

Information Item

California Student Aid Commission

Executive Director's Report

Enclosed for review is a written report from the Executive Director of the California Student Aid Commission, which includes:

- a. EdFund Report (Information)
- b. California Student Opportunity and Access Program (Cal-SOAP) Project Director's Report (Information)

Recommended Action: For information only. No action required.

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



Executive Director's Report June 2010

Dear Commissioners,

Across our great state, June is a time of high school graduations and college commencements. This is a busy and exciting time at high schools and colleges as one year ends and planning for another academic year begins. The Commission staff has been busy processing Cal Grant awards, school changes, appeals and preparing the final processing of community college transfer awards. The increase in student applicants has resulted in a flurry of emails and calls from students making decisions about their futures, most by the May 1st enrollment deadline. Students deciding to enroll in the community colleges or short-term career training programs are now finalizing their financial aid search.

This year has been particularly challenging for students as they and their families experienced unprecedented unemployment and loss of income which has resulted in home foreclosures, bankruptcy and limited finances. Student and parental concerns about financial aid eligibility and the cost of higher education have been clouded by discussions of higher student fees, enrollment reductions and perceived increased competition for financial aid dollars.

The increased number of students and their families that had to be served was tremendous given the reduced size of the Commission and staff. The Commission experienced an almost 18 percent increase in the number of FAFSAs filed and a 9 percent increase in the number of Cal Grant offers. The Commission's WebGrants for Students assisted the Commission in managing the student demand by providing students with direct access to their Cal Grant eligibility. Over 96,000 new students opened WebGrants for Student accounts. Over 385,000 students now hold WebGrants for Student accounts.

While the final outcome of the Cal Grant budget is uncertain, we know that students and their families are more than ever counting on financial help in making college affordable. At the time of this report, no program reduction is proposed for the Cal Grant program. Between now and a final budget, the Commission will continue to keep students and their families updated on the status of the State budget and their award offers.

Also, it is important to note that this year, we anticipate one new additional loan forgiveness program for graduating law students who enter public service as a public defender or district attorney. We will be updating you as we learn more from the Department of Justice of this new program and its requirements. In addition, the Commission has successfully initiated a new loan forgiveness program for the California National Guard.

This spring, the Commission staff has continued to work on a four-day work schedule, three weeks out of every month. We have streamlined processes to get the work done on time. In addition, we worked diligently to move forward the discussions on an alternative delivery system that would not limit Cal Grant students' ability to choose among institutions without regard to cost. Key in our work is the importance of early notification of Cal Grant eligibility for low-income and middle-income students. Historically, first-generation, first-in-their-family-to-attend-college, students need timely, correct and comprehensive information about their financial options to pay for college. This year, the Commission implemented an email notification process for all FAFSA applicants of the receipt of their FAFSA data. FAFSA processing begins in mid-January with students receiving email notification of their preliminary eligibility. The Commission followed up, at least twice electronically, with those students who completed a FAFSA and had not yet filed a GPA verification form by March 2nd. We know that these efforts helped students complete the Cal Grant application process successfully and gave them knowledge that would receive grant aid assistance depending on the type of institution that they enrolled.

Early notification of Cal Grant eligibility is critical in a student's decision-making process about his or her ability to attend college. Grant aid eligibility allows the student to consider carefully how to finance his or her education, particularly for higher cost public or private universities. Having early and accurate information about the cost of college and the mix of financing options (grants, loans, private scholarships, work-study) make college possible for low and middle income families. While financial and college admissions counseling early in middle school and continued through high school makes a significant difference in preparing students to apply and compete for college admissions, early information about the financial aid process and grant eligibility is essential to college enrollment, particularly at high-cost and selective institutions.

Numerous studies have shown that low-income students' misperceptions about college costs and financial aid eligibility limit their opportunity to attend college. Financial aid information, workshop assistance along with college admissions information is a key part of the Commission's Cash for College effort. The Commission's Cash for College and Cal-SOAP programs have been designated to receive continued federal funding through the new federal Challenge Grant Program. The federal application for these funds is due July 2nd and notification of these funds should be made prior to August 13th. A key focus of the new Challenge Grant program is increasing FAFSA completion rates and ensuring college success. The Commission will be working with both programs to ensure that we meet the program requirements for continued grant funding.

As the summer begins this week, I want to express my appreciation to you and the Commission staff for all you do to make college affordable for all Californians. The Commission staff is looking forward to the Staff Appreciation Luncheon next week. I look forward to seeing you then.

The following is an update on the Commission's programs and activities.

STATUS OF THE COMMISSION’S PROGRAMS

Cal Grant Application Processing Update

The following are statistics, as of the March 2nd deadline (March 3rd for electronic and March 12th for paper ISIRS) and high school (HS) grade point average (GPA) verifications and appeals:

- 1,172,696 distinct FAFSA applications were processed – 18% ahead of last year; and
- 315,724 distinct HS GPAs were processed – 9% ahead of last year.

Resulting in to-date:

- 88,824 Entitlement offers - 18% ahead of last year;
- Transfer Entitlement potential awards generated 18,524 supplemental information requests - 30% ahead of last year;
- C1 awards were processed and offers made to 12,769;
- Over 60,000 Cal Grant C supplemental information requests were made to potential Cal Grant C recipients – about 35% ahead of last year;
- 197,861 Cal Grant renewals were made for 2010-11 - 2% ahead of last year; and
- WebGrants for Students has currently over 385,000 accounts with over 96,000 created since January 1, 2010.

Federal Policy & Programs Update

- As of June 30, 2010, no new loans will be made under the Federal Family Education Loan Program (FFELP).
- Beginning July 1, 2010, all new Subsidized and Unsubsidized Stafford, PLUS Loans, and Consolidation Loans will be made under the William D. Ford Federal Direct Loan program.
- EdFund produced and forwarded last week, the 2010-11 Proposed Budget for CSAC review. No new business plan accompanied the budget. Commission staff will be meeting with EdFund management to go over their proposed budget.
- Sale of the state’s student loan guarantee program assests - Commission staff will provide a plan going forward in the event that no sale occurs.

STATUS OF ACTIVITIES RESULTING FROM ACTIONS TAKEN BY THE COMMISSION

Below is a summary of the actions taken by the Commission at its April 15, 2010 meeting.

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
1	<p>California National Guard Education Assistance Award Program (CNG EAAP)</p> <p>The Commission adopted the proposed regulations (Sections 30730-30736, Title 5, California Code of Regulation, Division 4, Chapter 1, to interpret, implement and make specific sections 69999.10-69999.30 of the</p>	<p>The proposed regulations were submitted to the Office of Administrative Law (OAL) on April 23, 2010. OAL approved and endorsed the proposed regulations on May 20, 1010. The Regulations were then endorsed and filed with the Secretary of State on May 20,</p>

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
	<p>Education Code, implementing the CNG EAAP) and accompanying documents, requested that the effective date of the regulations be the date of filing, and authorized staff to take the necessary steps to complete the regulatory process.</p>	<p>1010 at 1:30 PM.</p>
<p>2</p>	<p>Cal Grant Priorities</p> <p>The Commission approved the recommendations of the Programs, Planning and Budget Committee on the establishment of Cal Grant priorities for the 2010-11 state budget as:</p> <ol style="list-style-type: none"> 1) Support Full Core Programs. <ul style="list-style-type: none"> ✓ Ensure that the Cal Grant Entitlement program is protected. ✓ Ensure that the Operations Budget is protected. 2) Consider Funding Options. <ul style="list-style-type: none"> ✓ Use the Student Loan Operating Fund. 3) Maintain a Competitive Cal Grant Program (versus elimination as proposed by the Governor). <ul style="list-style-type: none"> ✓ Review options in Legislative Analyst's Office Report. ✓ Staff to research other areas such as aligning with federal regulations. 4) Educate the Legislature. 	<p><i>See Tab 1.d for a comprehensive update.</i></p>
<p>3</p>	<p>The State of California Internal Control and State and Federal Compliance Audit Report for FY ended June 30, 2009, Issued by Bureau of State Audits (BSA) on March 30, 2010</p> <p>The Commission directed staff to take the corrective actions recommended by BSA and Commission staff recommendations for Finding 1 related to EdFund's information security and Finding 2 related to EdFund's expenditures and internal controls over accounts payables.</p>	<p>The Commission adopted changes to the Operating Agreement (OA) at its May 2010 meeting. The proposed amendment and extension of the OA has been submitted to the Director of Finance and the Joint Legislative Budget Committee. Once the OA has been approved, Commission staff will be bringing to the Commission, any amendments to EdFund policies that were not addressed by the amendments to the OA.</p> <p>Also, on May 17, 2010, staff requested that EdFund provide the security assessment noted by BSA in its report. EdFund provided the assessment on June 15, 2010.</p>

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
4	<p>California Public Interest Research Group (CALPIRG) Cal Grant Coalition Statement</p> <p>The Commission took action to support and adopt CALPIRG's Cal Grant Coalition Statement "No Cuts to Cal Grants."</p>	<p>Following the April 15th Commission meeting, a formal letter of support was sent to CALPIRG. Saffron Zomer, former campus program director, reported that CALPIRG held a very successful lobby day on April 26, and conducted over 50 lobby meetings at which students were able to discuss Cal Grants, healthcare reform and other issues with legislators.</p>
5	<p>REPORT FROM CLOSED SESSION</p> <p>Student Loan Guarantee Program</p> <p>Chair Keene reported in Open Session that the Commission voted in Closed Session to deny the reimbursement of the EdFund contract for Esperanza Ross in the amount of \$90,000, and to inform the Department of Finance of the Commission's action.</p>	<p>The Department of Finance was informed of the Commission's action on the Esperanza Ross contract by letter dated April 29, 2010. As of June 15, 2010, the Department of Finance has not responded.</p>
6	<p>Commission Meeting Minutes</p> <p>The Commission approved the February 25, 2010 meeting minutes as presented.</p>	<p>The Commission meeting minutes have been signed by the Commission Secretary.</p>

Should you have any questions regarding this report, please contact me directly.

Sincerely,

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



President's Quarterly Report to the Board of Directors For January 1 – March 31, 2010

Submitted May 2010

Congress concluded a more than year-long effort to pass student loan legislation in March with the passage of the Health Care and Education Affordability Reconciliation Act of 2010. This new law ends the origination of new loans under the Federal Family Education Loan (FFEL) Program on July 1, 2010. With the legislation and institutions continuing to prepare for the change to direct lending, EdFund saw a 27 percent decrease in loan volume in March, for a nearly 12 percent decrease in overall loan volume year-to-date.

On the state front, progress on the governor's planned sale of EdFund continues with final bids submitted April 15, 2010. As we continue to progress through the sale, our objective remains a successful transition for students and schools, and the best possible outcome for EdFund employees.

Through all this change and uncertainty, EdFund continues to effectively administer the existing loan portfolio and to look for ways to leverage our reputation and experience as an advocate for student borrowers.

Legislative Issues

Federal:

The focus on the federal level during the first quarter of 2010 was on the passage of major changes to the federal student loan programs. The Health Care and Education Reconciliation Act of 2010 (H.R. 4872) passed on March 25 by a vote of 56-43 in the Senate and a vote of 220-207 in the House. The president signed the bill into law on March 30, 2010.

The education provisions in the bill are similar to many provisions contained in the Student Aid and Fiscal Responsibility Act (SAFRA, H.R. 3221), which the House passed last fall. A number of provisions in H.R. 3221 that were important to the Obama Administration were stricken from the bill because of the Senate's procedural rules regarding reconciliation bills. Additionally, the year-long delay in passing the bill resulted in a reduction in the Congressional Budget Office scoring of the projected savings from switching to 100 percent direct lending, leaving less for spending on new programs. The bill also diverted almost \$9 billion in projected savings from education programs to help pay for a portion of the healthcare provisions of the bill.

Conversion to Direct Lending

The bill will end new originations in the FFEL Program and require all institutions to switch to the federal Direct Loan (DL) Program by July 1, 2010. According to the Congressional Budget Office, the switch generates roughly \$61 billion in anticipated savings over 10 years, and it is these savings that are used to fund the other education initiatives in the bill.

In-School Consolidation

For one year, beginning July 1, 2010, the bill will allow borrowers who are in-school to consolidate in the DL Program. Between July 1, 2010, and June 30, 2011, borrowers who have loans in the DL Program, the FFEL Program, or loans purchased by the US Department of Education (ED) under ECASLA may consolidate those loans into a Direct Consolidation loan.

Pell Grants

The bill provides a total of \$36 billion for the Pell Grant Program to protect against possible cuts in the maximum award in the short run and provide an inflationary increase in the maximum award in future years.

Since 2008, the maximum Pell Grant award amount has been funded through a hybrid approach: Appropriators have funded a base award through the annual discretionary appropriations process, and mandatory funding streams generated by cuts to the FFEL Program have been used to provide an add-on to increase the base.

H.R. 4872 continues this hybrid approach by providing mandatory funding to provide add-ons to the appropriated base for years 2011-19. Provided that appropriators continue to fund the \$4,860 base, the maximum award is estimated to rise from \$5,550 this year to \$5,975 in federal fiscal year 2017.

Estimated Maximum Pell Award

Fiscal Year (FY)	Appropriated Base	H.R. 4872 Increase	Maximum Award
FY 2009	\$4,360	NA	\$5,350
FY 2010	\$4,360	NA	\$5,550
FY 2011	\$4,860	\$690	\$5,550
FY 2012	\$4,860	\$690	\$5,550
FY 2013	\$4,860	\$755	\$5,615
FY 2014	\$4,860	\$820	\$5,680
FY 2015	\$4,860	\$900	\$5,760
FY 2016	\$4,860	\$1,000	\$5,860
FY 2017	\$4,860	\$1,115	\$5,975
FY 2018	\$4,860	\$1,115	\$5,975
FY 2019	\$4,860	\$1,115	\$5,975
FY 2020	\$4,860	\$1,115	\$5,975

From the total \$36 billion provided for Pell, the bill reserves significant funding to address program shortfalls arising from recent dramatic increases in the number of Pell applicants and their level of need. While this trend is typical during periods of economic downturn, it has been particularly pronounced during the recent recession. Specifically, the bill dedicates \$13.5 billion to help appropriators provide the funding necessary to maintain the \$4,860 base level for FY 2011, thus protecting the scheduled increase to the \$5,550 maximum award level.

Finally, the bill revises the funding formula to calculate award levels on the basis of the total maximum award. This replaces the calculation implemented in the College Cost Reduction and Access Act (CCRAA), which calculated individual grants on the basis of the appropriated maximum award and then added the mandatory funds to each award. The new method is slightly less expensive to implement but may mean that students eligible for the lowest level of Pell Grant aid may see their grants reduced.

Investment in HBCUs, HSIs, and Tribal Colleges

The bill provides \$2.55 billion (\$255 million each year for 2010-19) to continue funding for the Investment in Historically Black Colleges and Universities and Other Minority Serving Institutions Program contained in section 371 of the Higher Education Act. Created in CCRAA, the program received \$255 million in mandatory funding for both 2008 and 2009. H.R. 4872 extends this program by providing \$255 million in mandatory funding for each of the next ten years.

Community College and Career Training Grant Program

The bill provides \$2 billion (\$500 million a year for 2011-14) to fund the Community College and Career Training Grant Program authorized under the American Recovery and Reinvestment Act (ARRA). This program provides grants to local colleges to develop and improve educational or career training programs.

The bill makes two minor modifications to the program: (1) It guarantees that each state receives no less than \$2.5 million in funding; and (2) It removes limitations preventing institutions from receiving more than one grant and capping awards at \$1 million. Although the bill does not include the American Graduation Initiative (AGI) that was included in SAFRA, the administration has signaled its intent to award grants under this section consistent with its AGI proposal.

College Access Challenge Grants

The bill provides \$750 million (\$150 million a year for 2010-14) to continue funding for the College Access Challenge Grant Program. Created in CCRAA, the Challenge Grant Program provides formula funding to each state to bolster college access and completion programs, as well as financial literacy programs. CCRAA provided \$66 million for the program for both 2008 and 2009, after which the program was scheduled to expire. The bill ensures the Challenge Grant Program will continue for five additional years and increases annual funding for the program from \$66 to \$150 million. The bill also increases the state minimum guarantee to \$1.5 million per state.

The Challenge Grant Program is the only access and completion program to survive from the earlier SAFRA legislation.

Income-based Repayment

The bill expands the Income-based Repayment (IBR) Program to eventually increase the benefits available to new borrowers starting in 2014. The current program allows borrowers to cap their monthly federal student loan payments at 15 percent of their discretionary income and discharges any remaining loan balances after 25 years. Under H.R. 4872, borrowers with new loans made on or after July 1, 2014, will see their monthly payments reduced to 10 percent and will have any remaining loan balance discharged after 20 years.

Technical Assistance for Institutions

The bill provides \$50 million to the secretary of Education to provide technical assistance, including technical support, training, materials and financial assistance to institutions making the change from the FFEL to the DL Program. Many institutions have already taken steps to prepare for this transition in an effort to ensure that student access to federal loans remains uninterrupted.

Perkins Loan Program

The bill contains no provisions pertaining to the Perkins Loan Program. The administration's proposal (contained in the House-passed version of SAFRA) to end the subsidized Perkins Loan Program and create a new Perkins Direct Loan Program was eliminated either because of parliamentary rules in the Senate or the revised calculation of available funding.

State Nonprofit Servicing Contracts

The bill directs the secretary to award contracts for servicing Direct loans to eligible nonprofit servicers subject to various conditions (e.g., that they meet federal standards and have the capacity to service the applicable loan volume). The bill specifies that the secretary is to allocate the loan accounts of 100,000 borrowers to each eligible nonprofit servicer, and allows the secretary to establish a separate pricing tier for these loan accounts. In addition, the bill appropriates mandatory funds to the secretary to be obligated for the administrative costs of servicing contracts with eligible nonprofit servicers.

Loan Servicing Jobs in the United States

The bill provides \$50 million (\$25 million a year for 2010 and 2011) to the secretary to provide payments to loan servicers for retaining jobs at locations in the United States where such servicers were operating on January 1, 2010.

Business Planning Initiatives**Budget & Business Plan**

In anticipation of H.R. 4872 passing, EdFund's executive management submitted for approval a revised 2009-10 budget to EdFund's Board on March 17, 2010, that detailed the current-year impact of this monumental change.

With the Board's approval and the revised 2009-10 budget in place, EdFund management shifted its attention to the 2010-11 budget and business planning. This effort began with the development of near-term guiding principles to help direct EdFund's efforts over an 18-month horizon (through September 30, 2011). It remains to be seen if (and how) the H.R. 4872 legislation might impact the remaining guaranty agency functions of default aversion, prevention and collection. The months ahead will indicate what provisions or guidance, if any, will be given to guaranty agencies regarding management of the student loan portfolios still under their control, and whether opportunity will exist for guaranty agencies to bring the FFEL Program strengths, including borrower counseling and default prevention initiatives, to the DL Program and put loans.

In the interim, EdFund will focus 2010-11 business planning on continuing to pursue the company's core mission, employing appropriate wind-down strategies, and developing strategies for expanding borrower support services and exploring industry consolidation opportunities. Using these near-term guiding principles,

EdFund is currently preparing a 2010-11 preliminary budget that will be provided to CSAC by June 1, 2010, as required by the operating agreement, and later to the Board and Commission.

On the state front, the governor's planned sale of EdFund continues with the assistance of the state's sale-side advisor. The Department of Finance is currently reviewing the final proposals submitted by the qualified purchasers. As the terms of a sale become available, their influence will be incorporated in to the 2010-11 budget and business plan.

Borrower Success Services

Expanding our core business model, EdFund entered into its first multi-year contract for Borrower Counseling Services with one of the largest national post-secondary education institutions. These services are intended to reduce student loan delinquency rates for all borrowers in repayment and lower defaults.

EdFund's Borrower Counseling Services are responsive to the unique needs of borrowers at different stages in the lifecycle of their loans. These services build upon the successful program EdFund initiated through its Voluntary Flexible Agreement with ED which resulted in higher return-to-school rates as well as lower delinquency rates and defaults. The program was successful at helping even the most at-risk students: those who withdrew from school before completing their program of study.

EdFund's Borrower Counseling Services will enable students to persist and succeed by providing counseling and support from the moment they leave school. With early assessments of the new three-year cohort default rate (CDR) indicating that many schools will see their cohort rates nearly double from their current two-year rates, the timely and diligent application of EdFund's tried and proven services will make a positive impact on borrowers' repayment success.

Student Success Initiatives and Client Training Support

Student Success Initiatives

SSI continues to assist schools with various student success initiatives. The team recently began to preview the new online counseling tool, Finance Your Independence™ (FYI), with several targeted schools. This new tool, developed using a learning-management system software, provides flexibility and customization to schools needing to fulfill their regulatory student loan counseling requirements. It also assists those schools beginning to offer their very own customized financial literacy curriculum. The tool offers the student an interactive and engaging environment in which to enhance their knowledge of basic money management skills and concepts.

The team continues to provide guidance on the new three-year CDR as well as the impact of the Put Loan Program on both borrowers and schools.

Client Training – Financial Aid

EdFund's Financial Aid training team continues providing webinar training to a broad audience. Our training offerings consistently draw more than 80 participants per session, and customer survey results continue to show high levels of satisfaction. Our most attended sessions continue to be Year-round Pell and the FAFSA

Overview. Our webinar technology provides us with a training delivery method that is both flexible and cost efficient.

Outreach and Publications for Students and Schools

The need to inform students and parents about all the aid that's available to them becomes even more critical as costs rise and the economy remains depressed. With more than 400 million active users, and growing daily, Facebook is today's most popular social networking site. Because so many high school and college students are there, EdFund created the ***Fund Your Future: Planning and Paying for College Facebook page*** as a resource on all the ways to pay for college. As the *Fund Your Future* page continues to grow, more students and families will become part of the critical conversation on paying for college. The page provides alerts about looming deadlines, links to important resources, timely reminders about upcoming events, and answers to questions.

EdFund's annual update of the ***Guide to Federal Tax Benefits for Higher Education*** provided students and families with information on tax credits, deductions and savings programs for the 2009 tax year. To meet early and high demand, EdFund produced and distributed the one-page, easy-reference flyer called "Federal Tax Benefits at a Glance" to further assist students and families seeking to offset college costs during a time of economic slow-down. The flyer summarizes the programs covered in the guide, but in a simplified chart format that can be included as an envelope stuffer with the 1098-T statements that schools must send to students by February 2, 2009. Both the guide and flyer are used by thousands of parents and students across the country each year.

EdFund continues to provide ***Insight*** and ***Outlook*** loan counseling workbooks for our schools, helping them meet the federal regulatory requirements to deliver specific counseling content to all student loan borrowers. These workbooks have been updated to include all the latest regulatory changes as well as added money management content. We continue to identify cost-saving measures for reprints and we offer a complimentary PowerPoint presentation for schools to use during their in-person counseling sessions.

EdFund supported our local community by assisting the Rancho Cordova Chamber of Commerce in creating a new logo and brand book. These efforts were well received and recognized.

Customer Feedback

EdFund's national account managers are recognized regularly for their many contributions, including helping schools with the transition to direct lending.

During exit interviews, Barbara Dryden, financial aid director at Embry Riddle Aeronautical University in Daytona Beach, Florida, told Fidel Calero they were thankful and appreciative of everything EdFund has done for them all these years. They were truly grateful for all the help we have provided them, from the transition to direct lending to all the above-and-beyond services during their time in the FFEL Program.

While visiting a private college in California the Financial Aid Director shared with EdFund's National Account Director that we have perfect timing. The school is in desperate need of our Borrower Counseling Services and is very interested in working with us. This has been a common theme in our BCS visits to date.

We would like to do more to communicate to our students, regarding their student loans, but we don't have the staff or the time. We are concerned about our CDR increasing. Your Borrower Counseling Service is exactly the kind of service that we have been talking about in our Strategy Committee Meeting to have more open communication with the students and improve their overall experience at our school.

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

June 2010

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

During the past three months, Cal-SOAP project directors have worked alongside CSAC staff in conducting CA Assembly/Senate advocacy efforts toward the continued full funding of the Cal-SOAP programs and appropriation of \$7.3 million through the federal College Access Challenge Grant. Project Directors including Sonia Ramos (San Jose), Monica Roberts (Sacramento), and Ken Songco (San Francisco) testified in front of both Assembly and Senate Budget subcommittees on higher education in April and May. Project Directors attested to the local impact of the Cal-SOAP programs and how they are an essential support for school counselors, providing K-12 partner schools the opportunity to continue essential college and career counseling by integrating Cal-SOAP services school wide. It was also noted that Cal-SOAP programs are an essential partner to college outreach staff, extending their reach into secondary schools throughout California, and filling the gaps in college admissions and outreach services.

Cal-SOAP projects are currently working on their 2010-2011 Annual Performance Plans (APP's) to be submitted to CSAC sometime in July. Project Directors are awaiting further instructions regarding revised sections of the APP such as areas to provide more narrative on proposed Career Technical Education (CTE) activities.

Through recent communications between CSAC staff and the US Dept. of Education, there is still some indication from the Department that the College Access Challenge Grant (CACG) will be more of a competitive grant starting in the 2011-2012 program year. The Department is placing an increased emphasis on performance data and reports since the Obama Administration's focus is more on college persistence and completion. There's also strong indication that projects with no strong reliable data will not be funded in the future. CSAC is cognizant of the need for Cal-SOAP projects to provide more reliable data and has asked for flexibility from the Dept. of Ed in meeting these requirements.

In response, Diana Fuentes-Michel has requested a meeting in-person between project directors and CSAC staff sometime in late July or early August before the beginning of the 2010-2011 program year. To ensure that the Cal-SOAP programs meet all CACG requirements and outcomes, she has proposed to explore the possibility of contracting the services of an outside evaluator and to work alongside project directors to examine the current capacity of Cal-SOAP programs in determining revised program objectives and more reliable data gathering methods in meeting college access and completion data requirements. Through this meeting, the hope is to well-position the Cal-SOAP programs for the 2011-2012 CACG reapplication process. Diana is also in talks with Lauren Asher, President of The Institute for College Access & Success, to gain some insight on how the Cal-SOAP programs could more effectively address some of the current college access and completion policies on both the state and federal levels.