

Information Item

California Student Aid Commission

Executive Director's Report

Enclosed for review is a written report from the Executive Director of the California Student Aid Commission.

Responsible Person(s): Diana Fuentes-Michel
Executive Director



**Executive Director's Report
January, 2013**

Dear Commissioners,

Happy New Year! The Commission staff began 2013 busy in preparation for the release of the 2013-14 Free Application for Federal Student Aid (known as the FAFSA) and the California Dream Act application which was initially launched in paper form. The electronic application is now available. During the fall, the Commission staff sponsored a significant number of group presentations and webinars to train high school and college counselors as well as financial aid staff on the new application and eligibility process. We are excited about the opportunities that the California Dream Act has presented but have been challenged by the timeline and the demands that a significant new program presents.

Recent action taken by President Obama to enact a new program known as the Deferred Action for Child Arrivals (DACA) has provided a legal path for employment opportunities for high school and college students. This action along with the California Dream Act will encourage California high school graduates who are seeking to legalize their immigration status, the ability to see how they can continue their education or training beyond high school and become eligible to be employed legally in the United States.

Governor Jerry Brown's proposed 2013-14 State budget includes \$19.5 million in new funding for the California Dream Act and fully funds the Commission's baseline local assistance budget. The Governor released his proposed 2013-14 State Budget on January 10th. Commission staff will be presenting at your January meeting, an agenda item on the State Budget as it pertains to the Commission's programs and operations. The Governor's proposed budget does not restore the reduction in the amount of the 2013-14 Cal Grant award for students enrolled in the non-profit or for-profit private colleges and universities.

The Governor's budget also maintains the Cal Grant eligibility rules placed in the budget by Senate Bill 70 and Senate Bill 1016 (Chapter 38, Statutes of 2012). Chairman John McDowell has invited the Legislative Analyst to present her recent report, and findings, "An Analysis of the Cal Grant Eligibility Rules," at the Commission's January meeting. Commission staff looks forward to discussion of these items and other issues slated for your next meeting.

Earlier this month, the Legislature reconvened for its 2013-14 legislative session. Attached to this report is a listing of the legislative policy and budget committees that impact the Commission's program. There are 39 new members of the Legislature. Commission staff will be conducting visits with a large number of the new members. In December, the Commission staff conducted a workshop to inform and update legislative staff on the Commission's

programs. The workshop was well attended and staff expressed interest in participating in the Commission's outreach activities.

COMMISSION PROGRAMS UPDATE

Here below is an update of the Commission's recent activities:

❖ Administration & External Affairs Division Update

- **2013-14 Budget**

Staff is analyzing the Governor's Proposed 2013-14 Budget and its effect on the Commission's programs and operations.

- **Commission Move**

Staff is working with the Department of General Services on our planned move, which is scheduled for the weekend of March 29 through April 1, 2013. A team of staff representing each Commission division is meeting weekly to prepare for the move.

- **Cash For College**

Over 700 Cash for College workshops have been requested. Scholarships for Cash for College workshop participants are being offered again this year with funding provided by ECMC and College Access Foundation. For dates and locations of workshops, go to www.calgrants.org.

❖ Federal Policy & Programs and Communications Division Update

- **Press**

- On December 3, 2012, the Commission distributed a press release entitled, "John R. McDowell, Jr. Elected Chair of the California Student Aid Commission." This press release was picked up by 315 media outlets including CNBC.com, SacramentoBee.com, Sacramento Business Journal.com, Los Angeles Business Journal.com, the California Chronicle, the San Francisco Chronicle.com, ABC7 KGO San Francisco.com, KUSI San Diego News.com, Reuters.com and many more outlets nationally.
- The Commission facilitated media interviews (including KCBS and KGO Radio) regarding the release of the Legislative Analyst's recent report, "An Analysis of New Cal Grant Eligibility Rules."
- Facilitated media interviews regarding the California Dream Act include the L.A. Times, La Opinión, Univision, Hecho en California - KIQI 1010AM SF and KATD 990AM SAC, the Press-Enterprise and the Vacaville Reporter.

- The Commission staff prepared the California Association for Student Financial Aid Administrators (CASFAA) Newsletter Article on the California Dream Act and the CASFAA Keynote Speech delivered by the executive director at the annual CASFAA conference on December 9, 2012.
- **Social Media**
 - On October 2, 2012 the Communications Division launched the Commission's Twitter account. We now have sent out over 90 Tweets to our more than 90 Twitter followers that include: Goal 2025, Legislator Mark De Saulnier, Communications and Government Relations @ California Community Colleges, Whittier College Office of Financial Aid, College Access Foundation, The State of California and the National Association of Student Financial Aid Administrators. Commissioners Garcia Vasquez and Shah are followers who often "re-tweet" Commission messages.
 - Since October 1, 2012 the Commission has gathered over 130 new Facebook "Likes." We have posted numerous new photographs on our social media and website platforms to enhance our image and reflect our targeted student populations. Our Twitter account is linked to our Facebook account to increase the impact of our "Tweets." We are working with California Cash for College to expand communications with students.
 - Phase 1 of the CSAC website re-skin has been completed. We are currently ending Phase 1 of the re-design, moving into Phase 2, which starts the content integration phase. We are working with the Information Technology team to prepare a strategy for Phase 3, that will include technology upgrades to improve CSAC's overall service delivery to website users.
 - The Communications Division is engaging external partners and community stakeholders to expand CSAC's outreach in the Sacramento Valley, San Francisco Bay Area, Fresno, Los Angeles and San Diego to provide encouragement for more low- and middle-income high school seniors to complete their Free Application for Federal Student Aid (FAFSA), CA Dream Act and Cal Grant applications.
 - The Communications Division met with representatives from the State Controller's Office to discuss CSAC's participation in the State's Financial Literacy outreach effort. The Commission has been invited to participate in the Controller's Financial Literacy Faire in April 2013 and to become part of its Financial Literacy Council which is designed to create more synergy between all state agencies that are involved with consumer financial services. The Controller is considering a Fall 2013 conference to bring together state agencies and consumer service providers to highlight financial literacy services available through each state agency.
 - We are currently working with consultants to formulate messaging and materials for the 2013 Steps to College, the Los Angeles Chamber of Commerce Event, video productions that encourage students to complete the FAFSA, CA Dream Act and Cal Grant, and to add active messages to upcoming community outreach and media events.
 - We are in discussions with Channel 3 to move forward with the "Call 3 - Cal Grant Day 2013." Our tentative date is January 29, 2013.

❖ **Program Administration and Services Division Update**

• **2013-14 California Dream Act Application (CA Dream Application) Update**

The 2013-14 CA Dream Application is now available for eligible students under Assembly Bills (AB) 540 and 131 to apply for student financial aid benefits, including Cal Grants, using this application. The CA Dream Application will be used to determine eligibility for academic year 2013-14 Cal Grants at California public and private colleges and universities. The CA Dream Application will function in a similar manner as the Free Application for Federal Student Aid (FAFSA) by providing the financial data for the applicant.

The CA Dream Application can also be used by students attending California public college and universities to apply for state funded grants such as the University of California (UC) Grant, the State University Grant and the Community College Board of Governor's Fee Waiver. The CA Dream Application will be open until June 2014 for those programs that do not have a filing deadline. The 2012-13 CA Dream Application will continue to be open through June 2013.

The 2013-14 on-line CA Dream Application was redesigned with many enhancements to simplify the application process, minimize errors and improve the overall look and feel of the application. Some of the major enhancements include:

- Home Portal – The CA Dream Application home portal was completely redone to look more appealing and make it easier for the user to select the right options. The applicant will also receive the choice to select from two academic years (2012-13 & 2013-14).
- Dream Act User ID – Starting with the 2013-14 academic year, all applicants will be required to establish a Dream Act User ID during the initial application. Once established, applicants can retrieve their on-line CA Dream Application and make corrections at any time. Dream applicants that are already in our system through a 2012-13 CA Dream application submissions will be able to create a User ID by clicking “Retrieve My Application” and then “Create User ID & Password.”
- Renewal Application – Applicants with an existing 2012-13 CA Dream Application must file a 2013-14 application to be considered for 2013-14 state financial aid including the Cal Grant. However, they will be given an option to carry over the 2012-13 demographic, student and parent information to the 2013-14 application. The financial and tax information will not carry over, so the student must enter that date on the 2013-14 application.
- Help Text – As the student navigates through the on-application, customized help text boxes will populate on the right hand column to guide the applicant through each question. This is a similar feature offered on the FAFSA application and the Commission believes this will greatly minimize errors on the CA Dream Application.
- Confirmation Page – The Confirmation Page is now divided into three sections: action needed, what you need to review for accuracy, and what you need to

know. The “Action Needed” section will generate comment codes that require student or parent action to complete the CA Dream Application. The most common comment code is 108 which indicates that the parent must sign the application.

- Cal SAR – CA Dream Applicants will now have access to California Student Aid Reports (Cal SAR) for every transaction. A Cal SAR tab will population on the online application upon initial submission. Similar to the Federal SAR, the Cal SAR will format the CA Dream Application into a PDF file for view and download.
- Parent PIN/Signature Page – Additional improvements were made to the parent PIN/signature page that will greatly simplify the signature process and minimize the issues from the 2012-13 application.
- CA Dream Act Training Events - Commission staff completed successful training events on the CA Dream Act with attendance at events drawing higher than expected attendance.
 - Over 3,500 high school counselors registered for joint Commission and California Association of Student Financial Aid Administrators (CASFAA) training which featured information on Dream Act eligibility and application procedures.
 - Staff presented at the Annual CASFAA Conference where 2 scheduled Dream Act presentations were expanded to 3 sessions, eventually serving over 350 college financial aid administrators.
 - CA Dream Act Webinar Trainings will continue to be held for segmental representatives, high school and college campus administrators, outreach organizations, and various other groups.
- CA Dream Act Link – Commission staff has asked campuses to link to the main CA Dream Act page where students will be best served by the links to the main site where important information and instructions are available to ensure successful application completion.
- **2013-14 Non-SSN Grade Point Average (GPA) Upload Functionality**

The Non-SSN GPA upload functionality is now available for high schools and colleges to submit GPAs without social security numbers for Cal Grant consideration. The Non-SSN pilot project first started in the 2011-12 academic year with the Los Angeles Unified School District (LAUSD) and proved to be very successful by reducing the use of paper GPA forms, increasing the volume of GPAs submitted, and providing more efficient Cal Grant processing times.

During the 2012-13 academic year Commission staff trained several California high school and district office administrators in using the Non-SSN GPA upload functionality. Now in its third year, the Commission is expecting even more high schools and district offices to use the Non-SSN GPA functionality which will streamline the application process for CA Dream Act students.

- **2013-14 Winter and Spring Term Federal Temporary Assistance for Needy Families (TANF) Funding for Cal Grants**

TANF funds account for approximately half of the funding for Cal Grant. An interagency agreement (IA) with the California Department of Social Services (CDSS) is required to obtain the TANF funds. Commission staff began working on the IA with CDSS in July 2012. However, the IA was not executed until December 6, 2012. Because of this delay, the Commission expended most of its General Fund appropriation for Cal Grants for fall payments. The Commission did not receive TANF funds from CDSS until late December 2012, too late to process the 2012-13 Cal Grant Winter quarter term advance payments as originally scheduled in early December 2012. Institutions were able to report winter term payments in early January 2013. While the Commission did receive additional TANF funds in early January 2013, the Commission did not receive enough TANF funds to provide the planned 50% spring semester term advance. Consequently, the 2012-13 spring semester term advance payments were reduced from 50 percent to 25 percent. Institutions were able to receive supplemental disbursements within a week of the winter and spring semester advances by immediately reconciling eligible payments to the WebGrants system.

- ❖ **Information Technology Services (ITS) Division Update**

- **Senate Bill 70 Data Reporting Update**

Commission staff has met with the SB 70 Committee Members over the last couple of months to develop the import specification for accepting data from educational institutions. This specification established the appropriate type of data to collect (enrollment, persistence, and graduation) as well as the format. A final import specification was released to the SB 70 Committee in late December. Commission staff still envisions using a survey instrument to collect the job placement data. Staff will use an online survey tool to collect this data

Commission staff will convene a meeting with the SB 70 Committee in mid to late January to formally adopt the import specification and to discuss the next steps involved to meet the March 1, 2012 deadline.

- **Dream Act**

Dream Act Phase II Implementation is in test. It is due to be ready for production by January 14, 2013. Phase III of the project will get started after this date to address other requested enhancements.

- **Grant Delivery System (GDS) Printing**

The Commission printed its last job using the ECMC Mainframe process on January 7, 2013. ITS staff has developed a process to bypass the ECMC mainframe and print GDS letters and forms locally. ITS is currently working with the Administration & External Affairs Division to develop a process to send the printed material to the ECMC warehouse for sorting and mailing in the interim. When the Commission moves in April, this entire process will be moved into the Commission's new headquarters.

- **Shortel Phone System Implementation**

Commission staff has been working on the development of a new internal phone system that will bring the functionality of an Automated Call Director (ACD) and Integrated Voice Response System (IVR) in house. Bringing these services in house will increase cost efficiencies and enable other benefits like conference calling, fax server, online chat and a variety of other phone services that we have had to pay outside vendors to support.

- **Commission Move**

Commission staff is planning to relocate our office space on the weekend of March 29-April 1, 2013. ITS and the Administration & External Affairs divisions have been working with the Department of General Services to do space planning. ITS staff is working on the infrastructure and network migration planning. We hope to make the move as seamless as possible to the businesses, schools and students.

- **Asset Management System**

ITS and Administration & External Affairs are working on implementing a new Asset Management system for all IT and non-IT assets. We have purchased a new system and are working on populating it with valid asset information for internal inventory purposes.

- **Service Improvement Project**

ITS staff is working on adopting industry best practices for managing projects within the Commission. Currently, ITS staff is interviewing staff, managers and executive staff to assess where improvements need to occur, document the processes that do work and ultimately, create a plan for the steps needed. A draft Project Charter for this effort was created and is under review by ITS management.

The following chart provides an update on the actions taken by the Commission at its September 13-14, 2012, October 12, 2012 and November 15-16, 2012 meetings:

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
1	<p>Positions on State Legislative Bills and Initiatives Affecting the Commission’s Programs</p> <p>At its September 13-14, 2012 meeting, the Commission approved the following positions:</p> <ul style="list-style-type: none"> • The Commission formally withdraws its support for Senate Bill (SB) 1466 (De Leon) – Peace Officers: City of Los Angeles – as it no longer deals with the same subject matter as when first supported or other Commission priorities. • The Commission supports Assembly Bill (AB) 970 (Fong) – University of California and California 	<ul style="list-style-type: none"> • On September 18th, staff followed up with the Governor’s policy and legislative staff regarding the Commission’s withdrawal of support for SB 1466. (A support letter was previously transmitted on August 23rd.) • On September 17th, a support letter for AB 970 was transmitted to Governor

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
	<p>State University: System-wide Student Fees. Commissioners Keene, Beltran, Conley, Doud, Garcia Vasquez, McDowell, Shah and Siqueiros voted IN FAVOR. Commissioners Anton, Gonzalez and White OPPOSED. Commissioners Bishop and Moore ABSTAINED.</p> <ul style="list-style-type: none"> The Commission adopted the following resolution in support of Proposition 30: <p><i>Resolved, that the California Student Aid Commission endorses Proposition 30 on the November 2012 General Election ballot, the Governor’s Tax Initiative, to fund education and guarantee local public safety funding, given that it protects the public higher education segments from further cuts and their students from harmful fee increases.</i></p>	<p>Brown with a copy to Assembly Member Fong.</p> <ul style="list-style-type: none"> On September 17th, the Commission released a press statement supporting Proposition 30. The statement was posted on the Commission’s Web site on September 21st.
<p>2</p>	<p>Interagency Agreement with the California Department of Social Services</p> <p>At its September meeting, the Commission authorized the Executive Director to enter into an Interagency Agreement with the California Department of Social Services to receive \$803,754,000 from the federal Temporary Assistance for Needy Families (TANF) for the Cal Grant Program in 2012-13 and on an ongoing basis subject to future budget appropriations. Commissioners Keene, Anton, Beltran, Bishop, Conley, Doud, Gonzalez, McDowell, Moore, Shah, Siqueiros and White voted IN FAVOR. Commissioner Garcia Vasquez OPPOSED.</p>	<p>The Interagency Agreement with the California Department of Social Services was approved by the California Department of General Services on December 5, 2012. The Commission has received \$406 million in TANF funds to date.</p>
<p>3</p>	<p>Information Technology Consulting Contracts for the Development of the Dream Act Application</p> <p>On September 14th, the Commission authorized the Executive Director to enter into contracts up to \$404,000 in 2012-13 with selected vendors to obtain temporary information technology programming services during the development of the Dream Act Application.</p>	<p>The following two contracts were executed on October 30, 2012:</p> <ul style="list-style-type: none"> Stanfield Systems, Inc. for \$188,275.00 Radian Solutions LLC for \$215,250.00
<p>4</p>	<p>Allocation of Additional Funding from the 2011-12 Federal College Access Challenge Grant Program Award</p> <p>At its September meeting, the Commission 1) approved the allocation of the additional 2012-13 Challenge Grant funds to Cash for College and Cal-SOAP as recommended; 2) authorized the Executive Director to amend 2012-13 Cal-SOAP contracts up to \$308,510 to</p>	<p>East Bay Consortium Cal-SOAP’s contract was amended to add \$50,000 to fund outreach activities.</p> <p>Commission staff is working on the development of a new data system and has not yet entered into a contract for this work.</p>

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
	fund outreach activities and the development of a new data system; and 3) authorized the Executive Director flexibility to reallocate any unused funds as equitably as possible.	
5	<p>Adoption of Regulations to Interpret and Make Specific Sections 69433.2 and 69433.6 of the Education Code Relating to the Cal Grant Participating Institution Data Reporting Requirements Established by SB 70 (Chapter 7, Statutes of 2011)</p> <p>On October 12, 2012, the Commission 1) adopted the regulations, and authorized staff to complete the regulatory process and request that the effective date of the regulations be the date of filing; and 2) amended the 2012-16 Institutional Participation Agreement to include the language and substantive requirements of the adopted regulations. Commissioners Keene, Arzate, Beltran, Doud, Garcia Vasquez, McDowell, Shah, Siqueiros and White voted IN FAVOR. Commissioners Anton and Moore ABSTAINED.</p>	<p>Commission staff has been meeting with stakeholders to determine the import specifications for the reporting. Institutions have been provided with the amendments to the Institutional Participation Agreement and the Commission has started to receive executed amendments.</p> <p>Commission staff has submitted the final regulations to the Office of Administrative Law (OAL) but has withdrawn them to address technical issues raised by OAL. The technical changes do not alter the action taken by the Commission at its October meeting.</p>
6	<p>Policy Framework and Plan for 2013</p> <p>At its November 15-16, 2012 meeting, the Commission adopted a strategic framework for 2013 that addresses:</p> <ol style="list-style-type: none"> 1. Broad Equitable Access; 2. Education Quality Transparency; 3. Persistence and Completion; and 4. CSAC Effectiveness. 	<p>The Policy Framework for 2013 was finalized. <u>A copy is attached to this report.</u></p>
7	<p>Election of Commission Officers</p> <p>On November 16th, the Commission elected the following officers:</p> <ul style="list-style-type: none"> • John R. McDowell, Jr., Chairman; • Ana Beltran, Vice Chair; and • Cris Arzate, Secretary. 	<p>No further action is needed.</p>
8	<p>Operating Agreement</p> <p>On November 16th, the Commission adopted the Operating Agreement between the California Student Aid Commission, ECMC and EdFund for January 1, 2013 through June 30, 2013.</p>	<p>The ECMC Board of Directors approved the Operating Agreement on November 30, 2012 and signatures are being obtained.</p>
9	<p>Commission Meeting Calendar</p> <p>On September 14th, the Commission approved the 2013 Commission meeting calendar.</p>	<p>The Commission will be considering a revised 2013 calendar of meetings at its January 24, 2013 meeting.</p>

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
10	<p>Commission Meeting Minutes</p> <p>On September 14th, the Commission approved the minutes of the April 26-27, 2012 and May 17, 2012 meetings, as presented.</p>	<p>No further action is needed.</p>

And some final notes, there is no written report from the Cal-SOAP Project Directors for the January teleconference. However, Commission staff is working with the Cal-SOAP project directors to provide a presentation at the Commission’s February meeting. The Education Credit Management Corporation (ECMC) report is attached.

On a personnel note, there have been some changes in our senior management team. At the end of December, August “Gus” Cubillo, the Commission’s Information Technology Services Division chief, decided to retire from state service. We will miss Gus’s contributions to the implementation of the California Dream Act and his work in establishing the data reporting requirements for Senate Bill 70. Gus was instrumental in providing leadership during this critical time of program development and transition. We will miss him greatly. The Commission is presently seeking to hire a new chief to lead the division. I will keep you posted.

Regretfully, I must report that our own Ed Emerson, chief of federal policy, is on medical leave. Ed underwent quintuple bypass surgery in mid-December. Commission staff is looking forward to his return when he is rested and recovered from his surgery.

If you have any questions about this report, please feel to contact me before the meeting or during the meeting itself.

Sincerely,

Diana Fuentes-Michel
 1975-1979 Cal Grant B Recipient
 1979 Graduate of Loyola Marymount University

SENATE FISCAL AND EDUCATION COMMITTEE ASSIGNMENTS

Senate Appropriations Committee

Senator Kevin de León, Chair
Senator Mimi Walters, Vice Chair
Senator Ted Gaines
Senator Jerry Hill
Senator Ricardo Lara
Senator Alex Padilla
Senate President pro Tempore Darrell Steinberg

Senate Budget & Fiscal Review Committee

Senator Mark Leno, Chair
Senator Bill Emmerson, Vice Chair
Senator Joel Anderson
Senator Jim Beall, Jr.
Senator Tom Berryhill,
Senator Marty Block
Senator Mark DeSaulnier
Senator Loni Hancock
Senator Jerry Hill
Senator Hannah Beth Jackson
Senator Bill Monning
Senator Curren Price Jr.
Senator Richard Roth
Senator Roderick Wright
Senator Mark Wyland

Senate Budget Subcommittee No. 1 on Education Finance

Senator Marty Block, Chair
Senator Ted Gaines
Senator Roderick Wright

Senate Education Committee

Senator Carol Liu, Chair
Senator Mark Wyland, Vice Chair
Senator Marty Block
Senator Lou Correa
Senator Loni Hancock
Senator Bob Huff
Senator Hannah Beth Jackson
Senator Ricardo Lara
Senator Bill Monning

ASSEMBLY FISCAL AND EDUCATION COMMITTEE ASSIGNMENTS

Assembly Appropriations Committee

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Assemblymember Diane L. Harkey, Vice Chair
Assemblymember Franklin E. Bigelow
Assemblymember Raul Bocanegra
Assemblymember Steven Bradford
Assemblymember Ian C. Calderon
Assemblymember Nora Campos
Assemblymember Tim Donnelly
Assemblymember Susan Talamantes Eggman
Assemblymember Jimmy Gomez
Assemblymember Isadore Hall III
Assemblymember Chris R. Holden
Assemblymember Eric Linder
Assemblymember Richard Pan
Assemblymember Bill Quirk
Assemblymember Donald P. Wagner
Assemblymember Shirley N. Weber

Assembly Budget Committee

Assemblymember Bob Blumenfield, Chair
Assemblymember Jeff Gorell, Vice Chair
Assemblymember Richard Bloom
Assemblymember Susan A. Bonilla
Assemblymember Nora Campos
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Assemblymember Wesley Chesbro
Assemblymember Tom Daly
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Assemblymember Adrin Nazarian
Assemblymember Brian Nestande
Assemblymember Jim Patterson
Assemblymember Anthony Rendon
Assemblymember Mark Stone
Assemblymember Philip Y. Ting
Assemblymember Donald P. Wagner

Assembly Budget Subcommittee No. 2 on Education Finance

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Assemblymember Rocky J. Chávez
Assemblymember Al Muratsuchi
Assemblymember Brian Nestande
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Assembly Education Committee

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Assemblymember Kristin Olsen, Vice Chair
Assemblymember Nora Campos
Assemblymember Rocky J. Chávez
Assemblymember Adrin Nazarian
Assemblymember Shirley N. Weber
Assemblymember Das Williams

Assembly Higher Education Committee

Assemblymember Das Williams, Chair
Assemblymember Rocky J. Chávez, Vice Chair
Assemblymember Richard Bloom
Assemblymember Paul Fong
Assemblymember Steve Fox
Assemblymember Reginald Byron Jones-Sawyer, Sr.
Assemblymember Marc Levine
Assemblymember Eric Linder
Assemblymember Jose Medina
Assemblymember Kristin Olsen
Assemblymember Sharon Quirk-Silva
Assemblymember Shirley N. Weber
Assemblymember Scott Wilk

California Student Aid Commission
Strategic Framework for 2013
Adopted on November 16, 2012

1. **Broad Equitable Access:** *Since postsecondary education benefits both individuals and society, California has a vital interest in making sure no Cal Grant-eligible student forgoes college because they cannot afford the cost. Therefore, the California Student Aid Commission will advocate in partnership with students for financial aid and support policy decisions about Cal Grants that ensure that college access is equitable, affordable and comprehensible to the broad span of the State's diverse student population.*

Students who end their education at high school are at a financial disadvantage for the rest of their lives. This is a fact that has implications for California's future workforce and tax base. Investing in student access to college is a sound policy that benefits both students and society. In addition to making college access affordable and equitable, policies need to support the broad dissemination of information so students understand their options and can make informed choices.

2. **Education Quality Transparency:** *As a major investor in higher education, California has high expectations for the quality of education that students receive. Therefore, policy decisions about Cal Grants should 1) focus on outcomes that reflect the capability of graduates to be productive members of society; 2) hold institutions accountable for their performance through incentives and disincentives; and 3) support the ability of students and families to make informed choices about education quality by providing accurate, transparent information.*

A college education that leaves a graduate unprepared to succeed in life is of questionable value to both the individual and the State. While the quality of college programs is a matter for accreditation bodies, it is reasonable for the State to seek assurance that its investment in financial aid supports high-quality education opportunities and outcomes for students.

3. **Persistence and Completion:** *Access to college is only the first step toward a better educated citizenry and workforce. Therefore, policy decisions about Cal Grants should reflect the need to help students persist and complete their education once they enroll in college.*

State and federal studies demonstrate that financial aid is a critical factor in the ability of low-income students to persist and complete a college education. There is compelling evidence that students are able to enter, continue and complete college at much higher rates when they have access to sufficient financial aid – and to Cal Grants in particular. Studies have found that receiving a Cal Grant is significant in determining whether students enroll immediately after high school, re-enroll for a second year, stay at the same institution for four years, or remain enrolled somewhere for four years.

However, other state and federal studies have indicated persistence and completion happen at far lower rates for low-income students, who often drop out of college when they run out of money to pay fees or when they must devote time to jobs instead of studying. To ensure the State's investment is well utilized, decisions about financial aid should move beyond a

focus on broad access to take into account the persistence and completion performance of students at institutions that participate in the Cal Grant program.

4. **CSAC Effectiveness: *To best respond to the growing need for financial aid, it is important for CSAC to operate programs effectively and efficiently. To support CSAC effectiveness, therefore, policy decisions about Cal Grants should be data-driven, sustainable, student-centric, based on feedback from stakeholders, and carefully considered to achieve CSAC goals and avoid unintended consequences.***

As the Commission advocates for programs that will broaden access, ensure quality education and increase persistence/completion, it is important to understand the ripple effects that can occur when changes are made. Policy decisions should be considered holistically so that decisions in one area that benefit some students do not disadvantage other students unintentionally.

The Commission has compiled a notable record for efficient administration of existing programs. Over the 12 years ending in 2011-12, the Cal Grant program has grown 206% while administrative overhead and staffing have been significantly reduced.

ECMC

CSAC Services Status Report - November 1, 2012 - November 30, 2012

ECMC-CSAC
Operating Agreement
October 1, 2011 - December 31, 2012

Financial Reimbursement for Services

The funds will be placed into the EdFund Auxiliary Account for distribution based on CSAC needs.

Ref #	Details	Status
6	Health and safety support and building security support Two guards 16 hours overnight 365. ECMC is responsible for reimbursement of the guards not for overall security of the facility.	Security Guard invoicing
7	Use of board room/meeting rooms with audio/visual capability and technical support. Will provide space that can accommodate the California Open Meeting Rules. The CSAC Commission meetings 4 times/year.	Invoices processed to date.
8	Records retention, shred services, and property inventory services 15 months for: <ul style="list-style-type: none"> • CSAC brought this in-house. Cintas (shred service) • ECMC staff support for oversight and management of services (200 hours) TAB costs included (now known as Iron Mountain)	Record Storage Costs paid to Iron Mountain and Cintas shred services. Hours charged by CA Records staff directly supported these services.
13	CSAC Asset Inventory	All funds used for this project code in November - Project Closed
17	Provide a one-time security risk assessment of the Grant Delivery system to include scanning for security vulnerabilities and review of system logs for intrusion attempts. Contract services for an external provider to perform a security assessment – this does not include remediation of any issues found	Contract with NetSpi signed in December. Netspi was paid the first 50% of the contract in January. Second half was paid in June as the assessment was completed.

ECMC

CSAC Services Status Report - November 1, 2012 - November 30, 2012

ECMC-CSAC
Operating Agreement
October 1, 2011 - December 31, 2012

Ref #	Details	Status
9B	Convert printing the Cal Grant Letters from the mainframe to an ASCII solution. To be completed prior to decommissioning the mainframe after the FAPS conversion.	Reallocations made in August - no overage on account. Service Complete.
25	<p>Assist the Commission with obtaining training for more than 3,000 high school counselors and postsecondary educational institutional financial aid officers on the programs administered by the Commission.</p> <ul style="list-style-type: none"> • Produce 10-15 one to two minute video clips and integrate into CSAC systems • Produce 20-25 thirty minute to one hour training videos <p>Video production costs include:</p> <ul style="list-style-type: none"> • Preproduction Services: Script consultation, scriptwriting & production coordination • Field Production Services: Videographer, Field Producer, Broadcast quality digital camera • Post Production & Editing 	Invoicing processed at CSAC's request under this code.
26	<p>Providing the high school training materials. Composition, design, production, shipping and training for 19 locations</p> <p>There are 2 cycles for this publication in this operating agreement.</p> <p>Each cycle costs are reflected (need to plan for 2 cycles) books. This does not include shipping to the 19 locations Shipping is included in #4.</p>	<p>River City Printers invoice processed in October. & Printing Costs (Fall 2011)</p> <p>*Hours charged by CA Training staff directly supported this service (close out November workshops). Hour costs not counted toward run rate calculation.</p>
28	Support for Cash For College workshops	Completed Project

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29A	<p>Provide various collateral publications used to inform students, parents and counselors of state and federal financial aid programs.</p> <p>Publication estimate includes: College is Possible, Power of Education, Cal Grant Inserts.</p> <p>There are 2 cycles for these publications in this operating agreement. Based on the changes that CSAC anticipates they need to estimate a vendor cost.</p> <p>(Outsourced) <i>This cost is for copy and design only</i></p>	<p>No activity reported.</p>
29B	<p>Print the tax benefit one page flyer. This would be a two cycle project.</p> <p>(Outsourced) Costs are for each cycle. Need to plan for two cycles.</p> <p>No shipping/postage included because piece was delivered to CSAC last year.</p>	<p>Corp Communication resource worked on first cycle flyer and the PDF was delivered to CSAC on February 8.</p>
30	<p>Fund Your Future: This includes copy, design, Spanish translation and printing of the Fund Your Future publication. Print estimates are based on the following quantities: 550,000 English workbooks 132,000 Spanish workbooks 385,000 English brochures 90,000 Spanish brochures</p> <p>ECMC will provide editing on the Federal information; this is included in the 1000 hours.</p> <p>CSAC will retain a vendor to create the publications, translate them and provide all fulfillment. Fulfillment costs are included in # 4.</p> <p>Outsource: Project oversight/ copy/ design/ layout/ stock photos</p>	<p>ECMC ordered an additional 25,000 Spanish and 25,000 English brochures at CSAC's request from last year's cycle - publications received on Jan 5. Charges incurred against this year service.</p> <p>On February 8, Geri met with Louise Schroeder & Janet McDuffie regarding the transition of this publication project from ECMC to CSAC. All information surrounding project was forwarded to them on February 17.</p> <p>In May, reclassified postage and shipping charges were posted to this service at CSAC's request.</p> <p>In July, ECMC agreed to review the current 2012-2013 version and provide edits by 7/27. The review was completed and ECMC provided edits to Cheryl Lenz on July 26. Cheryl acknowledged receipt.</p>

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39	High School Program Support originally described as "Conduct one major research project as designated by the Commission" ECMC staff support for high school workshops.	In July, Ruby Nieto attended the CASFAA HSRC Conference call, sites are being confirmed and materials are being reviewed for later in 2012. No hours or costs were committed to this code, for informational purposes.
40	Provide as-needed services to align Commission administered programs with changes in Federal financial aid processes and procedures (such as changes arising from FAFSA form changes that impact Cal Grant processes) API Project	No activity reported.
42	CaliforniaColleges.edu sponsorship for CSAC	Project closed.
43	Pell Grant Table development	No activity reported.
44	Provide check \$1,500 for Arthur Marmaduke High School Counselor Award in Spring 2012	Full disbursement amount of \$1,500 made on June 13. Project Closed.
45	EdFund's EDD unemployment insurance invoices for 2011/2012	Insurance charges incurred to date.

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Ref #	Details	Status
47	<p>Financial Aid APP for iPhone</p> <p>A generic questionnaire similar to that referenced above which would just provide questions and potential financial aid options without the ability to apply directly.</p>	<p>Hours charged by ECMC Marketing & I.T. staff directly supported this effort. Project completed in May. Project Closed.</p> <p>*Only ECMC hours have been charged, no other direct costs.</p>
48	<p>CSAC migration from GroupWise/NDS to Exchange/AD</p> <p>GroupWise Support included in this item.</p>	No activity in November.
52	EdFund Board Professional Expenses	Legal Services in support of Board activities to date.
53A	GDS Changes for SB70	Invoices paid to this project code in November at CSAC's request.
53B	APLE Programmer	Invoices paid to this project code in November at CSAC's request; including reallocation of Oracle expenses incorrectly coded previously.
54	<p>Webmaster / CSAC website design services</p> <p>CSAC's website is dated and needs updating to better serve its users.</p>	No activity reported

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Services Provided by ECMC Staff		
1	Print letters, reports, and other program material	<p>General CSAC printing time.</p> <p>Postage and shipping charges totaled \$8,987.78 in last month's report were reallocated to Service # 4 (shipping & postage)</p>
2	Receive and deliver mail, large parcels and packages for the Commission	<p>Daily mail, parcel, and package delivery.</p> <ul style="list-style-type: none"> Two Business Services staff pick up mail at the US Post Office and deliver to CSAC offices Two internal mail runs are performed at CSAC offices (11:30am PT, 2:30pm PT) <p>Mail drop-off at the US Post Office at COB</p>
3	<p>Courier services for the Commission to the bank and the downtown area.</p> <p>CSAC to EdFund: 1 per day Downtown: twice daily</p>	<p>Delivery charges incurred to date. General courier services.</p> <p>Service Changes to one daily (AM only) courier runs to pick up and drop off financial documents at the CA State Controller's Office and any other requested Downtown sites.</p> <p>*Bonded Courier service from CSAC to Bank - costs to date.</p>
4	<p>Storage of financial aid workbooks, brochures, fact sheets, guides, manuals, posters and videos</p> <p>Shipping to high schools and colleges (including collateral material, inventory and usage)</p>	<p>Total costs associated with:</p> <ul style="list-style-type: none"> Rent expenses & Outside services Delivery charges & Postage Hours charged by CA Corp Services staff supported this service.

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Services Provided by ECMC Staff		
5	Contract management (including, but not limited to: technology, web conferencing, recycle, confidential shred, building security system, storage and cubicle services)	Hours charged by CA Legal staff directly supported these services.
10	<p>Access to retrieve documents previously imaged</p> <p>Existing license and system</p> <p>Assumes VisiFlow system will be given back to CSAC upon conversion completion</p> <p>Current contract in place with Western Integrated that runs through 12/31/2013 for software maintenance.</p> <p>Cost additional effort for building a standalone server for VisiFlow imaging.</p> <ol style="list-style-type: none"> 1. Choose one of the existing machines - like VMServ-6 or VMServ-7 (R900) to repurpose as an ESXi server. 2. Order Large Capacity hard drives to house the data. 3. P2V NTStorage once EdFund's old data is removed or build new as a VM. 4. Configure ESXi server 5. Migrate 4 - VM's to the ESXi server. 6. Application Team to clean up any old data. 7. Create local CSAC accounts. 8. Remove the VM's from the corp.edfund.org domain. CSAC can join these servers to their domain. 9. Provide any existing VisiFlow documentation to CSAC. 10. Desktop Support to turn over the imaging stations and any supported documentation. 	<p>ECMC worked with CSAC staff to build Visiflow items on a Virtual machine - item handed over to CSAC IT on Nov 8. Will continue to work with CSAC upon request through this year.</p> <p>*contractor being used for effort in addition to ECMC Full time staff.</p>

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Services Provided by ECMC Staff		
11 A	<p>Estimated 800,000 paper applications and other documents to be imaged annually (such as paper GPA verification forms, the G-8 High School Graduation Certification Form, the Transfer Entitlement Certification Form and numerous Specialized Programs forms)</p> <p>CSAC estimates that annual imaging is closer to 200,000 and will decrease as certain items, such as APLE automation are completed during 11/12.</p>	<p>16 boxes returned to CSAC in June. 296 total boxes returned to CSAC.</p> <p>All inventory submitted to ECMC on June 30 and imaged. All boxes returned to CSAC on July 2. There is no CSAC imaging inventory on site at ECMC. Project Closed.</p>
11 B	<p>Backlog Imaging</p> <p>CSAC would like 250 of the remaining boxes of backlog imaging to be scanned.</p>	<p>Project Closed.</p>
12	<p>Maintain and operate a Storage Area Network (SAN), which is architecture that allows remote computer storage devices to be attached to servers. This provides the server storage for the GDS system</p>	<p>CA Infrastructure Team charged time to this effort. August activity included training of CSAC staff on SAN.</p>
14	<p>Software purchasing and contracting for imaging software, IVR, Oracle Data Base Management System (DBMS) software, and security software in support of the GDS system</p>	<p>Hours charged directly supported this service, specifically Oracle contract review. **Charges will be reallocated to Service 53B-APPLE Programmer</p>
15	<p>Backup database administration for the GDS to augment current Commission support</p> <p>Additional services include Oracle DBA support for upgrading and advanced tuning, and troubleshooting</p>	<p>ECMC Database Administrator charged hours to support this service in May.</p>
16	<p>When requested, provide needed expertise for support, troubleshooting or repair of GDS production networks, appliance, and firewalls — this service should not require more than 50 hours of support in a year</p>	<p>No activity reported.</p>
18	<p>Provide Linux system administration and support for GDS servers located at OTS — this includes upgrading, patching, auditing, and ensuring optimal performance and security controls are in place</p>	<p>No activity reported.</p>

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19A	Provide mainframe printing services for the Commission which includes changing and creating new overlays and letter formats for GDS letters – the Commission prints over 100 different GDS letter types (approximately 1.5 million letters a	No activity in November.
20	Maintain the various ListServe accounts used by the Commission to distribute information to schools Current maintenance, training of CSAC staff on the current process and final transition of the application CSAC is in the process of transitioning this service in-house, these hours can be reduced.	Service transferred to CSAC in September. Project Closed *Costs associated with Contractor expenses.
21	Programming and updating Student Expense and Resources Survey (SEARS) application software Transition support to CSAC	No activity reported
22	Provide Tier 1 Help Desk support for 400 postsecondary institutions, over 1800 high schools, over 300,000 student accounts on WebGrants for Students, and Commission staff – these calls are logged in the HEAT ticketing database and dispatched to appropriate Commission personnel for problem resolution .	November 2012 statistics Total all CSAC Calls Received: 1,474 Total all CSAC Calls Abandoned: 234 Total tickets created by Helpdesk: 551 CSAC tickets resolved by ECMC: 504 CSAC tickets assigned to CSAC: 40 Help Desk transitioned to CSAC on December 14 - Project Closed.
23	Provide all telephony services for the Commission, including but not limited to telephone installation, configuration, modification and hardware support for over 150 IVR telephone interfaces, telephone number assignments, voicemail, and toll-free line support CSAC has assigned internal staff to perform these functions, but would like to be able to request assistance in the unlikely event it is needed.	No activity reported
41	Contracts owned by ECMC but are shared with CSAC See contract list, the items stated as ECMC ownership joint use by ECMC and CSAC	Hours charged by Legal staff directly supported these services.

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42	Project: CSAC SAN OS Upgrade (SAN Phase II)	Completed Implementation on 12/17/11. Closed Project on 12/31/11.
48	CSAC Services - General <ul style="list-style-type: none"> • Customer Relationship Manager • Executive Support • Finance Support 	Project Management and customer relationship support for CSAC Services. General management and support of CSAC Services.
55	Maintain edfund.org website. Updating of EdFund Board notices. Board Updates: 4 meetings/year + 4 amendments = 8 changes	Work surrounding Edfund.org and hosting services. *Contractor costs
49	Assist with filing IRS Form 990 for FY ending 9/30/2011 and FY ending 9/30/2012. Prepare, review, and file IRS Form 990 and associated state filings.	Hours charged by CA Finance staff directly supported this service.
50	Support and review two EdFund audits for FY ending 9/30/2011 and FY ending 9/30/2012, prepare financial statement and audit report. EdFund financial statement required to prepare Form 990. Includes external costs for auditor fees, to be contracted by CSAC:	Hours charged by CA Finance staff directly supported these services. ECMC Finance reported that the 2010-11 Audit is complete. Activities for the 2011-2012 audit will begin in the fall. No additional activities will be reported until the 2011-12 audit begins at that time. Audit fees paid to date *Run rate high but expected considering timeframe of work that was performed occurred mostly during early part of OA.
51	Maintain and manage EdFund Auxiliary Account and other EdFund financial activity.	Hours charged by CA Finance staff directly supported these services.

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While not part of any of the services listed above, an update on ECMC's funding of the Cal Grant Program is provided below:

<u>2011-2012</u>	<u>2012-2013</u>
<input type="checkbox"/> October 5, 2011 = \$20,750,000 – paid	September 4, 2012= \$28,219,044 - Paid
<input type="checkbox"/> January 5, 2012 = \$20,750,000 – paid	October 1, 2012=\$28,219,044 - Paid
<input type="checkbox"/> April 5, 2012 = <u>\$20,750,000</u> – paid	January 2, 2013= <u>\$28,219,044</u>
Total \$62,250,000	Total \$84,657,132

Total appropriations for 2011-12 have been completed.