

California Student Aid Commission

Grant Advisory Committee (GAC) Chair's Report

Enclosed for review is a written report from Ms. Mary Lindsey, the Grant Advisory Committee (GAC) Chair.

Recommended Action: For information only. No action required.

Responsible Person: Mary Lindsey, Chair
Grant Advisory Committee

The Grant Advisory Committee (GAC)

Chair's Report

Mary T. Lindsey, Chair

April 17, 2008

The Grant Advisory Committee is a committee composed of members representing stakeholder groups that are essential to the delivery of state financial aid funds to students. The members are officially nominated to represent their stakeholder group and the Commissioners formally approve a nominee's appointment to the Committee. The Commissioners formed this advisory committee in 1985 to assist the Commission in policy development and delivery of state financial aid to post-secondary students. The Committee is composed of 20 members: --three members from each of the five segments of higher education, three members from K-12, one member from the California Association of Financial Aid Administrators (CASFAA), and one member from the California Commission on Post-Secondary Education. Originally the Committee advised the Commission on policy matters related to grant programs, outreach activities and loan programs. In the late 1990's the Loan Advisory Council (LAC) was created, and the GAC ceased advising the Commissioners on student loan issues. In the early 2000s, the Commissioners created a separate Outreach Advisory Committee and the GAC ceased advising the Commissioners on Outreach issues. Today, the GAC advises the Commissioners on its Grants and Special Programs.

The GAC met in March, 2008 in two-day meeting format. The first day was a workgroup format—a less formalized meeting where issue-based, in-depth discussions occur in preparation for the more formal GAC meeting the following day. The following topics were considered for formal recommendation and are followed by a brief discussion, as well as the recommendations adopted by the GAC for presentation to Commissioners for consideration at the April 2008 meeting:

- The current process related to Student Expense Budgets and the preliminary awarding of Cal Grants.
- Audit Finding Identifying That Different GPA Requirements Pertain To Cal Grant A Program Versus The Cal Grant B Program.
- Governor's Proposed Elimination Of The Competitive Program And The Effects Of The Governor's Proposal On The Administration Of The Cal Grant Competitive Program.
- GAC Workgroup Priorities For The 2008/09 Year

Student Expense Budgets and the preliminary awarding of Cal Grants

GAC recommends that changes be adopted by the Commission in regards to the current process related to Student Expense Budgets and the preliminary awarding of Cal Grants.

The student expense budget is composed of multiple categories of expenses including tuition/fees, books and supplies, room and board, transportation and personal expenses. Currently *some* of the amounts used are *averages* based on the SEARS survey and *other* amounts used are *actual* amounts used by campuses in constructing their own campus student expense budget. The campus student expense budget is used to finalize the student's preliminary Cal Grant award. In some cases a student's eligibility for a Cal Grant award may change when the campus student expense budget is used. Currently there is confusion at the campus level regarding how to notify CSAC that a student's Cal Grant eligibility has changed due to the final student expense budget changing (relative to the budget used by CSAC to make the preliminary award.)

Specifically, GAC makes following five recommendations regarding student expense budgets:

1. GAC recommends that for the 2008/09 award year, that CSAC facilitate the process that campuses should use to establish or withdraw a Cal Grant for an applicant whose Cal Grant eligibility is affected by a difference in the actual campus expense budget used to determine (final) eligibility and the expense budget used by CSAC to make the student's preliminary award. Specifically it is recommended that the G-2 form be modified to include an additional item where campuses can enter the campus student expense budget that applies to the particular student and can indicate whether the expense budget involved a professional judgment adjustment, or represents the standard campus budget for the category of student (e.g., the standard commuter, on-campus or off-campus budget.)
2. GAC recommends that CSAC issue an operations memo that clearly describes the current process that campuses should use to establish or withdraw a Cal Grant award for an applicant who eligibility is affected by a difference in the actual campus expense budget used to determine eligibility and the expense budget CSAC used in making the student's preliminary awards. (See number one above.)
3. GAC recommends that, beginning with the 2009/10 award year, CSAC collect estimates of the expenses in *all* categories used by campuses to develop their standard student budget used to finalize a student's Cal Grant award. This recommendation is based on the intent *that if CSAC is able to award the preliminary Cal Grant using the same budget that a campus will later use to finalize the award, the preliminary award will be more accurate and therefore less likely to change for the student Cal Grant recipient.*

4. GAC recommends that the information referenced in recommendation three above, be collected through a modification of the College Estimate Form that campuses currently use to provide estimates of fees/tuition and on-campus room and board costs.
5. GAC recommends that CSAC use the campus estimates when developing a student expense budget to be used to award preliminary Cal Grants to students. If campuses do not provide updated estimates, GAC recommends that CSAC default to using the most recent campus expense information on file; similar to the current practice when campuses do not provide updated information for fees/tuition and on-campus room and board.

GAC Recommendation Regarding The Audit Finding Identifying That Different GPA Requirements Pertain To Cal Grant A Program Versus The Cal Grant B Program.

A recent audit of the Commissions Programs identified that CSAC has administered the Competitive Cal Grant B awards since 2001 by allowing applicants to use college grade point averages in addition to community college grade point averages, as expressly allowed only for Competitive Cal Grant A awards. Auditors stated that this error was likely explained through a review of legislative history:

The Competitive Cal Grant A and B statutes were initially enacted as part of SB 1644, but were amended in 2001 by Chapter 8, Statutes of 2001 ("SB 176"). The Senate Floor Analysis of SB 76 indicated that the bill was making several technical and clarifying changes, describing the relevant change as:

4. Clarifying that students participating in the competitive Cal Grant A and B Award Programs may use a college GPA, if they have one, in lieu of high school GPA. This policy is consistent with how this program has been administered in prior years [under the Cal Grant Program in effect before SB1644]. [Emphasis added.]

The intent expressed in the Senate Floor Analysis of SB 176 was not carried through to the text of SB 176. Rather than treating grade point average eligibility requirements for Competitive Cal Grant A and B awards identically, the text of SB 176 established them differently. Thus, the Commission award process implemented in 2001 for Competitive Cal Grant A and B awards treated the grade point average eligibility requirements identically, consistent with the legislative intent expressed in the Senate Floor Analysis, but inconsistent with the actual text of the law. The Department of Finance audit report recommends that the Commission follow the text of the law rather than the intent of the law.

Effective for the 2008/09 award year, CSAC will correct this error and require applicants for Competitive Cal Grant B awards seeking to establish eligibility based on reestablished grade point averages to do so using only California community college grade point averages, not college grade point averages. CSAC staff indicated that they will seek a statutory change.

In recognition of the fact that CSAC is seeking a statutory remedy, GAC recommends that CSAC *not* communicate to schools that only a Community College GPA, and not a “college GPA” can be used to qualify a student for a competitive Cal Grant B award. GAC recognized that GPAs for the March 2 deadline have already been submitted, and that a statutory correction may be accomplished in time for the September 2 deadline.

Governor’s Proposed Elimination Of The Competitive Program And The Effects Of The Governor’s Proposal On The Administration Of The Cal Grant Competitive Program

In regards to the Governor’s Proposed Elimination of the Competitive Program and the Effects of the Governor’s Proposal on the Administration of the Cal Grant Competitive Program, GAC members expressed concerns related to the timing of budget process and the time of the Cal Grant awarding process. Specifically, the awarding process precedes the finalization of the budget process- thus leaving the Competitive Awards in limbo.

Specifically, GAC makes following four recommendations regarding the Governor’s Proposed Elimination of the Competitive Program:

1. That CSAC select Competitive Cal Grant A and B awards, but not place these recipients on a school’s roster until it is a determined that the awards will be funded in the state budget.
2. That Cal Grant C applicants would be selected and receive the secondary Cal Grant C supplements and return them to the Commission.
3. That CSAC send post-cards to students selected for a Competitive Cal Grant A or B award that protects the student’s privacy while containing a general message about award eligibility.
4. That CSAC not communicate with students in the Competitive Cal Grant A or B eligibility pool who were not selected as recipients of the award if funds become available.

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GAC Workgroup Priorities For The 2008/09 Year

At the GAC's annual planning retreat, the committee developed (in collaboration with CSAC staff), topics that would be worked on with staff during the upcoming year. At the March 2008 GAC meeting the members finalized the following priorities (reduced from the October 2007 meeting due to the State's budget reductions requirements for CSAC):

GAC adopted the following work group priorities for the 07-08 year:

- Data Analysis Workgroup
 - Topics are the SEARS and Student Expense budgets
 - Administrative Cost and Interest Calculation
- Non-Term Based Payment Workgroup