



**Executive Director's Report
April, 2013**

Dear Commissioners,

Happy Spring! At the time of writing this report, the Commission staff is busy unpacking boxes and moving equipment for our relocation this week. The Commission's main headquarters has been located at 10834 International Drive in Rancho Cordova since July, 2008. Our present headquarters were planned as a temporary relocation as the Commission was initially scheduled to move to a joint location at the former Mather Air Force Base with its loan services auxiliary, EdFund.

Now, almost five years later, the Commission is moving to its new location at 11040 White Rock Road in Rancho Cordova. Our Commission no longer administers the Federal Family Education Loan Program (known as FFELP) on behalf of the United States Department of Education. The transition of the loan program services by the Commission's auxiliary is scheduled to be completed by July 1, 2013. Our final operating agreement with the U.S. Department of Education's contractor, Educational Credit Management Corporation (known as ECMC) has assisted in the Commission's transition and move to our new facility.

Our new facility is a newly renovated, one-story building containing all of the Commission's operations. Our proposed 2013-14 January budget seeks \$11.2 million in General Funds to support a staff of 107 personnel years. The new facility has been designed to promote efficiency and collaborative team work through the use of technology and better utilization of work space. The Commission has requested an additional \$1.2 million to fund necessary administrative and informational technology services that are needed to support our grant and specialized programs. Under our previous administrative relationship with EdFund, the Commission had gained savings and efficiencies through the use of joint technology and administrative services used by EdFund. In addition, the Commission is also asking for continued support of our federal policy role as the federal government plays a central role in the development and implementation of education policy concerning student financial aid. Both of these requests are pending decisions in the Governor's May Revision.

At our April Commission meeting, we are planning to hold tours for Commissioners and interested parties attending the Commission meeting. For the first time, in many years, we are holding our meeting at the Commission's headquarters. We will be web streaming all of our committee and most of our full Commission meetings from our new location. We are looking forward to sharing our new facility with you and our financial aid, outreach, student and community partners who work with us daily to bring financial aid to our college and university students.

The April meeting will welcome our newest Commissioner, Dr. Greg Sawyer, Vice President of Student Services for the California State University, Channel Islands campus. We look forward to meeting and working with Dr. Sawyer as he joins the Commission.

Finally, our April meeting will bring us all together to discuss the 2013-14 Cal Grant application results. We have published our initial results from the California Dream Act implementation which will be updated at the April meeting. We are also scheduled to provide you with an update and information regarding decisions on important legislation and budget actions taken on the Commission’s Cal Grant program.

COMMISSION PROGRAMS UPDATE

Here below is an update of the Commission’s recent activities:

❖ **Administration & External Affairs Division Update**

• **Commission Move**

We successfully moved into our new building over the weekend of March 29 – April 1, 2013. There are a few things that are still being worked on, but it appears the move went smoothly for most staff.

This move could not have happened without the assistance of all staff purging obsolete documents and packing in preparation for the move. Staff not assisting with the move team enjoyed a four-day weekend by using leave time on Friday, March 29 and having a State holiday on Monday, April 1.

Leanna Sinibaldi, Fiscal Manager, worked relentlessly to make sure we had a working mailroom ready by April 2. This included, but was not limited to, purchasing new equipment, moving some existing equipment from ECMC’s mailroom, ensuring staff were trained on the new equipment, and designing the new mailroom.

The Information Technology staff worked extra hard over the weekend to ensure all staff had computer and phone access on April 2 when they returned to work.

Special “KUDOS” to the Move Team:

<i>Administration and External Affairs</i>	<i>Information Technology</i>	<i>Program Administration and Services</i>	<i>Executive</i>	<i>Legal and Audit Services</i>
Janet McDuffie	Rita DeNatly	Linda Brown	Kathleen Stanley	Melanie Wong
Leanna Sinibaldi	Janee Artero	Daniel Lange	Gloria Lopez	
Maria Esparza	Duke Ma			
Gina Heath	Jose Montes			
Cheryl Lenz	Hieu Truong			
Kathy Khan	John Wathen			
Mark Crnogorac	Jason Brown			

- **2013-14 State Budget**

We have been updating the Cal Grant and Specialized Programs projections for consideration in the Governor's May Revision to the 2013-14 Budget.

We are also preparing for the Legislative Budget Hearings and providing fiscal analysis for legislative bills. The Assembly held an informational hearing on the Cal Grant Program on March 13, 2013. The Senate's first hearing on the Commission's budget is scheduled for April 25, 2013.

- **Cash For College**

730 workshops were offered this year and 35,500 student surveys were returned (26,000 online and 9,500 paper). We will soon begin the process of awarding scholarships.

❖ **Federal Policy & Programs and Communications Division Update**

- The Communications Division has been engaged in numerous California (CA) Dream Act interviews. The most high visibility interview is the NBC Nightly News with Brian Williams feature as part of their series on immigration reform.
- We are currently working on a CA Dream Act feature story with the San Diego Union Tribune.
- The Commission's Asian and Pacific Islander outreach effort has expanded and resulted in coverage in Chinese, Korean, Vietnamese and Hmong media, and social media communities.
- The Chinese Newspaper, World Journal, has invited the Commission to make a presentation and participate in its 2013 Spring Education Fair and Seminar as a result of our outreach effort.
- FOX Deportes has invited us to participate in their May 11, 2013 Town Hall for Youth focusing on higher education for Hispanic students and their families.
- We conducted presentations in Sacramento reaching approximately 675 predominately African American male students at 14 schools and 1 youth conference during the January 1 – March 2 Free Application for Federal Student Aid (FAFSA)/Cal Grant application period. 36% of those students surveyed indicated they learned the "steps needed to apply for financial aid."
- Staff worked closely with Legislative Director Lori Nezhura, Legislative Staff, Student Groups and Community Partners to participate in State Capitol press conferences and coalition promotional activities that raise awareness about the importance of the Cal Grant program.

- We conducted a Prezi presentation to the Assembly Ethnic Caucus staff regarding the Cal Grant program and provided printed materials for member offices. We were invited to return to make a presentation to a larger group of staff in April. The date is to be announced.
- A new Cal Grants informational video for youth was added to our social media platforms.
- We announced and issued a press release soliciting 2013 Arthur S. Marmaduke Award nominations for this year's outstanding high school counselor.
- We are continuing to update and promote the CSAC Website and Social Media platforms.

A comprehensive communications report is contained in agenda item 8.d – Outreach Update.

❖ **Legal & Audit Services Division Update**

The SB 70 data reporting regulations were filed with the Office of Administrative Law on Commission on April 11, 2013. The Office of Administrative Law has 30 business days, or until May 23, 2013, to complete its review.

The Commission has issued an announcement seeking to hire an internal auditor to fill a current vacancy in the Legal & Audit Services Division.

❖ **Program Administration and Services Division Update**

• **2013-14 Grade Point Average (GPA) Process Submissions Update**

- Approximately 50,000 paper GPAs were received and processed for the 2013-14 academic year.
- Correspondence was sent to applicants with missing or incomplete GPA forms.
- Approximately 60,000 notifications were sent to students who filed an on-time Free Application for Federal Student Aid (FAFSA) but no GPA, informing them that they have until May 16 to file a late GPA appeal based on the regulatory 75 day late GPA grace period for late filers.
- High schools submitted over 160,000 GPAs through electronic uploads and paper, using the Non-SSN GPA process. The Non-SSN GPA process allowed more schools to submit GPAs without using the social security number as a student identifier which reduced high school counselors' time from having to process paper forms. In addition, this alternative GPA process allows AB 540 students without an SSN to apply for the Cal Grant with a completed CA Dream Application. The Non-SSN GPA process greatly reduces the paper GPA application and saves Commission staff time from data entry.

- **2013-14 Cal Grant Award Processing**

- Cal Grant award offers are being processed on a weekly basis. Over 117,000 High School Entitlement (E1) Cal Grant award offers have been processed to date.
- The 2012-13 Budget Act allows for students who attended a California Community College in 2011-12 or 2012-13 to qualify for the 2013-14 Transfer Entitlement (E2) award program. Essentially, the budget act provision implements the one year gap in community college attendance that was previously discussed in prior Commission meetings. The Transfer Entitlement Certification Form (G6) has been updated in WebGrants, WebGrants for Students and the paper form to reflect these changes and identify those eligible students. The E2 award process is scheduled to run in early May.
- The March 2nd Competition is scheduled to run after the Transfer Entitlement process.
- The Cal Grant C supplement notifications are tentatively scheduled for early June.
- The 2012-13 Budget Act contains language that prohibits ineligible Cal Grant institutions disqualified for not meeting Cohort Default Rate (CDR)/Graduation rate criteria from disbursing funds to Cal Grant recipients in the 2013-14 award year. Approximately 5,900 Cal Grant students that currently reside on the 2012-13 WebGrants roster were notified to request a school change to an eligible Cal Grant school for the 2013-14 year or their award will be withdrawn.

- **California (CA) Dream Act Update**

- Of the 117,000 E1 award offers, 4,300 of them represent eligible AB 540 students that successfully submitted their CA Dream Application. With the upcoming E2 and Cal Grant C award processes, we anticipate meeting its initial projections of Cal Grant awards for Dream Act applicants.
- The California Institutional Student Information Record (Cal ISIR) Correction Screen released on March 8, 2013 allows Financial Aid Administrators to view Dream Application data for students and make corrections, as necessary.
- Webinars sessions provided instructional training on the Cal ISIR Correction Screen for Financial Aid Administrators where over 230 participants attended.
- We continue to hold the bi-monthly Dream Act Application teleconference call with segmental representatives to discuss processing issues, improvements and resolutions.

❖ **Information Technology Services (ITS) Division Update**

- **Senate Bill (SB) 70 Data Reporting Update**

The Commission began accepting data uploads from educational institutions on Monday, March 4, 2013. Next data uploads from educational institutions will be in December 2013.

Staff continues to work on Data Warehousing design and development which will include reports for public view by late June 2013.

- **Dream Act**

Dream Act Phase II is operational and CSAC staff continues to refine its functionality to better serve students.

- **Commission Move**

At the time of this report, the move is completed. All Information Technology build outs and migration were completed. ITS staff completed the entire IT infrastructure move by April 1, 2013. All circuits, networks, printers and PCs were moved without any major incidents.

- **Service Improvement Project**

ITS staff continues to work on adopting industry best practices for managing projects within the Commission. An Executive Steering Committee (ESC) Charter and Change Advisory Board (CAB) Charter were created. Both the ESC and CAB will meet in April and will work on prioritizing projects and changes to existing Commission IT systems and applications.

Here below is the outcome of our February 21-22, 2013 Commission meeting actions:

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
1	<p>SB 70 Data Reporting Regulations</p> <p>The Commission unanimously approved the motion to move forward and allow the General Counsel to continue and make changes in the next round of rulemaking, with regard to the word “each” in reference to the reporting of enrollment and persistence data, as well as clarification of job placement data requirements.</p> <p><i>In Favor: Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Geiogue, Le Grande, Moore, Shah, Siqueiros and McDowell</i> <i>Absent: Commissioner Keene</i></p>	<p>The SB 70 data reporting regulations were filed with the Office of Administrative Law on April 11, 2013. The Office of Administrative Law has 30 business days, or until May 23, 2013, to complete its review.</p>

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
2	<p>Terms for Commission Officers</p> <p>The Commission unanimously approved the motion to hold annual elections at the November meeting and direct the Personnel, Evaluations & Nominations (PEN) Committee to create a process for screening candidates.</p> <p><i>In Favor: Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Geiogue, Le Grande, Moore, Shah, Siqueiros and McDowell</i> <i>Absent: Commissioner Keene</i></p>	<p>The PEN Committee will exercise responsibility for the election process.</p>
3	<p>Student Impact Committee Charter</p> <p>The Commission unanimously approved the Student Impact Committee's amended draft charter, as follows:</p> <p>The Student Impact Committee is responsible for:</p> <ol style="list-style-type: none"> 1. Examining policy issues <i>and outreach</i> associated with financial aid from a student and parent (family) perspective, and bringing those issues to the attention of the California Student Aid Commission with recommendations for appropriate actions; 2. Identifying and recommending policy and legislative proposals for Commission consideration. <p><i>In Favor: Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Geiogue, Le Grande, Moore, Shah, Siqueiros and McDowell</i> <i>Absent: Commissioner Keene</i></p>	<p>Completed</p>
4	<p>Strategic Policy & Planning Committee Charter</p> <p>The Commission unanimously approved the Strategic Policy & Planning Committee's amended draft charter, as follows:</p> <p>The Strategic Policy & Planning Committee is responsible for:</p> <ol style="list-style-type: none"> 1. examining and making recommendations to the Commission on policy matters associated with financial aid; 2. making recommendations to the Commission on state and federal executive, legislative and budget issues associated with financial aid; 2. <u>periodically reviewing and recommending any updates as needed to the Commission's written governance policies and the Commission's orientation manual;</u> 3. examining and making recommendations to the Commission on governance matters, such as 	<p>Completed</p>

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
	<p>meeting procedures and committee structure;</p> <ol style="list-style-type: none"> 4. developing and making recommendations on strategic planning for the Commission; and 5. identifying and recommending policy and legislative proposals for Commission consideration, <u>including making recommendations to the Commission on state and federal executive, legislative and budget issues associated with financial aid.</u> <p><i>In Favor: Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Geiogoue, Le Grande, Moore, Shah, Siqueiros and McDowell</i> <i>Absent: Commissioner Keene</i></p>	
<p>5</p>	<p>Legislative and Budget Guiding Principles</p> <p>The Commission unanimously approved the amended guiding principles, as follows:</p> <p>PRINCIPLES: Recognizing the critical need to maintain Legislative and Executive support for postsecondary educational opportunities, the Commission seeks to:</p> <ol style="list-style-type: none"> 1. Support College Access That Is Equitable, Affordable and Comprehensive;* 2. Ensure the Availability of Information on <u>Higher</u> Educational Opportunities;* 3. <u>Advocate For and</u> Preserve the Flow of Financial Aid; and* 4. Ensure Adequate Support and Flexibility for Commission Operations and Its Programs.* <p>*Numbering principles in no way indicates priorities; all principles are equally considered.</p> <p><i>In Favor: Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Geiogoue, Le Grande, Moore, Shah, Siqueiros and McDowell</i> <i>Absent: Commissioner Keene</i></p>	<p>Staff will present recommendations for further revisions to the guiding principles at the April Commission meeting.</p>
<p>6</p>	<p>State Legislative Bills that Affect Commission Programs</p> <p>After an initial vote on Senate Bills (SB) 141, 150 and 285, Assembly Bill (AB) 303 and Assembly Joint Resolution (AJR) 11, the Commission unanimously voted to reconsider the entire slate of legislative bills individually.</p> <p><i>In Favor: Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Geiogoue, Le Grande, Moore, Shah, Siqueiros and McDowell</i> <i>Absent: Commissioner Keene</i></p> <p>The Commission approved a support position on SB 141 (Correa): College Education Benefits: Children of Deported Parent.</p>	<p>Support letters will be distributed upon the bills entering Committee.</p>

ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
<p><i>In Favor:</i> Commissioners Arzate, Beltran, Conley, Doud, Garcia Vasquez, Le Grande, Moore, Shah, Siqueiros and McDowell Abstained: Commissioners Anton and Geiogoue Absent: Commissioner Keene</p> <p>The Commission considered the following bills individually and for each vote, a support position was unanimously approved:</p> <ul style="list-style-type: none"> ➤ SB 150 (Lara): Pupils: Concurrent Enrollment in Community College ➤ AB 303 (Calderon, Ian): Cal Grant Program: members and former members of the Armed Forces of the United States ➤ SB 285 (De León): Student Financial Aid: Cal Grant Program <p><i>In Favor:</i> Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Geiogoue, Le Grande, Moore, Shah, Siqueiros and McDowell Absent: Commissioner Keene</p> <p>The Commission approved a support position on AJR 11 (Wieckowski): Student Loan Bankruptcy Discharge.</p> <p><i>In Favor:</i> Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Geiogoue, Moore, Shah, Siqueiros and McDowell Abstained: Commissioner Le Grande Absent: Commissioner Keene</p> <p>The Commission considered the following bills individually and for each vote, a watch position was unanimously approved:</p> <ul style="list-style-type: none"> • AB 233 (Wieckowski): Student Loan Wage Garnishment • SB 58 (Canella): Public Postsecondary Education: Funding; • AB 67 (Gorell): Public Postsecondary Education: Funding; • AB 138 (Olsen): Public Postsecondary Education: Tuition and Fees; and • AB 159 (Chavez): Postsecondary Education. • AB 330 (Chau): Student Financial Aid: disclosures • AB 475 (Brown): Pupil Counseling <p><i>In Favor:</i> Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Geiogoue, Le Grande, Moore, Shah, Siqueiros and McDowell Absent: Commissioner Keene</p> <p>The Commission unanimously approved a support in concept position on AB ____ (Wieckowski): Student Loan Counseling.</p> <p><i>In Favor:</i> Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Geiogoue, Le Grande, Moore, Shah, Siqueiros and McDowell Absent: Commissioner Keene</p>	

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
7	<p>Federal Legislative Issues</p> <p>The Commission unanimously approved a Resolution on the impact of sequestration.</p> <p><i>In Favor:</i> Commissioners Arzate, Beltran, Conley, Garcia Vasquez, Geiogue, Le Grande, Moore, Shah and McDowell Absent: Commissioners Anton, Doud, Keene and Siqueiros</p>	<p>A letter dated February 26, 2013 from Chairman John R. McDowell, Jr. transmitting the Commission's Resolution was sent to President Barack Obama and the California Congressional Delegation, including copies to Secretary Arne Duncan, Governor Jerry Brown and Members of the California State Legislature.</p> <p>A copy of the Resolution is attached to this report.</p>
8	<p>Standing Items on Commission Agendas</p> <p>The Commission unanimously approved the following standing agenda items:</p> <ul style="list-style-type: none"> Call to Order and Roll Call Public Comment Minutes Consent Agenda Chair's Report Executive Director's Report Committee Reports New business to be considered at future meetings [as the last agenda item] <p><i>In Favor:</i> Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Geiogue, Le Grande, Moore, Shah, Siqueiros and McDowell Absent: Commissioner Keene</p>	<p>Implemented.</p>
9	<p>Commission Meeting Minutes</p> <p>The Commission approved the January 24, 2013 meeting minutes with amendments.</p> <p><i>In Favor:</i> Commissioners Anton, Arzate, Beltran, Conley, Doud, Geiogue, Le Grande, Moore, Shah, Siqueiros and McDowell Abstained: Commissioner Garcia Vasquez Absent: Commissioner Keene</p>	<p>The minutes have been revised with approved edits and will be signed by the Secretary.</p>

Additionally, included in this report are the following items:

- California Student Opportunity and Access Program (Cal-SOAP) Project Directors' Report (Tab 5.a); and
- Discussion of the Arthur S. Marmaduke High School Counselor Award Process (Tab 5.b).

I look forward to seeing you on April 25-26 in Rancho Cordova at the Commission's new headquarters.

Sincerely,

Diana Fuentes-Michel

Executive Director

1975-1979 Cal Grant B award recipient and 1979 graduate of Loyola Marymount University



STATE OF CALIFORNIA
CALIFORNIA STUDENT AID COMMISSION

Nancy Anton
Brian Conley
Jacqueline Doud
Johnny Garcia Vasquez
Hal Geigoue

John R. McDowell, Jr., Chairman
Ana Beltran, Vice Chair
Cris Arzate, Secretary

Diana Fuentes-Michel, Executive Director

Barry Keene
Harry Le Grande
Jamillah Moore
Ishan Shah
Michele Siqueiros

**Resolution in Support of Urging Congress and the President to
Amend the Budget Control Act of 2011
Before its Effective Date to Alleviate Cuts to Education**

Whereas, today's elementary, secondary and postsecondary students are the future leaders, innovators and scholars of our nation;

Whereas, California has the most populous and diverse student body in the nation;

Whereas, the federal Budget Control Act of 2011 imposes across the board cuts, known as sequestration, amounting to 8.2% cuts to educational grants and programs benefitting California's students;

Whereas, anticipated cuts to TRIO and GEAR-UP will leave low-income and underrepresented California students without the tutoring, counseling, and financial aid assistance necessary for them to access and be successful in college;

Whereas, cuts to English Acquisition State Grants will result in over 113,500 California English Language Learners losing vital services intended to promote language proficiency and academic achievement;

Whereas, 5,700 Federal Work Study recipients and 15,000 Supplemental Educational Opportunity Grant recipients will fail to receive \$16.7 million in financial aid for college in California and the loss and/or reduction of Pell Grant funding after the first year of the sequester will affect more than one million California college and university students; and

Whereas, a projected \$15 million in cuts to State Grants for Career and Technical Education means over 330,000 California high school and community college students will cease to receive preparation for employment in high-demand, 21st century fields; therefore, be it

Resolved, that the California Student Aid Commission strongly urges Congress and the President to take all steps necessary to protect students from harmful sequestration cuts to financial aid and educational support services proven successful in California and all across the nation.

Signed February 22, 2013



John R. McDowell, Jr.
Chair



Diana Fuentes-Michel
Executive Director