
3

Action Item

California Student Aid Commission

Approval of the minutes of April 25-26, 2013

Recommended Action: The Commission is asked to approve the minutes.

Responsible Person(s): Keith Yamanaka
Chief Deputy Director

**CALIFORNIA STUDENT AID COMMISSION
MEETING MINUTES**

April 25-26, 2013

A meeting of the California Student Aid Commission was held on Thursday, April 25, 2013 and Friday, April 26, 2013 at the Commission Boardroom, 11040 White Rock Road in Rancho Cordova, California.

THURSDAY, APRIL 25, 2013

Commission Chairman John R. McDowell, Jr. called the meeting to order at 4:06 p.m.

The following Commissioners were present:

John R. McDowell, Jr., Chairman
Cris Arzate, Secretary
Nancy Anton
Brian Conley
Jacqueline Doud
Johnny Garcia Vasquez
Hal Geiogue
Harry Le Grande
Jamillah Moore
Wm. Gregory Sawyer
Ishan Shah
Michele Siqueiros

The following Commissioners were absent:

Ana Beltran, Vice Chair
Jack Scott

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

Chairman McDowell introduced the two newest commissioners, Jack Scott and Gregory Sawyer. He then called for public comment and, hearing none, proceeded to the next agenda item.

The following agenda items were discussed out of sequence.

AGENDA ITEM 2 - CONSENT AGENDA (Action)

Agenda Item 2.a - Consideration of designating Commissioner(s) appointed after February 22, 2013 as Director on the EdFund Board (Action)

MOVED (Shah), **SECONDED** and **CARRIED** Unanimously, the Commission **APPROVED** the Consent Agenda, which includes the consideration of designating Commissioner(s) appointed after February 22, 2013 as Director on the EdFund Board.

In Favor: Commissioners Anton, Arzate, Conley, Doud, Garcia Vasquez, Geiogue, Le Grande, Moore, Sawyer, Shah, Siqueiros and McDowell

Absent: Commissioners Beltran and Scott

AGENDA ITEM 1 - APPROVAL OF THE MINUTES OF FEBRUARY 21-22, 2013 (Action)

MOVED (Conley), **SECONDED** and **CARRIED** Unanimously, the Commission **APPROVED** the February 21-22, 2013 minutes, amended as follows:

- Delete all references to Barry Keene’s absence; and
- On page 10, 3rd paragraph, replace “AB _____” with “AB 534”.

In Favor: Commissioners Anton, Arzate, Conley, Doud, Garcia Vasquez, Geiogue, Le Grande, Moore, Sawyer, Shah, Siqueiros and McDowell

Absent: Commissioners Beltran and Scott

AGENDA ITEM 3 – CHAIR’S REPORT

Chairman McDowell discussed the structure of the meeting agenda and reported that the standing committees conducted meetings recently to drill down on issues. He also expressed his appreciation for the quality of the February Commission meeting minutes and the summary of the Commission’s actions contained in Executive Director Fuentes-Michel’s written report. Additionally, he thanked the committee chairs for covering many significant issues just prior to the Commission meeting.

Lastly, he thanked Ms. Catalina Mistler, Chief of Program Administration & Services, and her staff for their work in moving the Dream Act implementation forward and presented the certificates of appreciation, which would be given later to staff.

AGENDA ITEM 4 - PRESENTATION BY STUDENT REPRESENTATIVES AND STUDENT ORGANIZATIONS (Information)

Ms. Katie Mesesan, Board Chair of the University of California Student Association (UCSA), gave a presentation, which included UCSA’s concerns about student financial aid, as well as its goals related to legislation, and its achievements so far. Some discussion followed. Ms. Mesesan suggested that the UCSA Board report regularly to the Commission and vice versa in the future. She reported that the Board would be formulating its bylaws soon. Commissioner Le Grande suggested that the UCSA return to the Commission with its list of legislative bill priorities.

AGENDA ITEM 6 - REPORT OF THE STUDENT IMPACT COMMITTEE (Action)

Agenda Item 6.d – Outreach Update

The following California Student Opportunity and Outreach Program (Cal-SOAP) representatives made presentations that included historical background, an overview of services and a summary of goals, achievements and collaborative efforts:

- Ms. Erin Gemar, Lead Project Director/Project Director, South County Cal-SOAP;
- Ms. Sonja Ramos, Project Director, San Jose Cal-SOAP;
- Ms. Monica Roberts, Project Director, Sacramento Cal-SOAP; and
- Ms. Monica Montenegro, Project Director, East Bay/Solano Cal-SOAP.

Some discussion followed about the federal College Access Challenge Grant Program (CACGP) waiver request process and the impact that a possible denial of the waiver would have on Cal-SOAP services and staffing. Executive Director Fuentes-Michel reported on the Commission's efforts to communicate those concerns to the Department of Finance, Legislative Members and the Governor's Office. Further discussion ensued regarding ways to garner more support such as providing more outreach to state and Congressional legislators, and enlisting the help of notable Cal-SOAP beneficiaries.

AGENDA ITEM 7 - REPORT OF THE STRATEGIC POLICY AND PLANNING COMMITTEE (Action)

Agenda Item 7.b - Consideration of a recommendation to the Governor to revise the funding allocation in the federal College Access Challenge Grant application to augment outreach activities, and update on a request to the United States Department of Education for a waiver from the requirement for maintenance of effort for higher education funding by states (Information/Action)

On **MOTION** by the Committee, the Commission **APPROVED**, by Unanimous Consent, the following staff recommendations:

- Submit a recommendation to the Governor to file a request with the U.S. Department of Education for a waiver from the Maintenance of Effort requirements for Challenge Grant eligibility.
- Authorize staff to send letters to the California congressional delegation asking for support of California's waiver request.
- Submit a recommendation to the Governor to make changes to the 2013-14 Challenge Grant application as presented by staff at the April 25-26, 2013 Commission meeting.
- Submit a recommendation to the Governor that the 2013-14 Challenge Grant funding proposed for the Assumption Program of Loans for Education (APLE) program be reduced to absorb the sequester funding reduction and to fund the new activities being proposed for in the 2013-14 Challenge Grant application.

In Favor: Commissioners Anton, Arzate, Conley, Doud, Garcia Vasquez, Geiogue, Le Grande, Moore, Sawyer, Shah, Siqueiros and McDowell

Absent: Commissioners Beltran and Scott

Commissioner Geiogue pointed out that the background abstract refers to last year's information and, therefore, requested an update of the material. He also recommended that

the Commission be very clear about how many Cal Grants are actually taken versus offered, and be clear about the current issues versus the actions taken last year.

More discussion followed regarding the need for a more hands-on approach to freshman outreach such as assisting freshman students with their college and career plans, as well as educating students about financial literacy and contractual agreements.

CONTINUATION OF AGENDA ITEM 6 - REPORT OF THE STUDENT IMPACT COMMITTEE (Action)

Continuation of Agenda Item 6.d. - Outreach Update (Information/Action)

Ms. Despina Costopoulos, Statewide Cash for College (CFC) Coordinator, gave a presentation on the Cash for College Program and the CFC Platform – California Dreams in Action. Some discussion followed about the CFC activities and demographics being presented, and Commissioner Arzate suggested tracking students with physical disabilities, which can also pose barriers to access.

There was additional discussion about workshops and Commissioner Moore mentioned the absence of them in the Ventura area. Commissioner Moore expressed that her district would welcome the opportunity to work with the CFC Program.

Commissioner Geiogue commented on a recent report by EdTrust West that is related directly to the Free Application for Federal Student Aid (FAFSA), Cal-SOAP efforts, concerns about CFC efforts, and includes recommendations on ways the Commission might help. He requested that the Commissioners receive copies of the EdTrust West report.

Executive Director Fuentes-Michel expressed the staff's willingness to implement recommendations, but reminded the Commission that more resources are needed to do so.

Chairman McDowell recessed the meeting at 5:53 p.m. and announced that the Commission would reconvene on Friday, April 26, 2013 at 9:00 a.m.

FRIDAY, APRIL 26, 2013

Chairman John R. McDowell, Jr. reconvened the meeting of the California Student Aid Commission on Friday, April 26, 2013 at 9:06 a.m.

The following Commissioners were present:

- John R. McDowell, Jr., Chairman
- Cris Arzate, Secretary
- Nancy Anton
- Brian Conley
- Jacqueline Doud
- Johnny Garcia Vasquez
- Hal Geiogue
- Harry Le Grande
- Jamillah Moore
- Wm. Gregory Sawyer

Ishan Shah
Michele Siqueiros

The following Commissioners were absent:

Ana Beltran, Vice Chair
Jack Scott

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

Chairman McDowell called for public comment and, hearing none, proceeded to the next agenda item.

CONTINUATION OF AGENDA ITEM 6 - REPORT OF THE STUDENT IMPACT COMMITTEE (Action)

Continuation of Agenda Item 6.d - Outreach Update (Information/Action)

Ms. Patti Colston, Manager of Communications, presented the Commission's Dream Act video and provided an overview of the Commission's partnership campaigns and media events. Some discussion followed.

Ms. Costopoulos gave a presentation on the new Cal Grant Champion Acknowledgment Program.

AGENDA ITEM 5 - EXECUTIVE DIRECTOR'S REPORT (Information) INCLUDING

Executive Director Fuentes-Michel mentioned the upcoming expiration of the operating agreement with Educational Credit Management Corporation (ECMC) and the Commission's complete transition from the Federal Family Education Loan Program. She suggested that the Commission take the opportunity during the summer session to discuss what it would like to do about its auxiliary. Some discussion ensued regarding the possibility of repurposing the auxiliary or establishing a foundation to raise funds to support the Commission's programs.

Agenda Item 5.a - California Student Opportunity and Access Program (Cal-SOAP) Project Director's Report (Information)

The Cal-SOAP project directors made their presentations on April 25, 2013 under agenda item 6.d – Outreach Update.

Agenda Item 5.b - Discussion of the process for the Arthur S. Marmaduke High School Counselor Award (Information)

Executive Director Fuentes-Michel presented an overview of the Arthur Marmaduke Award.

CONTINUATION OF AGENDA ITEM 7 - REPORT OF THE STRATEGIC POLICY AND PLANNING COMMITTEE (Action)

Committee Chair Siqueiros provided a summary of the discussions made, and actions taken, by the Strategic Policy and Planning Committee at its April 25, 2013 meeting.

Background information is provided in the April 25-26, 2013 Commission meeting agenda. For additional information, refer to the April 25, 2013 Strategic Policy & Planning Committee meeting transcripts.

Continuation of Agenda Item 7.b - Consideration of a recommendation to the Governor to revise the funding allocation in the federal College Access Challenge Grant application to augment outreach activities, and update on a request to the United States Department of Education for a waiver from the requirement for maintenance of effort for higher education funding by states (Information/Action)

Committee Chair Siqueiros reported that the Committee recommended the Commission approve the staff recommendations regarding the Challenge Grant application and maintenance of effort waiver request and, furthermore, on April 25, 2013, the full Commission adopted the Committee's recommendation.

Agenda Item 7.c – Review of the Cal Grant Competitive Program to consider ways to use all of the 22,500 authorized awards (Information/Action)

Committee Chair Siqueiros reported that the Committee discussed the Competitive Cal Grant Program and requested that staff identify ways to increase the distribution of the 22,500 awards. The Committee accepted the staff recommendation to perform consultation and review with segmental leaders and others to determine any necessary legislative and regulatory changes to the internal Competitive Cal Grant Award process to ensure full distribution of awards year-to-year.

Agenda Item 7.d – Update on out-of-state travel authority (Information/Action)

Background information is provided in the April 25-26, 2013 Commission meeting agenda. For additional information, refer to the April 25, 2013 Strategic Policy & Planning Committee meeting transcripts.

Agenda Item 7.e - Report of the Ad Hoc Committee on manipulation of cohort default rates (Information)

Commissioner Anton reported that the Committee received a presentation from Ms. Debbie Cochrane, Research Director for The Institute for College Access and Success (TICAS), on manipulation of cohort default rates at its April 25, 2013 meeting.

On **MOTION** by the Committee, the Commission **APPROVED**, by Unanimous Consent, the following actions:

1. Send a letter to the Federal Department of Education expressing the Commission's concerns about cohort default rate (CDR) manipulation and ask the Department of Education for specific sets of data about California that will help the Commission assess to what extent it is a problem in California;
2. Have a Commissioner provide testimony at the Department of Education's Rule-making Negotiation Task Force Meeting on May 30, 2013 in San Francisco and weigh in on CDR manipulation and possibly other issues; and
3. Write a letter to ECMC asking for a specific set of data that would help the Commission to identify to what degree CDR manipulation is a problem in California and with which institutions it is a problem.

***In Favor:** Commissioners Anton, Arzate, Conley, Doud, Garcia Vasquez, Geiogue, Le Grande, Moore, Sawyer, Shah, Siqueiros and McDowell*

***Absent:** Commissioners Beltran and Scott*

Commissioner Garcia Vasquez expressed an interest in testifying at the Rule-making Negotiation Task Force meeting on May 30. Commissioner Anton indicated that they would do their best to work with staff to prepare testimony but did not want to add to staff's workload. Executive Director Fuentes-Michel stated that she wanted to make sure there is a coordinated effort because staff has information that might benefit the testimony. She also informed the Commission that staff made a commitment to the Governor's Office to ensure that the Commission's relationships with the Federal Government are coordinated and that, in the testimony preparation, the Commission is in discussion with the Governor's Office.

Continuation of Agenda Item 7.c – Review of the Cal Grant Competitive Program to consider ways to use all of the 22,500 authorized awards (Information/Action)

Executive Director Fuentes-Michel provided additional information regarding the Competitive Cal Grant Program. She indicated that the Commission receives an enrollment file from the California Community Colleges Chancellor's Office (CCCCO) because of a Memorandum of Understanding (MOU) with the CCCCCO; and this enrollment file can be used to identify students on the roster in order for the Commission to avoid awarding students who are not enrolled. Currently, the MOU authorizes the Commission to use the enrollment file for other programmatic purposes, but not for such identification purposes. Executive Director Fuentes-Michel strongly urged the Commission to seek authorization from the CCCCCO to access the enrollment file to identify students who are not enrolled.

MOVED (Siqueiros) and **SECONDED**, to have the full Commission prepare a letter urging the Chancellor's Office to allow the Commission the authority to access the enrollment file so that the Commission can make sure that it gets closer to distributing 22,500 Competitive Cal Grant awards.

After further discussion, the motion was restated as follows:

MOVED (Siqueiros), **SECONDED** and **CARRIED** Unanimously, the Commission **APPROVED** to request that the CCCCCO provide the Commission access to the enrollment file so that the Commission can better distribute Cal Grant Competitive Awards.

In Favor: Commissioners Anton, Arzate, Conley, Doud, Garcia Vasquez, Geiogoue, Le Grande, Moore, Sawyer, Shah, Siqueiros and McDowell

Absent: Commissioners Beltran and Scott

Mr. Tae Kang, Manager of Grant Operations, presented the Cal Grant Competitive award cutoff scores and take rates, and some additional discussion ensued.

Agenda Item 7.a – Consideration of state and federal legislative and budget issues affecting Commission programs (Information/Action)

Committee Chair Siqueiros reported that the Commission took action on six legislative bills that directly affect the Cal Grant program and provided a summary of each. Ms. Lori Nezhura, Legislative Director, offered additional information on the legislative bills.

On **MOTION** by the Committee, the Commission **APPROVED**, by Roll Call Vote, a **SUPPORT IF AMENDED** position on **Assembly Bill (AB) 1241 (Weber) Student Financial Aid: Cal Grant Program**.

In Favor: Commissioners Arzate, Conley, Garcia Vasquez, Geiogoue, Sawyer, Siqueiros and McDowell

Passed: Commissioners Anton, Doud and Moore

Abstained: Commissioners Le Grande and Shah

Absent: Commissioners Beltran and Scott

On **MOTION** by the Committee, the Commission **APPROVED**, by Roll Call Vote, a **SUPPORT IF AMENDED** position on **AB 1285 (Fong) Student Financial Aid: Cal Grant Program**.

In Favor: Commissioners Arzate, Conley, Doud, Garcia Vasquez, Geiogoue, Le Grande, Moore, Sawyer, Siqueiros and McDowell

Abstained: Commissioners Anton, Geiogoue and Shah

Absent: Commissioners Beltran and Scott

On **MOTION** by the Committee, the Commission **APPROVED**, by Roll Call Vote, a **SUPPORT IF AMENDED** position on **AB 1287 (Quirk-Silva) Student Financial Aid: Cal Grant Eligibility**.

In Favor: Commissioners Anton, Arzate, Conley, Doud, Garcia Vasquez, Le Grande, Moore, Sawyer, Shah, Siqueiros and McDowell

Abstained: Commissioner Geiogoue

Absent: Commissioners Beltran and Scott

Some additional discussion ensued regarding AB 1318 (Bonilla).

MOVED (Doud), **SECONDED** and **CARRIED** Unanimously, the Commission **APPROVED**, by Roll Call Vote, a **SUPPORT IN CONCEPT** position on **AB 1318 (Bonilla) Student Financial Aid: Cal Grant Program**.

In Favor: Commissioners Anton, Arzate, Conley, Garcia Vasquez, Geiogoue, Le Grande, Moore, Sawyer, Shah, Siqueiros and McDowell

Absent: Commissioners Beltran, Doud and Scott

MOVED (Garcia Vasquez), **SECONDED** and **CARRIED**, the Commission **APPROVED**, by Roll Call Vote, a **SUPPORT IF AMENDED** position on **AB 1364 (Ting) Student Financial Aid: Cal Grant Program.**

In Favor: Commissioners Anton, Conley, Garcia Vasquez, Geiogoue, Moore, Sawyer, Shah and McDowell

Opposed: Commissioner Siqueiros

Abstained: Commissioners Arzate, Le Grande

Absent: Commissioners Beltran, Doud and Scott

The **AMENDED MOTION** by Commissioner Anton, **SECONDED** by Commissioner Moore, to SUPPORT **AB 1085 (Gaines/Morrell) Cal Grant Program: Maximum Award Amounts, IF AMENDED, FAILED** by Roll Call Vote.

In Favor: Commissioners Anton, Conley, Geiogoue and Shah

Opposed: Commissioners Arzate, Le Grande and Siqueiros

Abstained: Commissioners Garcia Vasquez, Moore, Sawyer and McDowell

Absent: Commissioners Beltran, Doud and Scott

Agenda Item 7.f - Report of the Ad Hoc Committee on the review of Governance Policies (Information)

Committee Chair Siqueiros reported that Commissioner Geiogoue is leading an ad hoc committee on the Governance Policies and will be presenting them at the June Commission meeting.

Commissioner Geiogoue requested that the Commission review two documents in preparation for the June Commission meeting: 1) the Governance Policies adopted on June 26, 2008 and, 2) the proposed revised document in which references to EdFund have been deleted. He asked that Commissioners provide any additional revisions to him and Chief Deputy Director Keith Yamanaka. Commissioner Geiogoue will bring the revisions to the Commission at its June meeting for consideration, but not final adoption.

CONTINUATION OF AGENDA ITEM 6 - REPORT OF THE STUDENT IMPACT COMMITTEE (Action)

Background information is provided in the April 25-26, 2013 Commission meeting agenda. For additional information, refer to the April 25, 2013 Student Impact Committee meeting transcripts.

Agenda Item 6.a - Update on the Dream Act (Information/Action)

Committee Chair Garcia Vasquez reported that the Committee met on April 25, 2013 and received an update on the Dream Act. There were some concerns about Deferred Action for Childhood Arrivals (DACA) students whose Free Applications for Federal Student Aid (FAFSAs) were incomplete because of missing social security numbers and/or parent signatures. The Committee requested that Commission staff find a mechanism to identify those students whose FAFSAs have been flagged and monitor whether they are paid. The Committee also requested that staff provide data on offers made to students and awards

paid with a breakdown by segment. Some discussion followed and Chairman McDowell suggested the Commission publish a report or article on Dream Act best practices.

Agenda Item 6.b - Update on the effects of the 2012-13 State budget on Cal Grants and students (Information/Action)

Committee Chair Garcia Vasquez reported that the Committee discussed the recommendations of the Legislative Analyst's Office (LAO) on changes to Cal Grant institutional eligibility guidelines and cohort default rates.

Agenda Item 6.c - Discussion of student aid financial debit cards and related fees (Information/Action)

Committee Chair Garcia Vasquez reported that the Committee discussed and took action on two legislative bills related to student aid financial debit cards and related fees. Ms. Nezhura summarized the bills and some discussion ensued.

On **MOTION** by the Committee, the Commission Unanimously **APPROVED**, by Roll Call Vote, a **SUPPORT IF AMENDED** position on **AB 1162 (Frazier) Student Financial Aid: Debit Cards**.

In Favor: Commissioners Anton, Arzate, Conley, Garcia Vasquez, Geiogoue, Le Grande, Moore, Sawyer, Shah, Siqueiros and McDowell

Absent: Commissioners Beltran, Doud and Scott

On **MOTION** by the Committee, the Commission **APPROVED**, by Roll Call Vote, a **SUPPORT** position on **Senate Bill (SB) 595 (R. Calderon) Postsecondary Education: Financial Aid**.

In Favor: Commissioners Anton, Arzate, Conley, Garcia Vasquez, Geiogoue, Le Grande, Moore, Shah, Siqueiros and McDowell

Abstained: Commissioner Sawyer

Absent: Commissioners Beltran, Doud and Scott

Committee Chair Garcia Vasquez indicated that the Committee requested that staff continue to look at different ways to issue a student financial aid debit card.

AGENDA ITEM 8 - REPORT OF THE PERSONNEL, EVALUATION AND NOMINATIONS (PEN) COMMITTEE (Action)

Chairman McDowell announced there was no report from the PEN Committee.

AGENDA ITEM 9 - UPDATE ON SB 70 DATA REPORTING (Information)

Ms. Keri Tippins, General Counsel and Chief of the Legal & Audit Services Division, provided an update on SB data reporting, noting that the Office of Administrative Law has until May 23, 2013 to complete its review of the final rule-making package. The deadline for institutions to report their data was March 31 and staff is actively working with the institutions that did not submit their reports in time. Ms. Tippins also reported that Commission staff has commenced its conversations with stakeholders on job placement reporting issues. Further discussion ensued.

AGENDA ITEM 10 - NEW BUSINESS TO BE CONSIDERED AT FUTURE COMMISSION MEETINGS (Action)

The Commission will meet to discuss the May Revision of the Governor's 2013-14 Proposed Budget on a date soon to be determined.

The Commission will be considering the following items at its June 20-21, 2013 meeting:

- The Strategic Policy & Planning Committee's process for prioritizing, reviewing and presenting its recommendations to the full Commission; and
- Repurposing the Commission's auxiliary.

The Commission will hold its Strategic Planning Retreat on June 20 from 10:00 a.m. to 4:00 p.m. or 5:00 p.m. and will have a facilitator. The Commission will conduct its business meeting on June 21, 2013 starting at 9:00 a.m. and will only discuss matters that require the Commission's attention before the next regularly scheduled meeting in September. As a result, Deputy Attorney General Ted Prim's presentation on the Bagley-Keene Open Meeting Act will be scheduled for a later meeting. Lastly, the Commission briefly discussed possible changes to the format of meeting agendas.

Executive Director Fuentes-Michel expressed appreciation to the members of the Office Move Team who worked to ensure a smooth transition to the new facility.

CLOSED SESSION

Chairman McDowell announced that the Commission would meet in closed session. Thereupon, the Commission recessed into closed session at 12:07 p.m.

RECONVENE INTO OPEN SESSION

Chairman McDowell reconvened the open session of the Commission meeting at 12:54 p.m. Ms. Tippins reported that in the matter of the Steven's Institute doing business out of the Academy of Arts University vs. the California Student Aid Commission, the California Student Aid Commission has made the decision not to appeal the ruling of the San Francisco Superior Court.

ADJOURNMENT

There being no further business, the meeting of the California Student Aid Commission was adjourned at 12:55 p.m.

CRIS ARZATE
SECRETARY