - \$31,370	76	76	76	76	76	76	73	70	70	65
\$31,370 - \$32,970	76	76	76	76	76	76	72	69	69	64
\$32,970 - \$34,570	76	76	76	76	76	76	71	68	68	63
\$34,570 - \$36,170	76	76	76	76	76	76	70	67	67	62
\$36,170 - \$37,770	76	76	76	76	76	75	69	66	66	61
\$37,770 - \$39,370	76	76	76	76	76	74	68	65	65	60
\$39,370 - \$40,970	76	76	76	76	75	73	67	64	64	59
\$40,970 - \$42,570	76	76	76	76	74	72	66	63	63	58
\$42,570 - \$44,170	76	76	76	76	73	71	65	58	58	55
\$44,170 - \$45,770	76	76	76	75	72	70	64	57	57	54
\$45,770 - \$47,370	76	76	76	74	71	69	63	56	56	52
\$47,370 - \$48,970	76	76	76	73	70	68	62	55	55	51
\$48,970 - \$50,570	76	76	75	72	69	67	61	54	54	50
\$50,570 - \$52,170	76	76	74	71	68	66	60	53	53	49
\$52,170 - \$53,770	76	75	73	70	67	65	59	52	52	48
\$53,770 - \$55,370	76	74	72	69	66	64	58	51	51	47
\$55,370 - \$56,970	76	73	71	68	65	63	57	50	50	46
\$56,970 - \$58,570	75	72	70	67	64	62	56	49	49	45
\$58,570 - \$60,170	74	71	69	66	63	61	55	48	48	44
\$60,170 - \$61,770	73	70	68	65	62	60	54	47	47	43
\$61,770 - \$63,370	72	69	63	64	61	59	53	46	46	42
\$63,370 - \$64,970	71	68	62	63	60	58	52	45	45	41
\$64,970 - \$66,570	70	67	61	62	59	57	51	44	44	40
\$66,570 - \$68,170	69	66	60	61	58	56	50	43	43	39
\$68,170 - \$69,770	68	65	59	60	57	55	49	42	42	38
\$69,770 - \$71,370	67	64	58	59	56	54	48	41	41	37
\$71,370 - \$72,970	66	63	57	58	55	53	47	40	40	36
\$72,970 - \$74,570	65	62	56	57	54	52	46	39	39	35
\$74,570 - \$76,170	64	61	55	56	53	51	45	38	38	34
\$76,170 - \$77,770	63	60	54	55	52	50	44	37	37	33
\$77,770 - \$79,370	62	59	53	54	51	49	43	36	36	32
\$79,370 - \$80,970	61	58	52	53	50	48	42	35	35	31
\$80,970 - \$82,570	55	51	51	41	35	25	16	7	7	7
\$82,570 - \$84,170	54	49	44	39	32	22	14	4	4	4
\$84,170 - \$85,770	52	48	42	36	29	20	11	2	2	2
\$85,770 - \$87,370	51	46	40	34	27	17	8	0	0	0
\$87,370 - \$88,970	50	45	39	33	26	16	7	0	0	0

NOTE: The maximum income ceilings for the Cal Grant program are within the family income ranges.
 The cells above the bold line in the matrix show Cal Grant B eligible incomes.
 All unshaded incomes are Cal Grant A eligible.

**2008-09 COMPETITIVE CAL GRANT A AND B PROGRAMS
PROPOSED SCORING FOR FAMILY INCOME AND HOUSEHOLD SIZE
TABLE 2: INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN SPOUSE
(With Estimated EFC)**

Independent Students w/ Dependents Other Than Spouse													
Family Income	Size of Household												
	10	9	8	7	6	5	4	3	2				
\$0 - \$18,570	76	76	76	76	76	76	76	76	76	= <	-752	76	-658
	-750	-750	-750	-750	-750	-750	-750	-750	-750	= <	-564	75	-470
\$18,571 - \$20,170	76	76	76	76	76	76	76	76	75	= <	-376	74	-282
	-750	-750	-750	-750	-750	-750	-750	-750	-481	= <	-188	73	-94
\$20,171 - \$21,770	76	76	76	76	76	76	76	76	73	= <	0	72	102
	-750	-750	-750	-750	-750	-750	-750	-750	-212	= <	204	71	306
\$21,771 - \$23,370	76	76	76	76	76	76	76	75	72	= <	408	70	510
	-750	-750	-750	-750	-750	-750	-750	-655	57	= <	612	69	714
\$23,371 - \$24,970	76	76	76	76	76	76	76	74	70	= <	816	68	918
	-750	-750	-750	-750	-750	-750	-750	-386	326	= <	1020	67	1122
\$24,971 - \$26,570	76	76	76	76	76	76	76	73	69	= <	1224	66	1326
	-750	-750	-750	-750	-750	-750	-750	-118	586	= <	1428	65	1530
\$26,571 - \$28,170	76	76	76	76	76	76	76	71	68	= <	1632	64	1734
	-750	-750	-750	-750	-750	-750	-750	151	837	= <	1836	63	1938
\$28,171 - \$29,770	76	76	76	76	76	76	75	70	67	= <	2040	62	2142
	-750	-750	-750	-750	-750	-750	-519	420	1,089	= <	2244	61	2346
\$29,771 - \$31,370	76	76	76	76	76	76	73	69	65	= <	2448	60	2550
	-750	-750	-750	-750	-750	-750	-251	689	1,340	= <	2652	59	2754
\$31,371 - \$32,970	76	76	76	76	76	76	72	67	64	= <	2856	58	2958
	-750	-750	-750	-750	-750	-750	18	958	1,591	= <	3060	57	3162
\$32,971 - \$34,570	76	76	76	76	76	76	71	66	63	= <	3264	56	3366
	-750	-750	-750	-750	-750	-750	287	1,226	1,842	= <	3468	55	3570
\$34,571 - \$36,170	76	76	76	76	76	76	69	65	62	= <	3672	54	3774
	-750	-750	-750	-750	-750	-750	556	1,495	2,093	= <	3876	53	3978
\$36,171 - \$37,770	76	76	76	76	76	72	68	63	61	= <	4080	52	4182
	-750	-750	-750	-750	-750	-60	825	1,750	2,344	= <	4284	51	4386
\$37,771 - \$39,370	76	76	76	76	76	71	67	62	59	= <	4488	50	4590
	-750	-750	-750	-750	-750	209	1,093	2,002	2,596	= <	4692	49	4794
\$39,371 - \$40,970	76	76	76	76	75	70	65	61	58	= <	4896	48	4998
	-750	-750	-750	-750	-512	478	1,351	2,253	2,847	= <	5100	47	5202
\$40,971 - \$42,570	76	76	76	76	73	68	64	60	57	= <	5304	46	5406
	-750	-750	-750	-750	-244	746	1,602	2,504	3,109	= <	5508	45	5610
\$42,571 - \$44,170	76	76	76	76	72	67	63	58	55	= <	5712	44	5814
	-750	-750	-750	-730	25	1,006	1,853	2,755	3,395	= <	5916	43	6018
\$44,171 - \$45,770	76	76	76	74	71	66	62	57	54	= <	6120	42	6222
	-750	-750	-750	-461	294	1,257	2,104	3,006	3,680	= <	6324	41	6426
\$45,771 - \$47,370	76	76	76	73	69	65	60	56	53	= <			
	-750	-750	-750	-192	556	1,508	2,355	3,290	3,974				
\$47,371 - \$48,970	76	76	76	72	68	63	59	54	51				
	-750	-750	-678	77	807	1,760	2,607	3,576	4,305				
\$48,971 - \$50,570	76	76	74	70	67	62	58	53	49				
	-750	-750	-409	341	1,058	2,011	2,858	3,861	4,636				
\$50,571 - \$52,170	76	76	73	69	66	61	57	51	48				
	-750	-750	-140	592	1,309	2,262	3,122	4,184	4,973				
\$52,171 - \$53,770	76	75	71	68	64	60	55	50	46				
	-750	-626	126	843	1,560	2,513	3,407	4,515	5,362				

**2008-09 COMPETITIVE CAL GRANT A AND B PROGRAMS
PROPOSED SCORING FOR FAMILY INCOME AND HOUSEHOLD SIZE
TABLE 2: INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN SPOUSE
(With Estimated EFC)**

Independent Students w/ Dependents Other Than Spouse													
Family Income	Size of Household												
	10	9	8	7	6	5	4	3	2				
\$53,771 - \$55,370	76	74	70	67	63	58	54	48	44	= <	6528	40	6630
	-750	-358	377	1,094	1,811	2,764	3,692	4,846	5,750	= <	6732	39	6834
\$55,371 - \$56,970	76	72	69	65	62	57	52	46	42	= <	6936	38	7038
	-750	-89	628	1,345	2,063	3,015	3,988	5,220	6,141	= <	7140	37	7242
\$56,971 - \$58,570	75	71	68	64	61	56	51	45	40	= <	7344	36	7446
	-575	162	879	1,596	2,314	3,301	4,319	5,608	6,547	= <	7548	35	7650
\$58,571 - \$60,170	74	70	66	63	59	54	50	43	38	= <	7752	34	7854
	-306	413	1,131	1,848	2,565	3,586	4,650	5,996	6,940	= <	7956	33	8058
\$60,171 - \$61,770	72	69	65	62	58	53	48	40	36	= <	8160	32	8262
	-53	665	1,382	2,099	2,816	3,872	4,990	6,431	7,333	= <	8364	31	8466
\$61,771 - \$63,370	71	68	64	60	57	51	46	38	34	= <	8568	30	8670
	198	916	1,633	2,350	3,074	4,196	5,378	6,888	7,761	= <	8772	29	8874
\$63,371 - \$64,970	70	66	63	59	56	50	44	36	32	= <	8976	28	9078
	450	1,167	1,884	2,601	3,360	4,527	5,767	7,345	8,222	= <	9180	27	9282
\$64,971 - \$66,570	69	65	62	58	54	48	42	34	29	= <	9384	26	9486
	701	1,418	2,135	2,852	3,645	4,858	6,161	7,850	8,684	= <	9588	25	9690
\$66,571 - \$68,170	67	64	60	57	53	46	40	31	27	= <	9792	24	9894
	952	1,669	2,386	3,116	3,933	5,234	6,618	8,387	9,145	= <	9996	23	10098
\$68,171 - \$69,770	66	63	59	55	51	44	37	28	25	= <	10200	22	10302
	1,203	1,920	2,638	3,401	4,265	5,622	7,075	8,924	9,607	= <	10404	21	10506
\$69,771 - \$71,370	65	61	58	54	49	43	35	26	23	= <	10608	20	10710
	1,454	2,171	2,889	3,686	4,595	6,010	7,533	9,460	10,068	= <	10812	19	10914
\$71,371 - \$72,970	64	60	57	52	48	40	32	23	20	= <	11016	18	11118
	1,705	2,423	3,157	3,981	4,927	6,448	8,070	9,997	10,529	= <	11220	17	11322
\$72,971 - \$74,570	62	59	55	51	46	38	30	20	18	= <	11424	16	11526
	1,956	2,674	3,442	4,312	5,314	6,904	8,606	10,533	10,990	= <	11628	15	11730
\$74,571 - \$76,170	61	58	54	49	44	36	27	18	16	= <	11832	14	11934
	2,208	2,925	3,728	4,643	5,702	7,361	9,143	11,070	11,452	= <	12036	13	12138
\$76,171 - \$77,770	60	56	52	48	42	33	25	15	14	= <	12240	12	12342
	2,459	3,198	4,029	4,982	6,091	7,870	9,679	11,606	11,913	= <	12444	11	12546
\$77,771 - \$79,370	59	55	51	46	40	31	22	12	11	= <	12648	10	12750
	2,710	3,483	4,360	5,370	6,542	8,406	10,216	12,143	12,374	= <	12852	9	12954
\$79,371 - \$80,970	57	54	49	44	38	28	19	10	9	= <	13056	8	13158
	2,961	3,769	4,691	5,759	6,999	8,943	10,753	12,680	12,836	= <	13260	7	13362
\$80,971 - \$82,570	56	52	47	42	35	26	17	7	7	= <	13464	6	13566
	3,239	4,077	5,038	6,151	7,455	9,479	11,289	13,216	13,297	= <	13668	5	13770
\$82,571 - \$84,170	55	50	45	40	33	22	14	4	4	= <	13872	4	13974
	3,525	4,408	5,426	6,608	7,981	10,016	11,826	13,753	13,759	= <	14076	3	14178
\$84,171 - \$85,770	53	49	43	37	30	20	11	2	2	= <	14280	2	14382
	3,810	4,739	5,815	7,065	8,518	10,553	12,362	14,234	14,220	= <	14484	1	14586
\$85,771 - \$87,370	52	47	42	35	28	18	9	0	0	= <	14688	0	14790
	4,124	5,094	6,217	7,522	9,054	11,089	12,899	14,695	14,681	= <	14892	0	14994
\$87,371 - \$88,970	50	45	40	33	25	15	6	0	0	= <	15096	0	15198
	4,456	5,482	6,674	8,058	9,591	11,626	13,390	15,157	15,143	= <	15300	0	15402

NOTE: The maximum income ceilings for the Cal Grant program are within the family income ranges.

The cells above the bold line in the matrix show Cal Grant B eligible incomes.

All unshaded incomes are Cal Grant A eligible.

TABLE 3
2008-09 COMPETITIVE CAL GRANT A AND B PROGRAM
SCORING FOR FAMILY INCOME AND HOUSEHOLD SIZE
SINGLE INDEPENDENT AND MARRIED STUDENTS

Without Dependents Other Than Spouse		
Student/Spouse Income	Married Couple	Single
\$0 - \$7,125	72	72
\$7,126 - \$7,695	72	71
\$7,696 - \$8,265	72	70
\$8,266 - \$8,835	72	68
\$8,836 - \$9,405	72	67
\$9,406 - \$9,975	72	66
\$9,976 - \$10,545	72	65
\$10,546 - \$11,115	72	64
\$11,116 - \$11,685	72	63
\$11,686 - \$12,255	72	62
\$12,256 - \$12,825	72	61
\$12,826 - \$13,395	72	60
\$13,396 - \$13,965	72	59
\$13,966 - \$14,535	72	58
\$14,536 - \$15,105	71	56
\$15,106 - \$15,675	70	55
\$15,676 - \$16,245	69	54
\$16,246 - \$16,815	68	53
\$16,816 - \$17,385	67	52
\$17,386 - \$17,955	66	51
\$17,956 - \$18,525	65	50
\$18,526 - \$19,095	64	49
\$19,096 - \$19,665	63	48
\$19,666 - \$20,235	62	47
\$20,236 - \$20,805	61	46
\$20,806 - \$21,375	60	45
\$21,376 - \$21,945	59	44
\$21,946 - \$22,515	58	43
\$22,516 - \$23,085	56	42
\$23,086 - \$23,655	55	41
\$23,656 - \$24,225	54	40
\$24,226 - \$24,795	53	39
\$24,796 - \$25,365	52	38
\$25,366 - \$25,935	51	37
\$25,936 - \$26,505	50	36
\$26,506 - \$27,075	49	35
\$27,076 - \$27,645	48	34
\$27,646 - \$28,215	47	33
\$28,216 - \$28,785	46	
\$28,786 - \$29,355	45	
\$29,356 - \$29,925	44	
\$29,926 - \$30,495	42	
\$30,496 - \$31,065	41	
\$31,066 - \$31,635	40	
\$31,636 - \$32,205	39	

NOTE: The maximum income ceilings for the Cal Grant program are within the family income ranges. The cells above the bold line in the matrix show Cal Grant B eligible incomes. All unshaded incomes are Cal Grant A eligible.

**2008-09 COMPETITIVE CAL GRANT A AND B PROGRAMS
PROPOSED SCORING FOR FAMILY INCOME AND HOUSEHOLD SIZE
TABLE 3: INDEPENDENT STUDENTS WITHOUT DEPENDENTS**

(With Estimated EFC)

Single Student & Married Couple			
Family Income		MC	S
\$0 - \$7,125		72	72
		-2,496	2
\$7,126 - \$7,695		72	71
		-2,298	251
\$7,696 - \$8,265		72	70
		-2,098	500
\$8,266 - \$8,835		72	68
		-1,900	744
\$8,836 - \$9,405		72	67
		-1,700	965
\$9,406 - \$9,975		72	66
		-1,501	1,185
\$9,976 - \$10,545		72	65
		-1,302	1,406
\$10,546 - \$11,115		72	64
		-1,103	1,626
\$11,116 - \$11,685		72	63
		-904	1,847
\$11,686 - \$12,255		72	62
		-705	2,067
\$12,256 - \$12,825		72	61
		-506	2,288
\$12,826 - \$13,395		72	60
		-307	2,508
\$13,396 - \$13,965		72	59
		-107	2,729
\$13,966 - \$14,535		72	58
		91	2,949
\$14,536 - \$15,105		71	56
		290	3,169
\$15,106 - \$15,675		70	55
		489	3,390
\$15,676 - \$16,245		69	54
		689	3,610
\$16,246 - \$16,815		68	53
		888	3,825
\$16,816 - \$17,385		67	52
		1,087	4,031
\$17,386 - \$17,955		66	51
		1,263	4,237
\$17,956 - \$18,525		65	50
		1,434	4,444
\$18,526 - \$19,095		64	49
		1,625	4,649

= <	-752	76	-658
= <	-564	75	-470
= <	-376	74	-282
= <	-188	73	-94
= <	0	72	102
= <	204	71	306
= <	408	70	510
= <	612	69	714
= <	816	68	918
= <	1020	67	1122
= <	1224	66	1326
= <	1428	65	1530
= <	1632	64	1734
= <	1836	63	1938
= <	2040	62	2142
= <	2244	61	2346
= <	2448	60	2550
= <	2652	59	2754
= <	2856	58	2958
= <	3060	57	3162
= <	3264	56	3366
= <	3468	55	3570
= <	3672	54	3774
= <	3876	53	3978
= <	4080	52	4182
= <	4284	51	4386
= <	4488	50	4590
= <	4692	49	4794
= <	4896	48	4998
= <	5100	47	5202
= <	5304	46	5406
= <	5508	45	5610
= <	5712	44	5814
= <	5916	43	6018

**2008-09 COMPETITIVE CAL GRANT A AND B PROGRAMS
PROPOSED SCORING FOR FAMILY INCOME AND HOUSEHOLD SIZE
TABLE 3: INDEPENDENT STUDENTS WITHOUT DEPENDENTS**

(With Estimated EFC)

Single Student & Married Couple			
Family Income	MC	S	
\$19,096 - \$19,665	63	48	= < 6120 42 6222
	1,846	4,856	= < 6324 41 6426
\$19,666 - \$20,235	62	47	= < 6528 40 6630
	2,066	5,062	= < 6732 39 6834
\$20,236 - \$20,805	61	46	= < 6936 38 7038
	2,286	5,268	= < 7140 37 7242
\$20,806 - \$21,375	60	45	= < 7344 36 7446
	2,507	5,474	= < 7548 35 7650
\$21,376 - \$21,945	59	44	= < 7752 34 7854
	2,727	5,681	= < 7956 33 8058
\$21,946 - \$22,515	58	43	= < 8160 32 8262
	2,948	5,887	= < 8364 31 8466
\$22,516 - \$23,085	56	42	= < 8568 30 8670
	3,168	6,093	= < 8772 29 8874
\$23,086 - \$23,655	55	41	= < 8976 28 9078
	3,388	6,299	= < 9180 27 9282
\$23,656 - \$24,225	54	40	= < 9384 26 9486
	3,609	6,506	= < 9588 25 9690
\$24,226 - \$24,795	53	39	= < 9792 24 9894
	3,829	6,711	= < 9996 23 10098
\$24,796 - \$25,365	52	38	= < 10200 22 10302
	4,050	6,918	= < 10404 21 10506
\$25,366 - \$25,935	51	37	= < 10608 20 10710
	4,270	7,124	= < 10812 19 10914
\$25,936 - \$26,505	50	36	= < 11016 18 11118
	4,491	7,330	= < 11220 17 11322
\$26,506 - \$27,075	49	35	= < 11424 16 11526
	4,711	7,536	= < 11628 15 11730
\$27,076 - \$27,645	48	34	= < 11832 14 11934
	4,932	7,743	= < 12036 13 12138
\$27,646 - \$28,215	47	33	= < 12240 12 12342
	5,152	7,949	= < 12444 11 12546
\$28,216 - \$28,785	46	32	= < 12648 10 12750
	5,373	8,155	= < 12852 9 12954
\$28,786 - \$29,355	45	31	= < 13056 8 13158
	5,593	8,361	= < 13260 7 13362
\$29,356 - \$29,925	44	30	= < 13464 6 13566
	5,814	8,568	= < 13668 5 13770
\$29,926 - \$30,495	42	29	= < 13872 4 13974
	6,034	8,773	= < 14076 3 14178
\$30,496 - \$31,065	41	28	= < 14280 2 14382
	6,255	8,980	= < 14484 1 14586
\$31,066 - \$31,635	40	27	= < 14688 0 14790
	6,475	9,186	= < 14892 0 14994
\$31,636 - \$32,205	39	26	= < 15096 0 15198
	6,695	9,392	= < 15300 0 15402

8.c

Information/Action Item

GRANT ADVISORY COMMITTEE

Proposed 2008-09 Student Expense Budgets

The California Student Aid Commission (Commission) annually adjusts the student expense budgets it uses to calculate financial need for grant applicants. To make these calculations, the Commission uses data from the latest available Student Expenses and Resource Survey (SEARS) along with forecasted changes in the California Consumer Price Index (CCPI). Expense data from the 2006-07 SEARS are available to determine student expense budgets for 2008-09.

Recommended Actions: Review and recommend approval of the proposed 2008-09 Student Expense Budgets.

Establish a workgroup to review the methodology used to set Student Expense Budgets.

Responsible Staff: Karen Henderson, Research Analyst II
Research and Policy Analysis Branch

PROPOSED 2008-2009 STUDENT EXPENSE BUDGETS

Background and Methodology

As part of the Cal Grant award process, financial need is calculated for each applicant. Financial need is determined by subtracting institutional charges and the nine-month student expense budget allowance from the Expected Family Contribution (EFC). Because institutional charges and the cost of living vary over time, the California Student Aid Commission (Commission) has an established process to review these two components.

In order to ensure that need is being calculated on current information, the Commission asks participating schools to provide updated program costs each year. If schools do not provide updated costs, the Commission calculates need using the prior year's reported institutional charges.

The Commission also updates and publishes the student expense budgets that it uses to calculate financial need. (These budgets are made available to the segments of postsecondary education to use, although schools may choose to prepare their own budgets.) The expense budgets are based on data gathered from the most recent triennial Student Expenses and Resources Survey (SEARS) and updated for inflation using forecasted changes in the California Consumer Price Index (see Table 1) in non-survey years. The Commission uses only full-time undergraduate expenses reported by single students without children to be consistent with Federal Methodology.

Due to a low response rate from private career college (PCC) students, staff combined 2003-04 PCC data, adjusted for inflation, and 2006-07 data for the remaining segments in order to prepare the proposed 2008-09 Student Expense budgets.

Table 2 shows the 2007-08 Student Expense Budgets and the proposed 2008-09 Student Expense Budgets by living arrangement and expense category. The proposed 2008-09 Student Expense Budgets are also presented in the Commission's traditional format on Table 3.

Recommended Action

Commission staff recommends approval of the 2008-2009 Student Expense budgets as illustrated on Table 3.

Since it has been fifteen years since the development of the student expense budget methodology, staff further recommends that a workgroup be established to review the current methodology.

TABLE 1
Selected California Consumer Price Indices (CCPI), All Urban Consumers
2000-01 to 2008-09 (1982 to 1984 = 100)

Category	Fiscal Year	Los Angeles SMSA	San Francisco SMSA	California CPI*	Annual % Change
ALL ITEMS	2000-01	174.7	186.2	179.0	4.4%
	2001-02	179.7	191.7	183.9	2.7%
	2002-03	185.0	195.3	188.7	2.6%
	2003-04	189.4	197.1	192.2	1.9%
	2004-05	197.1	200.5	198.6	3.3%
	2005-06	206.9	205.9	206.9	4.2%
	2006-07	213.9	212.2	213.3	3.1%
	2007-08 E	218.8	217.3	218.8	2.6%
	2008-09 E	225.1	222.6	224.9	2.8%
Food	2000-01	175.5	179.1	177.1	3.8%
	2001-02	181.7	184.2	182.9	3.3%
	2002-03	184.8	187.9	186.2	1.8%
	2003-04	191.9	195.8	193.6	4.0%
	2004-05	195.4	201.5	197.8	2.2%
	2005-06	200.5	204.3	202.2	2.2%
	2006-07	206.0	210.0	207.8	2.8%
	2007-08 E	210.3	216.6	212.8	2.4%
	2008-09 E	215.7	222.7	218.4	2.6%
Housing, Rent	2000-01	181.0	240.1	200.4	6.1%
	2001-02	192.2	260.4	214.5	7.0%
	2002-03	201.8	263.2	222.0	3.5%
	2003-04	213.4	262.2	229.5	3.4%
	2004-05	228.0	262.6	239.6	4.4%
	2005-06	241.7	264.3	249.5	4.1%
	2006-07	256.3	271.4	261.7	4.9%
	2007-08 E	269.5	277.9	272.8	4.2%
	2008-09 E	283.1	285.1	284.4	4.3%
Apparel	2000-01	116.1	115.0	116.0	-0.4%
	2001-02	109.3	109.2	109.5	-5.6%
	2002-03	107.8	111.6	109.3	-0.2%
	2003-04	105.7	107.6	106.6	-2.5%
	2004-05	104.1	107.1	105.3	-1.2%
	2005-06	106.8	105.9	106.8	1.4%
	2006-07	105.9	111.9	108.1	1.2%
	2007-08 E	108.9	110.3	109.6	1.4%
	2008-09 E	110.8	112.8	111.7	1.9%
Transportation	2000-01	156.7	145.5	153.5	4.3%
	2001-02	153.1	140.7	149.5	-2.6%
	2002-03	158.8	144.7	154.6	3.4%
	2003-04	161.6	145.2	156.7	1.4%
	2004-05	170.0	152.8	164.9	5.2%
	2005-06	180.1	159.7	174.0	5.5%
	2006-07	181.4	163.0	175.9	1.1%
	2007-08 E	184.1	164.6	178.3	1.4%
	2008-09 E	185.8	166.3	180.0	1.0%
Recreation	2000-01	105.0	94.7	101.9	1.3%
	2001-02	107.9	93.6	103.6	1.7%
	2002-03	109.0	93.8	104.4	0.8%
	2003-04	111.8	96.4	107.1	2.6%
	2004-05	112.1	98.5	108.0	0.8%
	2005-06	114.4	101.1	110.4	2.2%
	2006-07	114.9	102.5	111.2	0.7%
	2007-08 E	117.5	104.0	113.4	2.0%
	2008-09 E	118.8	105.0	114.6	1.1%

Student Expense Budgets

Tab 8.c.2

Category	Fiscal Year	Los Angeles SMSA	San Francisco SMSA	California CPI*	Annual % Change
Other Goods and Services	2000-01	291.4	294.6	293.1	3.9%
	2001-02	297.3	307.2	301.2	2.8%
	2002-03	297.1	316.1	303.9	0.9%
	2003-04	300.1	325.3	308.9	1.6%
	2004-05	305.7	331.7	314.7	1.9%
	2005-06	314.0	340.6	323.3	2.7%
	2006-07	326.9	349.3	334.8	3.6%
	2007-08 E	336.5	358.7	344.4	2.9%
	2008-09 E	355.2	376.1	362.7	5.3%
AVERAGE OF: Apparel, Recreation, and Other Goods & Services	2000-01			170.3	2.3%
	2001-02			171.4	0.6%
	2002-03			172.5	0.6%
	2003-04			174.2	1.0%
	2004-05			176.0	1.0%
	2005-06			180.2	2.4%
	2006-07			184.7	2.5%
	2007-08 E			189.1	2.4%
	2008-09 E			196.3	3.8%

* The CCPI are prepared by the Department of Industrial Relations for "All Items" only. All other categories are California Student Aid Commission estimates based on April 2007 data provided by the Department of Finance using weighted averages of the metropolitan areas surveyed within the state. Since 1986-87, two Standard Metropolitan Statistical Areas (SMSA) have been used in the calculation of the CCPI, weighted as follows: 68% for Los Angeles and 32% for San Francisco. The result is multiplied by a factor of 1.0023 to determine the CCPI.

** E = Estimate.

TABLE 2
PROPOSED 2008-09 STUDENT EXPENSE BUDGETS
COMPARED TO 2007-08
 (Base: 2006-07 Student Expenses and Resources Survey Data)

	2007-08 Student Budgets		Proposed 2008-09 With 2003 PCC	
	Average	% of Budget	Average	% of Budget
With Parents				
Books & Supplies	1386	16%	1566	16%
Housing & Food	3474	40%	4050	42%
Transportation	990	11%	990	10%
Personal: Medical	234	3%	270	3%
Personal: Recreation	1152	13%	1296	13%
Personal: Other	1512	17%	1458	15%
Total Budget	8748		9630	
% Change			10%	
On Campus				
Books & Supplies	1386	32%	1566	35%
Housing & Food				
Transportation	792	18%	756	17%
Personal: Medical	270	6%	234	5%
Personal: Recreation	864	20%	900	20%
Personal: Other	1008	23%	1080	24%
Total Budget	4320		4536	
% Change			5%	
Off Campus				
Books & Supplies	1386	10%	1566	10%
Housing & Food	9288	65%	10152	65%
Transportation	1098	8%	1116	7%
Personal: Medical	288	2%	306	2%
Personal: Recreation	1026	7%	1170	8%
Personal: Other	1206	8%	1278	8%
Total Budget	14292		15588	
% Change			9%	

Note: Insufficient responses from private career colleges necessitated the use of 2003-04 Student Expenses and Resources Survey data, adjusted for inflation using the California Consumer Price Indices.

TABLE 3
CALIFORNIA STUDENT AID COMMISSION
Proposed 2008-09 Student Expense Budgets

ALLOWANCE	WITH PARENTS	ON CAMPUS HOUSING	OFF CAMPUS HOUSING
TUITION AND FEES¹	ACTUAL INSTITUTIONAL CHARGES		
BOOKS AND SUPPLIES²	\$1,566 PER ACADEMIC YEAR		
FOOD³ Per Month: Per Year:	\$ 450 / MO \$ 4,050 / YR	ACTUAL INSTITUTIONAL CHARGES ⁴	\$ 358 / MO \$ 3,222 / YR
HOUSING⁵ Per Month: Per Year:	INCLUDED IN ABOVE		\$ 770 / MO \$ 6,930 / YR
TRANSPORTATION⁶ Per Month: Per Year:	\$ 110 / MO \$ 990 / YR	\$ 84 / MO \$ 756 / YR	\$ 124 / MO \$ 1,116 / YR
PERSONAL / MISC⁷ Per Month: Per Year:	\$ 336 / MO \$ 3,024 / YR	\$ 246 / MO \$ 2,214 / YR	\$ 306 / MO \$ 2,754 / YR
CHILD / DEPENDENT CARE	REASONABLE EXPENSES WITH ADEQUATE DOCUMENTATION PROVIDED BY THE STUDENT, DEPENDING UPON AGE AND NUMBER OF CHILDREN		
LOAN FEES	FOR STUDENT LOAN BORROWERS, ACTUAL OR AVERAGE LOAN ORIGATION AND INSURANCE FEES		
TOTAL , Excluding Allowances based on actual institutional charges Per Month: Per Year:	\$ 1,070 / MO \$ 9,630 / YR	\$ 504 / MO \$ 4,536 / YR	\$ 1,732 / MO \$ 15,588 / YR

¹ Includes all mandatory fees.

² The breakdown for this category is as follows: books (\$864), educational supplies (\$216), course material fees (\$126), and computer-related expenses (\$360), excluding the costs associated with the purchase of a personal computer.

³ Includes food, snacks, meals on campus, household supplies.

⁴ If contract is for less than nine months, adjustments may be made at the rate of \$358/month or fraction thereof.

⁵ Includes dorm charges, rent, and utilities.

⁶ Includes travel to and from parent's residence and transportation costs to and from classes and work. (e.g., bus fare, gasoline, tolls, parking.)

⁷ Includes clothing, laundry and dry-cleaning, personal care, gifts, recreation, medical etc.

NOTE: The expense budgets shown on this table are based upon average expenses reported by students at the University of California, California State University, and California independent institutions, California Community Colleges in the Student Expenses and Resources Survey (SEARS), adjusted for two years of inflation. Private career college data are from the 2003-04 SEARS, adjusted for five years of inflation.

8.d

Information/Action Item

GRANT ADVISORY COMMITTEE

Student Expenses and Resources Survey (SEARS) Project Update

The 2006-07 Student Expenses and Resources Survey is now closed. Staff will provide an oral update on the response rates and a timeline for the SEARS Casebook.

Recommended Action: No action necessary.

Responsible Staff: Karen Henderson, Research Analyst II
Research and Policy Analysis Branch

Information/Action Item

GRANT ADVISORY COMMITTEE

Workgroup Reports and Recommendations

The Committee will provide oral reports and recommendations on the following subjects:

- 9.a Payment Periods for Non-traditional Based Schools
- 9.b Selection Criteria

Recommended Action: No action required.

Responsible Staff: Bryan Dickason, Manager
Cal Grant Operations

Mary Robinson, Chair
Selection Criteria Workgroup

Information/Action Item

GRANT ADVISORY COMMITTEE

Annual Interest Calculation Discussion Update

During the September 6, 2007 Commission Meeting, Institutional Participation Agreement (IPA) discussion continued regarding administrative allowances for offsetting costs associated with interest-bearing accounts. GAC proposed that further discussions between staff, institutions and state control agencies were required to fully understand the definition of annual interest remittance for Cal Grant participating institutions.

The Commissioners directed staff to collect data from institutions in order to identify the flow of money at the institutional level. Staff agreed to pursue a workgroup for this purpose and to obtain clarity on the effects of negative interest and the calculation of interest. The analysis of this information would identify the potential impact to institutions and assess the magnitude of the issue. Commission staff will then discuss this issue with the state control agencies. Staff will present the workgroup data to and will share information received from the state control agencies with the Commissioners at the November 29th meeting.

Recommended Action: Determine whether a workgroup within GAC should be established and define methods of collecting and analyzing the data.

Responsible Staff: Catalina Mistler, Chief
Program Administration and Services Division

Robert Illa, Fiscal Officer
Management Services Division

Information/Action Item

GRANT ADVISORY COMMITTEE

Identifying At-risk Institutions Update

Staff will provide a summary of the discussions from the Institutional Participation Agreement, Separate Accounts, workgroup held on May 24, 2007, and the latest Commission recommendation for researching criteria to identify at-risk institutions.

Recommended Action: Assign a workgroup to develop criteria to identify at-risk institutions.

Responsible Staff: Catalina Mistler, Chief
Program Administration and Services Division

Bryan Dickason, Manager
Cal Grant Operations Branch

Lori Nezhura, Analyst
Program Policy and Development Branch

IDENTIFYING AT-RISK INSTITUTIONS UPDATE

At the May 24, 2007, Institutional Participation Agreement Workshop participants offered suggestions for alternative methods of safeguarding State funds.

It was suggested that instead of dealing with the repercussions of bankrupt institutions, the Commission should take preventive measures to avoid Cal Grant losses from bankruptcies. To protect State funds, there should be preliminary steps to identify at-risk institutions before institutions are closed or bankruptcy is declared. The workgroup compiled a list of possible red flags that the Commission could use to help pinpoint institutions that are "at-risk:"

Potential Red Flags

- Does the institution have accreditation problems?
- Has the institution been placed on probation by the Department of Education?
- Is the institution on the federal reimbursement program?
- Is the institution on the federal watch list?
- Is there a drop in enrollment versus Cal Grant term advances?
- Is the institution filing its audit report with the Department of Education in a timely fashion?

Possible Actions

Workshop participants suggested that the Commission could request pertinent documents that could assist in the at-risk identification process, such as

- a survey document. This survey would ask questions to gauge a particular institution's financial status. The survey would be sent once a year through an automated survey services like Survey Monkey.
- a "watch list". The Commission could create a watch list similar to that of the federal government to monitor payments and reconciliation.
- copies of the A-133 report (federal audit) and financial statements from institutions.

It was also proposed that the Commission

- mirror the federal Pell Grant program where institutions are reimbursed for the students that are paid on WebGrants.
- place proprietary institutions on a reimbursement program since this segment historically has incurred the most bankruptcies.
- research trends, characteristics and patterns from the institutions that have declared for bankruptcy in the past. The study might reveal vital information to the Commission which could be used to develop basic criteria for institutions who wish to participate in the Cal Grant Program.

While some of the suggestions made by workshop participants could be reviewed for possible implementation, other options will necessitate resources and expertise that the Commission does not currently possess. For example, to collect and review A-133 audit reports will require staff to analyze over 230 A-133 reports on a yearly basis. Additional support staff would need to be hired and trained to handle the administrative duties required for this project.

At the September 6, 2007 Commission meeting, Commissioners encouraged staff, along with the Grant Advisory Committee and other stakeholders, to work toward developing criteria to identify at-risk institutions. Emphasis was added to seek criteria that would parallel the system that the federal government utilizes.

Information/Action Item

GRANT ADVISORY COMMITTEE

Determine Workgroup Topics for Upcoming Year and Selection of Workgroups

The Committee will discuss selection of workgroups and topics for the upcoming year.

Recommended Action: Develop and assign workgroups and workgroup topics for 2008.

Responsible Staff: Mary Lindsey, Chair
Grant Advisory Committee

GRANT ADVISORY COMMITTEE

Review 2008 GAC and Workgroup Meeting Schedule

The Committee will review proposed meeting dates for 2008.

Recommended Action: Approve meeting dates as recommended.

Responsible Staff: Gloria Falcon, Manager
Program Policy and Development

2008 CSAC Meeting Schedule

Review 2008 GAC and Workgroup Schedule

Tab 13.a

JANUARY						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

FEBRUARY						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	

MARCH						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

APRIL						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

MAY						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

JUNE						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

JULY						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

AUGUST						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

SEPTEMBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

OCTOBER						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

NOVEMBER						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

DECEMBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Commission Meetings:

Feb 28-29, Apr 17-18, Jun 26-27, Sep 4-5, Nov 20-21

EdFund Board Meetings:

Feb 22, Apr 24, May 14-15, Aug 15, Nov 14

Joint CSAC/EdFund Workshop:

Jul 24-25

GAC Workgroups:

Mar 13, May 15, Aug 7, Oct 9

Grant Advisory Committee (GAC) Meetings:

Mar 14, May 16, Aug 8, Oct 10

Advisory & Enhancement (A&E) Workgroup:

Loan Advisory Council (LAC):

Oct or Nov - tbd

MEETING	COLOR KEY
Commission Meeting	Purple
EdFund Board Meeting	Blue
Joint CSAC/EdFund Workgroup	Orange
GAC Workgroup	Green
GAC Meeting	Light Green
A&E Workgroup	Yellow
LAC Meeting	Pink
Commission Holidays	Red

GRANT ADVISORY COMMITTEE

Educational Level Verification Overview

Information is provided on the Commission's EL Verification process.

Recommended Action: No action required.

Responsible Staff: Catalina Mistler, Chief
Program Administration & Services Division

Bryan Dickason, Manager
Cal Grant Operations Branch

EDUCATIONAL LEVEL (EL) VERIFICATION

An entering Cal Grant participant's Educational Level, or EL, is used to set the amount of Cal Grant eligibility the student can be paid during their time using the grant. In prior years, the initial EL verification was accomplished using a paper EL Verification Report that was sent to the schools in January. This was replaced by an on-line process which allowed schools to key in EL levels to the Cal Grant roster or upload a data file.

The California Education Code in Section 69433.6(a), states: "the total number of years of eligibility for grants pursuant to this section shall be based on the student's educational level in his or her course of study as designated by the institution of attendance when the recipient initially receives payment for a grant."

When a student is awarded a Cal Grant, the student's self-reported educational level is initially used in assigning the number of potential terms of payment the student might receive. Using the student's self-reported EL, the Commission assigns 400% program eligibility to students receiving their first payment as EL 1 (freshman) participants. This is the equivalent of 8 full-time semesters or 12 full-time quarters of payment. Students starting at EL 2, 3 and 4 receive 300%, 200% and 100% respectively.

Rules for EL Verification

To reduce the number of Cal Grant participants that require verification, the Commission adopted system logic to decide which students would require verification. EL Verification is not required if any of the following are true:

- Student is an Entitlement participant with EL of 1 or 2 and DOB is after 1987
- Student is an Entitlement participant With EL greater than 2 or blank and student's DOB is after 1987 or GED used in lieu of GPA
- Student is a non-community college Competitive grant participant whose spring school of attendance was a high school and student's reported EL was 1
- Student is an on-community college Competitive grant participant whose spring school of attendance was blank and DOB was 1987 or later.
- Student attends a community college
- Student is a Cal Grant C participant

Schools may send in education levels for Cal Grant participants either at the time the student is awarded or later to correct incorrect EL data. The Commission recommends that schools verify the EL for new recipients prior to making the fall payment. Payment for a new participant's fall term is allowed without verifying an EL but subsequent payments can not be reported without a verified EL if required.

Any student disagreeing with their initial EL will be referred to the school where they first received Cal Grant payment, even if that school was a community college.

In cases where a student's first payment is postponed, only the school where the student first receives Cal Grant payment can report the EL. Examples of this are the student is on Community College reserve, the student is initially on leave of absence and the student is on military

EDUCATIONAL LEVEL (EL) VERIFICATION

deferment. If one of these situations occurs, EL verification can be accomplished by the school using the Grant Record Changes Screen on WebGrants.

Students

The student's California Aid Report that they are sent when they are first awarded states their Educational Level. However, it is likely that the students will first become aware that their remaining program eligibility is dwindling upon receipt of Cal Grant "8530" Less Than One Year Eligibility Remaining letter. This gives the student the opportunity to provide corrected EL information if their initial EL was not correct. This letter is mailed approximately one year prior to when they'd be expected to run out of Cal Grant eligibility.

When the student's eligibility is actually exhausted, the "8545" Last Cal Grant Payment letter is sent. This again gives the student the opportunity to provide corrected EL information if their initial EL was not correct.

Verifying the EL

In WebGrants, there is an EL Verification data report that schools can use to identify those students requiring EL Verification. This report is located on the Data Transfer / Report Download screen. To report the ELs, the school uploads a data file of corrected ELs on the WebGrants File Upload screen. The Commission's Help Desk can assist in testing any uploads a school may make.

Schools can also use the WebGrants Customize Roster screen to filter the EL Verification data on the Cal Grant roster to view only students requiring verification. Access to the EL Verification data is controlled by the WebGrants School Administrator. Access can be granted either with or without access to the payment roster data. Security is tied in with the Roster/Reconciliation Main Menu.

To view only the students that need their EL verified schools can go to the Customize Roster screen, create a new format and in the Define Selection Criteria section, checking the following:

EL Status

- "Not Paid, Verif Required (2),"
- "Unable to Verify (5), and
- "Paid, Verification Required (6)."

New/Renewal

- "New"

Section

- "Eligible"

Schools can verify the EL for students who aren't selected for verification. Further instructions on using the Customize Roster screen are in the Roster/Reconciliation User Guide located in the WebGrants Help Menu.

CG-Less Than One Year Elig Remains

This letter is to notify you that you have less than one year of Cal Grant benefits remaining. Once your Cal Grant benefits end, your award will not be extended unless you are in a mandatory five year undergraduate program.

Your initial eligibility was determined from your school-reported grade level of @%@ at the time you entered the Cal Grant program. Each term for which you received payment reduced your remaining eligibility. Your Cal Grant benefits will end after @%@ term(s) providing you continue with full-time attendance at the school listed above.

BE AWARE THAT THIS ONLY AFFECTS YOUR CAL GRANT PROGRAM BENEFITS. It may not affect any other aid you may be receiving.

If you believe this information is incorrect, contact the financial aid office where you received your first Cal Grant payment to review your grade level at the time of first payment. The school must notify the California Student Aid Commission (CSAC) within 30 days of the date of this letter if your INITIAL GRADE LEVEL CHANGES. The following information must be included:

- * The name of the school where you first received a Cal Grant payment.
- * The term and academic year for which the payment was received.
- * Your educational level (freshman, sophomore, etc) at the time of your first Cal Grant payment.

NOTE: Recipients who complete a bachelor's degree and who plan to enroll in a teacher preparation program at a school approved by the California Commission on Teacher Credentialing may also be eligible for additional benefits. Contact your school's financial aid office or CSAC for a current list of approved programs and specific information about qualifying for additional grant assistance in these circumstances.

Please contact CSAC if you have questions about Cal Grant award decisions.

To contact CSAC:

- * You may email studentsupport@csac.ca.gov or
- * visit our website at www.csac.ca.gov or
- * visit WebGrants for Students Web site at www.csac.ca.gov for detailed information about your Cal Grant
- * call CSAC's Student Support Service representatives at 1-888-224-7268 on Monday, Tuesday, Wednesday, and Friday from 8:00 a.m. to 4:50 p.m. and Thursday from 9:00 a.m. to 4:50 p.m.

Last Cal Grant Payment

This letter is being sent to notify you that the @%@@% Cal Grant disbursement was your final payment.

Based on your educational level and the number of grant payments you have received, you have used all your program eligibility. The California Student Aid Commission (CSAC) recommends that you contact the financial aid office at your school to assist you in identifying other sources of financial aid that are available to you.

Your initial Cal Grant program eligibility was determined from your school-reported educational level at the time of your first Cal Grant payment. If you believe your educational level was determined incorrectly, please obtain written verification from an authorized school official. The information must include the following:

- * The name of the school where you first received payment
- * The term and academic year for which the payment was received
- * Your educational level at the time of your first payment

Your school must send the required information to CSAC, at the following address, within 30 days.

California Student Aid Commission
Grant Programs Processing Section
P.O. Box 419027
Rancho Cordova, CA 95741-9027

NOTE: Cal Grant A or B recipients enrolled in MANDATORY five-year undergraduate programs may be eligible for additional benefits. Recipients who complete a bachelor's degree and who plan to enroll in a teacher preparation program at a school approved by the California Commission on Teacher Credentialing may also be eligible for additional benefits. Contact your school's financial aid office or CSAC for a current list of approved programs and specific information about qualifying for additional grant assistance in these circumstances.

Please contact CSAC if you have questions about Cal Grant award decisions.

To contact CSAC:

- * You may email studentsupport@csac.ca.gov or
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GRANT ADVISORY COMMITTEE

Budget Principles Overview

The Chair of the Grant Advisory Committee (GAC) has asked CSAC staff to provide some basic information regarding the state's budget development process. The State budget process and the Commission's role in the process are provided in Tabs 15.a and 15.b.

One of the basic components of the Commission's budget change proposal (BCP) process is the review of guiding principles for the Cal Grant Program. The Cal Grant Program Guiding Principles for the 2007-08 Budget Discussions are provided in Tab 15.c.

The Commission also seeks GAC perspective and recommendations regarding Cal Grant policies that are being considered in BCPs. GAC met on August 16, 2007 to discuss proposed 2008-09 Budget Change Proposals.

On an annual basis, the Administration sets the Budget Policy for the upcoming year through a Department of Finance (DOF) Budget Letter. On August 28, 2007 the DOF released Budget Letter (BL) 07-21 setting the Governor's policy direction for his proposed 2008-09 Budget (Tab 15.d).

The Commission approves BCPs for submission to the Department of Finance at its annual September meeting. Proposals that are supported by the Administration are included in the January 10 release of the Governor's Proposed Budget.

The Commission has one additional opportunity to request consideration of changes to the Governor's Proposed Budget through a Spring Finance Letter request process. However, as noted in BL 07-01 (Tab 15.e), this process is limited in scope and often requires a reduction in resources in another area to fund the new request. The Governor proposes changes to his January budget in the May Revise.

Recommended Action: No action necessary.

Responsible Staff: Robert Illa, Fiscal Officer
Management Services Division

CALIFORNIA BUDGET PROCESS

CALIFORNIA DEPARTMENT OF FINANCE

Preface

The budget process for California defies a simple concise definition. It is a process rather than a product. It is not the development of the Governor's Budget, the Legislature's enactment of a budget nor the executive branch's administration of the budget; rather, it is the combination of all of these phases with all the ramifications and influences of political interactions, relationships with federal and local governments, public input, natural events, legal issues, the economy, initiatives and legislation, etc.

Although the size and complexity of California and the dynamics of the process make it difficult to establish and maintain an orderly process, these very reasons necessitate an orderly, formalized process. The following sections summarize the major steps and procedures of California's budget process.

Budget Development

The State Constitution requires that the Governor submit a budget to the Legislature by January 10. It provides for a balanced budget in that, if the proposed expenditures for the budget year exceed available resources, the Governor is required to recommend the sources for the additional funding.

The Director of Finance, as the chief financial advisor to the Governor, directs the effort for preparation of the Governor's Budget. Under the policy direction of the Governor, the Director of Finance issues instructions and guidelines for budget preparation to agencies and departments. This effort typically gets underway even before the Legislature has passed the budget for the current fiscal year.

Although California has utilized concepts such as Zero-Based Budgeting, Management by Objectives, and Total Quality Management, the basic approach utilized is incremental budgeting. This approach essentially uses the current departmental level of funding as a base amount to be adjusted by change proposals. The Budget Change Proposal (BCP) has been the traditional decision document which proposes a change to the existing budget level. The BCPs are submitted by departments to the Department of Finance for review and analysis.

The general goal in the budget decision process is to resolve budget issues at the lowest level possible. For those departments that are under an Agency Secretary, departments must clear their proposals through Agency-level hearings. The Department of Finance generally attends these hearings. For non-Agency departments, such as the California Student Aid Commission proposals are presented directly to the Department of Finance. Issues which are not resolved between departments and Finance staff are discussed at hearings conducted by the Director of Finance. The most sensitive issues are ultimately presented to the Governor for a decision.

After all decisions are completed, the Department of Finance coordinates the printing of the following publications which comprise the Governor's Budget package. The Budget Summary and Budget Highlights are also available from the Department of Finance Website.

Governor's Budget Summary - A summary volume which includes the Governor's goals and objectives for the forthcoming year, and the policy perspectives and highlights of changes in the Governor's Budget.

Governor's Budget - A detailed presentation for each department for the past, current, and budget years.

Governor's Budget Highlights - A pocket size highlights book of narrative, charts and graphs issued on the Press Conference day.

Salaries and Wages Supplement - A detailed presentation of authorized staffing and related salaries.

The Governor annually unveils the budget at a formal press conference. The Governor's State of the State address typically includes a general presentation of the Administration's budget policies and priorities.

BUDGET ENACTMENT

By constitutional requirement, the Governor's Budget must be accompanied by a Budget Bill itemizing recommended expenditures which shall be introduced in each house of the Legislature. The Constitution also requires that the Legislature pass the bill by June 15.

The Senate Budget and Fiscal Review Committee and the Assembly Budget Committee are the two committees that hear the Budget Bills. They assign the items in the bill to several subcommittees (by major subject areas such as Education or Health and Welfare) which conduct budget hearings. These hearings generally begin in late February soon after the Legislative Analyst issues the "Analysis of the Budget Bill". The Legislative Analyst is appointed by the Joint Legislative Budget Committee and is charged with providing a nonpartisan analysis and recommendations for changes to the Governor's budget plan.

In addition to the Legislative Analyst, the Department of Finance and departmental staff typically provide testimony at the subcommittee hearings. In recent years, there has been increasing input by partisan fiscal committee consultants of both the majority and minority parties. Additionally, lobbyists and the public may provide testimony at the hearings.

The Department of Finance proposes adjustments to the Governor's Budget through "Finance Letters". By statute, the Department of Finance is required to give the Legislature all proposed adjustments, other than Capital Outlay and May Revision, to the Governor's Budget by April 1. Capital Outlay adjustments are due by May 1. The traditional May Revision adjustments are due by May 14, and consist of an update of General Fund revenues and changes in expenditures for school funding requirements pursuant to Proposition 98, caseload, enrollment, or population. The Legislature typically waits for the May Revision update before final budget decisions are made on major programs such as Education, Corrections, and Health and Welfare.

When a subcommittee completes their actions, they report their recommendations to the full committee. Upon adoption of the budget by the full committee, a recommendation is made to the Floor (full house). Upon two-thirds vote of the house, the Budget Bill is passed to the other house. A Budget Conference Committee is then appointed to work out differences between the Senate and Assembly versions of the bill. Upon completion of action by the Conference Committee and a two-thirds vote, this conference version is then sent to the two houses for approval.

Sometimes the Conference Committee does not reach final resolution on the budget. This stalemate typically results from non-resolution of a few major issues. These issues are then resolved by the "Leadership" or "Big 5" (Governor, Speaker of the Assembly, President Pro Tempore, and the minority leaders of both houses).

When the Budget Bill receives a two-thirds vote of each house, it is passed on to the Governor. The Constitution allows the Governor to reduce or eliminate an item of appropriation

Although there is no constitutional requirement for passage of a balanced budget, enacted budgets generally project a balanced budget.

The Department of Finance publishes three documents upon enactment of the Budget Act. The first two are also available from the Department of Finance Website.

- **California State Budget Highlights** - A pocket size highlight book of narrative, charts and graphs.
- **Final Budget Summary** - This document is an annotated version of the Budget Act which includes summary tables, technical corrections to the Budget Act, and the effect of vetoes on the items and sections of the Budget Act.
- **Final Change Book** - This document provides the detail of changes between the January 10 budget and the enacted budget.

There are generally budget changes proposed by the Governor or the Legislature which necessitate changes to existing law in order to implement the budget changes. If this is the case, separate bills are introduced to implement the change. These budget implementation bills are called "trailer bills" and heard concurrently with the Budget Bill. By law, all proposed statutory changes necessary to implement the Governor's Budget are due to the Legislature by February 1.

ADMINISTRATION

The Budget Act is the primary source for appropriations. Continuous statutory appropriations and special legislation also provide expenditure authority.

Departments have the primary responsibility to operate within budgeted levels and to comply with any restrictions or limitations enacted by the Legislature. Further, the general expectation is that state agencies comply with the legislative intent. Although the general expectation is to conform to the enacted budget, the Legislature has recognized a need to establish some flexibility to adjust budgets. For example, the statutes provide a continuous appropriation for allocations by the Director of Finance to meet expenditures resulting from natural disasters for any emergency proclaimed by the Governor. The Legislature has also provided provisions in the Budget Act to allow for budget adjustments. Most of this authority requires Director of Finance approval; many require a formal notice to the Legislature and a waiting period to provide the opportunity for legislative review and response before final approval. Budget Act provisions to allow adjustments include authorizations for:

- Changes to federal funding levels
- Deficiencies
- Changes to reimbursements
- Intra-item transfers

The Department of Finance approves budget changes using Budget Revisions, Executive Orders and letters. These changes are transmitted to the State Controller's Office, which maintains the statewide appropriation control accounts.

The Governor has certain powers to adjust expenditures. Although these powers do not permit for adjustment of appropriations, the expenditure plan may be changed. For example, past Governors have issued executive orders to implement hiring and equipment purchase freezes and delayed capital expenditures. Under emergency conditions, the Governor is also authorized to direct State resources to meet emergency needs.

BUDGET PROCESS

Because of the dynamic nature of California's budget process, there is no single document which provides a comprehensive description of the process. The dynamics require changing instructions, descriptions, forms and procedures, law changes, etc. The following provide information about the budget process:

- Governor's Budget package
- Legislative Analyst's "Analysis of the Budget Bill"
- State Administrative Manual
- Budget Act and Final Budget Summary
- Final Change Book
- Budget Letters and budget related Management Memos
- Internet
 - Department of Finance Website
 - Budget Letters Website

**California Student Aid Commission
State Budget Timeline
2008-09**

Tab 15.b

The Commission's role in the development of the Governor's Proposed 2008-09 Budget includes the following:

September 2007:

- Approval of the submission of the Commission's 2008-09 Budget Change Proposals to the Department of Finance

November 2007:

- Commission review of the Cal Grant Guiding Principles for 2008-09 Budget Discussions

January 2008:

- Review of the Governor's Proposed 2008-09 Budget, including any approved budget change proposals

February 2008:

- Review of any significant recommendations affecting the Commission's programs included in the Legislative Analyst Office report on the Governor's Proposed 2007-08 Budget
- Approval of Finance Letter requests for budget adjustments to be considered in the Governor's May Revision to the 2008-09 Budget

May – June 2008:

- Review of the Governor's May Revision to the 2008-09 Budget
- Attendance at Legislative Budget Hearings

Cal Grant Program Guiding Principles for the 2007-08 Budget Discussions

California statute (Education Code §66021.2) adopted as part of the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (SB 1644, Chapter 403, Statutes of 2000) affirms the state's historic commitment to provide educational opportunity to students pursuing a higher education by ensuring both student access and choice for students with financial need and who meet academic criteria.

The California Student Aid Commission (Commission) has a long-standing commitment to pursue increased resources for student financial aid. Therefore, the Commission continues to support the policies adopted by the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act and opposes any changes which would undermine them. Consequently, the following policy principles are the priorities of the Commission, and the Commission urges the Governor and Legislature to support them:

❖ **PRESERVE AND EXPAND THE CAL GRANT ENTITLEMENT AND COMPETITIVE PROGRAMS**

- **Eligibility Requirements**
 - Maintain statutory GPA requirements
 - Maintain statutory income ceiling
 - Support eligibility requirements that provide greater student access to the program
- **Award Value**
 - Cover full-fee funding for University of California and California State University students
 - Retain the current maximum award amount for nonpublic postsecondary institutions and support the development of a statutory formula that adjusts the maximum award amount for nonpublic postsecondary institutions and would not be subject to the annual budget process
 - Recommend and fully support increases to the Cal Grant B access award and first year tuition for Cal Grant B recipients
- **Number of Competitive Awards**
 - Recommend and fully support increases in the number of awards in the Competitive program

❖ **PRESERVE AND EXPAND THE CAL GRANT C PROGRAM**

- **Eligibility Requirements**
 - Maintain statutory income ceiling
 - Support eligibility requirements that provide greater student access to the program
- **Award Value**
 - Support, at a minimum, the current maximum grant amount for institutional tuition and fees at applicable postsecondary institutions
 - Support increases to the book and supplies allowance
- **Number of Awards**
 - Recommend and fully support increases in the number of awards in the Cal Grant C program
 - Support expanded financial aid opportunities for career technical education students

BUDGET LETTER

SUBJECT: 2008-09 BUDGET POLICY	NUMBER: 07-21
REFERENCES: BL 07-08	DATE ISSUED: August 28, 2007
	SUPERSEDES: BL 06-18

TO: Agency Secretaries
 Department Directors
 Department Chief Counsels
 Department Budget Officers
 Department Accounting Officers
 Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

Note: Budget Officers are requested to forward a copy of this Budget Letter (BL) to your departments' Chief Counsels.

This Budget Letter (BL) sets forth the Governor's policy direction for his proposed 2008-09 Budget. As a reminder, BL 07-08, issued April 11, 2007, outlines the technical and procedural requirements for preparation of the 2008-09 Governor's Budget.

2008-09 General Fund Deficit Anticipated

Since Governor Schwarzenegger took office in November of 2003, he has continually proposed measures to reduce the imbalance between revenues and expenditures in order to shrink the state's structural deficit. Significant progress has been made but more work is needed. While the 2007-08 Budget is enacted with a projected zero operating deficit in 2007-08 after discounting the transfer to the Budget Stabilization Account for rainy-day purposes, preliminary projections indicate the state will face a General Fund budget operating deficit of \$6.1 billion dollars in 2008-09, absent corrective actions.

The Governor has committed to developing a 2008-09 Budget proposal with a zero operating deficit after discounting the transfer to the Budget Stabilization Account for rainy-day purposes. A separate Budget Letter will be released in the near future providing instructions to all departments regarding approaches to contribute towards this goal.

As for critical BCPs, similar to last year's policy direction, all General Fund proposals intended to expand services to a greater share of the population, increase the level of service to existing populations or that would initiate new services must be accompanied by an offsetting service reduction proposal or some other means to finance the proposal, unless Department of Finance (Finance) has previously agreed to review such proposals. Non-General Fund proposals must be accompanied by similar reductions or financing plans that either live within current revenue streams or revenue enhancements that are supported by the affected entity or industry.

Proposed Statutory Changes

Pursuant to Government Code Section 13308, Finance must provide to the Legislature on or before February 1 of each year, all proposed statutory changes, as prepared by the Legislative Counsel, necessary to implement the Governor's Budget. Therefore, all Budget Change Proposals that require statutory changes also must include a copy of the proposed legislation. Finance will submit any approved language to the Legislative Counsel.

Comprehensive Budget Development Process

The Government Code and the pending Budget Act require the Governor's Budget development process to be as comprehensive as possible, and any subsequent adjustments may only be made to meet critical and unanticipated needs. Further, the January Budget is to include all policy proposals being made for the ensuing fiscal year. Spring Finance Letters, due to the Legislature no later than April 1, should be used only for: (a) updating those proposals made in January, or (b) submitting any new critical proposals that cannot be delayed until the upcoming fall budget process without serious consequences. The May Revision changes to the Governor's Budget are due to the Legislature no later than May 14 and will encompass only traditional enrollment, caseload, and population adjustments and any necessary budget balancing proposals.

Budget Change Proposal Form

Departments are reminded that a Budget Change Proposal (BCP) form has a section that reflects the date the BCP was submitted to the Legislature with space for a Finance supervisor's signature to attest to that submission. The purpose of this information is to improve the tracking of the "final" version of a department's BCP. *This "final" version of a BCP is the only version that should be made public* unless disclosure is approved by the Governor's Office or made pursuant to a court order. Information contained in a BCP is an integral part of the Governor's Budget deliberation process. As such, a BCP is to be treated as a privileged and confidential working paper subject to the Governor's deliberative process privilege until the BCP reflects the Governor's final decision to include the BCP as part of his budget proposal to the Legislature. Disapproved BCPs and unapproved versions of BCPs (i.e., those not released to the Legislature) are to be treated as working papers subject to the Governor's privilege, and are not to be released except when that privilege is waived by the Governor's Office or pursuant to a court order. Questions about requests for confidential budget documents under the Public Records Act or litigation discovery requests seeking confidential budget documents should be directed to department legal staff, and, if necessary, by department legal staff to Finance legal staff.

Departments must use the latest form for submittal of BCPs with the 2008-09 Governor's Budget. The BCP form can be found on the Finance public website:

http://www.dof.ca.gov/Budgeting/Forms/Budget_Forms.asp

If you have any questions, please contact your Finance budget analyst.

/s/ Michael C. Genest

MICHAEL C. GENEST
Director

BUDGET LETTER

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REFERENCES: BL 07-08	SUPERSEDES: BL 06-18

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http://www.dof.ca.gov/Budgeting/Forms/Budget_Forms.asp

If you have any questions, please contact your Finance budget analyst.

/s/ Michael C. Genest

MICHAEL C. GENEST
Director

Action /Information Item

Grant Advisory Committee

State and Federal Legislative Update

Enclosed is: 1) a summary of state bills currently being tracked by Commission staff and considered during 2007-08 State Legislative session; and 2) a summary of federal bills and an update on federal activity.

Recommended Action: For information and consideration of actions on bills affecting the Commission's programs.

Responsible Staff: Steve Caldwell, Chief
Governmental and Public Affairs Division

STATE ISSUES AND LEGISLATIVE UPDATE

The Legislature adjourned on September 11th. The Legislature will reconvene on January 7, 2008 for the second half of the 2007-08 legislative session. The Governor has until October 14th to sign or veto bills or they become law without his signature. To follow progress on state bills, log on to www.leginfo.ca.gov, click on the "Bill Information" link and enter the bill number in the search box.

At the April 19th Commission meeting, the Commission took positions on five bills: SB 160, AB 175, AB 302, AB 1540, and AB 1578. AB 1540 – The Cash for College Program legislation was enrolled on September 12th and as of this update should have been signed by the Governor. AB 1578 – The Foster Youth Higher Education Act is a two-year bill and will be heard again in January. SB 160 – The Dream Act remained in committee, however portions of this legislation were placed into SB 1 (Cedillo) that was enrolled to the Governor. Although AB 175 and AB 302 did not pass out of the house of origin by June 8th as required, the subject matter contained in these bills will most likely be seen in another bill during the second half of the session.

Staff has also included a brief description of SB 89 and SB 91 that address the sale of EDFUND and the guarantee, along with all other bills that were introduced during the first half of the session.

While the Governor usually has 12 days to act on a bill, at the end of session, the Governor has 30 days to sign bills that arrive at his desk on or after the day the session ends (October 14th). The Governor's timeframe for action begins when the bill is received. After passage by the Legislature, the bill must go to "enrolling and engrossing" where it is prepared for formal transmission to the Governor. Sometimes, several days will elapse between the time of final legislative approval of a bill and the time the Governor receives it. Statutes take effect on January 1st, 2008, unless otherwise indicated.

To Enrollment

AB 1540

AUTHOR: Bass (D)

TITLE: Student Financial Aid: Cash for College Program

INTRODUCED: 02/23/2007

LAST AMEND: 08/31/2007

LOCATION: To Enrollment

Summary: This bill expresses the intent of the Legislature that California students with financial need be made aware of the opportunities afforded to them through the various state and federal financial aid programs. This bill establishes the Cash for College Program under the administration of the Student Aid Commission.

Status: 09/12/2007 To enrollment.

Commentary: 06/01/2007 amendment removed the appropriation language.

Commission Position: SUPPORT IF AMENDED to move funding from the Student Loan Operating Fund to the General Fund (based on the March 23rd version).

SB 1

AUTHOR: Cedillo (D)

TITLE: Student Financial Aid: Dream Act

INTRODUCED: 12/04/2006

LAST AMEND: 09/11/2007

LOCATION: To Enrollment

Summary: This bill would amend the Donahoe Higher Education Act to require the Trustees of the California State University and the Board of Governors of the California Community Colleges, and request the Regents of the University of California to establish procedures to enable persons who are exempt from paying nonresident tuition to be eligible to receive student aid awards from private entities that are administered by these segments. This bill would also provide that persons meeting these requirements, or who meet equivalent requirements adopted by the Regents of the Universities of California, are eligible to apply for, and participate in, any student financial aid program, excluding the Cal Grant Competitive Program, administered by the State of California to the full extent permitted by federal law.

Status: 09/12/2007 To enrollment.

Commentary: SB 1 is similar to SB 160 (Cedillo, 2007-08 and 2005-06). The Governor vetoed SB 160 (2005-06). The veto message included the following statement: *"While I do not believe that undocumented children should be penalized for the acts of their parents, this bill would penalize students here legally by reducing the financial aid they rely on to allow them to go to college and pursue their dreams."* At its April 19, 2007 meeting, the Commission took a support position on SB 160 (2007-08).

SB 45

AUTHOR: Perata (D)

TITLE: Private Postsecondary Education

INTRODUCED: 12/22/2006

LAST AMEND: 09/05/2007

LOCATION: Enrolled

Summary: This bill would extend the provisions of the Private Postsecondary and Vocational Education Reform Act of 1989. This bill would provide for the extension of voluntary agreements with institutions regarding compliance with related state statutes. This bill would authorize accredited institutions to make specified modifications. This bill would continue the Private Postsecondary and Vocational Education Administration Fund and the Student Tuition Recovery Fund.

Status: 09/14/2007 Enrolled.

SB 139

AUTHOR: Scott (D)

TITLE: Nursing Education

INTRODUCED: 01/25/2007

LAST AMEND: 08/20/2007

LOCATION: Enrolled

State Legislative Update

Summary: This bill would make a person who is currently employed as a registered nurse in a state-operated 24-hour facility ineligible to enter into an agreement for the State Nursing Assumption Program of Loans for Education (SNAPLE). This bill would also establish additional criteria for nurses under SNAPLE and State Nursing Facilities APLE.

Status: 09/14/2007 Enrolled.

Position: None

BUDGET TRAILER BILLS
Student Aid and Loan Guarantee Program (EDFUND) and Student Financial Aid

SB 89

AUTHOR: Senate Budget & Fiscal Review Committee

TITLE: Student Aid and Loan Guarantee Program

INTRODUCED: 01/17/2007

LAST AMEND: 07/20/2007

LOCATION: Chapter 182

Summary: This law authorizes the Director of Finance to act as the state's agent in the sale of the student loan guarantee portfolio and certain related assets and liabilities of the program not retained by the Student Aid Commission. This law authorizes the director to consummate other transactions to maximize the value of the program to the state. This law requires sale funds to be deposited into the General Fund. This law appropriates funds to the director for obtaining professional advice and counsel related to the sale.

Status: 8/22/07 Approved by the Senate and Assembly – signed into law by the Governor on August 24th.

Position: None

SB 91

AUTHOR: Senate Budget & Fiscal Review Committee

TITLE: Student Financial Aid

INTRODUCED: 01/17/2007

LAST AMEND: 07/20/2007

LOCATION: Chapter 184

Summary: This law repeals provisions of existing law relating to the establishment and operation of the auxiliary organization and the state's participation in the federal Family Education Loan Program. The provisions of this law would only be effective if the Director of Finance makes a notification that specified occurrences, related to either the sale of the state Student Loan Guarantee Program assets or a transaction with a transferee guarantee program operator have been consummated and 30 days lapse after the receipt of the notice.

Status: 07/21/2007 Approved by the Senate and Assembly – signed into law by the Governor on August 24th.

Position: None

Two Year Bills

AB 111

AUTHOR: Blakeslee (R)

TITLE: National Guard Assumption Program of Loans for Education

INTRODUCED: 01/08/2007

LAST AMEND: 06/20/2007

LOCATION: Senate Appropriations Committee

Summary: This bill would change the sunset date for the National Guard Assumption Program of Loans for Education from July 1, 2007 to July 1, 2010 and would repeal the program on January 1, 2011. This bill deletes a condition for eligibility for loan assumption that the applicant be enrolled in an institution of higher education or a vocational diploma program that participates in the program. This bill provides financially needy are not given priority when funding is insufficient. This bill has an urgency clause to make the provisions effective immediately upon enactment.

Status: 07/02/2007 In Senate Appropriations – Suspense File.

Position: None

AB 171

AUTHOR: Beall (D)

TITLE: Assumption Program of Loans for Education for Public Interest Law

INTRODUCED: 01/23/2007

LAST AMEND: 07/03/2007

LOCATION: Senate Appropriations Committee

Summary: This bill would establish the Assumption Program for Loans for Law in the Public Interest as a loan assumption program for licensed attorneys who meet certain eligibility criteria. This bill would create a program account in the state Treasury that would consist of funds appropriated by the Legislature and private contributions to the program. This bill would require an annual report on the program.

Status: 07/03/2007 In Senate Appropriations.

Commentary: The 2007-08 Budget Bill contains an appropriation for \$100,000 and one position for the Commission to implement the program.

Position: None

AB 359

AUTHOR: Karnette (D)
TITLE: Student Financial Aid: Assumption Program
INTRODUCED: 02/14/2007
LAST AMEND: 06/01/07
LOCATION: Senate Education Committee

Summary: This bill specifies that persons who are pursuing service credentials utilized in special education, or who participate in specialist speech-language pathologist trainee programs, or become employed as speech-language pathologists, are eligible to receive loan assumption benefits under the Assumption Program of Loans for Education.

Status: 07/11/2007 Held in Senate Education.

Position: None

AB 1059
AUTHOR: De Leon (D)
TITLE: Child Care Personnel
INTRODUCED: 02/23/2007
LAST AMEND: 06/01/2007
LOCATION: Senate Education Committee

Summary: This bill expresses the intent of the Legislature that up to 400 new grants are awarded under the Child Development Teacher and Supervisor Grant Program each year. It would raise the maximum level of the grants for each academic year if the participant is enrolled in a 4-year institution and a specified amount for each academic year if the participant is enrolled in a community college.

Status: 06/14/2007 Held in Senate Education.

Commentary: 06/01/07 amendments removed the Pre-Kindergarten Assumption Program of Loans for Education language and eligibility of persons working at a child care center that contracts with the State Department of Education to receive grants under the Child Development Teacher and Supervisor Grant Program. This bill is a two-year bill.

Position: None

AB 1182
AUTHOR: Niello (R)
TITLE: Private Postsecondary Education Act of 2008
INTRODUCED: 02/23/2007
LAST AMEND: 09/07/2007
LOCATION: Assembly Education Committee

Summary: This bill would recast and revise a former act as the State Private Postsecondary Education Act of 2008. This bill would establish the Bureau for Private Postsecondary Education. This bill would continue the existence of the Private Postsecondary and Vocational Education Administration Fund which would be renamed, and the Student Tuition Recovery

Fund. This bill would provide that certain violations of the new act would be punishable as infractions.

Status: 09/07/2007 In Assembly Education Committee.

AB 1578

AUTHOR: Leno (D)

TITLE: Foster Youth Higher Education Preparation Act

INTRODUCED: 02/23/2007

LAST AMEND: 04/26/2007

LOCATION: Senate Appropriations Committee

Summary: This bill would establish the Competitive Grant Program for the purpose of providing comprehensive support on college and university campuses to students who are former foster youth. This program will be administered by the Superintendent of Public Instruction.

This bill also would allow new Cal Grant B recipients that are former foster youth to be awarded tuition and fees in their first year of attendance at a postsecondary institution.

Status: 07/12/2007 In Senate Appropriations.

Commission Position: Support

SB 160

AUTHOR: Cedillo (D)

TITLE: Student Financial Aid: California Dream Act

INTRODUCED: 01/30/2007

LAST AMEND: 05/24/2007

LOCATION: Senate Appropriations Committee

Summary: This bill enacts the California Dream Act. This bill requires that a person (AB 540 student) who has attended and graduated from secondary school, rather than high school, in the state is exempt from paying nonresident tuition at the Community Colleges and the CSU. This bill allows persons attending and graduating from technical schools and adult schools to be included within the scope of this provision. This bill would also provide that persons meeting these requirements, or who meet equivalent requirements adopted by the Regents of the Universities of California, are eligible to apply for, and participate in, any student financial aid program administered by the State of California to the full extent permitted by federal law.

Status: 05/31/2007 Held in Senate Appropriations.

Commentary: Senator Cedillo also authored SB 160 in the 2005-06 session which also would have enacted the California Dream Act. The Governor vetoed SB 160. The veto message included the following statement: *"While I do not believe that undocumented children should be penalized for the acts of their parents, this bill would penalize students here legally by reducing the financial aid they rely on to allow them to go to college and pursue their dreams."*

Commission Position: Support

SB 673

AUTHOR: Scott (D)

TITLE: Assumption Program of Loans for Education

INTRODUCED: 02/23/2007

LAST AMEND: 07/11/2007

LOCATION: Assembly Appropriations Committee

Summary: This bill provides that a credentialed teacher teaching in a public school that has been ranked in decile 1 or 2, as measured by the Academic Performance Index, and who has not otherwise participated in the Loan Assumption Program, is eligible to enter into an agreement for loan assumption. This bill requires the Commission to develop and adopt regulations for the implementation of this provision.

Status: 07/11/2007 In Assembly Appropriations.

Position: None

SB 823

AUTHOR: Perata (D)

TITLE: Private Postsecondary Education

INTRODUCED: 02/23/2007

LAST AMEND: 08/20/2007

LOCATION: Assembly Appropriations Committee

Summary: This bill would recast, revise, and reenact the provisions of the Private Postsecondary and Vocation Education Reform Act of 1989 as the Private Postsecondary Education Act of 2007. This bill would establish the Board for Private Postsecondary Education in the Department of Consumer Affairs. This bill would also continue the existence of the Private Postsecondary and Vocational Education Administration Fund and the continuously appropriated Student Tuition Recovery Fund.

Status: 08/30/2007 In Assembly Appropriations.

Commentary: This bill does not contain provisions that require financial aid directors or officers to possess a certification of completion of financial aid training certified by the Commission. The Commission training ensures that the disbursement of federal and state student financial aid is carried out appropriately.

Position: None

SB 890

AUTHOR: Scott (D)

TITLE: Pupils: Early College Commitment Program

INTRODUCED: 02/23/2007

LAST AMEND: 08/20/2007

LOCATION: Assembly Appropriations Committee

Summary: This bill establishes the Early College Commitment Program. This bill relates to pupils who are eligible for free and reduced price meals. This bill requires participating school districts to provide college information and college preparation events targeted towards pupils who sign pledge cards.

Status: 08/30/2007 In Assembly Appropriations.

Commentary: This bill would require the Commission to provide support services as needed in coordination with local school districts and work in consultation with the Superintendent of Public Instruction to develop materials for the program.

Because this bill does not directly impact the Commission's programs and operations, Commission staff is watching this bill as it moves through the Legislature.

Bills Held In Committee Including Bills with Commission Support Positions

AB 175

AUTHOR: Price (D)

TITLE: Cal Grant B Awards: Access Costs

INTRODUCED: 01/23/2007

LOCATION: Assembly Appropriations Committee

Summary: This bill requires the maximum award for Cal Grant B access costs, beginning in the 2008-09 award year, to be in an annual amount that equals at least \$1,551.

Beginning with the 2009-10 award year, this bill would require the maximum award for access costs to be increased by not less than 5 percent and not more than 10 percent per year until that amount equals at least 20 percent of the access costs for the budget category of a student living off-campus, as determined by the triennial Student Expense and Resource Survey (SEARS), as adjusted between survey years for Consumer Price Index changes in a specified manner.

Status: 05/31/2007 Held in Assembly Appropriations.

Commentary: While the general cost of living and the cost of college textbooks and supplies have increased dramatically, the Cal Grant B Access Grant has not increased since 2000-01 when it was increased by 10 percent from \$1,410 to \$1,551. This bill would set the \$1,551 as the base amount for the access grant and codifies a formula to increase the access grant annually.

Commission Position: Support

AB 302

AUTHOR: De La Torre (D)

TITLE: Cal Grant B Entitlement Awards

INTRODUCED: 02/09/2007

LAST AMEND: 03/15/2007

LOCATION: Assembly Appropriations Committee

Summary: This bill allows tuition and fees for a Cal Grant B award to be paid in the first year of enrollment at an eligible institution.

Status: 05/31/2007 Held in Assembly Appropriations.

Commentary: Cal Grant B students are the most financially needy Cal Grant students. The Commission has advocated for this in the past and it is consistent with the stated legislative principles as well as the Commission's mission to make education beyond high school financially accessible to all Californians. Providing the maximum Cal Grant assistance provides access and choice to students with maximum financial need during a period of potential continued double-digit increases in the cost of higher education.

Commission Position: Support

AB 883

AUTHOR: Dymally (D)

TITLE: Student Financial Aid: Assumption Program for Loans

INTRODUCED: 02/22/2007

LAST AMEND: 04/25/07

LOCATION: Assembly Appropriations Committee

Summary: Pilot program for loan assumption for interns and teachers who are qualified for participation under Assumption Program of Loans for Education and who agree to teach full time in the Compton Unified School District. This bill requires the granting of priority to applicants who are concentrating in mathematics, science, or special education or who agree to teach full time in a school ranked in decile 1, 2, 3, or 4 on the Academic Performance Index.

Status: 05/31/2007 Held in Assembly Appropriations.

Position: None

AB 1267

AUTHOR: Feuer (D)

TITLE: Civic Service: Loan Assumption Program

INTRODUCED: 02/23/2007

LAST AMEND: 04/10/2007

LOCATION: Assembly Appropriations Committee

Summary: This bill establishes the Civic Services Loan Assumption Program and under the administration of the Student Aid Commission that provides state residents enrolled at a campus of the University of California or the California State University would be eligible to enter into an agreement for student loan assumption to be redeemed after a qualifying period of civic service, or services as a volunteer.

Status: 05/31/2007 Held in Assembly Appropriations.

Position: None

AB 1522

AUTHOR: Brownley (D)

TITLE: Student Financial Aid

INTRODUCED: 02/23/2007

LAST AMEND: 04/10/2007

LOCATION: Assembly Higher Education Committee

Summary: This bill requires the Student Aid Commission to develop and make available a software program, for use by potential applicants, to facilitate identifying and applying for institutional, state, and federal student aid programs for postsecondary education.

Status: 04/10/2007 Held in Assembly Higher Education.

Position: None

AB 1652

AUTHOR: Lieber (D)

TITLE: Student Financial Aid

INTRODUCED: 02/23/2007

LAST AMEND: 04/24/2007

LOCATION: Assembly Appropriations Committee

Summary: This bill requires professional associations representing of the state student financial aid and lending communities to report to the Assembly Committee on Higher Education and Senate Committee on Education on the ethical standards that are currently in place, additional standards that should be instituted, including any recommendations for disclosure requirements and enforcement mechanisms.

Status: 05/31/2007 Held in Assembly Appropriations.

Position: None

SB 481

AUTHOR: Runner (R)

TITLE: Student Loan Assistance

INTRODUCED: 02/22/2007

LOCATION: Senate Education Committee

Summary: This bill creates the Public Safety Incentive Program to assist licensed attorneys who practice or agree to practice law as a prosecutor or a public defender with loan assistance. This bill would also create the Public Safety Incentive Account within the State Treasurer's office for all program funds appropriated.

Status: 02/28/2007 Held in Senate Education.

Commentary: This bill would allow up to \$40,000 in a loan assumption program to be administered by the Commission. This program, although similar to the APLE, is a separate program that requires the applicant to pay back any benefits received should the applicant involuntarily separate before the five year period of service required.

Position: None

SB 595

AUTHOR: Alquist (D)

TITLE: Student Financial Aid: Ortiz-Pacheco Cal Grant Program

INTRODUCED: 02/22/2007

LOCATION: Senate Education Committee

Summary: This bill would change the annual deadline to June 30 for submission of completed financial aid applications for various Cal Grant awards.

Status: 04/26/2007 Held in Senate Education.

Position: None

SB 769

AUTHOR: Alquist (D)

TITLE: Student Financial Aid: Cal Grant Deadlines

INTRODUCED: 02/23/2007

LAST AMEND: 04/26/2007

LOCATION: Senate Appropriations Committee

Summary: This bill requires the Student Aid Commission to select a working group to review the deadlines associated with the various awards under the Cal Grant Program. This bill also expresses the intent of the Legislature to improve access to higher education for low-income and underrepresented students through the provision of financial aid that is made more readily available to them, with reasonable deadlines and adequate information.

Status: 05/31/2007 Held in Senate Appropriations.

Commentary: Report due to the Legislature by April 2008.

Position: None

FEDERAL ISSUES AND LEGISLATIVE UPDATE

After returning from summer recess, Congress continued to work on bills to reauthorize the Higher Education Act and the business practices and inducement policies of the student loan industry continue to be one of the top priorities of policy makers. The next fiscal year begins on October 1, 2007.

On September 5th, Senator Edward Kennedy released a final reconciliation bill, the College Cost Reduction and Access Act (H.R. 2669), that would make the single largest investment in college financial aid since the GI Bill of 1944, that would increase Pell Grant, cut student loan interest rates and expand college access for low-income and minority students. Despite objections from top republican leaders in the House, the House approved the bill 292 to 97, while the Senate voted 79 to 12. A few days before the start of the next fiscal year, President Bush signed into law H.R. 2669 on September 27th.

Snapshot of H.R. 2669, The College Cost Reduction and Access Act:

- Expands eligibility through needs analysis to include and serve more students with financial need.
- Eliminates the Tuition Sensitivity provision in current Pell Grant law in 2007 and forward and provides \$11 million in 2008 to support this new provision.
- Increases the maximum Pell Grant to \$4,800 next year (from the current \$4,310) and to at least \$5,400 by 2012.
- Cuts the interest rate by half on subsidized Stafford loans over four years.
- Funds Upward Bound from 2008 through 2011.
- Establishes a tuition-assistance program for students who commit to teaching high-need subjects in low-income public schools and a loan-forgiveness program for other public-sector workers; and among other provisions.
- Introduces an auction process for the right to provide government-guaranteed Plus loans to parents.
- Make a landmark new investment of \$510 million over five years in Historically Black Colleges and Universities, Hispanic-Serving Institutions, Tribal Colleges, Alaska Native and Native Hawaiian institutions, and the newly designated Predominantly Black Institutions and institutions serving Asian Americans and Pacific Islanders and Native American students – to ensure that students will not only enter college, but remain and graduate.
- Cuts \$750 million from programs and uses the savings to pay down a portion of the federal deficit.
- Cuts lender subsidies by almost \$21 billion, directing most of the savings toward new funding for student aid programs.
- Captures \$6.9 billion by cutting the interest rate on some federally subsidized loans in half over five years.

For a detailed summary of H.R. 2669, White House Fact Sheet: College Cost Reduction and Access Act of 2007: <http://www.whitehouse.gov/news/releases/2007/09/20070927-1.html>

Senator Edward Kennedy, Chairman of the Health, Education, Labor and Pensions (HELP) Committee, released a report on September 4th on the student loan system entitled “Second Report on Marketing Practices in the Federal Family Education Loan Program.” The report

discusses the findings of Chairman Kennedy's investigation of inappropriate marketing practices in the student loan industry.

Key findings of the report include:

- Some lenders provided donations, services, private loan funds, and other benefits to colleges in exchange for preferential treatment with regard to student loans, including placement on the college's preferred lender list;
- Some lenders made improper payments to schools, based on loan volume, and gained preferential treatment for FFEL loans in exchange for such payments;
- Two lenders entered into an improper agreement with a guaranty agency under which (1) the lenders paid the guaranty agency a marketing fee which violated the inducements prohibition and (2) the guaranty agency provided free personnel to schools in exchange for FFEL market share;
- Some lenders, schools and alumni associations entered into agreements that improperly constrained financial aid officers from providing unbiased and neutral financial advice to students.

To view the full report on the "Second Report on Marketing Practices in the Federal Family Education Loan Program": http://kenedy.senate.gov/imo/media/doc/second_report%20final.pdf

The following are brief summaries of legislation that affect financial aid programs. Bills have been assigned to their respective committees. Many bills have had little activity while a few have passed out of the house of origin or have been assigned to multiple committees for debate.

US HR 5

SPONSOR: Miller, George (D)

TITLE: College Student Relief Act

INTRODUCED: 01/04/2007

LOCATION: Senate Health, Education, Labor and Pensions Committee

SUMMARY: Creates the College Student Relief Act of 2007. This bill amends the Higher Education Act of 1965 to phase-in cuts in the interest rate for student borrowers under the Federal Family Education Loan (FFEL) and Direct Loan (DL) programs, thereby reducing such rate from 6.8 percent in July 2006 to 3.4 percent in July 2011.

STATUS: 01/17/2007 In HOUSE. Discharged from HOUSE Committee on EDUCATION AND LABOR.

US HR 472

SPONSOR: McKeon (R)

TITLE: Higher Education Act

INTRODUCED: 01/16/2007

LOCATION: House Education and Labor Committee

SUMMARY: Amends the Higher Education Act of 1965 to address the issues of college affordability and transparency. This bill is intended to assist families and students with easy to use web tools to search and compare colleges, make college costs and financial aid

transparent, and raise awareness about college opportunities especially for low income families, non-traditional students, and first in the family to attend college.

STATUS: 01/16/2007 To HOUSE Committee on EDUCATION AND LABOR.

US HR 722

SPONSOR: Bilirakis (R)

TITLE: Maximum Pell Grant

INTRODUCED: 01/30/2007

LOCATION: House Education and Labor Committee

SUMMARY: Amends the Higher Education Act of 1965 to increase the maximum Pell Grant award to \$4,810 for each of the academic years 2007-2008 through 2013-2014.

STATUS: 01/30/2007 To HOUSE Committee on EDUCATION AND LABOR.

US HR 890

SPONSOR: Miller, George (D)

TITLE: Requirements for Lenders

INTRODUCED: 02/07/2007

LAST AMEND: 05/09/2007

LOCATION: Senate Health, Education, Labor and Pensions Committee

SUMMARY: Establishes requirements for lenders and institutions of higher education in order to protect students and other borrowers receiving educational loans. Among other provisions, this bill amends the Higher Education Act of 1965 to require each lender entering into an educational loan arrangement with a postsecondary school to: (1) report annually to the Secretary of Education specified information concerning such arrangement; (2) inform borrowers of their loan options under Title IV (Student Assistance) before extending private educational loans for attendance at such school; and (3) be barred by such school from marketing such loans in a manner implying the school's endorsement.

STATUS: 05/10/2007 In SENATE. Read second time.

US HR 1608

SPONSOR: Miller, George (D)

TITLE: Federal Student Aid Application Process Simplification

INTRODUCED: 03/20/2007

LOCATION: House Education and Labor Committee

SUMMARY: Expands college opportunities by significantly simplifying the Federal student aid application process.

STATUS: 06/27/2007 In HOUSE Committee on EDUCATION AND LABOR: Referred to SbCmt. on HIGHER EDUCATION, LIFELONG LEARNING, AND COMPETITIVENESS.

US HR 1994

SPONSOR: McKeon (R)

TITLE: Transparency in the Student Financial Aid Process

INTRODUCED: 04/23/2007

LOCATION: Multiple Committees

SUMMARY: Provides more transparency in the financial aid process; ensures that students are receiving the best information about financial aid opportunities.

STATUS: 04/23/2007 To HOUSE Committee on EDUCATION AND LABOR. Additionally referred to HOUSE Committee on FINANCIAL SERVICES.

US HR 2465

SPONSOR: Petri (R)

TITLE: Consolidation Of Federal Student Loans

INTRODUCED: 05/23/2007

LOCATION: Multiple Committees

SUMMARY: Allows for the consolidation of Federal student loans into a single direct income-contingent loan repayment program.

STATUS: 07/17/2007 In HOUSE Committee on EDUCATION AND LABOR: Referred to SbCmt. on HIGHER EDUCATION, LIFELONG LEARNING, AND COMPETITIVENESS.

US HR 2669

SPONSOR: Miller, George (D)

TITLE: College Cost Reduction and Access Act

INTRODUCED: 06/12/2007

ENACTED: 09/27/2007

LOCATION: Chaptered

CHAPTER #: 110-84

SUMMARY: Creates the College Cost Reduction and Access Act; revises the provisions that govern the eligibility and funding for higher education grants and loans.

STATUS: 09/27/2007 Signed by PRESIDENT. Public Law No. 110-84

US HR 3317

SPONSOR: Fattah (D)

TITLE: Higher Education Act

INTRODUCED: 08/02/2007

LOCATION: House Education and Labor Committee

SUMMARY: Amends the Higher Education Act of 1965 to improve and enhance the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP).

STATUS: 08/02/2007 To HOUSE Committee on EDUCATION AND LABOR.

US HRES 65

SPONSOR: Matsui D (D)

TITLE: Higher Education Act

INTRODUCED: 01/16/2007

ADOPTED: 01/17/2007

LOCATION: Adopted

SUMMARY: Provides consideration of the bill (H.R. 5) to amend the Higher Education Act of 1965; provides to reduce interest rates for student borrowers.

STATUS: 01/17/2007 In HOUSE. Passed HOUSE.

US HRES 81

SPONSOR: Wu (D)

TITLE: Pell Grant Increase

INTRODUCED: 01/19/2007

LOCATION: House Education and Labor Committee

SUMMARY: To express the sense of the House of Representatives that the maximum Pell Grant should be increased to \$5,800.

STATUS: 01/19/2007 To HOUSE Committee on EDUCATION AND LABOR.

US S 7

SPONSOR: Reid (D)

TITLE: Higher Education Act

INTRODUCED: 01/04/2007

LOCATION: Senate Health, Education, Labor and Pensions Committee

SUMMARY: A bill to amend title IV of the Higher Education Act of 1965 and other laws and provisions and urge Congress to make college more affordable through increased Federal Pell Grants and providing more favorable student loans and other benefits, and for other purposes.

STATUS: 01/04/2007 To SENATE Committee on HEALTH, EDUCATION, LABOR AND PENSIONS.

US S 282

SPONSOR: Durbin (D)

TITLE: Undergraduate Student Loans

INTRODUCED: 01/12/2007

LOCATION: Senate Health, Education, Labor and Pensions Committee

SUMMARY: A bill to amend the Higher Education Act of 1965 to reduce over a 5-year period the interest rate on certain undergraduate student loans. This bill proposes to phase-in cuts in the interest rate charged undergraduate student borrowers of subsidized loans under the

Federal Family Education Loan (FFEL) program, thereby reducing such rate from 6.8 percent in July 2006 to 3.4 percent in July 2011.

STATUS: 01/12/2007 To SENATE Committee on HEALTH, EDUCATION, LABOR AND PENSIONS.

US S 301

SPONSOR: Clinton (D)

TITLE: Higher Education Assistance

INTRODUCED: 01/16/2007

LOCATION: Senate Finance Committee

SUMMARY: Provides higher education assistance for nontraditional students, and for other purposes. Authorizes and appropriates specified funds for Federal Pell Grants under the Higher Education Act of 1965 (HEA). Increases yearly maximum grant amounts and revises requirements for the allowance of two Pell grants during a single award year.

STATUS: 01/16/2007 To SENATE Committee on FINANCE.

US S 359

SPONSOR: Kennedy (D)

TITLE: Higher Education Act of 1965 Amendment

INTRODUCED: 01/22/2007

LOCATION: Senate Finance Committee

SUMMARY: Amends the Higher Education Act of 1965 to provide additional support to students. This bill proposes to extend the Pell Grant program through FY2012 and increase yearly maximum Pell Grant amounts. Authorizes and appropriates specified additional annual funding for such grants.

STATUS: 01/22/2007 To SENATE Committee on FINANCE.

US S 454

SPONSOR: Collins (R)

TITLE: Funding Increase for Federal Pell Grants

INTRODUCED: 01/31/2007

LOCATION: Senate Finance Committee

SUMMARY: Amends the Higher Education Act of 1965 to increase the maximum Pell Grant award to \$5,100 for the 2007-2008 academic year. Raises the minimum Pell Grant award from \$400 to \$500.

Amends the Internal Revenue Code to raise: (1) the maximum student loan interest deduction to \$3,750; and (2) the modified adjusted gross income level where such deduction begins to be phased-out.

Exempts from the sunset provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA): (1) the elimination of the 60-month limit on the period of such deduction; and (2) the increase in the income limitation on such deduction.

Increases the maximum annual contribution limit for Coverdell education savings accounts from \$2,000 to \$3,000, and makes such increase permanent.

Repeals the EGTRRA sunset on the tax exclusion of employer-provided educational assistance.

STATUS: 01/31/2007 To SENATE Committee on FINANCE.

US S 486

SPONSOR: Kennedy (D)

TITLE: Student Educational Loan Requirements for Lenders

INTRODUCED: 02/01/2007

LOCATION: Senate Health, Education, Labor and Pensions Committee

SUMMARY: A bill to establish requirements for lenders and institutions of higher education in order to protect students and other borrowers receiving educational loans. Among other provisions, this bill amends the Higher Education Act of 1965 to require each lender entering into an educational loan arrangement with a postsecondary school to: (1) report annually to the Secretary of Education specified information concerning such arrangement; (2) inform borrowers of their loan options under Title IV (Student Assistance) before extending private educational loans for attendance at such school; and (3) be barred by such school from marketing such loans in a manner implying the school's endorsement.

STATUS: 02/01/2007 To SENATE Committee on HEALTH, EDUCATION, LABOR AND PENSIONS.

US S 511

SPONSOR: Clinton (D)

TITLE: Student Borrowers

INTRODUCED: 02/07/2007

LOCATION: Senate Health, Education, Labor and Pensions Committee

SUMMARY: Provides student borrowers with basic rights, including the right to timely information about their loans and the right to make fair and reasonable loan payments. Urges the Department of Education to enforce vigorously rules requiring lenders to complete lender verification certificates in a timely manner for borrowers seeking to consolidate loans. This bill amends the Higher Education Act of 1965 to require specified loan participants under the Federal Family Education Loan (FFEL) and Federal Perkins Loan programs to disclose to each national credit bureau organization any on-time payments made for such loans and their status as student loans.

STATUS: 02/07/2007 To SENATE Committee on HEALTH, EDUCATION, LABOR AND PENSIONS.

US S 899

SPONSOR: Dodd (D)

TITLE: Federal Pell Grant Maximum Amount

Federal Legislative Update

INTRODUCED: 03/15/2007

LOCATION: Senate Health, Education, Labor and Pensions Committee

SUMMARY: A bill to amend section 401(b)(2) of the Higher Education Act of 1965 regarding the Federal Pell Grant maximum amount.

STATUS: 03/15/2007 To SENATE Committee on HEALTH, EDUCATION, LABOR AND PENSIONS.

US S 938

SPONSOR: Reed (D)

TITLE: College Access and College Persistence

INTRODUCED: 03/20/2007

LOCATION: Senate Health, Education, Labor and Pensions Committee

SUMMARY: Expands college access and increase college persistence; relates to other purposes.

STATUS: 03/20/2007 To SENATE Committee on HEALTH, EDUCATION, LABOR AND PENSIONS.

US S 939

SPONSOR: Reed (D)

TITLE: Applying for Student Assistance Process Improvement

INTRODUCED: 03/20/2007

LOCATION: Senate Health, Education, Labor and Pensions Committee

SUMMARY: Amends the Higher Education Act of 1965 to simplify and improve the process of applying for student assistance, and for other purposes.

STATUS: 03/20/2007

To SENATE Committee on HEALTH, EDUCATION, LABOR AND PENSIONS.

US S 1262

SPONSOR: Enzi (R)

TITLE: Student Loans

INTRODUCED: 05/02/2007

LOCATION: Senate Health, Education, Labor and Pensions Committee

SUMMARY: Protects students receiving student loans; provide for loan accountability and rates disclosure reform; relates to insurance program agreements; restricts inducements, payments, unsolicited mailings, collections and fraudulent advertising; relates to debt counseling.

STATUS: 05/02/2007 To SENATE Committee on HEALTH, EDUCATION, LABOR & PENSIONS.

US S 1399

SPONSOR: Biden (D)

TITLE: Pell Grant Commitment Demonstration Program

INTRODUCED: 05/15/2007

LOCATION: Senate Finance Committee

SUMMARY: Amends the Internal Revenue Code of 1986 to combine the Hope Scholarship Credit and the deduction for qualified tuition and related expenses into a refundable college affordability and creating chances for educational success for students (ACCESS) credit; establishes an Early Federal Pell Grant Commitment Demonstration Program; increases the maximum Federal Pell Grant Award.

STATUS: 05/15/2007 To SENATE Committee on FINANCE.

US S 1400

SPONSOR: Enzi (R)

TITLE: Higher Education Act

INTRODUCED: 05/15/2007

LOCATION: Senate Health, Education, Labor and Pensions Committee

SUMMARY: Amends the Higher Education Act of 1965 to improve the information and repayment options to student borrowers, and for other purposes.

STATUS: 05/15/2007 To SENATE Committee on HEALTH, EDUCATION, LABOR AND PENSIONS.

US S 1401

SPONSOR: Enzi (R)

TITLE: National Student Loan Data System

INTRODUCED: 05/15/2007

LOCATION: Senate Health, Education, Labor and Pensions Committee

SUMMARY: Improves the National Student Loan Data System.

STATUS: 05/15/2007 To SENATE Committee on HEALTH, EDUCATION, LABOR AND PENSIONS.

US S 1467

SPONSOR: Biden (D)

TITLE: Pell Grants

INTRODUCED: 05/23/2007

LOCATION: Senate Health, Education, Labor and Pensions Committee

SUMMARY: Establishes an establish an Early Federal Pell Grant Commitment Demonstration Program.

STATUS: 05/23/2007 To SENATE Committee on HEALTH, EDUCATION, LABOR AND PENSIONS.

US S 1513

SPONSOR: Obama (D)

TITLE: Higher Education Act

INTRODUCED: 05/24/2007

LOCATION: Senate Health, Education, Labor and Pensions Committee

SUMMARY: Amends the Higher Education Act of 1965 to authorize grant programs to enhance the access of low-income African-American students to higher education.

STATUS: 05/24/2007 To SENATE Committee on HEALTH, EDUCATION, LABOR AND PENSIONS.

US S 1642

SPONSOR: Kennedy (D)

TITLE: Higher Education Programs

INTRODUCED: 06/18/2007

LAST AMEND: 07/23/2007

LOCATION: HOUSE

SUMMARY: Extends the authorization of programs under the Higher Education Act of 1965; provides for protection of student speech and association rights, accreditation and institutional quality, drug and alcohol prevention, transparency in college tuition, prohibition of database of student information, state higher education information system pilot programs, institution and lender reporting and disclosure requirements, foreign students and foreign medical schools, teacher quality and educational institutional aid.

STATUS: 07/24/2007 In SENATE. Passed SENATE. *****To HOUSE.

US S 1720

SPONSOR: Brown (D)

TITLE: Federal Supplemental Loan Program

INTRODUCED: 06/27/2007

LOCATION: Senate Health, Education, Labor and Pensions Committee

SUMMARY: Amends the Higher Education Act to establish a federal supplemental loan program.

STATUS: 06/27/2007 To SENATE Committee on HEALTH, EDUCATION, LABOR AND PENSIONS.
