

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.

Recommended Action: For information only. No action required.

Responsible Person: Diana Fuentes-Michel,
Executive Director



Executive Director's Report February 28-29, 2008

Dear Commissioners,

On behalf of the Commission and its staff, a warm welcome to our newly appointed Commissioners who will join us for their first time at the February Commission meeting. The Commission staff looks forward to working with you as we continue our work on behalf of California students and the State of California.

This month's activities have focused on the Commission's Cal Grant public awareness and FAFSA workshop assistance efforts that drive the number of students who successfully apply for the State's Cal Grant and other federal and state funded financial aid programs. In addition, Commission staff has been hard at work planning for the anticipated move to a new facility and the possible sale of the Commission's auxiliary loan services organization, EDFUND. While the processing of the Cal Grant GPAs for the 2008-2009 academic year will continue until March 2, at the time of this report, we have received 1,030,646 electronically uploaded GPAs and 8,954 paper GPAs. We are beginning the process of offering Cal Grant awards as students complete the process of filing a FAFSA and GPA verification form and that data is downloaded and processed by the Commission's information technology and program administration and services staff. This data fluctuates until several weeks after the March 2 deadline when we can actually determine the level of grants offered and compare it to the previous year data. We will bring this information to you at the Commission's April meeting.

Impact of Governor's Proposed Budget---The Governor's January budget proposal to eliminate 22,500 new Competitive Cal Grant awards will require the Commission to take action to inform Cal Grant competitive applicants of the uncertainty of funding new Competitive Cal Grant awards. Commission staff will bring to the Commission at the February meeting, its plan for informing students and schools.

The Governor's Budget also applied a 10% cut, or \$1.6 million, to the Commission's budget. Commission staff is identifying ways to implement the proposed cut, but believes that the cut could have a significant effect on Commission services. For example, as you may know, the Commission has increased and improved its school services over the past two years. Expected reductions in General Fund support for the administration of state programs may require the Commission to reduce the number of

training opportunities for schools throughout the year. Commission staff is working on developing an on-line curriculum and training tools in an effort to continue to provide the same level of training services to schools. Staff is also being encouraged to look at alternative ways to deliver other school and student services as we anticipate possible reductions in the Commission's budget.

Institutional Participation Agreement for 2008-2009---A new Institutional Participation Agreement (known as the IPA) for the 2008-2009 was issued this month. This agreement with Cal Grant participating schools establishes institutional requirements for participating in the program. Schools will be asked to have their completed IPAs back by April 7, 2008 so that their agreement with the Commission will be in place for the upcoming award year.

Chafee Foster Youth Program---The Commission has obligated all fiscal year 2007, federal and state funds, to eligible foster youth students for the Chafee Grant Program. The Commission continues to use returned/unused funds to make awards to eligible foster youth. The California Department of Social Services (CDSS) has requested that the 2007 fiscal year contract be amended to augment the program by \$1 million (that will be taken from the 2008 fiscal year funds). This fund transfer means that the funding for 2008 will reduce grants available by \$1 million and fewer awards will be available. This policy decision is made by CDSS. Commission staff has raised its concerns about the impact on students for the 2008 fiscal year. Commission staff will work with both the Governor and Legislature to express concern about the impact of reducing program funding. Former foster youth seeking college financial assistance through the Chafee Program outpaces existing federal and state funding by almost two to one. I will keep you posted on our efforts.

In addition, the Commission continues its work with the John Burton Foundation to identify donors for the foundation's *Backpack for Schools* project. To date, the foundation has provided 800 former foster youth (who participate in the Chafee Foster Youth Program) with a \$100 gift card to assist their transition from foster care to independent living as a college student. The Commission, along with our partners at the Los Angeles Cash for College project, is assisting former Senator Burton in his efforts to help foster youth through this project.

Status of the Commission's Nursing Loan Forgiveness Programs---Regulations for our loan forgiveness programs for Nurse Faculty and Nurses employed in State Facilities are in their 45 day public comment period. The comment period ends on March 10, 2008. Staff will report out on the status next month. The Commission hopes to have the regulations in place by June 30, 2008.

Continued Improved Communications---I also want you to know the progress of our efforts to improve communications with students and schools. The Commission has enhanced its telephone system by adding the EZ Route system, which will inform callers of high call volumes and provide important seasonal messaging and referrals to the Commission's website. The Commission's call center will have extended hours, Feb. 19th – 29th from 5 p.m. to 8 p.m. in an effort to assist students in filing for the Cal Grant prior to the March 2nd deadline.

The Commission has a new and improved Fast Blast external newsletter and Keeping You Informed internal newsletter. I would appreciate your comments on our new format. The Commission has also redesigned the look and feel of our website on the Internet and is currently working on the redesign of our Intranet pages. The Commission staff is also focusing on identifying ways that the Commission can reduce travel and printing costs in favor of web conferencing, electronic document posting and digital communications tools to help meet the needs of our students and college financial aid, outreach and high school counselor offices.

Cash for College Update---We have more than 500 Cash for College workshops registered this year and organizers say that the attendance rates are higher than in prior years. The College Access Foundation of California generously awarded the statewide Cash for College program \$1.2 million in scholarship and program funding. The Cash for College program is busy working to raise \$150,000 in matching scholarship funding to meet the Foundation's Challenge for 2009. We recently received notification that the Cash for College program was selected by the **Western States Assembly of the College Board** as this year's recipient of the **College Scholarship Service Distinguished Service Award**. We are extremely proud of this accomplishment which will be awarded to the Commission at the upcoming meeting of the Western States Assembly in late February. Congratulations to our staff and our Cash for College partners, LA Cash for College project, the College Access Foundation and our Cal-SOAP projects.

At the Commission's February meeting, we will be discussing future funding and a proposed new allocation method for determining funding levels for our Cal-SOAP projects. The California Student Opportunity and Access Program (Cal-SOAP) provides tutoring and outreach to disadvantaged students in grades 7-14 about college access and financial aid. Commissioner Solórzano, the Commission's Cal-SOAP liaison, and the Commission's management met with the Cal-SOAP project directors and the Cal-SOAP advisory committee to discuss and receive advice about how the Commission might respond to the Governor's proposed 2008-09 Budget. The agenda materials for the February meeting will include more information on this important matter.

Public Awareness---This year's Cal Grant application cycle is assisted by the available funding through our Student Loan Operating Fund dollars for a statewide public awareness campaign assisted by our outside public relations firm, Runyon, Salzman and Einhorn. We experienced a great statewide launch of the Public Awareness Campaign at Burbank High School and were joined by Superintendent of Public Instruction, Jack O'Connell, Sacramento City Councilmember Bonnie Pannell, Dr. Magdalena Carrillo Mejia, Superintendent of Sacramento City Unified School District, Commissioner Lorena Hernandez and our College Cash Crew Captains.

Since the Cal Grant Public Awareness Campaign began in January, we have had more than 179 stories or media placements regarding Cal Grants, the campaign and Cash for College in print, on the web, and in broadcast media, as of February 6. The local NBC affiliate in Sacramento, KCRA-TV January call-in event was also a success. Volunteers fielded 1,182 calls about Cal Grants, financial aid and Cash for College workshops from 5:00 a.m. to 7:00 p.m. The Commission staff assisted by our Cash for College and Cal-SOAP partners also assisted in the Fresno Univision call-in event. Volunteers received 158 calls in 1-½ hours at the Commission. A Su Lado at the Los Angeles Univision

station was also a hit. All of these efforts were greatly assisted by our media and business partners.

The Commission joined the Los Angeles Area Chamber of Commerce and LA Cash for College for a special event in L.A. to highlight Cash for College workshops and the Cal Grant Public Awareness Campaign. Featured speakers included LA Mayor Antonio Villaraigosa, Commissioner Lorena Hernandez and LA Unified School District (LAUSD) officials such as Superintendent of LAUSD, David L. Brewer. We were also joined by our newly appointed Commissioner Peter Hankwitz.

New Commission Reports---Commission staff has completed the following three Legislative reports as mandated by statute. These reports as well as other valuable reports produced by the Commission can be viewed on the Commission's website at www.csac.ca.gov: 1) Competitive Cal Grant Report; 2) Cal Grant Transfer Entitlement Report; and 3) the Student Expenses and Resources Survey (SEARS) Casebook. The Reports and Publication Web Page Layout has a new streamlined look and provides easy access. The Commission's Research Branch has also established a Research Mailbox to redirect all data request. This process has eliminated duplicate data requests and thereby ensuring that data requesters are receiving accurate data timely and freeing up staff resource time to focus on other Branch priorities.

Planning for the Proposed Sale of EDFUND---The proposed transition of the EDFUND synergy projects and subsequent facility move will greatly impact staff availability to support on going, high priority informational technology projects. These events will require prioritization of information technology (IT) and program administration and grant activity. The information technology and program administrative and services staff are currently working on the implementation of Phase II of the Grant Delivery System enhancements which were funded in both the 2006-07 and 2007-08 state fiscal year budgets. This work is occurring at the same time Commission staff is processing the current year applications and awards.

The proposed transition of our data system from EDFUND has resulted in a planned move of all our production and network resources to the Department of Technology Services (DTS) by the end of March 2008. We have initiated the process with the move of the WebGrants for Students to DTS on Feb 2, 2008. Your agenda materials will include a specific item on the impact on the proposed transition of support services from our auxiliary organization to the Commission. This item will discuss operational priorities and possible impacts of returning EDFUND civil servants to CSAC.

Our Federal Policy and Program Division staff will be bringing to you several important items that will require our focused attention concerning the Commission's participation in the federal student loan program among them, approval of the 2008-09 Operating Agreement with our auxiliary, EDFUND. The 2007 Legislative Report on EDFUND is also included in your materials and will provide you with important information on the work of our loan services auxiliary.

The Commission staff is here to answer any questions you might have on the issues before you at the February meeting. I look forward to seeing all of you on February 28-29 and meeting the new Commissioners at their orientation on February 27. I can be

reached at (916) 526-8271, should you have any additional informational requests or questions.

Sincerely,

A handwritten signature in blue ink that reads "Diana Fuentes-Michel". The signature is written in a cursive style with a large initial 'D'.

Diana Fuentes-Michel
Executive Director
California Student Aid Commission