

Action/Information Item

California Student Aid Commission

Discussion of a Timetable for, and Development of, a Strategic Plan for the
Commission

The Commission's Governance Policies states that the Commission will ensure that a strategic plan is developed. The Commission's prior five-year strategic plan covered the period 2000-2005. The Commission has been unable to develop a new five-year strategic plan due to other priorities.

The strategic planning process generally requires approximately 18 months to complete. Typically, the Commission solicits the aid of a consultant to facilitate the planning process. Initial development usually begins with brainstorming sessions by the Commission. The Commission's advisory bodies and other stakeholders are then consulted for their comments and recommendations.

Staff has enclosed a tentative timeline for the development of a strategic plan for the Commission's consideration. The 2000-2005 Strategic Plan is also enclosed to facilitate any further discussion of the development of the next five-year plan.

Responsible Staff: Janet McDuffie
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Acting Chief, Federal Policy &
Programs

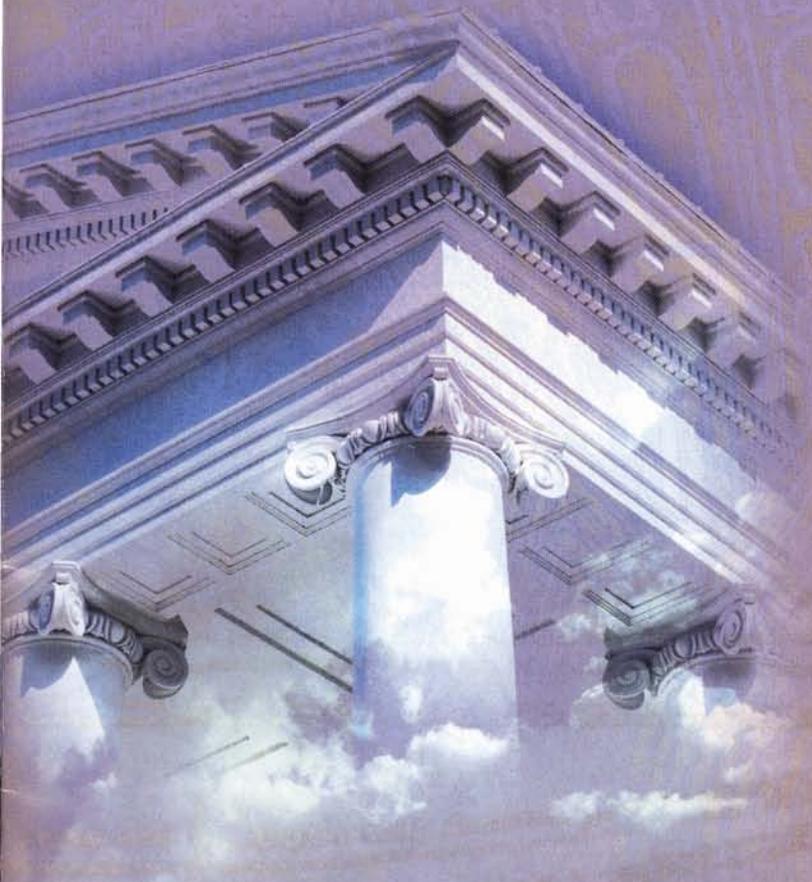
**CALIFORNIA STUDENT AID COMMISSION
FIVE-YEAR STRATEGIC PLAN**

**DEVELOPMENT TIMELINE
(TENTATIVE)**

	PROCESS	TIMEFRAME
1	Approve the tentative timeline and five-year strategic planning process.	June 21-22, 2007 Commission Meeting & Workshop
2	Hire a consultant to facilitate the process for developing the five-year strategic plan.	Early July 2007
3	Brainstorming Sessions <ul style="list-style-type: none">• Self-assessment of current strategic plan, including assumptions, goals and strategies	Fall 2007
4	Consultation with Advisory Bodies and Stakeholders	Winter 2007
5	Review drafts and finalize the strategic plan.	Commission Meetings in Spring/Summer 2008

2000-2005

STRATEGIC PLAN



CALIFORNIA
STUDENT AID
COMMISSION

VISION

A CALIFORNIA THAT INVESTS
IN EDUCATIONAL OPPORTUNITY,
FOSTERS AN ACTIVE, EFFECTIVE
CITIZENRY, AND PROVIDES A
HIGHER QUALITY OF SOCIAL AND
ECONOMIC LIFE FOR ITS PEOPLE



MISSION

MAKING EDUCATION
BEYOND HIGH SCHOOL
FINANCIALLY ACCESSIBLE
TO ALL CALIFORNIANS

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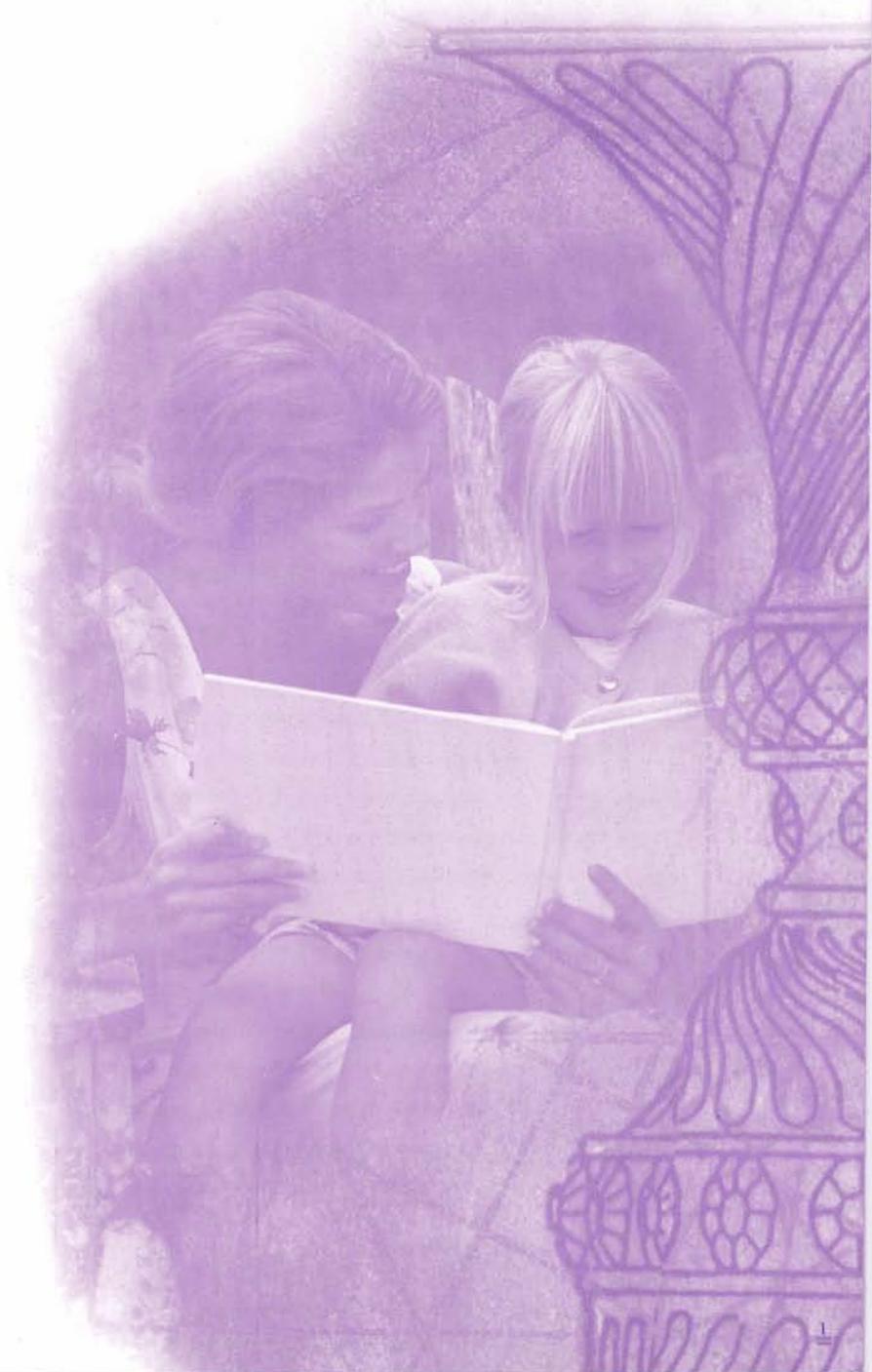
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EXECUTIVE SUMMARY

THIS STRATEGIC PLAN defines the mission of the California Student Aid Commission (Commission), and identifies strategies to achieve this mission over the next five years. The plan is based on the belief that California needs to substantially increase its investment in educational opportunity if it is to foster an active, effective citizenry and provide a higher quality of social and economic life for its citizens. To help transform this vision into a reality, California should make education beyond high school financially accessible to all Californians.

This strategic plan recognizes the central role of the Commission in providing essential financial aid funds and services to students, families, and postsecondary institutions and the importance of ensuring that the Commission's financial aid delivery system and processes are user-friendly. In addition, this plan recognizes the Commission's role in providing financial aid research and policy leadership. In particular, it recognizes the central importance of postsecondary education to the well-being of both the individual and the state. This recognition will place greater demands on the Commission to provide policy recommendations and program performance reports based on solid research and analysis and well-documented outcome data.

In this plan, the Commission frames six strategic goals:

- I. **EXPAND POSTSECONDARY OPPORTUNITY** by providing all California students financial access to the postsecondary education of their choice by ensuring that grant aid is available to all financially needy students, promoting financial planning for college, and ensuring that educational loans are readily available at the lowest cost.
- II. **INCREASE CALIFORNIA'S INVESTMENT IN EDUCATION** through the Commission's role as a leader in student financial aid research and policy by examining new forms of funding and investment, and advocating for increased financial aid funding.

III. **EXPAND AND ENHANCE OUTREACH** to all Californians, from new parents to primary and secondary school students to non-traditional and transfer students, to ensure their awareness and understanding of financial aid programs.

IV. **DEVELOP INNOVATIVE PROGRAMS AND SERVICES** to support the educational choices of the unprecedented number of students and parents who will seek financial aid in the next decade and to respond quickly and efficiently to meet critical workforce needs in California.

V. **BUILD COALITIONS AND PARTNERSHIPS WITH PUBLIC AND PRIVATE MEMBERS OF THE EDUCATIONAL COMMUNITY** by taking a leadership role in financial aid policy and strengthening the Commission's relationships with other members of the educational, governmental, business, and non-profit communities concerned with higher education.

VI. **ENHANCE THE ORGANIZATIONAL CAPACITY OF THE CALIFORNIA STUDENT AID COMMISSION** by developing performance measures for programs and operations, expanding the Commission's research and policy analysis role, and increasing funding to properly meet the administrative costs of new or growing programs.

These goals reflect the most important strategic issues confronting the Commission. Specific objectives to focus the Commission on achieving its goals appear at the end of this document.

INTRODUCTION

IN 2000-2001, the California Student Aid Commission marks its forty-fifth year of providing financial aid programs and services to California students. The California Legislature created the agency in 1955 to administer the State Scholarship program. Through the Cal Grant program, the Commission now provides nearly \$500 million in need-based financial aid annually to almost 140,000 students attending public and private postsecondary institutions. As California's administrative agency for the federal student loan programs, the Commission, through its auxiliary, EdFUND, guaranteed over \$2 billion in loans during 1998-1999 and manages a portfolio of outstanding loans worth \$13 billion. Other primary responsibilities include leadership in financial aid research, policy analysis, outreach, and financial aid information services to help students and parents prepare for college.

When the Commission published its first five-year strategic plan, CSAC 2000, in 1996, it faced significant challenges. Cal Grant funding had grown steadily, but modestly, while institution-based financial aid from student fees and student borrowing had grown dramatically. Other loan guaranty agencies and the U.S. Department of Education's Direct Loan Program had entered the California marketplace, creating strong competition for loan origination and guaranty services. As a result of those events and others, the Commission believed that it was essential to reexamine its role in California higher education, evaluate student financial aid in general, and plan strategically for its operational and policy responsibilities over the next five years.

Today, California and the Commission face new challenges. The next generation of potential postsecondary students is the largest and most ethnically, culturally, and financially diverse the state has ever known. It is now more important than ever for the Commission to re-evaluate the goals and objectives it set in 1996, assess its performance in meeting those goals, and set new goals to ensure its continued effectiveness. What follows is a strategic plan designed to carry the Commission forward for the next five years.

This strategic plan is the result of careful analysis of current and expected conditions affecting higher education and the demand for student financial aid. It was developed after extensive discussion and consultation with Commission advisory committees, customers and stakeholders. The Commission presents its plan by: (1) examining the current condition of the state in a "background" section; (2) identifying the planning assumptions that guide this document; (3) stating the Commission's vision, mission, and guiding principles; and (4) identifying a series of specific goals to be achieved.

In an appendix to this document, the Commission outlines the objectives necessary to accomplish its strategic goals and presents action plans for each objective. This separate section defines the specific and measurable steps that the Commission will take to meet its goals. It is these goals and objectives which will form the basis for specific legislative and budgetary initiatives by the Commission.

BACKGROUND

CALIFORNIA HAS BEEN a leading force in the national economic transformation and the emergence of the information age. Birthplace of “Silicon Valley” and home to scores of outstanding colleges and universities, the state has the largest concentration of high technology industries, brainpower, and jobs anywhere in the world. Its computer, electronics component, communications equipment, measuring instrument, high technology manufacturing, and biotechnology companies face a bright future with increased domestic and overseas demand for their products, particularly with the improved outlook for the major Asian and Latin American economies. In addition, California’s cutting-edge computer services companies, buoyed by the seemingly insatiable demand for their software products and Internet services, accounted for more than one out of every ten new jobs added to the state’s non-agricultural workforce in 1999 alone.

The exceptional strength, innovation, and vitality of the state’s economy can be traced directly to its historic commitment to making higher education accessible to all Californians and the substantial investment it makes in its higher education institutions and state student financial aid programs. The extraordinary demand for highly-educated and highly-skilled workers places a tremendous premium on the acquisition of advanced education and training. Those without it are being left behind, and the considerable earnings gap between college graduates and those with only a high school education or less will likely widen even further.

Safeguarding and extending educational opportunity has become critical to individuals, states, and the larger society. Economist Lester Thurow speaks of a fundamental “technology shift to an era dominated by man-made, brainpower industries that have no predetermined homes and could be located anywhere people are able to create, mobilize and organize the necessary brainpower.” With the retirement of baby-boomers over the next two decades, the job market will become even more of a seller’s market. States concerned about the strength and vitality of their economies must be able to attract, nurture, and retain enterprises that depend on an educated, skilled labor force. California will need to produce more college graduates and ensure that higher education is affordable and accessible to all — young and old, rich and poor, long-time residents and newcomers.

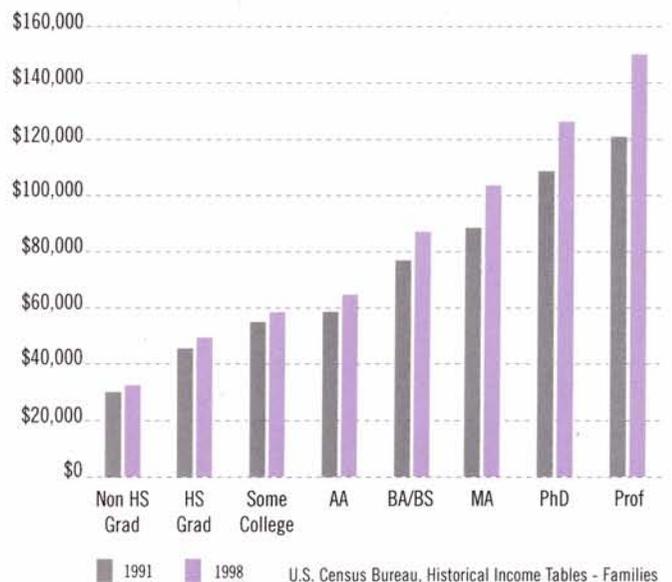
Investing in higher education and student financial aid yields impressive dividends both in terms of the enhanced earning power of individuals and the prosperity of the state

as a whole. Educational attainment dramatically increases the average annual salaries and lifetime earnings of Californians with associate, baccalaureate, or advanced degrees. U.S. Census Bureau information and the Commission/EDFUND’s “California — Invest in a State of Mind” study demonstrate the substantially greater earning power, more rapid real income growth, and correspondingly higher state income taxes paid by those with more education.

The strong performance of the California economy in recent years has generated unprecedented state income, sales, and corporate tax revenues. The increased demand to fund health and welfare, corrections, K-12 education, higher education, and other claimants will remain intense. Two points are crucial: (1) current conditions present an extraordinary opportunity to make investments that can sustain the long-term strength and competitiveness of the state’s economy and the well-being of its people, and (2) investments in educational opportunity will produce the most enduring results.

The pool of potential postsecondary students will increase dramatically over the next decade, and this growth presents tremendous challenges to California and its postsecondary institutions. The only thing traditional about this growing cohort will be its age: it will be even more focused on achieving a postsecondary education, more ethnically diverse than the

Average Income of US Families by Educational Attainment of Householder in Constant 1998 Dollars



general population, and have fewer personal or family financial resources with which to pay for college. Already the most ethnically diverse mainland state, most of California's expected 5.3 million additional people in the next ten years will be ethnic minorities, particularly Asians and Hispanics. The state's high school graduates are expected to increase by 28 percent from 311,732 in 1998 to 400,655 in 2010. Its 18- to 24-year-olds will increase by 980,000, or 31 percent - more than double the growth rate for the state as a whole. Undergraduate enrollment demand at California's public and private colleges and universities could increase by 640,000 above current levels, reaching 2.7 million students in 2010.

In the past, California has taken a boom or bust approach to student fees and maintaining college affordability that has made it difficult for colleges, students, and their families to plan. In good economic times, required fees at public colleges and universities have been frozen or actually reduced. During the last recession student fees escalated sharply, family income and student resources could not keep pace, and state and federal grant aid lagged. The result was a sharp increase in student borrowing and student debt levels. Undergraduate enrollment also dropped. California cannot afford to repeat that performance. If it does, it will lose ground in the educational attainment of its citizens, and its burgeoning 18- to 24-year-old

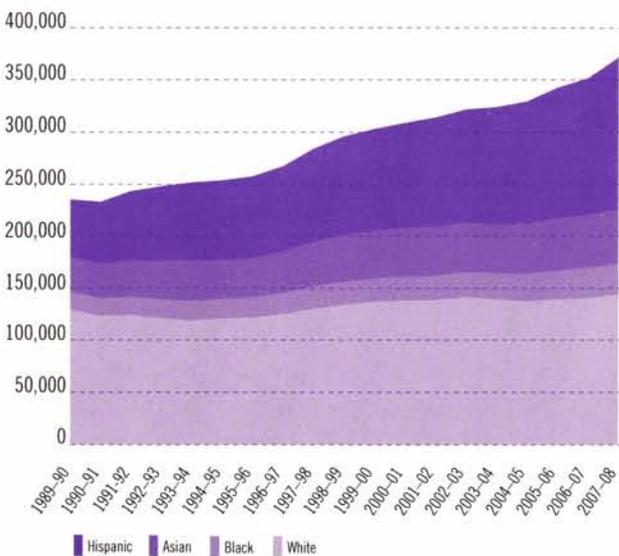
population will be unequipped to compete in a global economy and ill-prepared to help sustain California's quality of life or its economic and social vitality.

Keeping postsecondary education affordable requires: (1) consistent and reliable levels of state support; (2) institutional productivity and control of costs; (3) programs designed to help families save money to help their children with college costs; (4) the availability of sufficient financial aid to assist those with limited personal or family resources; and (5) increased grant or loan forgiveness programs targeted to specific areas of need.

The Commission is in a unique position to provide policy leadership in partnership with California's colleges and universities and financial institutions. The Commission builds on a proud legacy: the equivalent of one in nine Californians have benefited directly from the state and federal financial aid programs administered by the Commission. Millions more have used its information resources.

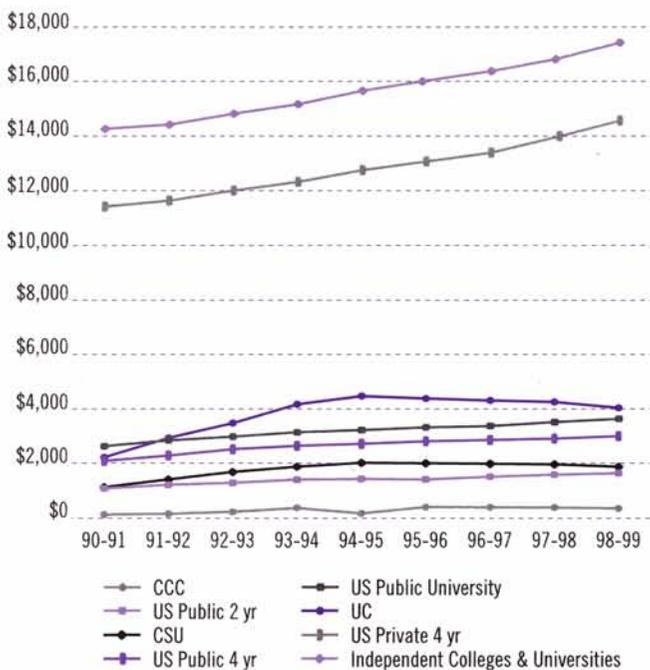
This strategic plan establishes a framework for providing future generations of Californians with the financial assistance they will need to bring their educational goals and aspirations within reach.

Actual and Projected California Public High School Graduates by Race/Ethnicity



California Department of Finance, Population Research Unit

Tuition and Required Fees in Constant 1998 Dollars



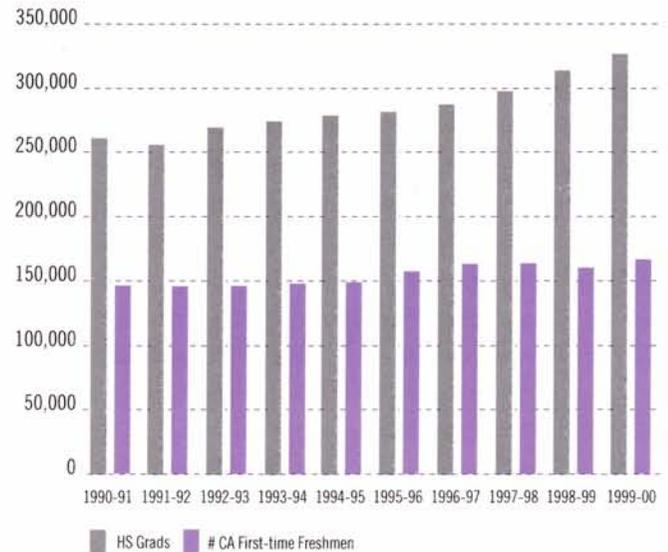
NCES Digest of Education Statistics 1998 and College Board, Trends in College Pricing 1999
* National Center for Education Statistics (NCES)

PLANNING ASSUMPTIONS

A NECESSARY COMPONENT of a sound strategic plan is an understanding of the state and national environment that will influence the future direction of higher education and student financial assistance. Based on a careful examination of this environment, the Commission believes the following principal environmental trends and changes will occur and will affect its role:

1. The number of California students needing education and training beyond high school will increase significantly, because the future strength and vitality of the economy will depend on the state's ability to produce and attract unprecedented numbers of well-educated and well-trained workers.
2. The number of high school graduates and 18- to 24-year-olds will increase rapidly and fuel future undergraduate enrollment growth, but older students who require additional education or retraining will also play a significant role.
3. Total undergraduate enrollment in California's public colleges and universities is projected to increase by nearly 640,000 students, or 30 percent in the next 10 years. However, the college-going rate among California's recent high school graduates dropped from 56.7 to 51.0 percent between 1996 and 1998. Unless reversed, this drop could reduce expected enrollment growth by almost 23,000 first-time freshmen, or nearly 128,000 undergraduates, in 2010 alone.
4. Nearly 62 percent of the 400,655 high school graduates expected in 2010 will be Asian, Black, Hispanic, or Native American. A majority of them will be potential first-generation postsecondary students, and many will be from low-income families. Expanded outreach programs, such as the Commission's California Student Opportunity and Access Program (Cal-SOAP) and GEAR UP, will be essential to increase awareness, raise aspirations, and improve preparation for postsecondary education, particularly among lower-income and first-generation students.

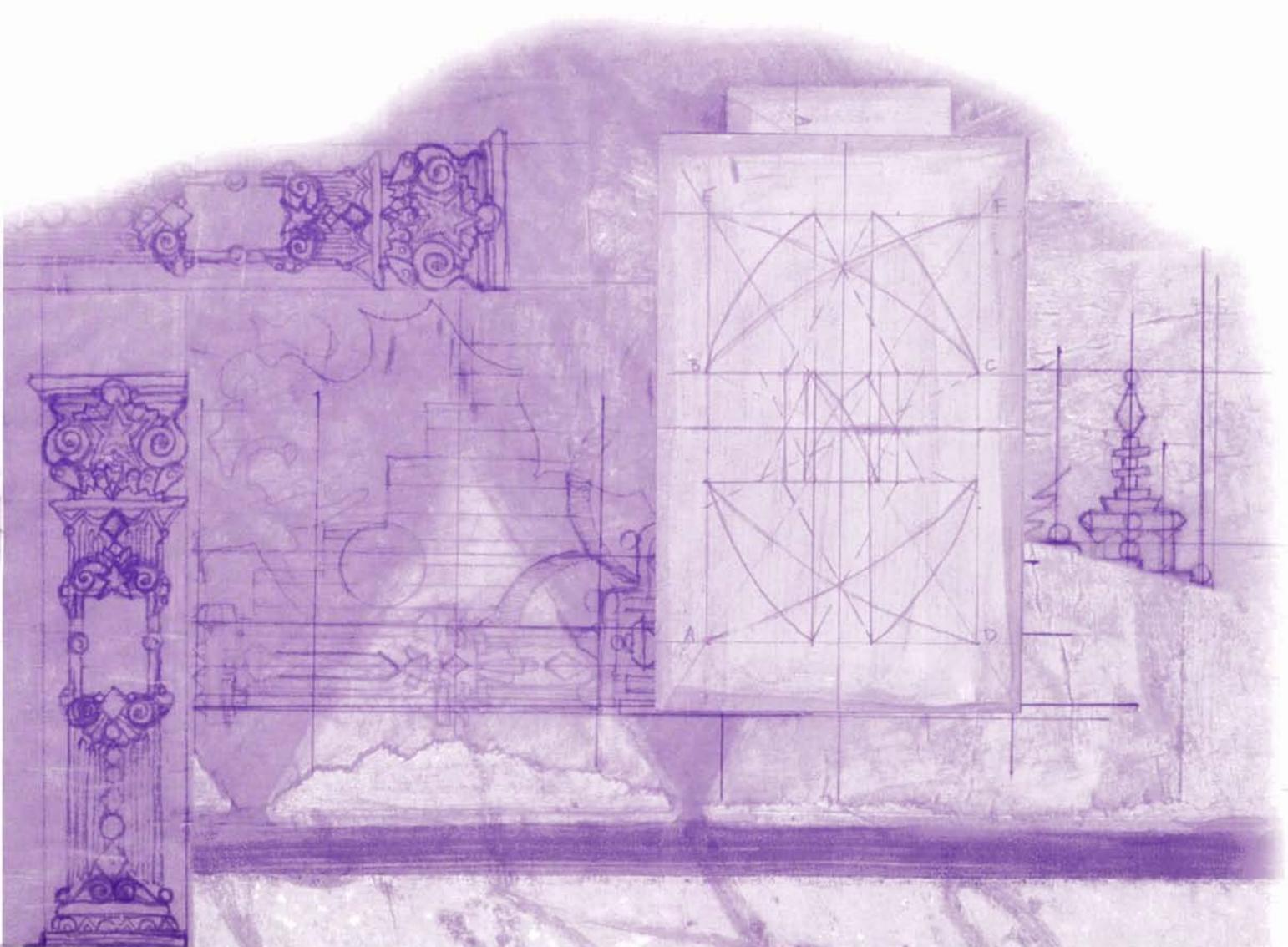
California High School Graduates Enrolling at California Colleges the Following Fall Term



California Postsecondary Education Commission, *Student Profiles*

5. Median incomes did not keep pace with the rapidly rising cost of attendance in the first half of the 1990s, and most California families can no longer cover the costs of education from current income and assets. Moreover, the rapidly escalating cost of housing (both home prices and rents) is straining many family and personal budgets. For the growing number of low-income families whose real incomes have barely increased, meeting the cost of a postsecondary education is an especially daunting challenge, even with financial aid.
6. The combination of growth in student population, inadequate family financial resources, and increases in the cost of attendance that are often larger than the general inflation rate, will require students and their families to find and utilize a variety of ways to fund their education.

7. While California is presently enjoying unprecedented economic growth, history indicates that economic conditions are cyclical. Even with sustained growth, increased competition for funding from major programs within California's public sector (including K-12 education, prisons, mental health, Medi-Cal, and other social programs) will occur.
8. The federal government will continue to play a major role in financing higher education, largely through federal financial aid programs.
9. Cost pressures and competition between providers of student loan services and between the Federal Family Education Loan (FFEL) program and Direct Lending will intensify. Guaranty agencies that succeed will be those that have the flexibility to operate effectively, enhance their services, and provide real value to customers, clients, and stakeholders.
10. The increasing importance of postsecondary education to the well-being of both the individual and the state will place greater demands on the Commission to provide policy recommendations and program performance reports based on well-documented outcome data and sophisticated research and analysis.



GUIDING PRINCIPLES

THE FOLLOWING GUIDING Principles summarize the operating philosophy and core values that will be utilized in fulfillment of the Commission's vision and mission:

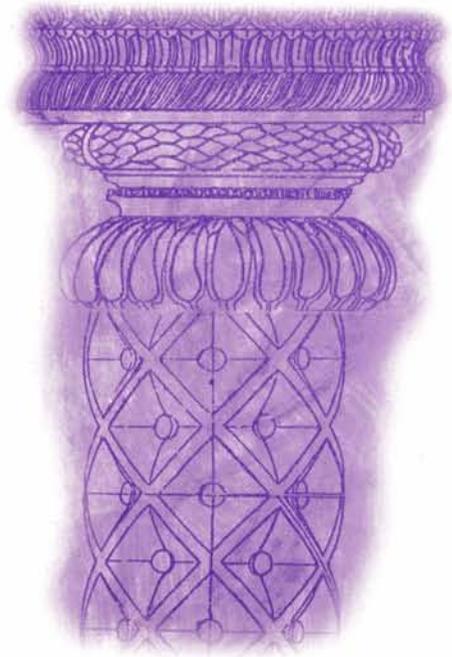
1. Education is crucial to the success and quality of life of all Californians.
2. Education is a community responsibility, as well as a family and student responsibility, and investing in students is imperative.
3. Education is a key element in the social compact among California's diverse populations and provides access to genuine economic and social opportunities.
4. Education is integral to an active, competent, and involved citizenry.
5. Educational choice beyond high school should be made available to all individuals so that they have the opportunity to attend the California public or non-public postsecondary institution that best meets their interests and abilities.
6. Access to financial aid should be available to all needy students, and should be provided through a seamless, effective, user-friendly system of delivery.
7. State financial aid policy should complement state fee policy for public colleges and universities.
8. Integrity and sound stewardship are paramount in the administration of all Commission programs.

VISION

A California that invests in educational opportunity, fosters an active, effective citizenry, and provides a higher quality of social and economic life for its people

MISSION

Making education beyond high school financially accessible to all Californians



STRATEGIC GOALS

ACHIEVING THE COMMISSION'S mission requires commitment and focus with respect to its strategic goals. The strategic goals outlined below encompass all of the Commission's major programs and services — grants, loans, outreach, and research and policy analysis. Achieving these goals will also entail organizational improvements in the Commission itself. By working in concert with California's policy makers, educational institutions, lenders, and other government agencies to accomplish its goals, the Commission can help ensure that postsecondary education becomes financially accessible to all Californians.

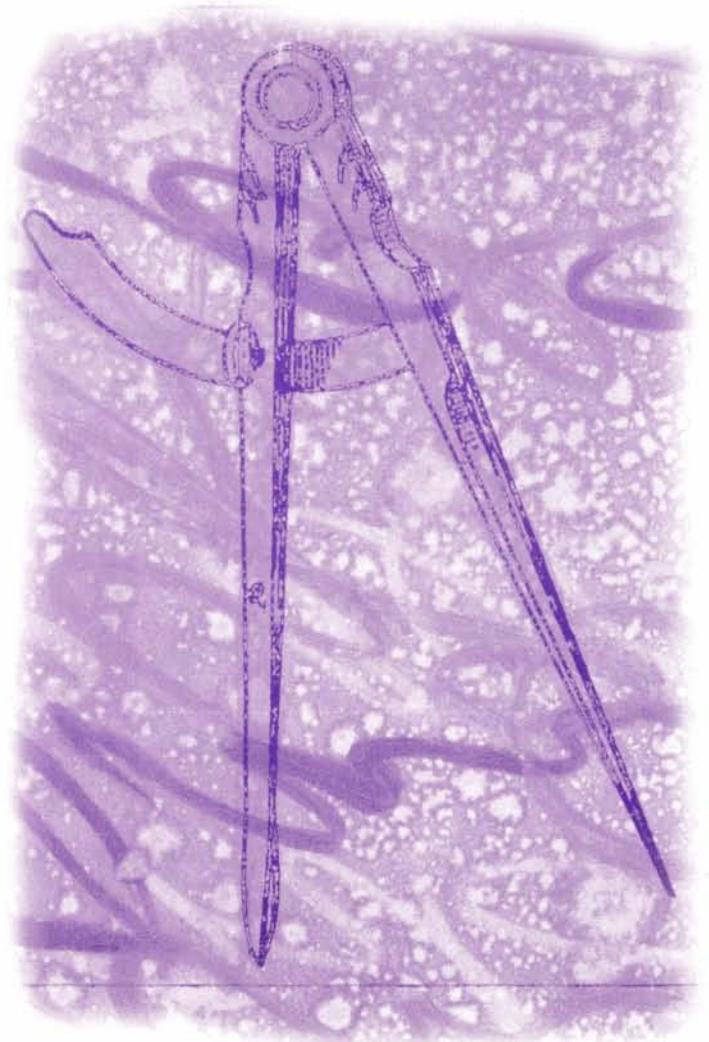
I. EXPAND POSTSECONDARY OPPORTUNITY

This is the most basic of all of the Commission's goals, encompassing all of its programs and focusing the Commission on providing greater educational opportunity to California citizens. During the next ten years, California's two primary college-going cohorts, (18- to 19- and 20- to 24-year-olds) are projected to grow twice as rapidly as the state's general population. An unprecedented 640,000 additional undergraduate students are expected to enroll in California's colleges and universities by 2010.

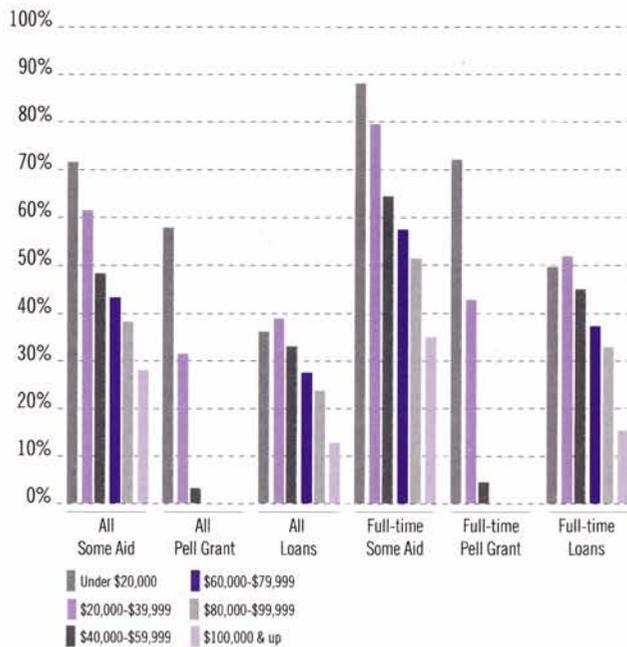
Coupled with the fact that nearly half of all undergraduate students and over two-thirds of full-time students receive some form of financial aid in order to attend school, the need for increased funding, new and innovative approaches to paying for college, and lower borrowing costs become of paramount importance to ensure opportunity and choice for California students.

California is currently reviewing and revising its Master Plan for Higher Education. The Commission intends to be a participant and a leader in discussions of student financial aid and in setting state objectives for the Cal Grant program. While the current Master Plan established goals for Cal Grant funding that have not yet been achieved, the Commission expects to provide a sound basis for the adoption of new Master Plan goals and to secure increased funding for Cal Grants. Specific Commission objectives with respect to the Cal Grant program include increasing the number of new awards, increasing maximum awards at public and independent institutions, raising the subsistence level for Cal Grant B's, facilitating greater use of Cal Grant

- Expand Postsecondary Opportunity
- Increase California's Investment in Education
- Expand and Enhance Outreach
- Develop Innovative Programs and Services
- Build Coalitions and Partnerships with Public and Private Members of the Educational Community
- Enhance the Organizational Capacity of the California Student Aid Commission

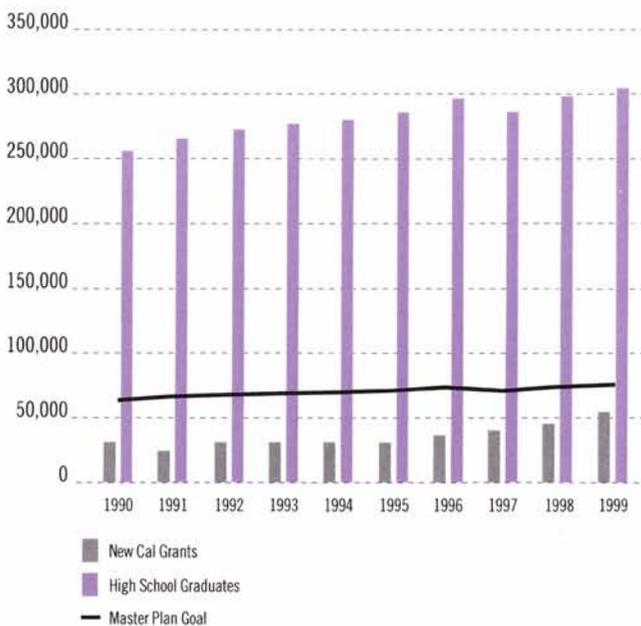


U.S. Dependent Undergraduates with Aid by Income and Enrollment Status



NCES, 1998 Digest of Education Statistics

New Cal Grant Awards and Recent High School Graduates



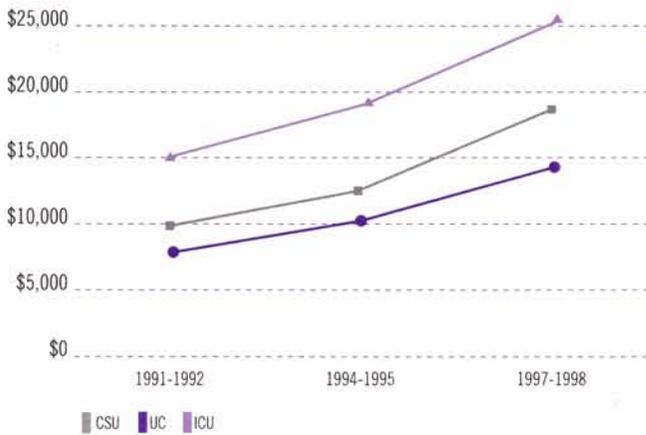
California Student Aid Commission, Annual Report, January 2000

awards, and providing for coverage of first year tuition and fees for all new Cal Grant B recipients.

Over the last ten years, borrowing has steadily replaced grants as the single largest source of student financial aid. Given the ever-increasing debt burden placed on California students, it is incumbent on the Commission to ensure availability of credit at the lowest possible cost. The Commission is concerned about the increasing reliance on loans to fund postsecondary education, and it plans to assess the consequences of this shift, particularly for students from low-income backgrounds. Developing a better understanding how different types of aid affect students' abilities to enroll, complete their education, and subsequently move into the economic mainstream will provide a sound basis for future policy decisions.

It has also become clear that today's families have not saved sufficiently for postsecondary education for a variety of reasons. Most low-income families rarely have discretionary income left to save, and middle-income families often face financial pressures or make lifestyle choices that limit their capacity to save. Whatever the reason, this lack of savings reduces opportunity, especially for middle-income students who may not qualify for rationed, need-based aid. The Commission believes that expanding postsecondary opportunity for all should include educational programs to teach financial planning and to promote savings to meet the cost of postsecondary education. The Commission intends to fully support college savings plans and to promote financial planning for education through its financial aid information and outreach programs.

Soaring Debt for California Students



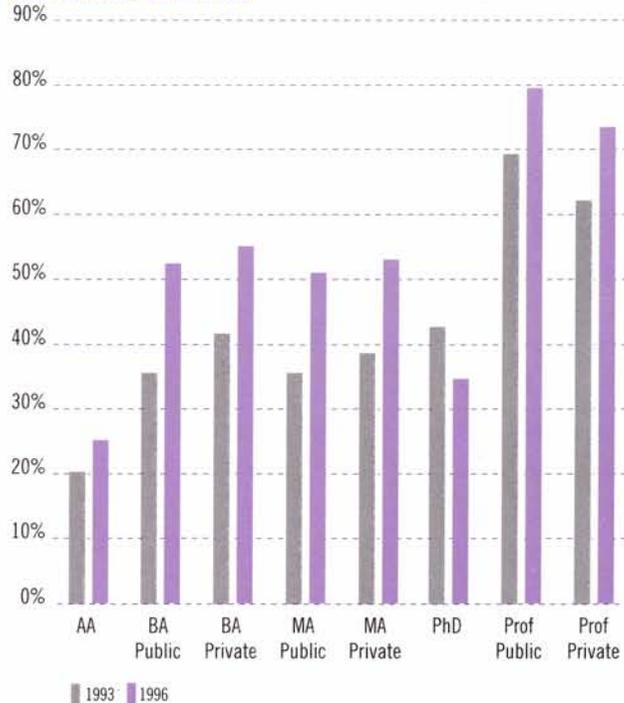
California Student Aid Commission, Student Expenses and Resources Survey

II. INCREASE CALIFORNIA'S INVESTMENT IN EDUCATION

The Commission has served as an advocate for all California students and their families by helping to make postsecondary education financially accessible. The Commission will strengthen its capacity to undertake research and policy analysis and thereby expand its policy leadership role. Well-researched and broadly vetted positions on major issues will increase the Commission's capacity to contribute to the state and national debate about the financing of higher education.

Together with the Governor and Legislature, the Commission will explore how it can support development of new Master Plan objectives for the Cal Grant program and other state financial aid programs. In partnership with others in the higher education community, the Commission will work to develop consensus on the need to increase investment in education and to ensure that investment is put to the best possible use.

Percent of U.S. Students Completing Degrees With Student Loan Debt



National Postsecondary Student Aid Study, 1993 and 1996.



III. EXPAND AND ENHANCE OUTREACH

The cost of college education can seem daunting, especially for those from low- and modest-income families and those who would be the first in their family to attend college. Support services, including early and accurate information, are essential to help students aspire to a college education, believe that they can attend and graduate, and prepare academically for success. While most outreach efforts to date have focused on middle and high school students, it has become increasingly evident that effective outreach must start even earlier, both in terms of setting educational goals and in terms of financial planning.

The Commission further believes that outreach must be provided not only to traditional, 18- to 24-year-old students, but also to the growing population of non-traditional students, including re-entry and older students.

There are numerous programs and approaches to outreach in California, including the Commission's own Cal-SOAP program. While each program has its own unique characteristics, contributions, and areas of expertise, improved awareness and greater coordination of all outreach resources should increase overall effectiveness. The Commission recently established an Outreach Committee which will not only oversee the Commission's outreach programs but will also seek the cooperation and involvement of other organizations to work for improved coordination of resources.

The Cal-SOAP program, which provides funding to various regional educational consortia, has been recognized as one of the State's most effective student outreach and academic preparation programs. In the near term, the Commission intends to increase the number of consortia from 10 to 17 and provide increased funding to existing consortia for both geographic and program expansion. In order to focus Cal-SOAP's efforts on its most effective programs and to plan for future expansion of the program, the Commission will develop a strategic plan specific to Cal-SOAP.

Another exciting opportunity for outreach in California has been made possible through the federal Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). The goal of this program is to develop and sustain the organizational capacity of middle schools to prepare all students for high school and postsecondary education. This will be done by establishing a statewide infrastructure, or network of support, for the adults who influence middle school students, specifically their counselors, faculty, school leaders, and families. As a partner in a federal grant received by the California Education Round Table to implement the GEAR UP program, the Commission intends to take full advantage of these federal dollars to expand and enhance outreach in all California middle schools.

The Commission also intends to take a more systemic approach to early outreach by expanding its efforts beyond middle and high school students to include other groups: providing new parents with the financial awareness and planning tools necessary to ensure that their child can achieve a postsecondary education; introducing primary school students to postsecondary education; and assisting community college students with matriculation to four-year institutions.

Cal-SOAP Funding



California Student Aid Commission

IV. DEVELOP INNOVATIVE PROGRAMS AND SERVICES

The sheer number of potential students who will need financial aid in the next decade, if they are to enroll in postsecondary education, demands that the Commission develop innovative programs and services to meet their needs. Critical to its response will be a comprehensive analysis of the potential impact of Tidal Wave II on student financial aid in general, and on the Commission's programs in particular. The Commission will evaluate alternatives such as streamlining application processes, year round funding, aid for distance learning, and portability of Cal Grants.

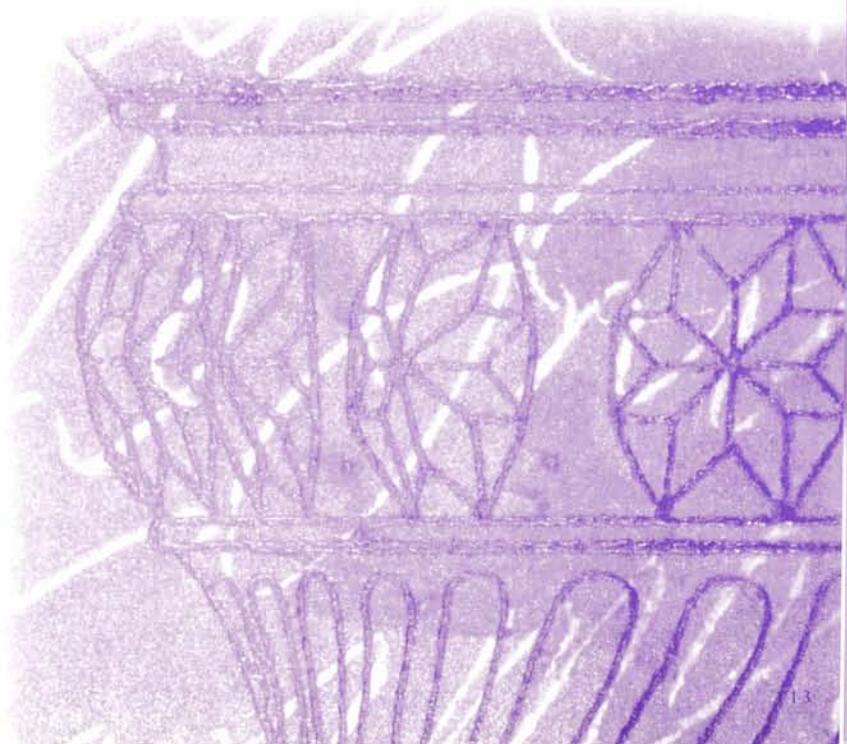
The need for innovation will not only be driven by the increased number of students needing financial aid but also by the Commission's need to ensure that its loan guarantee operations survive and prosper in a competitive student loan market. Through its auxiliary organization, EdFUND, the Commission participates in an increasingly competitive environment for student loan services. Supporting EdFUND in its development of innovative products and services ensures that California students and their parents will have the best means available to finance their education.

Emerging technologies require the Commission to continually develop new and innovative products and services. The Commission will develop a long-range plan to enhance its programs and operations through the application of new technology. The use of the Internet for customer interface and communications is fast becoming the norm, and the Commission intends to take full advantage of net-based and other technological opportunities to better serve its customers.

V. BUILD COALITIONS AND PARTNERSHIPS WITH PUBLIC AND PRIVATE MEMBERS OF THE EDUCATIONAL COMMUNITY

Making postsecondary education financially accessible to all Californians requires a concerted effort by everyone involved. It is not something that the Commission can accomplish on its own. The challenges facing California's educational system demand increased cooperation and greater collaboration and partnerships among educational institutions, constituencies, and oversight bodies. The Commission endeavors to be the leader in student financial aid policy and must develop the strengths necessary to fulfill that role.

Recognition of the Commission's value in policy leadership will allow it to forge successful coalitions and partnerships with public and private entities. The Commission will take specific steps to improve and enhance communications and working relationships with its advisory committees and stakeholders and will reach out formally to other governmental agencies to establish a collaborative approach to helping California students. The Commission will also strive to develop a stronger relationship with the Governor and the Legislature that will enable the Commission to successfully promote policy and budgetary positions supporting access to education.



**VI. ENHANCE THE ORGANIZATIONAL CAPACITY OF
THE CALIFORNIA STUDENT AID COMMISSION**

Our belief in the Commission's mission is unwavering. Our resolve is firm; yet, the Commission must have the necessary skills, resources, and workforce to accomplish its mission. Achieving the goals and objectives set forth in this plan will require the Commission to assess frankly its capabilities and determine means of improvement. A significant focus for the Commission will be on expanding and enhancing its research and policy analysis functions. Additional resources are needed to fulfill the policy leadership role outlined in this strategic plan. The Commission understands that it is accountable for its performance and must justify additional resources based on objective performance measures. To that end, the Commission will develop performance measures for its programs and operations, assess its performance, and use those performance measures to improve its organizational effectiveness.

Through EdFUND, the Commission has a unique opportunity to further meet this goal. By developing its auxiliary organization, the Commission has greatly enhanced its ability to deliver loan guarantees and other essential loan services. The Commission and EdFUND will jointly explore further means of increasing the operational support provided by EdFUND to student borrowers, educational institutions, lending partners, and the Commission itself.



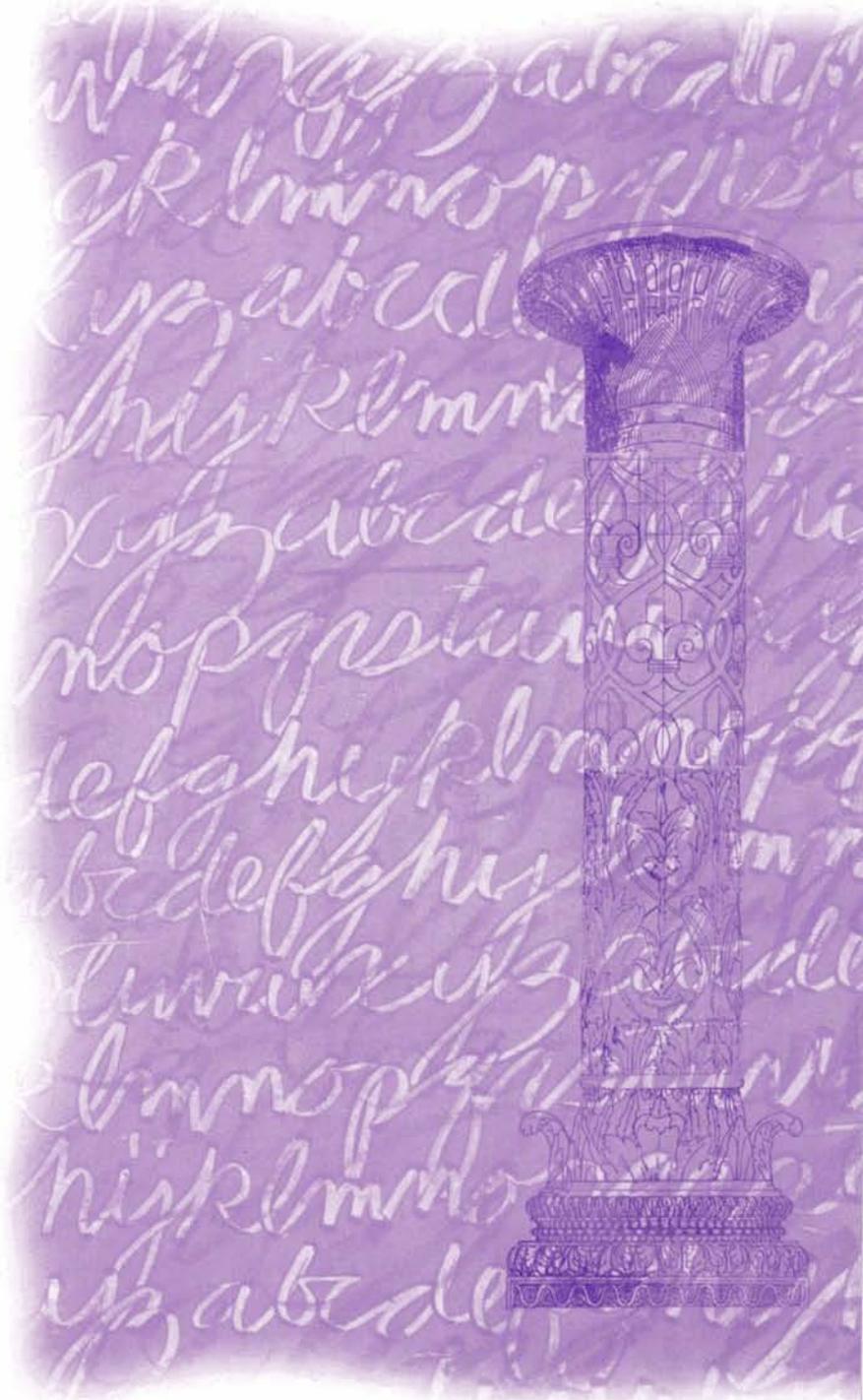
IMPLEMENTATION, MONITORING AND EVALUATION

AN IMPLEMENTATION PLAN to achieve the strategic goals outlined in this document has been prepared internally at the Commission, and is available upon request. Each strategic goal is tied to specific objectives designed to achieve that goal. Each objective has its own implementation steps. Accompanying the strategies are specific statements of accountability, a schedule for completion, specific performance measures, and an estimate of resources needed. The Commission fully intends that this implementation plan will guide and focus the daily work of the Commission and its staff. The plan will not be consigned to a dusty shelf or lost in everyday operations.

The Executive Director will be responsible for monitoring Commission activities in relation to this plan. Progress will be documented and communicated. Shortcomings will be addressed. It will be possible to assess the status of any given goal or objective at all times.

It shall be the responsibility of the Fiscal Policy and Long-Range Planning Committee to track and monitor the achievement of objectives and to facilitate the Commission's timely review of the strategic plan.

The Commission intends to review its progress under this plan, to report annually on its implementation, and to update its objectives as necessary.



GOALS

OBJECTIVES

I. Expand Postsecondary Opportunity

- A.** Support current statutory goals for the Cal Grant Program.
- B.** Advocate funding of current Commission policies on award levels and funding priorities to restore the purchasing power of awards.
- C.** Seek additional Cal Grant support focusing on areas insufficiently served with respect to number and value of awards.
- D.** Develop a new "Master Plan" goal for the Cal Grant Program.
- E.** Facilitate the greater use of Cal Grant awards by all students.
- F.** Facilitate the community college transfer function.
- G.** Ensure that educational loans to California students are readily available at the lowest cost.
- H.** Develop and administer the GEAR UP Scholarship program.
- I.** Establish a long-term strategy for work-study programs to facilitate the greater use of such programs by all students.
- J.** Analyze the impact of Tidal Wave II and the resulting institutional responses on Commission programs and develop appropriate response strategies.
- K.** Integrate college savings programs into current financial aid programs.

II. Increase California's Investment in Education

- A.** Establish the Commission as a leader in student financial aid policy.
- B.** Ensure strong relationships between the Commission, the Administration, and the Legislature.
- C.** Expand the Commission's research and policy role and obtain the necessary resources to fulfill this role.
- D.** Utilize SEARS to understand California's needs and to promote new or change current financial aid policy and strategies.
- E.** Assess the impact of the increasing reliance on loans to fund postsecondary education.
- F.** Assess and recommend policies with regard to vocational training and the skilled worker needs of California.

III. Expand and Enhance Outreach

- A.** Ensure awareness of opportunity and financial aid assistance among Californians in coordination with other entities.
- B.** Maintain a leadership role in national and statewide outreach initiatives to promote the importance of financial aid literacy.
- C.** Develop a long-term strategic plan for the Cal-SOAP program.
- D.** Develop a long-term plan that makes the most effective use of resources and enhances the Commission's role in outreach.
- E.** Expand Cal-SOAP consortia coverage to include all areas of high need in California.
- F.** Participate in administration of GEAR UP program and its expansion to all California middle schools with identified need.
- G.** Promote savings for postsecondary education.
- H.** Increase the amount of private sector participation and funding to enhance outreach.

IV. Develop Innovative Programs and Services

- A.** Analyze the impact of Tidal Wave II and the resulting institutional responses on the Commission's programs and develop appropriate response strategies.
- B.** Develop a long-range plan to enhance the use of technology within Commission programs and operations.
- C.** Enhance EdFUND's services and competitive market success.
- D.** Develop policies and program operating practices which will assist in minimizing loan default rates.
- E.** Implement enhancements to the Grant Delivery System.
- F.** Enhance and maintain the Commission's web site.
- G.** Utilize the internet to pass all data to and from school partners.
- H.** Develop financial planning tools and financial management courses to assist families with financing postsecondary education.
- I.** Assess and develop aid programs for non-traditional student populations.

V. Build Coalitions and Partnerships with Public and Private Members of the Educational Community

- A.** Establish the Commission as a leader in student financial aid policy.
- B.** Ensure strong relationships between the Commission, the Administration, and the Legislature.
- C.** Enhance communication and working relationships with stakeholders, advisory committees, and higher education segments.
- D.** Partner with CPEC, CTC, the Department of Education, Treasurer's Office, BPEV, and higher education segments.
- E.** Partner with private entities to further Commission goals.
- F.** Develop relationships at the federal level to further Commission goals.

VI. Enhance the Organizational Capacity of the Commission

- A.** Expand the research and policy role of the Commission, and obtain the necessary resources to fulfill that role.
- B.** Develop and apply performance measures for Commission programs and operations.
- C.** Increase the Commission's internal capabilities by a measurable level from year to year.
- D.** Obtain full funding for the administrative costs of new programs.
- E.** Develop approaches to increase cooperation and operational support between the Commission and EdFUND.



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