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## Action Item

### *California Student Aid Commission*

#### Consent Calendar

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**Recommended Action:** Approve the consent agenda, including:

- a. Minutes of October 27, 2010
- b. Minutes of November 18-19, 2010
- c. Minutes of December 7, 2010

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**CALIFORNIA STUDENT AID COMMISSION  
TELECONFERENCE MEETING MINUTES**

**OCTOBER 27, 2010**

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A teleconference meeting of the California Student Aid Commission was held on Wednesday, October 27, 2010 at the California Student Aid Commission Executive Conference Room located at 10834 International Drive in Rancho Cordova, California and the various meeting locations listed on the meeting notice dated October 14, 2010.

Chair Barry Keene called the meeting to order at 10:08 a.m.

The following Commission Members were present:

Barry Keene, Chair  
Lorena Hernandez, Vice Chair  
Lynne de Bie, Secretary  
Alexander Gonzalez  
Lawrence Hershman  
Patricia Fong Kushida  
Bonaparte Liu  
Enrique Murillo  
Israel Rodriguez  
Antonio Solórzano, Jr.  
Fred Wood

Roll Call was taken and a quorum was recognized.

**PUBLIC COMMENT**

Chair Keene asked for public comment and, hearing none, proceeded to the next agenda item.

**CLOSED SESSION**

Ms. Keri Tippins, Commission General Counsel, announced that the California Student Aid Commission would meet in **CLOSED SESSION** to discuss and possibly take action on business matters of a proprietary nature pursuant to California Education Code, section 69525(g)(3) and pending litigation pursuant to California Government Code, section 11126(e)(1). Topics will include:

**AGENDA ITEM 1 – STUDENT LOAN GUARANTEE PROGRAM ITEM**

*Item 1.a - Consideration of the Appeal of the U.S. Department of Education's termination of the state's student loan guarantee program agreement (Information/Action)*

*Item 1.b – Consideration of an Operating Agreement between EdFund, the Commission and the Educational Credit Management Corporation during the transition of the state's student loan guarantee program (Information/Action)*

Thereupon, the Commission recessed the OPEN SESSION at 10:13 a.m. and resolved into CLOSED SESSION at 10:14 a.m.

**RECONVENE IN OPEN SESSION**

Chair Keene adjourned CLOSED SESSION at 11:52 a.m. and reconvened OPEN SESSION at 11:54 a.m. He stated that the Commission had no items to report.

There being no further business, the meeting of the California Student Aid Commission was adjourned at 11:56 a.m.

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LYNNE DE BIE  
SECRETARY

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**CALIFORNIA STUDENT AID COMMISSION  
MEETING MINUTES**

**NOVEMBER 18-19, 2010**

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A meeting of the California Student Aid Commission was held on Thursday, November 18, 2010 and Friday, November 19, 2010 at the State Capitol, Assembly Room 447 in Sacramento, California.

**THURSDAY, NOVEMBER 18, 2010**

Chair Barry Keene called the meeting to order at 10:05 a.m.

The following Commission Members were present:

Barry Keene, Chair  
Lorena Hernandez, Vice Chair  
Lynne de Bie, Secretary  
Alexander Gonzalez  
Lawrence Hershman  
Enrique Murillo  
Israel Rodriguez  
Antonio Solórzano, Jr.  
Fred Wood

The following Commission Members were absent:

Patricia Fong Kushida  
Bonaparte Liu

Roll Call was taken and a quorum was recognized.

**PUBLIC COMMENT**

Chair Keene asked for public comment and, hearing none, proceeded to the next agenda item.

**CHAIR'S REPORT**

Chair Keene discussed the outcome of the Commission's withdrawal of its appeal of the U.S. Department of Education's termination of the State's student loan guaranty. This outcome included current and future funding for the Cal Grant program and California representation on the board of directors for the Educational Credit Management Corporation (ECMC), the new student loan guaranty designee.

Additionally, Executive Director Diana Fuentes-Michel presented Resolutions for former Commissioners Pat Fong Kushida and Bonaparte Liu.

**AGENDA ITEM 1 – CONSENT CALENDAR (Action)**

On **MOTION** by Commissioner Hernandez, **SECONDED** and **CARRIED**, the Commission ADOPTED the Consent Calendar, which included the following items:

- a. Minutes of September 2, 2010 and September 22, 2010 (Action)

**AGENDA ITEM 2 – CONSIDERATION OF ADOPTION OF AMENDMENTS TO REGULATIONS, SECTIONS 30730-30736, TITLE 5, CALIFORNIA CODE OF REGULATIONS, DIVISION 4, TO INTERPRET, IMPLEMENT AND MAKE SPECIFIC SECTIONS 69999.10-69999.30 OF THE EDUCATION CODE, IMPLEMENTING THE CALIFORNIA NATIONAL GUARD EDUCATION ASSISTANCE AWARD PROGRAM (CNG EAAP) (Action)**

Ms. Gloria Falcón, Manager of Program Policy & Development, introduced the following representatives of the California National Guard:

- Brigadier General Mary Kight
- Lieutenant Colonel Thor Iljana
- Captain Bevin Stokesberry
- Sergeant First Class Breaker
- Sergeant Marshall
- Sergeant Prouse

Ms. Kathy Spencer, Associate Financial Aid Analyst in Program Policy & Development, provided an overview of the proposed regulation changes, which are needed for clarification and application renewal.

Brigadier General Kight presented the California Legion of Merit to the following Commission staff for their meritorious achievement during the initiation and implementation of the California National Guard Educational Assistance Award Program:

- Ms. Gloria Falcón
- Ms. Clarita Cortez
- Ms. Kathy Spencer

On **MOTION** by Commissioner Hernandez, **SECONDED** and **CARRIED**, the Commission APPROVED the staff recommendation to adopt the proposed regulations and accompanying documents, request that the effective date of the regulations be the date of filing, and authorize staff to take the necessary steps to complete the regulatory process.

**AGENDA ITEM 3 – UPDATE ON STATE AND FEDERAL ISSUES AND LEGISLATION, INCLUDING UPDATE ON 2010-11 STATE BUDGET RELATING TO COMMISSION PROGRAMS AND OPERATIONS (Information/Action)**

Ms. Lori Nezhura, Legislative Liaison, presented an update on the 2010 non-budget related legislative bills, including Assembly Bill (AB) 1436 requiring all public higher education segments and agencies to provide live audio broadcasts of their open meetings. Ms. Nezhura also reported that the Joint Committee for the Review of the Master Plan for Higher Education has been extended through September 2011.

Ms. Janet McDuffie, Chief of the Administration & External Affairs Division, provided an overview of the 2010-11 budget reductions, including a discussion of the Commission's Budget Change Proposal (BCP) related to the detangling of EdFund.

**AGENDA ITEM 4 – DISCUSSION OF FEDERAL FINANCIAL AID PROGRAM INTEGRITY FINAL REGULATIONS (Information)**

This agenda item was not discussed.

**AGENDA ITEM 5 – CONSIDERATION OF 2011-12 LEGISLATIVE AND BUDGET PRIORITIES (Action)**

Ms. Lori Nezhura presented the proposed 2011-12 Legislative and Budget Guiding Principles, indicating that they are essentially the same guiding principles used by the Commission for the past two years of legislative session.

Some discussion ensued and the Commission planned to convene a special committee meeting in December to discuss the setting of its priorities.

On **MOTION** by Commissioner Gonzalez, **SECONDED** and **CARRIED**, the Commission **TABLED** agenda item five.

**AGENDA ITEM 6 – DISCUSSION OF POSSIBLE ACTION BY THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY TO MOVE FROM SYSTEM-WIDE FEES TO TUITION AND THE IMPACT ON THE CAL GRANT PROGRAM (Information/Action)**

Executive Director Michel announced that the Commission just received copies of correspondence from Assembly Speaker John A. Pérez regarding concerns about the effort to change the nomenclature "educational fee" to "tuition" and whether the Commission's current Cal Grant legislation would provide for the coverage of tuition rather than the mandatory system-wide fee.

Mr. Dean Kulju, representative of the California State University (CSU) Chancellor's Office, presented the CSU's request to change the nomenclature to tuition because the Chancellor's Office believes it essentially represents funds used to support instruction and the change in nomenclature would make the language consistent with national standards.

A MOTION was made by Commissioner Gonzalez and SECONDED by Commissioner Hershman to direct staff to work with the appropriate parties to resolve the actions that are taken by the California State University and University of California in order to provide funding to students under the Cal Grant program.

The MOTION was WITHDRAWN and the discussion was TABLED until Friday, November 19, 2010 to hear from a representative of the University of California's Office of the President.

**AGENDA ITEM 7 – EXECUTIVE DIRECTOR'S REPORT (Information)**

Executive Director Michel presented her written report and thanked the Commission staff who worked on the transition of the student loan guaranty.

***Item 7.a - California Student Opportunity and Access Program (Cal-SOAP) Project Directors' Report (Information)***

Mr. Ken Songco, Project Director for the San Francisco Cal-SOAP Consortium, presented a written report of Cal-SOAP project activities on behalf of the sixteen projects. Mr. Songco also reported that the next lead project director is Ms. Imelda Simos-Valdez, project director for the South San Joaquin Cal-SOAP project. Lastly, he thanked the Commission for their support of the projects.

**CLOSED SESSION**

Chair Keene announced that the California Student Aid Commission would meet in CLOSED SESSION to discuss and may take action on personnel matters pursuant to California Government Code, section 11126(a)(1). The topic will include:

**AGENDA ITEM 8 – PERSONNEL ITEM*****Item 8.a – Evaluation of the Executive Director's Performance (Action)***

Thereupon, the Commission recessed the OPEN SESSION at 2:28 p.m. and resolved into CLOSED SESSION at 2:30 p.m.

**FRIDAY, NOVEMBER 19, 2010**

**RECONVENE OPEN SESSION**

Chair Keene reconvened the OPEN SESSION meeting of the California Student Aid Commission on Friday, November 19, 2010 at 8:37 a.m.

The following Commission Members were present:

Barry Keene, Chair  
Lorena Hernandez, Vice Chair  
Lynne de Bie, Secretary  
Alexander Gonzalez  
Lawrence Hershman  
Enrique Murillo  
Antonio Solórzano, Jr.  
Fred Wood

The following Commission Members were absent:

Patricia Fong Kushida  
Bonaparte Liu  
Israel Rodriguez

Roll Call was taken and a quorum was recognized.

**PUBLIC COMMENT**

Chair Keene called for public comment and, hearing none, proceeded to the continuation of agenda item six.

**AGENDA ITEM 6 – DISCUSSION OF POSSIBLE ACTION BY THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE UNIVERSITY TO MOVE FROM SYSTEM-WIDE FEES TO TUITION AND THE IMPACT ON THE CAL GRANT PROGRAM (Information/Action)**

Ms. Kate Jeffery from the University of California (UC) reported that, at its last meeting, the UC Regents adopted the name change from “education fee” to “tuition,” effective July 1, 2011. Ms. Jeffery indicated that the UC would like to work with Commission staff in a proactive consultative manner to identify any actions needed in order for UC students to be able to continue to receive their Cal Grants in 2011-12.

General discussion followed about the statutory language and the Commission planned to re-examine the matter from a policy standpoint once the legal issues have been resolved.

**AGENDA ITEM 9 – STUDENT LOAN GUARANTEE PROGRAM ITEM**

*Item 9.a - Presentation by Educational Credit Management Corporation (ECMC) on the transfer and transition of the state’s student loan guaranty program (Information)*

Mr. Richard Boyle, President of ECMC Group, and Ms. Jan Hines, President of ECMC, provided an overview of ECMC, including a summary of the phases of the transition and ECMC’s plans for its California-based office.

**CLOSED SESSION**

Chair Keene announced that the California Student Aid Commission would meet in CLOSED SESSION to discuss and may take action on personnel matters pursuant to California Government Code section 11126(a)(1) and business matters of a proprietary nature pursuant to California Government Code, section 69525(g)(3). Topics would include:

**AGENDA ITEM 8 – PERSONNEL ITEM**

*Item 8.a – Evaluation of the Executive Director’s Performance (Action)*

**AGENDA ITEM 10 – STUDENT LOAN GUARANTEE PROGRAM ITEMS**

*Item 10.a - Presentation on the Operating Agreement Executed by the Commission, EdFund and ECMC for the transition of the state’s student loan guaranty program and for services in support of the programs administered by the Commission (Information)*

*Item 10.b - Consideration of EdFund Operational Matters for 2010-11 (Information)*

Thereupon, the Commission recessed the OPEN SESSION at 10:23 a.m. and resolved into CLOSED SESSION at 10:30 a.m.

**RECONVENE OPEN SESSION**

Chair Keene adjourned CLOSED SESSION at 12:21 p.m. and reconvened OPEN SESSION at 12:22 p.m. Chair Keene indicated there were no items to report.

There being no further business, the meeting of the California Student Aid Commission was adjourned at 12:22 p.m.

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LYNNE DE BIE  
SECRETARY

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**CALIFORNIA STUDENT AID COMMISSION  
MEETING MINUTES**

**DECEMBER 7, 2010**

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A meeting of the California Student Aid Commission (Commission) was held on Tuesday, December 7, 2010 in the Commission Headquarters Executive Conference Room located at 10834 International Drive, Rancho Cordova, California.

Chair Barry Keene called the meeting to order at 11:05 a.m.

The following Commission Members were present:

Barry Keene, Chair  
Lorena Hernandez, Vice Chair  
Lynne de Bie, Secretary  
Alexander Gonzalez  
Lawrence Hershman  
Patricia Fong Kushida  
Bonaparte Liu  
Enrique Murillo  
Israel Rodriguez  
Antonio Solórzano, Jr.  
Fred Wood

Roll Call was taken and a quorum was recognized.

**PUBLIC COMMENT**

Chair Keene asked for public comment and, hearing none, proceeded to the next agenda item.

**CHAIR'S REPORT**

Chair Keene reflected on the Commission's past actions and noted that the Commission is no longer in an adversarial situation with the EdFund Board. He hoped that the question of whether the course the Commission took was too harsh, is no longer a part of the decisions the Commission must make. He encouraged the Commission to continue to maintain policy diversity.

**AGENDA ITEM 1 – CONSIDERATION OF NOMINATIONS TO THE EDFUND BOARD OF DIRECTORS (Action)**

Ms. Keri Tippins, General Counsel, reported that members of the EdFund Board had resigned as of 11:59 p.m. on December 5, 2010. Ms. Tippins added that EdFund is still under a contractual obligation between the Commission, ECMC and EdFund. She explained that only the Commission can designate individuals to the EdFund Board and if a commissioner is designated to the EdFund Board, the EdFund Board term would be limited to the Commission Board term.

On **MOTION** by Commissioner Hershman, **SECONDED** and **CARRIED**, the Commission APPROVED the action to establish the Commissioners as the EdFund Board of Directors.

**AGENDA ITEM 2 – CONSIDERATION OF NOMINATIONS TO THE EDUCATIONAL CREDIT MANAGEMENT CORPORATION (ECMC) BOARD OF DIRECTORS (Action)**

Ms. Tippins reported that ECMC is recruiting a California representative to its Board of Directors. Some discussion followed regarding desirable qualities, including demonstrated strength in decision-making, familiarity with education funding, particularly Cal Grant funding, and the desire to put California’s best interests forward. After a discussion of possible candidates, each Commissioner put forward his or her top three to five choices and a tally was taken of the five most popular candidates.

On **MOTION** by Commissioner Hernandez, **SECONDED** and **CARRIED**, the Commission APPROVED the action to put forward, as a recommendation from the Commission to the ECMC Board of Directors (subject to acceptance), the following top five names:

- 1.) Jack O’Connell, former California State Superintendent of Public Instruction;
- 2.) Richard West, former Vice Chancellor for the California State University and University of California systems;
- 3.) Art Torres, Vice Chair of the Independent Citizens Oversight Committee-the governing Board of the California Institute for Regenerative Medicine, and former Member of the California State Senate and Assembly;
- 4.) Gary Hart, former California State Senator and Assembly Member; and
- 5.) Denise Moreno Ducheny, California State Senator.

**CLOSED SESSION**

Chair Keene announced that the California Student Aid Commission would meet in CLOSED SESSION to discuss and may take action on business matters pursuant to California Education Code, section 69525(g)(3). The topic will include:

**AGENDA ITEM 3 – STUDENT LOAN GUARANTEE PROGRAM ITEM**

***Item 3.a – Consideration of EdFund Operational Matters for 2010-2011 (Information)***

Thereupon, the Commission recessed the OPEN SESSION at 11:56 a.m. and resolved into CLOSED SESSION at 11:58 a.m.

**RECONVENE OPEN SESSION**

Chair Keene reconvened the OPEN SESSION meeting of the California Student Aid Commission at 12:09 p.m. and reported that there were no items to report.

There being no further business, the meeting of the California Student Aid Commission was adjourned at 12:11 p.m.

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LYNNE DE BIE, SECRETARY