

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, which includes:

- a. Laura Brown, President and CEO, The California Coalition of Accredited Career Schools (Information)
- b. Saffron Zomer, Program Director, California Public Interest Research Group (CALPIRG) (Information)
- c. EdFund Report (Information)
- d. California Student Opportunity and Access Program (Cal-SOAP) Project Directors' Report (Information)

Recommended Action: For information only. No action required.

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



Executive Director's Report April 2010

Dear Commissioners,

April is a busy month at the Commission and in financial aid offices across the state. April is decision time for the thousands of California high school seniors who must make the decision of where they will go to college. This year's admissions decisions are being affected by the State's fiscal crisis as changes in the admissions process at the University of California have affected students' enrollment decisions. The establishment of a waiting list for the University of California has resulted in students not knowing whether they might be later accepted to a University of California campus of their choice. Financial aid award letters are coming later in the process for those students who are on waiting lists as potential students are not processed until they are admitted. The California State University has announced that they will reduce student enrollment by over 40,000 students over the next several years. These events have increased students' anxiety over their college admissions and whether sufficient financial aid will be available at the institution they are able to attend.

This year, the Commission's staff has seen an increase in calls, emails and written communications as the number of Free Applications for Federal Student Aid (FAFSAs) are up 21 percent. Kudos and special recognition goes to Commission staff for their hard work especially during the month of March to process all of the FAFSA on-time applications by April 1st.

A big thank you also goes out to our community, education and business partners who helped us with this year's Cash for College events. Many high school counselors, teachers, financial aid and outreach professionals, including members of the California Association of Student Financial Aid Administrators (CASFAA), helped us with promotion and organization of events. The Cal-SOAP project directors in our 16 regions helped provide support for our over 500 financial assistance workshops. I was able to attend a number of FAFSA events and conducted numerous in-person media and phone interviews to get the word out about the Cal Grant program and the need to complete the FAFSA and the grade point verification form (if the student's high school did not provide it). A special thank you to Janet McDuffie, chief of Administration & External Affairs, Catalina Mistler, chief of our Program Administration & Services, Louise Shroder, the Commission's communications manager, Despina Costopoulos, our Cash for College coordinator, and Lori Nezhura, our governmental relations liaison, for their extraordinary contributions during this time,

Spring time also marks the beginning of our State budget hearings, the first of which was March 24th before the Assembly Budget Subcommittee on Education. A copy of my testimony is attached to this report. The April agenda meeting will include a discussion on Cal Grant priorities and the Commission's budget. Recent events in Washington saw the passage of the Reconciliation legislation, which include the Student Aid and Fiscal Responsibility Act (SAFRA) provisions reforming the federal student loan program and expanding opportunity under the federal Pell grant program. The federal Reconciliation also included continued funding for the Cal-SOAP and Cash for College programs for 2010-11.

Earlier this month, I participated in the Latino Education & Advocacy Day (LEAD) conference at California State University, San Bernardino. I want to thank Commissioner Murillo for his invitation to participate in LEAD. The conference focused on Latino education issues here in California and internationally. It was a huge success bringing educators and policy makers throughout the Inland Empire, the state of California, and nationally to address how the educational attainment of Latinos can be improved. Today, Latino students comprised over 50 percent of our K-12 students and yet they are not graduating and going on to college in the same numbers as their peers. I look forward to continuing to work with LEAD on our common agenda.

I am looking forward to seeing you all at the Commission meeting on April 15th. Below is a summary of the status of our programs and activities since our last Commission meeting.

STATUS OF THE COMMISSION'S PROGRAMS

Cal Grant and Specialized Programs Operations Update

- The Cal Grant application deadline (March 2) resulted in a 21% increase in the number of Free Applications for Federal Student Aid (FAFSAs) filed in California.
- 2010-11 Cal Grant Entitlement Awards have been made to over 79,753 students. Staff continues to process paper Grade Point Average (GPA) corrections and appeals that will increase the number of award offers.
- Commission staff processed over 70,000 paper GPA applications by April 1, 2010, which is the earliest date that paper GPAs were input into the system.
- E-mail has been the primary method of communication to parents and students. In the past month, we have sent e-mail notifications for California Aid Reports (CARs), disqualified applicants, parents about the new e-CAR, students with FAFSA and no GPA and current Cal Grant students without a fall payment.
- Cal Grant WebGrants training was provided to over 120 community college financial aid staff during the CCCSFAAA spring training events. Bryan Dickason provided the training at Solano Community College - Fairfield Campus, Los Angeles Pierce College and Mt. San Jacinto College - Menifee campus.
- The March 2 Cal Grant Competitive and Transfer Entitlement award cycles are anticipated to be run in late April.

- Real-time processing of batch payment uploads has been implemented and institutions can immediately see if a payment is accepted or rejected rather than waiting a week for the results.

Chafee Foster Youth Program Update

- Processing 2009-2010 and 2010-11 Chafee applications.
- Continue to make enhancements to WebGrants for schools to better assist students.
- The 2009-10 contract was amended to reduce state local assistance funding by 12% and those funds have been reconciled.
- The 2010-10 Need Analysis Report is available for schools to submit online.
- Staff is working through an interagency agreement with the State Controller's Office to transition Chafee payments from a manual payment process to Electronic Claim Schedule process.

Federal Policy & Programs Update

- Student Aid and Fiscal Responsibility Act (HR 3221 – SAFRA) Legislation (coupled with Health Care legislation) was passed through the budget reconciliation process and signed by the President on March 30, 2010.
- As of June 30, 2010, no new loans will be made under the Federal Family Education Loan Program (FFELP).
- Beginning July 1, 2010, all new Subsidized and Unsubsidized Stafford, PLUS Loans, and Consolidation Loans will be made under the William D. Ford Federal Direct Loan Program.
- The Commission's 2008-09 Annual Report to the Legislature was released on March 30, 2010. Commissioners were mailed a copy of the Annual Report.
- EdFund produced a 2009-10 budget approved by their board on March 17, 2010. According to Commission staff analysis, the budget document is not timely, does not include a business plan, and does not reflect the actions taken by the Commission, for example, to disallow incentive compensation for 2009-10.
- Sale of EdFund - As reported at the February Commission meeting, the California Department of Finance (DOF) has scored the sale of EdFund at \$450 million dollars and has indicated that this sale should be concluded by July of 2010.

STATUS OF ACTIVITIES RESULTING FROM ACTIONS TAKEN BY THE COMMISSION

Below is a summary of the actions taken by the Commission at its February 25, 2010 meeting.

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
1	<p>California National Guard Education Assistance Award Program (CNGEAAP)</p> <p>The Commission approved a contract with the California Military Department for administration of the CNGEAAP in the amount of \$8,173,000 for 2009-10 through 2011-12.</p>	<p>The contract has been signed by the Commission and the California Military Department, and is awaiting approval by the Department of General Services.</p>
2	<p>Attorney General’s Office Contract Amendment</p> <p>The Commission approved an amendment to the 2009-10 Interagency Agreement with the Attorney General’s Office for legal services to increase the amount of the contract from \$85,000 to \$285,000.</p>	<p>The contract amendment has been fully executed.</p>
3	<p>Legislation Affecting the Commission and its Programs</p> <p>The Commission adopted the following positions:</p> <ul style="list-style-type: none"> • <u><i>HR 3221: Student Aid and Fiscal Responsibility Act (SAFRA) (Miller)</i></u> SUPPORT IF AMENDED to specify how the asset data would be captured and the cap would be determined; and to communicate with United States Senators Barbara Boxer and Dianne Feinstein to encourage their support of the movement of SAFRA so that Cal-SOAP and Cash for College can receive funding. • <u><i>AB 1703: Nursing Assumption Program of Loans for Education (Knight)</i></u> SUPPORT IF AMENDED to identify resources for Commission administration and include, “The total loan assumption for a program participant under this subdivision shall be equal to the participant’s total outstanding liability under one or more of the designated loan programs or \$50,000, whichever is less.” 	<ul style="list-style-type: none"> • Certain provisions of HR 3221 were folded into HR 4872 (including funding for the College Access Challenge Grant), which was passed on March 25, 2010. <i>See Tab 4 for an analysis of HR 4872.</i> The Executive Director sent letters to Senators Boxer and Feinstein in early March. • Staff has worked with the author and favorable amendments have been taken for AB 1703. <i>See Tab 9 for more information.</i>

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
	<p>Legislation (cont.)</p> <ul style="list-style-type: none"> • <u>AB 1761: Cal Grant B Awards: Award Amount (Fong)</u> CO-SPONSOR with the California State Student Association. • <u>Unbacked Bill: Veterans' Educational Benefits</u> SPONSOR if an author can be found to introduce the bill. 	<ul style="list-style-type: none"> • AB 1761 passed Senate Education and will be heard next in Senate Appropriations where it will undoubtedly be placed on the Suspense File. See Tab 9 for more information. • SB 1382 (Committee on Veterans Affairs) was introduced on April 5, 2010, to address the issue with veterans' educational benefits. See Tab 4 for more information.
4	<p>Annual Report to the Legislature on EdFund</p> <p>The Commission approved the draft Annual Report to the Legislature on EdFund for Federal Fiscal Year October 1, 2008 – September 30, 2009, providing staff authorization to make necessary technical edits.</p>	<p>The Annual Report to the Legislature on EdFund was finalized and distributed to the Legislature by March 30, 2010.</p>
5	<p>Advisory Committee Nominations</p> <p>The Commission approved the following appointments to the Grant Advisory Committee:</p> <ul style="list-style-type: none"> • Mr. Frederick Holland as the California Association of Private Postsecondary Schools (CAPPS) Campus Representative for the term February 25, 2010 to February 25, 2012; and • Ms. Julia Blair as the California Postsecondary Education Commission (CPEC) Representative for the term February 25, 2010 to February 25, 2012. 	<ul style="list-style-type: none"> • Member Holland, who was re-appointed, has participated in the AB 187 Task Force and continues to participate in segmental teleconferences regarding AB 187. • Member Blair, a new appointment, will be included in future segmental consultations.
	<p>Commission Meeting Minutes</p> <p>The Commission approved the November 19, 2009 and December 7, 2009 meeting minutes as presented.</p>	<p>The Commission meeting minutes have been signed by the Commission Secretary.</p>

Lastly, I am happy to announce that several segmental representatives will be joining us at our April Commission meeting.

- Ms. Laura Brown, President and CEO of The California Coalition of Accredited Career Schools, will be speaking about her new organization representing the accredited career

schools and the importance of preserving access to private career schools through the Cal Grant program. Last month, Lori Nezhura, the Commission's governmental relations liaison, and I spoke to the Coalition on the status of the Commission's programs.

- In addition to Ms. Brown, I have asked Ms. Saffron Zomer, Program Director of the California Public Interest Research Group (CALPIRG) to speak to the Commission on CALPIRG's activities including an update on the "Working Too Hard to Make the Grade" initiative. Commission staff has been working with CALPIRG on the "Save the Cal Grant" campaign and will be requesting the Commission's support of statement found under Tab 10.b.

Finally, the April 15, 2010 Commission Meeting agenda will not include a written report from EdFund President Sam Kipp; however, President Kipp will be available at the meeting should you have any questions.

Sincerely,

Diana Fuentes-Michel
Executive Director
California Student Aid Commission
(1975-1979 Cal Grant Recipient)

**Testimony before the Assembly Budget Subcommittee #2 on Education
March 24, 2010**

**Diana Fuentes-Michel, Executive Director of the
California Student Aid Commission**

Good afternoon, Chair Carter and members, I am Diana Fuentes-Michel, executive director of the California Student Aid Commission. On behalf of the Commission, its staff and the over 300,000 current Cal Grant recipients, I thank you for your support of the Cal Grant program and the opportunity to address you this afternoon. At a time when unemployment is at a record high 12.5%, it is more critical than ever to;

- Keep new and current students in college and on-track to degree completion and,
- Promote access for those who need to retain or augment their education to be able to compete for current and future high-need, high growth jobs.

(SEE ATTACHMENT 1)

The Cal Grant program is an investment of state funds that pays dividends. A four-year longitudinal study of 100,000 students showed that receiving a Cal Grant was a significant factor in determining whether students enrolled immediately in the first year, re-enrolled in the second year, stayed at the same institution all four years, or remained enrolled anywhere in higher education for

four years. It is a program that provides educational opportunity to hundreds of thousands of students who would not be able to afford college otherwise. The Commission continues to partner with other public and private agencies to administer these programs and ensure all students get that opportunity.

Your staff has asked that we provide you with an overview of the 2010-11 Governor's proposed January budget and how it impacts students. The Governor's budget proposes to:

- Eliminate 22,500 new Competitive Cal Grant awards thereby phasing out this program which serves adults returning to school for education and training; 75 percent of all competitive Cal Grant recipients are women whose average incomes are less than \$14,000.
- Change the long-standing policy of increasing the size of the Cal Grant award for students attending the University of California and the California State University by decoupling fee increases with increases in Cal Grant aid. This change in policy will affect over 113,000 students in college next fall.
- Freeze the income and asset ceilings at their 2009-10 year levels.

Student concerns about access and completion are evidenced by the increased number of applicants and eligible recipients in both the Cal Grant Entitlement and Competitive Cal Grant programs;

(SEE ATTACHMENT 2)

- The number of California students submitting FAFSA's increased 14% in 2009-10 and 18% in 2010-11.
- In 2009-10, there was a 6.5% growth in High School Entitlement applications and 7.5% growth in eligible students from 2008-09.
- Although we are still processing 2010-11 High School Entitlement applications, we are seeing similar increases.
- In 2009-10 over 209,000 students met the financial and basic eligibility criteria for the Competitive program. A 29% growth for the year.

Your staff also asked that we address how the 2009-10 budget reductions have impacted our operations. The Commission administers the Cal Grant program as well as 11 other specialized programs such as the Chafee Foster Youth Grant program, APLE loan assumption programs and the new California National Guard Education Assistance Award Program. The Commission's operating budget is \$11 million or less than 1 percent of the total funds administered. The Commission's local assistance budget is approximately \$1 billion in grant and

specialized program funds, which serves over 300,000 students. The Commission's grant delivery system processes over 2.3 million FAFSA records and 4.5 million grade point average records annually. In addition, the Commission's staff manages the Federal and Student Loan Operating Fund, which support the administration of Federal Family Education Loan Program (FFELP). While the day-to-day operation of the FFELP program are administered by EdFund, the Commission's loan services auxiliary, the Commission, as the guaranty agency, is responsible to the federal government for fiscal and program accountability.

The 2009-10 budget reduced the Commission's operating budget by 25 percent. **(SEE ATTACHMENT 3)**

The Commission's staff has been reduced to approximately 123 positions. We have mitigated the budget reductions and the furloughs by prioritizing workload, setting deadlines for program delivery that coincide with student admissions decisions for the Cal Grant program, and provide for later processing deadlines for the loan assumptions and other grant and scholarship programs.

In addition, the Commission has automated and streamlined many of its application processing functions including some web services. The Commission

has implemented the GPA electronic upload process, which has streamlined the workload of high schools and the Commission in the submittal of the required GPA verification form. Another example is the implementation and enhancements to the WebGrants for Students and WebGrants for Schools that allows Cal Grant recipients and participating schools to obtain information about their eligibility and payment status by utilizing a web-based Internet system.

While the Commission has worked hard to mitigate the impacts of the budget cuts on students, it has had to reduce some level of service and timeliness. Staff has continued to reorganize the way we work and to shift priorities to maintain our operational responsibilities to serve the public. As an example, the Commission has curtailed its call center hours. While we have implemented an interactive voice system that has provided better service, students have seen an increase in wait times. Although the Commission has reduced its call center hours there has been an increase in emails and correspondence. The Commission has also had to defer critical investments in software and hardware used to support our programs. The Commission has reached the point where we cannot sustain any further reductions and be expected to maintain a high level of service and administration.

And finally, I wanted to provide you with an update on the status of legislation enacted earlier this year, requiring the Commission to establish a pilot program for an alternative Cal Grant Delivery System.

(SEE ATTACHMENT 4)

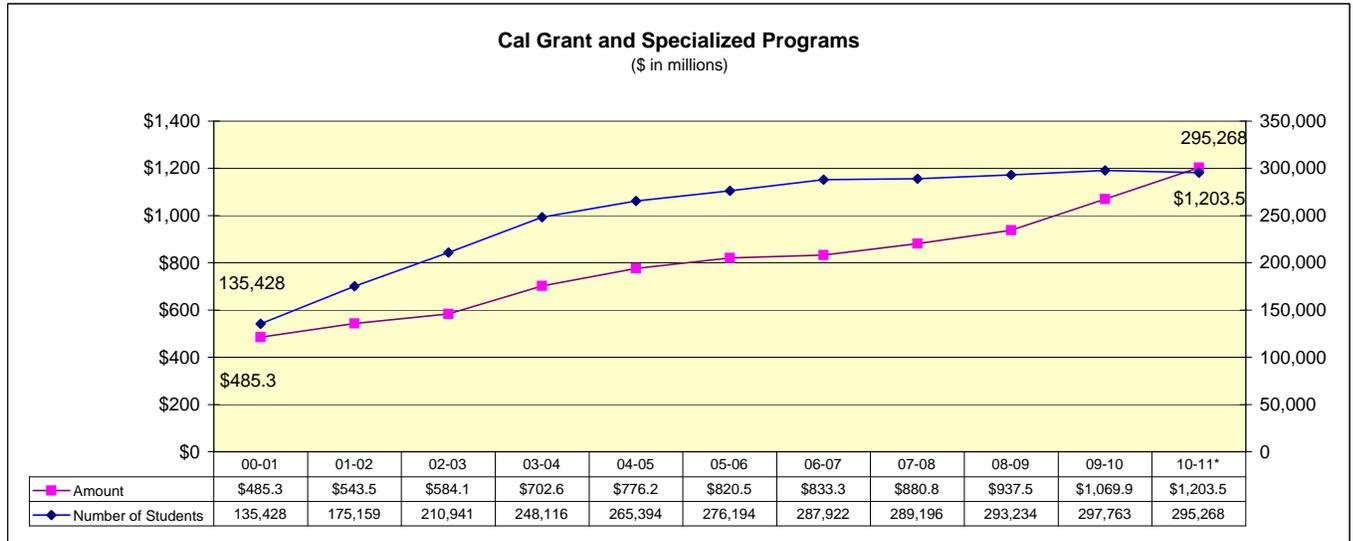
AB 187 requires participation by at least 30 (but no more than 35) Cal Grant institutions and would require the pilot institutions to be responsible for awarding and notifying Cal Grant students of their eligibility and then notifying the Commission of its awards. The pilot program would operate alongside the Commission's existing Cal Grant delivery system for non-participating pilot institutions. The bill envisioned that the Commission would maintain the tracking of all students awarded Cal Grants by the pilot institutions and the Commission. The Commission would also be responsible for the fiscal accounting and payment of all Cal Grants. In addition, the Commission would continue to be the central depository of grade point average information for all Cal Grant students. AB 187 requires that all awards by pilot institutions comply with the access and selection mandates stated in current law. It is envisioned that the pilot program would conform to the intent of the Cal Grant Program by requiring the pilot institutions to notify their students of the portability of the Cal Grant awards and the potential amount of the Cal Grant awards at institutions at other segments. I have provided

a one-page summary of the pilot program concepts and outline of the steps that the Commission has taken to implement AB 187 to date.

And finally, in the 2007 Budget Act, the Governor proposed the sale of EdFund, the Commission's loan services auxiliary. This week, Congress eliminated private lender subsidies in the federal student loan program in order to redirect funding to increase the Pell grant students. The Commission was the first guaranty agency in the country to support President Obama's proposal to increase the size of the Pell Grant funding and expand eligibility by eliminating this subsidy. This action requires that you give a fresh look to how the State of California maximizes federal student aid.

The Commission thanks you for your support and looks forward to discussion about how we can work together to ensure that students get the financial aid they need in order to get the college or career technical education they need to enter the workforce and succeed. I look forward to answering any questions you might have regarding the Commission and its programs.

California Student Aid Commission
Financial Aid Programs
Funding History



Percent Change from 2000-01 to 2010-11: Amount: 148% Number: 120%

* 2010-11 projection based on Governor's Proposed 2010-11 Budget, with new Cal Grant Competitive Awards added back in.

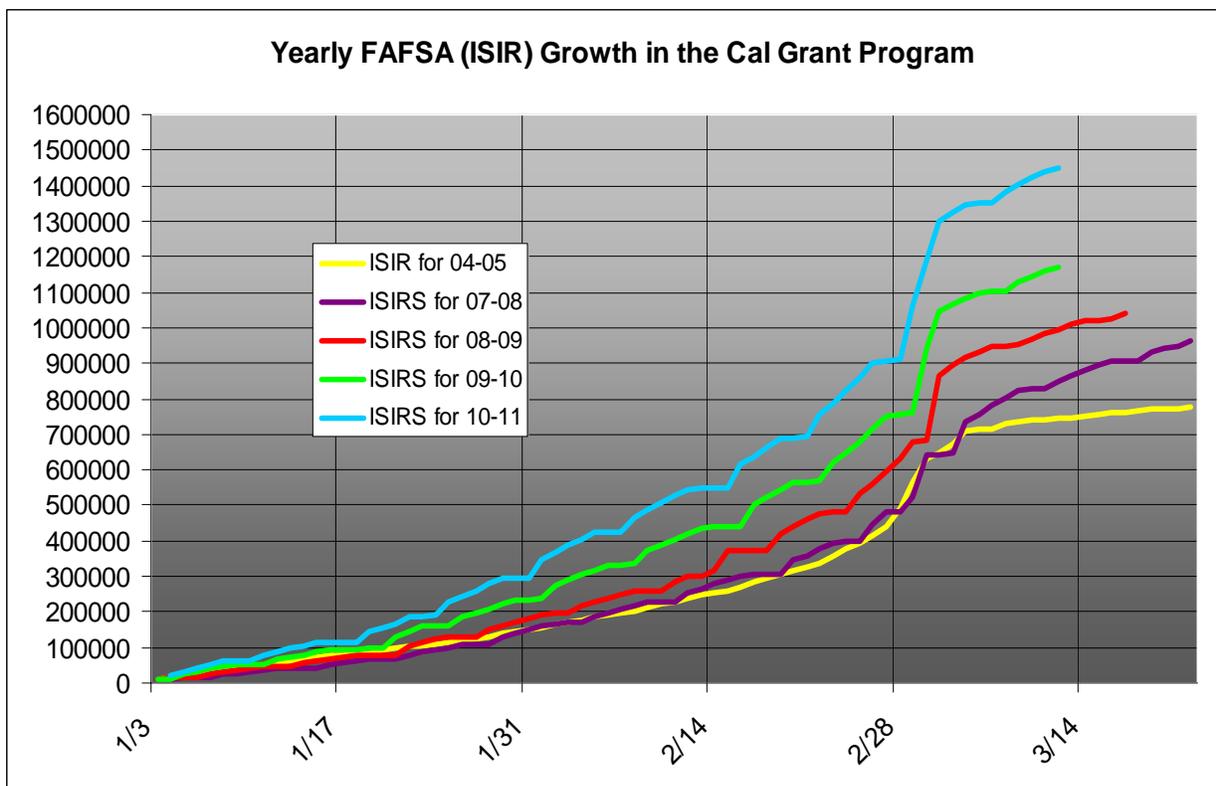
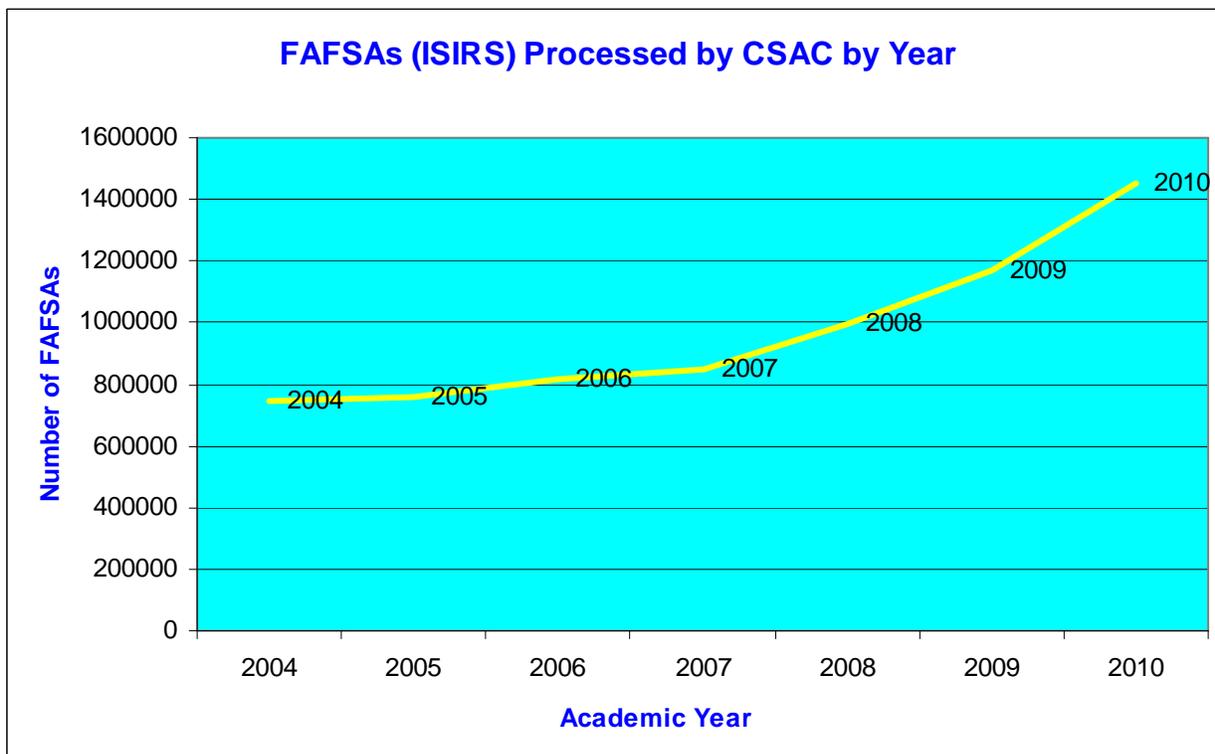
Note: 2001/02 was the first year of Cal Grant Entitlement Program.

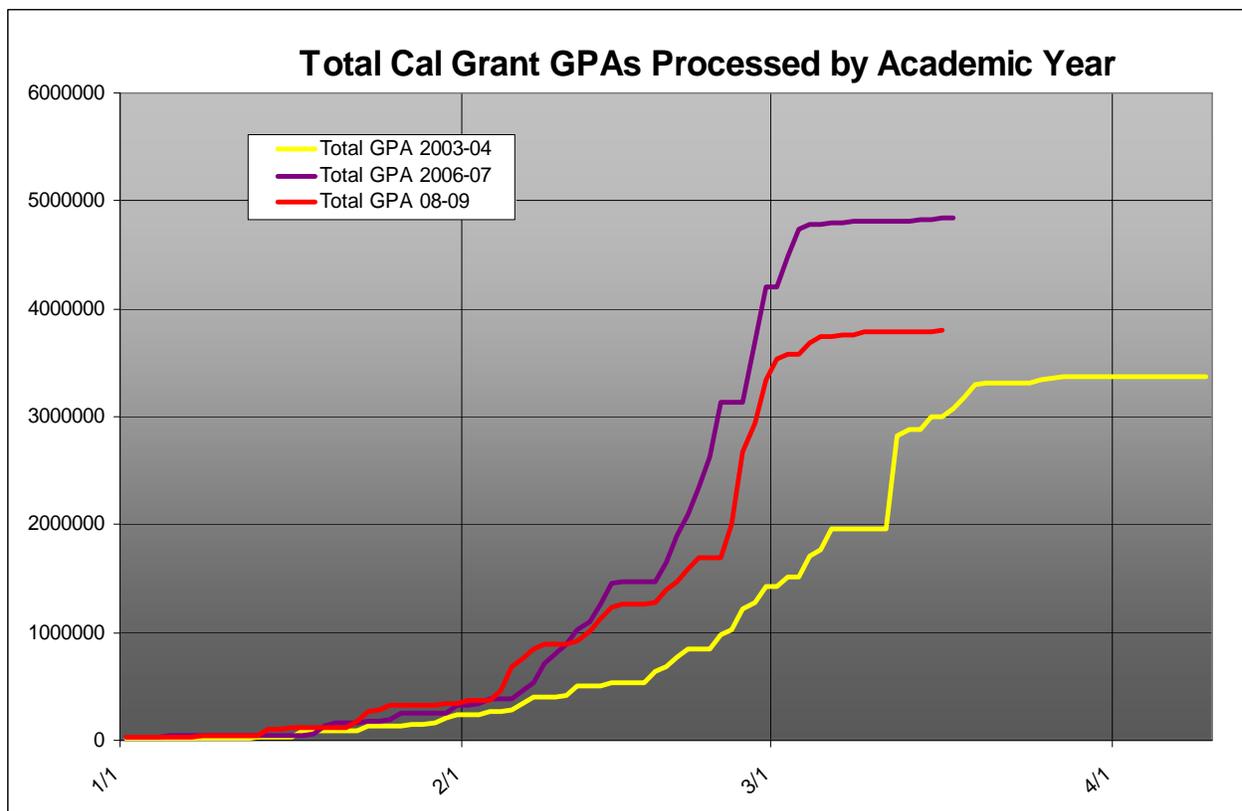
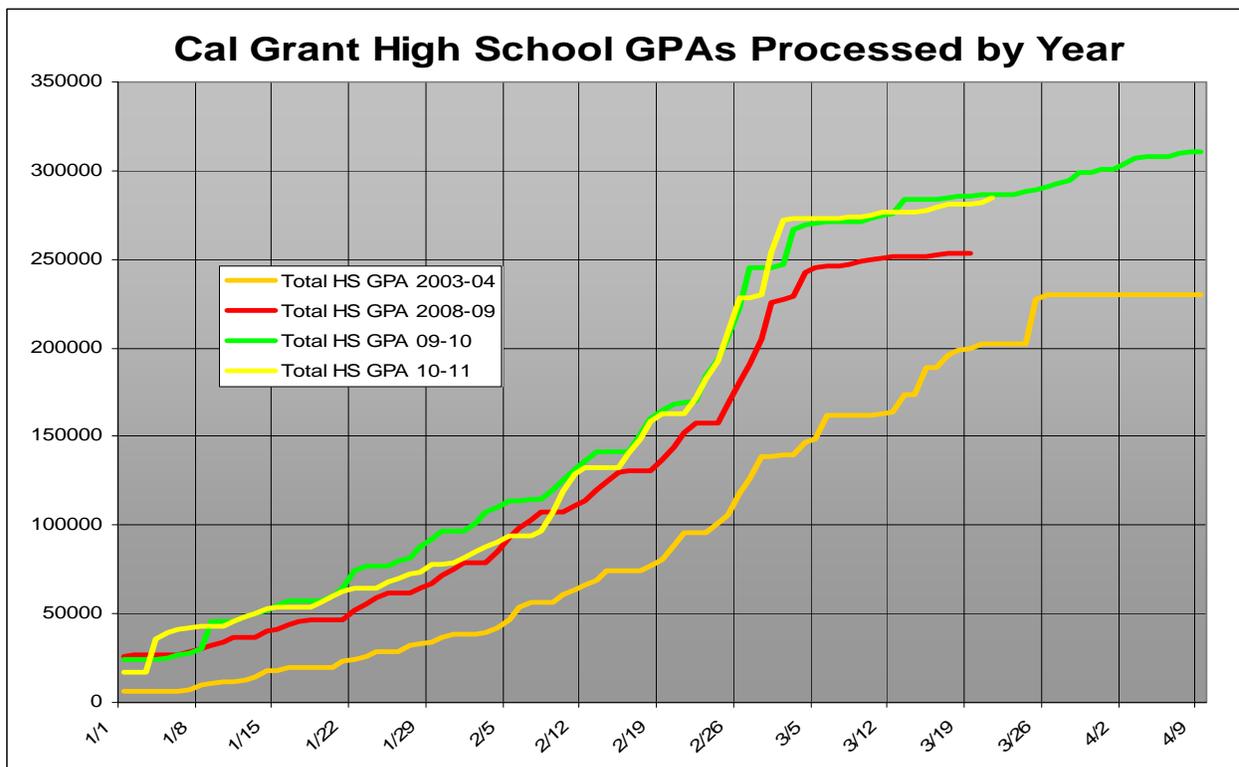
Cal Grant Entitlement Programs

Segment	2007-08		2008-09		2009-10	
	Offers	%	Offers	%	Offers	%
University of California	15,714	23%	17,295	22%	18,442	21%
California State University	21,824	32%	26,463	33%	27,412	31%
California Community Colleges	22,881	33%	26,216	33%	30,433	35%
Independent Colleges	5,829	8%	6,709	8%	7,802	9%
Private Career Colleges	3,004	4%	3,437	4%	4,050	4%
Total All	69,252	100%	80,120	100%	88,139	100%

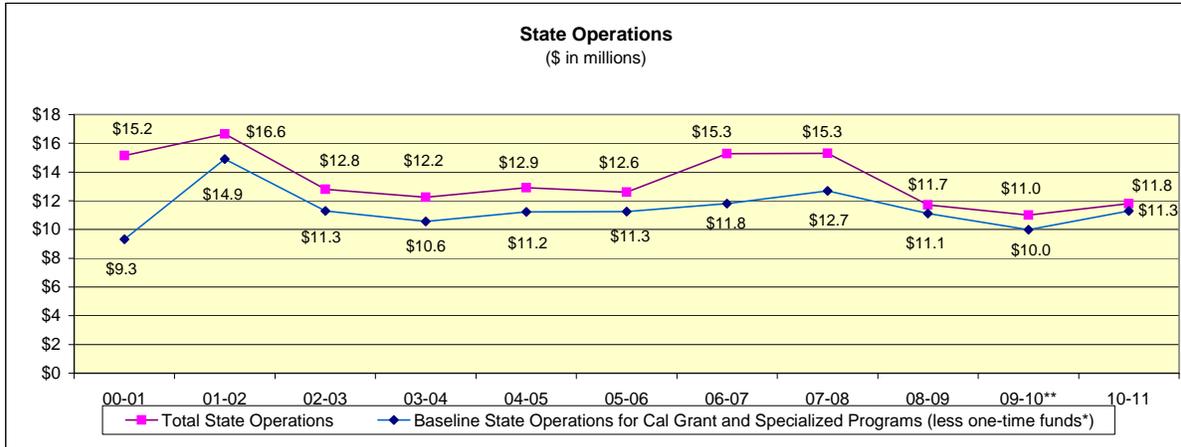
Cal Grant Competitive Program

	2007-08		2008-09		2009-10	
Number of Eligible Applicants	148,439		162,044		209,196	
Segment	Offers	%	Offers	%	Offers	%
University of California	908	4%	670	3%	534	2.0%
California State University	2,383	9%	2,068	8%	1,546	6.0%
California Community Colleges	17,927	70%	18,444	73%	18,703	76.0%
Independent Colleges	893	3%	716	3%	587	2.0%
Private Career Colleges	3,511	14%	3,469	13%	3,391	14%
Total All	25,622	100%	25,367	100%	24,761	100%





California Student Aid Commission
State Operations Funding History



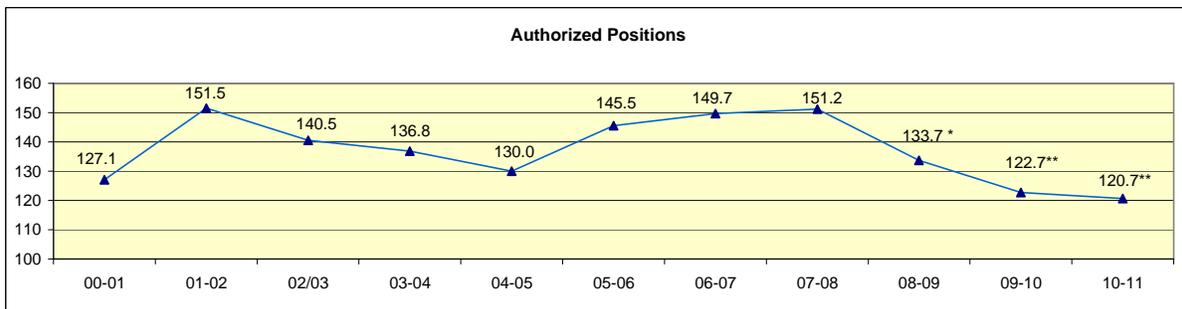
Percent Change from 2000-01 to 2010-11: Total: -22% Baseline: 21%

One-time funds include funding for the implementation of Cal Grant Entitlement Program (SB 1644), the tri-annual SEARS survey, Grant Delivery System Enhancements (including Real Time processing).

	(\$ in millions)
** 2009-10 Funding reduced almost 25% as noted:	
February 2009 GF Baseline Support Budget	\$13.0
July 2009 Budget: Governor's veto	(\$6.3)
Revised 2009 Budget	\$6.7
AB 187	\$4.3
Adjusted 2009 Budget	\$11.0
Furloughs and other adjustments	(\$1.0)
	\$10.0

Administrative Overhead											
	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10**	10-11**
Overall rate	3.0%	3.0%	2.1%	1.7%	1.6%	1.5%	1.8%	1.7%	1.2%	1.0%	1.0%
Baseline Cal Grant and Specialized Programs Rate (less one-time funds)	1.9%	2.7%	1.9%	1.5%	1.4%	1.4%	1.4%	1.4%	1.2%	0.9%	0.9%

Percent Change from 2000-01 to 2010-11: Overall: -51% Baseline: -68%



Percent Change from 2000-01 to 2010-11: Number: -5%

* The reduction in positions in 2008-09 does not reflect the additional loss of 20 student assistants who were terminated on 6-30-08 due to budget reductions and Executive Order 09-08.

**Estimate based on \$2 million operations reduction in 2009-10 and additional 5% workforce cap reduction in 2010-11.

AB 187 – ALTERNATIVE CAL GRANT DELIVERY SYSTEM**November 5, 2009****Assembly Bill (AB) 187 was signed into law, requiring the California Student Aid Commission to establish a pilot program for an alternative Cal Grant delivery system.**

- AB 187 requires at least 30, but no more than 35, institutions of higher education to participate in the pilot program and to pay the Commission's costs of developing, implementing and maintaining the alternative delivery system.
- The three public segments must choose up to 25% of their institutions to participate.
- If at least 30 institutions do not participate and pay the Commission's costs, the Commission will be unable to implement the pilot program.
- The Legislative Analysts Office must report on the implementation and outcome of the first award cycle under the pilot program by January 10, 2012.

November 19, 2009**As required by AB 187, the Commission made the following determination:**

With the restoration of the \$4.3 million to the Commission's 2009-10 state operations budget and no additional budget reductions beyond those required by the 2009-10 Budget Act during the development and implementation of a pilot Cal Grant alternative delivery system, sufficient funding exists for the Commission to conduct its regular operations for administering the Cal Grant Program.

Should the Commission be subject to additional reductions, beyond those identified, the Commission will be unable to continue the pilot program.

December 3, 2009

The Commission convened an Advisory Task Force, with representatives from all institutional segments and the Department of Finance, Legislative Analysts Office and legislative staff in attendance. A Task Force identified and assigned technical and program staff to a Technical Subcommittee.

January 20, 2010

A Technical Subcommittee teleconference meeting was held and initial concepts were discussed.

February 24, 2010

A survey was released seeking information on institutional technical capabilities and financial aid management systems. A draft of the survey had been shared with the Technical Subcommittee for feedback before being released.

March 8 to 25, 2010

Segmental teleconference meetings are scheduled on admissions and timing issues.

AB 187 – ALTERNATIVE CAL GRANT DELIVERY SYSTEM**Utilization of Existing Grant Delivery System Capabilities**

The tentative pilot program concepts envision taking advantage of the Commission's existing Grant Delivery System capabilities, in particular, the Cal Grant roster attendance and payment reporting functions.

- The roster function serves as a grant eligibility and payment issuance record for the institutions and the Commission.
- Institutions and students can also view the payment or non-payment of award funds on-line through WebGrants.
- Incorporating these centralized functions into the pilot program would avoid redesigning the successful payment requesting system allowing institutions to receive Cal Grant funds through the State Controller's electronic fund transfer (EFT) payment delivery system. Institutional accounting offices can reconcile their records against payment requests made and passed on to the Controller's office.
- This maintains accountability of state funds by allowing review by both the Commission and the Controller's office, thus ensuring continued accountability for state funds, and reducing the costs to develop, implement and maintain the alternative delivery system, which must be paid by institutions participating in the pilot program.

Notification of Awards

Cal-Grant-eligible students identified as having applied for admission to pilot institutions would not receive award notifications from the Commission. The pilot institutions would be responsible for awarding and notifying Cal Grant participants of their eligibility and notifying the Commission of the awards. This could be done at any time starting in January.

However, Education Code section 66021.2 establishes the long-term Cal Grant policy of access to, and selection of, an institution of higher education for students with financial need. The Cal Grant Program reinforces this policy of choice and access through the portability of Cal Grant awards. That is, students may use their Cal Grant awards at any institution in any segment of higher education that participates in the Cal Grant Program.

- Thus, the pilot program concept would comply with the access and selection mandates by requiring every pilot institution, when awarding a Cal Grant to a student, to notify the student of the portability of the award and the potential amount of the Cal Grant at institutions in the other segments.
- If a pilot institution does not want to develop its own method of providing this information to students, the pilot institution would be able to refer students to the Commission's existing WebGrants for Students (WGS) website, which provides a Cal Grant award simulation capability for any Cal Grant institution. WGS also enables students to report changes in their institutions of attendance, such as moving from or to pilot institutions, as well as demographic changes.
- The pilot institution would be required to notify the Commission of eligible students *not* awarded by the pilot institution. The Commission would then award Cal Grants to those students, about mid-April, and notify them of their options for using the Cal Grant award at any participating Cal Grant institution. This would ensure that Cal-Grant-eligible students who are *not* awarded by pilot institutions would be treated the same as other students awarded Cal Grants by the Commission.

Tracking

It is envisioned that the Commission would maintain its tracking of all students who are awarded Cal Grants by pilot institutions and the Commission:

- to ensure that eligibility limits are not exceeded,
- to prevent duplicate award payments,
- to ensure an appropriate audit trail, and
- to ensure that all students are notified about their potential Cal Grant awards.

Grade Point Average Information

The Commission would also continue to serve as the central depository of grade point average information for all Cal Grant students, thus eliminating the need for students and high schools to file grade point averages multiple times, with multiple institutions, and to ensure compliance with the March 2 deadline for grade point averages.

10.a

Information Item

California Student Aid Commission

Laura Brown, President and CEO, The California Coalition of Accredited Career Schools

Ms. Laura Brown, President and CEO of The California Coalition of Accredited Career Schools, will discuss her new organization representing the accredited career schools and the importance of preserving access to private career schools through the Cal Grant program.

10.b

Information Item

California Student Aid Commission

Saffron Zomer, Program Director, California Public Interest Research Group
(CALPIRG)

Ms. Saffron Zomer, Program Director for the California Public Interest Research Group (CALPIRG), will discuss CALPIRG's activities, including the "Working Too Hard to Make the Grade" initiative. In addition, CALPIRG is requesting the Student Aid Commission's support of the following statement:

CALPIRG Cal Grant Coalition Statement "No Cuts to Cal Grants"

The social and economic health of our state relies on increasing the number of Californians who complete a college degree. Unfortunately, rising college costs threaten to put higher education out of reach for many. As college costs in our state skyrocket, it is imperative that student financial aid keeps pace. Any imbalance will result in more students working long hours at the expense of academics; graduating – or not graduating at all – with increasingly higher levels of debt; and prospective students opting out of higher education altogether because it is unaffordable.

Yet the Governor has proposed eliminating the competitive Cal Grant, and broader, deeper cuts to the program are likely to be floated later in the year.

The Cal Grant Program, the state's primary need-based financial aid program, allows over 300,000 students each year to access higher education and the social and economic benefits it provides. Cal Grants cover tuition and fee costs at public universities, and also help many students at all types of colleges pay for books and supplies. As college costs – including not just tuition and fees but also textbooks and living expenses – continue to rise, the Cal Grant program has helped keep college within reach for low and middle-income students. The short-term savings of these cuts do not nearly justify the long-term damage they would do to our youth and our economy.

For 2009-10, nearly 209,200 qualified applicants vied for just 22,500 Competitive Cal Grants – a 29 percent increase in applicants from the 2008-09 academic year, with no increase in available grants. That is equal to one grant for every nine applicants. The Governor's proposed budget would eliminate these grants altogether.

California needs more college graduates, not less, in order to turn our economy around. Any cuts to the Cal Grant Program will undermine students' ability to attend or successfully complete college. While some budget cuts are inevitable given the state's massive deficit, Sacramento must preserve investments in California's economic recovery and growth. The Cal Grant Program is one of these critical investments, and we strongly oppose any cuts to it.

10.c

Information Item

California Student Aid Commission

EdFund Report

No written report is included. However, EdFund President Sam Kipp will be available at the meeting to answer questions.

10.d

Information Item

California Student Aid Commission

California Student Opportunity and Access Program (Cal-SOAP) Project Directors' Report

Mr. Ken Songco, Project Director for the San Francisco Cal-SOAP Consortium, submitted the following report on behalf of all sixteen Cal-SOAP Consortia.

With the recent passage of H.R. 4872 - the Health Care and Education Affordability Reconciliation Act of 2010, the Cal-SOAP Project Directors will continue to work alongside CSAC staff towards gaining support from members of the CA State Senate Budget Committee for the Cal-SOAP programs.

During a 3/25 teleconference hosted by CSAC staff, Diana Fuentes-Michel requested that the following Project Directors from the Cal-SOAP Advocacy Committee attend the Senate Budget Committee hearings on April 28th and May 12th: Monica Montenegro (East Bay Consortium), Sonia Ramos (San Jose Consortium), Monica Roberts (Sacramento Consortium), and Ken Songco (San Francisco Consortium). In addition to Project Director testimonies, we will ask current and former Cal-SOAP participants to share their experiences and how they have benefited from our programs.

Sonia Ramos from the San Jose Consortium will take the lead in coordinating efforts between CSAC staff and the Cal-SOAP Project Directors to meet with Senate Budget Committee members at their local district offices prior to the committee hearings. More details of this plan will be discussed further during our next PD teleconference scheduled for Monday, April 5th.

Under the leadership of Erin Gemar from the South County Gilroy Consortium, the Cal-SOAP Database Committee has taken pro-active measures to collect and synthesize statewide data in an effort to provide an aggregate picture of participant demographics and college going rates. With the permission of CSAC staff, the committee is currently in the process of gathering student population background and college going rate reports from all 16 projects using the Cal-SOAP statewide database. This data will be presented as part of the Cal-SOAP Project Director report at the 4/15 CSAC Commission meeting.

As the Obama Administration's education policies shift towards college access and completion, there is a push for federally-funded pre-college outreach programs to track students' post-secondary attendance and college completion. Given the current mandates of Cal-SOAP, our programs are primarily designed to serve secondary students and lack the capacity to provide these types of services beyond high school. If we are to keep up with this trend, serious conversations will need to be made on how Cal-SOAP Project Directors and CSAC staff can effectively collaborate in addressing college completion given the current structure of our programs.