

Information/Action Item

California Student Aid Commission

Report on Commission policy framework and consideration of future policy planning

The Commission developed a policy framework at the November 2012 Commission meeting. The framework is included as Tab 7.a.

The purpose of this item is to provide Commissioners with an opportunity to discuss how the Commission will continue its strategic planning, and whether to add a Commission meeting in July, or other time in the summer, to devote at least one day to planning.

We recommend the addition of the summer meeting, but also recommend that Commissioners engage in some level of strategic planning and policy development at every Commission meeting.

For the February 21-22, 2013 meeting, for example, we recommend that Commissioners consider adopting of 2013-14 Legislative and Budget Guiding Principles for 2013-14. The previous 2011-12 Legislative and Budget Guiding Principles are included as Tab 7.b.

Recommended Actions:

1. Add a Commission meeting in the summer to discuss strategic planning.
2. Include consideration of 2013-14 Legislative and Budget Guiding Principles on the February 21-22, 2013 Commission meeting agenda.

Responsible Person(s): Keith Yamanaka
Chief Deputy Director

California Student Aid Commission Strategic Framework

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.

Commission's 2011-12 Legislative and Budget Guiding Principles

It is essential that the Commission collaborate with the Legislature and the Administration to ensure that the Cal Grant program and other specialized aid programs are successful. The continued commitment from the State to improve the availability and amount of financial aid is crucial to secure educational access for all California students. This commitment strengthens the state's economic well-being by educating California's future workforce.

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 that 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.

MISSION: To make education beyond high school financially accessible to *all* Californians.

GOAL: To ensure all California students learn about and apply for benefits provided through the Cal Grant program and other specialized aid programs the Commission administers and to serve the public interest by providing quality financial aid services, including student loans at a reasonable cost to those students who need financial assistance to attend a college or university.

PRINCIPLES: Recognizing the critical need to maintain Legislative and Executive support for postsecondary educational opportunities, the Commission seeks to

- 1. Foster Educational Access and Affordability;***
- 2. Ensure the Availability of Information on Educational Opportunities;***
- 3. Preserve the Flow of Financial Aid; and***
- 4. Ensure Adequate Support and Flexibility for Commission Operations and Its Programs.***

*Numbering principles in no way indicates priorities; all principles are equally considered.

The guiding principles and objectives should be reviewed at the beginning of each two-year legislative session to ensure they continue to be applicable, valid, and supportive of the Commission's mission.

Each of these principles is discussed in further detail below.

PRINCIPLE #1: Foster Educational Access and Affordability

The Commission and the State should advocate for increased higher education opportunities by providing all California students financial access to the postsecondary education of their choice.

OBJECTIVES:

- Encourage the expansion of financial aid to the growing number of California college students who demonstrate financial need as the cost of completing a postsecondary education continues to rise;
- 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
 - ◆ Competitive Awards
 - Advocate for funds that increase the number of Competitive Cal Grant awards
- 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 support increases in the number of awards in the Cal Grant C program
 - Support expanded financial aid opportunities for career technical education students
- Cultivate legislative and budget actions that protect, strengthen, and increase the state's General Fund commitment to student financial aid;
- Encourage continued bipartisan support for funding of statutory growth in state and federal grant programs and for continued access to lower interest federal student loans;
- Promote expanded educational and transfer opportunities for students transferring from community colleges to four-year colleges;
- Seek the greater utilization and enhancement of all Commission-administered specialized programs; and
- Enhance the benefits to those participating in state or federal tuition savings plans that encourage saving while offering tax relief incentives, such as the ScholarShare Program.

PRINCIPLE #2: Ensure the Availability of Information on Educational Opportunities

The Commission should work to expand and strengthen its early, statewide outreach efforts to middle and high school students as well as to non-traditional, re-entry and older students.

OBJECTIVES:

- Advocate for adequate funding for outreach, academic preparation, and public awareness activities;
- Promote the availability of information on college educational opportunities for all California students and families;
- Provide information and guidance to students and their families on alternative methods for financing a college education;
- Provide the resources needed to maximize the effectiveness of the California Student Opportunity and Access Program (Cal-SOAP) and the Cash for College program;
- Encourage the expansion of public and private partnerships in the Cash for College program;
- Strengthen the Commission’s partnership with the Superintendent of Public Instruction and local school districts; and
- Recognize that the Commission’s outreach programs are designed to supplement and not supplant the activities that should be provided by secondary schools and districts.

PRINCIPLE #3: Preserve the Flow of Financial Aid

The Commission should promote the uninterrupted flow of student financial aid to enable students to achieve their educational goals. The process of applying for and receiving student aid should be as simple as possible for students and their families, educational institutions, and other program participants.

OBJECTIVES:

- Advocate for federal and state actions that result in a streamlined application process for California students;
- Advocate for continued enhancements and improvements to the Grant Delivery System to promote transparency and ease of use in the system while maintaining speed and accuracy;
- Advocate for policies that promote the cost-effective and timely administration of student financial aid programs;
- Strengthen the Commission’s communication and partnerships with financial aid administrators through written communication and other training opportunities related to program changes and informational updates; and
- Encourage the expansion of public and private partnerships in the Cash for College program.

PRINCIPLE #4: Ensure Adequate Support and Flexibility for Commission Operations

The Commission should ensure that it can administratively fulfill its essential mission and responsibilities.

OBJECTIVES:

- Work with the Legislature and the Administration to ensure the Commission continues to maintain the resources, including funding, equipment, and skilled personnel, necessary for an uninterrupted flow of financial aid and services to California students;
- Work to ensure that any new specialized programs have appropriate resources;
- Advocate for additional resources for new, advanced technology for delivery and customer services; and
- Continue evaluating the opportunities offered through, and the potential impact to the Commission and EdFund model in light of the potential sale of EdFund.

PARTICIPATION IN THE LEGISLATIVE PROCESS

POSITIONS ON BILLS

Staff will draft an objective analysis of all legislative bills that affect the Commission. All positions will be in a “pending” status until the Commission has the opportunity to review the legislation and analysis and take an official position. During the legislative session, the Commission should support these legislative principles by taking the following actions for proposed legislation at Commission meetings as appropriate.

No Position

- A bill that the Commission has not yet discussed or is not relevant to the Commission’s mission or Legislative Principles.

Watch

- A bill that is not within the scope of the Commission’s responsibility or would not affect the Commission’s operations or procedures in its current iteration, but which may be amended to do so.

Support

- Supports the Commission’s mission and principles.

Neutral if Amended, Support if Amended, or Oppose unless Amended

- The Commission’s position would change if recommended amendments are made to resolve implementation or policy concerns. This position should indicate which concerns must be resolved before the Commission would change its position.

Oppose

- A bill that is in conflict with the Commission’s mission and principles; it cannot be administered; it is too costly and burdensome to the Commission, the students, and schools.

Sponsor

- A bill proposal that the Commission identifies as beneficial to preserve or enhance service to California students and families and central to the Commission’s administration of its programs, its mission and its legislative principles.

OPPORTUNITIES FOR DIRECT INVOLVEMENT

Staff will request the Commission’s involvement during the legislative session as opportunities arise. Commission staff will develop and provide Commissioners with an advocacy binder to aid the Commissioners in communicating Commission policy and messaging.

- Discussions related to the January Governor’s Budget, bills and new proposals beginning in January;
- Participation in the Commission-sponsored annual Legislative Briefing Day and annual Cash for College Kick-off;
- Work with Commission staff to arrange visits with member offices to promote the Mission and advocate for the passage of Commission-supported legislation;
- Work with legislative budget committee staff to preserve the Cal Grant program and maintain adequate funding for Commission operations; and
- Work in coordination and cooperation with our partners in the financial aid community including secondary schools, all segments of higher education, and state and national financial aid associations by attending board and annual meetings and Webinars.