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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
- b. Grant Advisory Committee (GAC) Report

Recommended Action: For information only. No action required.

Responsible Person: Diana Fuentes-Michel
Executive Director



Executive Director's Report June 2009

Dear Commissioners,

At the time of this report, the future of Cal Grant program and the students it serves is uncertain. As you know, the Governor's May Revision proposes to eliminate all new Cal Grant program awards beginning with the 2009 academic year and to reduce the Cal Grant awards for students currently enrolled in the University of California and the California State University. Over 200,000 students would be impacted by the Governor's proposals to eliminate new Cal Grant awards and reduce Cal Grant awards for continuing students beginning this fall. The legislative budget conference committee has not finalized its higher education decisions and the final budget bill is still in negotiations. The budget conference committee has rejected the Governor's proposals to eliminate the Cal Grant award. The budget conference committee reduced the Cal Grant award for all students attending the State's nonpublic colleges and universities from \$9,708 to \$9,223 or five percent for the 2010-11 academic year. In addition, the budget conference committee took action to freeze income eligibility for new Cal Grant A awards in 2010-11. However, further reductions in the Cal Grant program are possible.

On June 10, the Senate Education Committee held an informational hearing on the Governor's proposal to consolidate the Commission with the California Postsecondary Education Commission, thereby establishing a new higher education entity within the Governor's office. The Governor's proposal also calls for decentralization of the Cal Grant program. The committee took no action on these proposals but indicated that it would send its recommendations via written correspondence to the budget conference committee. During the months preceding the budget hearing, Chair Keene and Commissioner Rodriguez held two working group discussion meetings with representatives of the postsecondary education institutions, a K-12 representative (Grant Advisory Committee representative) and the financial aid associations (CASFAA and CCCSFAAA) to discuss decentralization of the Cal Grant Program. The discussions centered on the Governor's proposal (which was not detailed until a week prior to the Senate Education Committee hearing), the segmental concerns and the Commission staff proposal to provide for an option to decentralize a portion of the Cal Grant awarding process. The Commission will hear an update of these discussions at the Commission meeting in June. I will also brief you during the Commission meeting regarding legislative and communication actions that the Commission staff took during this period to ensure that college access and opportunity remained a priority in the State budget.

In regards to our current operations, the Commission staff continues to process Cal Grant awards, answer calls from students, their families and schools regarding the Cal Grant program. There has been a surge in calls regarding the Governor's proposal and concerns about how

students will meet their college-going costs with the elimination of the award or a significant reduction. The Commission staff also continues to process the specialized programs (our teacher and nurse loan forgiveness programs, merit scholarships, among others).

This month marked the completion of Phase II of our Grant Delivery System enhancements. The Commission Grant Delivery System is now in a real-time environment that allows students and schools to access Cal Grant data on a 24/7 basis through our WebGrants for Students website. Other features include real time student and institution school changes, real time Grade Point Average (GPA) capability, real time roster transactions, improved security, and greatly improved performance. The project will also deliver a GPA web service that will allow schools to transparently integrate their systems with ours to determine or update the student's GPA status. This will be the first of many web services that will be completed on the next few years. Kudos to chiefs John Bays and Catalina Mistler, their managers, Jarrid Keller, Penni Doud, Debi Jackson, Bryan Dickason, Gloria Falcon, Thea Pot Van-Atta, Tae Kang and the rest of the IT and Program staff for their great work in getting this done. In the current fiscal environment, this achievement has been an awesome accomplishment. The Commission now will have the ability to move to the next generation of processing awards as the federal Department of Education prepares for a more simplified and streamlined environment. I can't state how AWESOME this accomplishment is for students.

In regards to this upcoming meeting, I will draw your attention to the EdFund Loan Program Business Plan and Budget proposal. We will have much to discuss in closed session. Please review your materials ahead of time as these issues will take significant time to digest.

At the federal level, the President's proposals continue to move forward as the implementation of the Direct Lending Program expansion now are beginning to take effect. The U.S. Department of Education has moved forward with a request for bidders on the loan collection of outstanding federal student loans. Congress will continue to work on meeting the \$1 billion savings for the coming year through the adoption of a final legislative package on federal student loan reform.

Below is a summary of the actions that the Commission requested at its last meeting in April. Should you have any questions or concerns, please let me know.

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
1	<p>The Governor's Proposal to Decentralize the Cal Grant Program</p> <p>On April 16, 2009, the Commission adopted, in coordination with its mission to make education beyond high school financially accessible to all Californians, a proactive stance on the issue of decentralization of the Cal Grant program, with the idea that the Commission shares a common goal with the higher education segments represented at the April 16 Commission meeting to improve access, enrollment, and degree attainment and that all are in unison with any discussions around simplification, transparency and accountability; and form a stakeholders' roundtable or work group that meets as often as needed with the purpose of exploring ideas and drafting a legislative proposal that addresses the delivery of Cal Grants,</p>	<p>Commission Chair Barry Keene hosted two meetings, along with Commissioner Israel Rodriguez, on May 8 and 28, 2009 to discuss the issue of decentralization of the Cal Grant Program. Participants included representatives of each of the educational segments and the financial aid associations.</p>

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
	focusing on three specific policy-making areas (politics, system and resources) with the details to be run back to the Commission.	
2	<p>Veterans Education Benefits Legislation</p> <p>On April 16, 2009, the Commission adopted a position of “Sponsor” on Senate Bill 611 (Correa) <u>Student Financial Aid: Cal Grant A Entitlement Awards: Veterans</u> with the intent of holding the spot bill pending further discussion of Veterans Education Benefits-Cal Grant issues, and the Commission voted to support this bill in concept.</p>	Senate Bill 611 was held in Senate Appropriations Committee. There has been no further activity.
3	<p>Contracts</p> <p>The Commission ratified the R&G Associates contract amendment for \$24,000 for a total contract amount of \$104,000 and extended the term through June 30, 2009.</p>	No additional administrative activity has occurred. Work has continued under the approved terms of the contract.
4	<p>Operating Agreement</p> <p>The Commission voted to extend the Operating Agreement between the Commission and EdFund through June 30, 2010 and authorized the Executive Director to execute the extension, provided it remains substantially the same after a review by the Department of Finance (DOF) and the Joint Legislative Budget Committee (JLBC).</p>	<p>Commission staff submitted the Operating Agreement Extension to DOF on April 24, 2009.</p> <p>Commission staff has not received comments from DOF or JLBC regarding the Operating Agreement Extension. The Commission is still on track for an Extension to be in place as of July 1, 2009.</p>
5	<p>Career Technical Education (CTE) Provisions of the 2008-09 State Budget for Cal-SOAP</p> <p>The Commission authorized the Executive Director to execute contract amendments totaling \$875,000 with the Cal-SOAP consortia for the 2008-09 award year for CTE Phase II funding at the allocation levels proposed by the Cal-SOAP Project Directors, and to extend the contracts as requested by each consortia up through December 31, 2009.</p>	<p>Due to required changes in the approved allocations, Executive Director Michel exercised an emergency provision in accordance with Commission policy to enter into revised 2008-09 Cal-SOAP contract amendments.</p> <p>In Agenda Item 3.d of the June 30 - July 1, 2009 Commission meeting agenda, the Commission will consider the ratification of the funding revisions of the 2008-09 Cal-SOAP contract amendments.</p>
6	<p>The President’s 2010 Budget Proposal on Student Financial Aid</p> <p>The Commission approved the Governance & Monitoring Committee’s action to support in concept President Obama’s 2010 budget proposal to originate all new federal student loans through the Direct Loan Program and to use the savings to create a stronger and more reliable Pell Grant program.</p> <p>The Commission also approved the Committee’s amended action to state that the Direct Loan Program should provide quality services essential for students, including, among other things, default aversion,</p>	Chair Keene sent letters communicating the Commission’s actions to Vice President Joe Biden, Congressman George Miller and U.S. Secretary of Education Arne Duncan.

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
	outreach, early withdrawal counseling, and training for financial aid officers and that the services address the diverse needs of all students and institutions.	
7	<p>Revision to the 2009-10 Cal Grant C Scoring Criteria</p> <p>The Commission voted to eliminate Question 9 from the Cal Grant C Supplement application form and score the applications based on a total of 65 points for the 2009-10 academic year.</p>	An Operations Memo was disseminated on May 29, 2009 to financial aid administrators and high school counselors announcing the new online Cal Grant C Supplement and the elimination of Question 9.
8	<p>Advisory Committee Appointments</p> <p>On April 16, 2009, the Commission made the following appointments to the Grant Advisory Committee (GAC):</p> <ul style="list-style-type: none"> • David Kopperud, K-12 Schools Representative, for the term April 16, 2009 through April 16, 2011; and • Cindy Castillo, California Community College Representative, for the term April 16, 2009 through April 16, 2011. 	<p>Members Kopperud and Castillo have accepted their appointments and attended the May 7th GAC teleconference. The next GAC meeting is scheduled for July 9th.</p> <p>Executive Director Michel notified the applicant who was not selected for appointment of the Commission's appreciation of interest and of their decision.</p>
9	<p>Commission Meeting Minutes</p> <p>The Commission approved the January 26, 2009 and February 26, 2009 minutes as presented.</p>	The Commission meeting minutes will be signed by the Commission's Secretary, Yasmin Delahoussaye.

In addition, I am including the EdFund Report (Tab 9.a) and the Grant Advisory Committee Chair's Report (Tab 9.b)

And finally, I wanted you to know of the continued outstanding work of many members of the Commission staff. The impact of the proposed cuts and elimination of financial aid, outreach, and student service programs have left many students, high school and college personnel on edge, anxious and concerned about their futures.

Recently, I received a letter from Ms. Jodi Sharp, Financial Aid Counselor at the California State University in Bakersfield, expressing her appreciation for one of our Program Administration and Services staff, Ms. Tabitha Frost. The letter reads:

"Tabitha extends a great amount of patience and kindness when assisting me with questions or problems... []. There has been a great learning curve for our campus with the new system, and although the questions might seem repetitive and insignificant, her willingness to extend an answer even when it requires more of her time is extremely appreciated.

With all of the difficulties that the State of California is facing, and although its employees are bearing the brunt of the difficult times, it is refreshing to know that a friendly voice, and a helpful person is waiting to assist schools in need despite the grim situation."

-- Jodi Sharp, CSAC Programs Coordinator and Financial Aid Counselor, California State University at Bakersfield

I presented a copy of this letter to Tabitha at a recent meeting held with Program Administration & Services staff. Our staff continues their work with schools and colleges in helping students through this difficult financial time.

I look forward to seeing you at our meeting on June 30th in Rancho Cordova.

Sincerely,

Diana Fuentes-Michel
Executive Director
California Student Aid Commission



President's Quarterly Report to the Board of Directors For January 1 – March 31, 2009

Submitted April 2009

EdFund continued to build on the momentum of 2008, realizing a 51.2% increase in Stafford and PLUS loan volume compared to Q2 2007-08.

As the nation continues to grapple with severe economic challenges, EdFund's commitment to open access opportunity for education, financial literacy, default prevention and debt management remains more important than ever. We continue to play a key role in reaching out to students and families to raise awareness about postsecondary education opportunities and the financial support available.

In late April, the House and Senate passed the 2010 budget resolution. The resolution includes a sense-of-Congress on student loan reform that nothing in the resolution should be construed to reduce any assistance that makes college more affordable and accessible for students including but not limited to student aid programs and services provided by nonprofit State agencies and private lenders.

While we are pleased that Congress supports the expansion of the Pell Grant Program, we are even more encouraged that Congress has recognized the importance ensuring that students and borrowers receive the best service possible. EdFund remains dedicated to the students, borrowers and schools that we serve, providing unwavering support and services across the country.

Legislative Issues

Federal: As the second quarter of the federal fiscal year began, all eyes were on Washington DC. Even before the inauguration of the new President, President-Elect Barack Obama was engaged in key meetings with the White House and Congress. Early preparation would allow for an easy transition and an expected quick start for an ambitious agenda.

While President Obama has enjoyed wins in the first 100 days of his Administration, a few stumbling blocks occurred during the appointment of key cabinet members, which delayed many of the lower level appointments as well, including key staff at the U.S. Department of Education. This delay however did not slow down the President's agenda as he took on major pieces of legislation early in his presidency.

The President's budget proposal, scheduled for release to Congress in February, is typically the kick-off of the legislative session. However, after an election year, a new President is given additional time to get his cabinet in place and prepare a proposal. This year, President Obama postponed submitting his full budget request but released an outline in February which provided some important insight on his agenda. As expected he laid out plans to fulfill his campaign promise of moving all new loan originations to the Federal Direct Loan Program beginning July 1, 2010, effectively eliminating the Federal Family Education Loan Program.

Next, Congress considered the President's budget outline and started preparing to pass a budget resolution, which is due by April 15 each year. The budget resolution is not binding and does not require the President's signature. It is, however, a blueprint for Congress to follow in giving instructions to the Budget and Appropriations Committees on what will be spent on programs for the next fiscal year.

The most controversial element included in the budget resolution was the use of reconciliation for student loan and healthcare. Reconciliation is a process used for meeting budget targets (cuts) without the benefit of thoughtful policy discussions. It is important to note that when reconciliation has been used in the past it has resulted in substantial cuts to the FFEL program.

While key legislators, such as Senate Budget Committee Chairman Kent Conrad (D-ND) and others voiced their support for services provided by FFEL participants and their concerns with the use of reconciliation, in the end, reconciliation instructions for healthcare and student loan reform were included in the final conference agreement.

The House and Senate passed the conference agreement on the budget resolution the last week in April along largely partisan lines. The House vote was 233-193 with 17 Democrats voting against it. In the Senate, the vote was 53-43, and Sens. Evan Bayh (D-IN) and Ben Nelson (D-NE) joined Sen. Arlen Specter (D-PA), who recently switched parties, in voting against the final budget resolution.

The inclusion of reconciliation instructions in the budget resolution makes it much easier for Congress to approve the President's proposal to move all new loan originations to Direct Lending, but it also allows options to be considered in overall student loan reform. An important inclusion in the budget resolution was a "Sense of the Congress on college affordability and student loan reform," which offers some hope to the student loan community that a role(s) may exist for them in the new program. Most believe this role would be in the area of providing services to borrowers, families and schools for all students. These services, such as college access, financial literacy, delinquency and default prevention and ongoing training, are currently provided in the FFEL program by guarantors, but provided only on a limited basis in the DL program.

The reconciliation instruction provides a deadline of October 15 for both healthcare and student loan reform, and will be used by the Democratic leadership if passage by normal means proves difficult to obtain. The timeline to determine any program changes will be much earlier than the October 15 date in an effort to reach consensus prior to the August recess. This will allow staff time to conference on smaller issues during the month long recess, leaving only major issues for the Members to tackle when they return.

The coming weeks and months will be critical as organizations, such as EdFund, who are deeply engaged in successfully providing these types of services work with the Administration and Congress to ensure that every student who borrows in the federal student loan program receives the material and guidance needed for a successful repayment experience.

Business Planning Initiatives

Budget & Business Plan: EdFund management is actively engaged in its 2009-10 budget and business planning process. Because of the many uncertainties on the federal and state level, coupled with a tenuous economy, the 2009-10 annual business planning and budget process is admittedly challenging.

In the coming months, the impact of the President's budget proposal to eliminate the FFEL program and move student loan funding to the Federal Direct Loan program will unfold potentially altering EdFund's business model. Additionally, the FFEL program continues to evolve in response to federal legislation (ECASLA) enacted to deal with the economic downturn and tightening of the credit markets. Finally, the Governor's planned sale of EdFund remains on the horizon signaling EdFund's opportunity to advance as a single-entity company separate from the state. In response to these numerous challenges, EdFund's executive management has been working diligently to ensure EdFund is competitively positioned for a successful future by evaluating all aspects of the business to streamline operations, find business optimization opportunities and control costs.

As the 2009-10 business planning unfolds, the management team will continue to evaluate all aspects of EdFund's operations and business strategies to ensure the company remains agile and prepared to meet the demands of a changing FFEL environment. This includes adhering to the business planning process as outlined in the operating agreement, reviewing the budget and business plan components during May and

June and submitting to the Board and Commission for approval in late summer 2009. Depending on the timing of passage and specific elements adopted in the President's Budget, the EdFund budget for 2009-10 may also need to be revised further.

Technology Initiatives

During the month of March, EdFund replaced its mainframe computer. The mainframe runs FAPS, EdFund's system of record for all financial aid processing. The previous mainframe was put into service in 2005 and was near its processing capacity. The new IBM z10 mainframe is the latest release for mid-market customers.

Since the upgrade, FAPS has seen system performance increases in the range of 30%. This new mainframe will position EdFund for future growth over the next 4 years.

Training and Policy Support for Schools and Students

Client Training – Financial Aid

EdFund's Financial Aid training team provided 71 training events during the quarter reaching over 2400 participants. Training was provided at schools and workshop sites throughout the United States, at association conferences and via webinar technology.

The Financial Aid training team responded to the school community's need for training regarding updates to the 2009-2010 FAFSA and quickly created a new webinar titled: FAFSA - Changes and Overview. Over 680 attendees participated in seven webinars offered on this topic during Q2 and the recorded webinar has been added to EdFund Institute's eLearning Library.

Client Training – Professional Development

Our Professional Development (PD) training team has been working with CRMs and the school community to provide timely and relevant training, particularly focusing on the recent economic changes and their impact on the schools' staff and students. The PD team customizes its workshops to address each school's specific challenges with great success.

Financial Literacy

EdFund put on a full court press in preparation for national Financial Literacy month in April. This included:

- Creation of Money Matters e-cards for colleges to send to students
- Updating and re-branding of all Building Futures™ Financial Literacy materials including 11 student workbooks and PowerPoint presentations
- Six press releases to the industry promoting EdFund financial literacy resources, publications and training
- A local TV interview on helping borrowers avoid default

New edfund.org Web site

The recently re-launched edfund.org Web site continues to gain favor with students, borrowers and schools. Highlights for the quarter include:

- Nearly a 250 percent increase in traffic to the site from last year at this time.
- Unique visitors to the site increased by nearly 170 percent.

- California receives about 50% of all Web site traffic.
- EdFund products like EdTest Online Loan Counseling, Borrower Portal, Quick Forms and the Student Loan Debt Summary are heavily utilized by students and borrowers.
- The pages within our new Student Loan Borrower audience area make up approximately 11 percent of the total Web page views. Information on defaulted and delinquent loans is the most read content, as well as the ability to access a borrower's loan information.

Publications for Students and Schools

EdFund regularly updates content and creates new materials which are extremely well received by schools and students. New or revised publications completed in Jan-March 2009:

Financial Aid and Outreach Materials:

Guide to Federal Tax Benefits for Higher Education (I-91)
Federal Tax Benefits At A Glance flyer (I-65)
College Is Possible flyer (I-10)
Power of Education flyer (English and Spanish)

Student Success/Financial Literacy/Money Management

Student Retention Guide (I-86)
Financial Literacy bookmarks (I-7, I-7.1)
Financial Literacy Resources Guide
Money Matters collection (25 HTML e-mails)
Money Management flyer
Stafford Loan Limits and Interest Rates
Managing Your Student Loan flyer (EWC)
Evaluating a Private Loan (I-46)
Credit Cards: easy does it (Spanish; I-17.1)
Can't Make Your Payments? (I-38)
Repayment (Spanish; I-42.1)

Default Prevention

Cohort Year at a Glance chart
Delinquency to Default chart

Customer Feedback

Granite State College - EdFund presented a Professional Development Training for Granite State College on March 12th as part of a staff retreat for over 100 people. The Director of Financial Aid (DFA) shared that she was extremely appreciative of this service and her staff retreat was successful as a direct result of EdFund's help. As a result, Granite State College added EdFund with two additional lenders for 2009-10.

Southern Vermont College - Annie Zukowski, CRM met with Joel Phelps, the DFA at Southern Vermont College on March 18th to share EdFund's default fee decision and give a full explanation of the reasoning. The DFA understood and told Annie that she would absolutely stick with EdFund because we provided her school with much more than "just a guarantee"; she named EdExpress training, customer service, publications, loan issue resolution and added that she likes having so much support in New England. As a result, Southern Vermont College will also be switching the USAF guarantee with SLMA to EdFund for 2009-10.

New England Institute of Technology - Velma Walters, CRM received an email from Diane Sadlier, Assistant Director of Financial Aid at New England Institute of Technology, a private 4 year school in Rhode Island, after a recent school visit. Diane had attended the EdFund Q2 workshop and shared, "You and your team really know your stuff. I look forward to calling you when a regulation question comes up." Diane requested that Velma sign her up to receive EdFund's bi-weekly newsletter EdFund Link and requested EdFund's Tax Benefits Guide and Fund Your Future workbooks.

Champlain College - Donna Stevens, DFA at Champlain College shared with Annie Zukowski, CRM, that she received our new Financial Literacy bookmarks. Donna stated, "They look great. I am very excited and pleased with the pubs and info EdFund is providing for the students and the tools for the schools. We are also going to take advantage of the training webinars you have coming up! Thanks again!"

Wentworth Institute of Technology - Anne Marie Caruso, DFA and Liz Enos, ADFA at Wentworth Institute shared that they were very pleased with the recent Ad Hoc Verification and Conflicting Information training that Lorri Connor presented to the entire financial aid office. The DFA noted that this year's Verification process went a lot smoother because of the training. Liz Enos wrote, "I'm going to forward our regulatory questions to you from now on; that will be a big help. I look forward to working with EdFund in the future."

Atlantic Union College - Kahadine Charles, the Associate Director of Financial Aid shared that she loves the EdFund publications and how they saved her this year because she was not sure what she was going to use for her exit presentations. She really likes that the Insight publication meets the new regulations.

Bay Path College – DFA Stephanie King of Bay Path College told Jennifer Dudley, CRM that she loves our Fund Your Future workbooks and has used them for all of the college's Open Houses. They have also decided to include the 'Money Matters' financial literacy on the school's Student Center monitors.

Worcester State College - DFA, Jayne McGinn, told Jennifer Dudley, CRM that she loves to send her staff to the EdFund training sessions because the staff always comes back with useful, up-to-date information and great training materials. Her staff recently attended the Verification and Mastering C-codes presentation given by Lorri Connor and Theresa Cowan.

Wheaton College – This campus moved to Direct Lending for 2009-10. The DFA, Susan Beard wrote to Jennifer Dudley in response to the 'Money Matters' email that Jennifer sent to all of her schools, "I love these! Thanks so much for sharing them with the community. Jennifer - we love your financial literacy materials. We keep starting and stopping our financial literacy efforts as different priorities arise but \$ literacy is critical and we just need to buckle down and get going on it! Thanks for your help."

Atlantic Union College – Director of Financial Aid, Sandra Periera loves EdFund's Financial Literacy publications. Sandra emailed, "I love the financial literacy bookmarks." Atlantic Union College has now ordered additional financial literacy publications.

Anna Maria College- Annie Zukowski, CRM met with Susan Hafner, the Associate Director of Anna Maria College. Susan told Annie that she has been using EdFund's Insight Guide for her Exit Counseling sessions and has been filling the back pocket with publications. She told Annie that EdFund has the best publications she has seen and she is thankful to be able to use them.

Catholic University - Doris Torosian, Financial Aid Director shared with CRM Aristeia Williams that, "EdFund provides the best training and publications in the industry and, in spite of the President's decision to move to DL based on the unstable lender climate, she remains an EdFund fan." After conducting financial literacy workshops for returning adult students and garnering excellent feedback, Aristeia has been invited by the Delta Sigma Theta chapter to present a loan repayment workshop to the Sorority in April. The session will be open to the entire campus and the Sorority is advertising the session.

University of Central Florida - Ruthanne Madsen, Director of Student Financial Services told CRM Fidel Calero that she would be happy to write an email stating how great her experience has been working with Fidel in comparison to the other reps and that the consistency she has experienced with EdFund since the beginning of the process is incredible, and she couldn't say that about most of the guarantors.

East Carolina University - Sid Holloway arranged two workshops, Communicating Clearly and Challenging Customers, for 45 participants. The sessions, conducted by Jennifer Houseknecht, received overwhelmingly positive feedback from all in attendance. After the training, Sid met with DFA Julie Poorman who asked how to go about switching their guarantees to EdFund because she was so pleased with the training and services from EdFund.

Fast Train - Fidel Calero and Jody Stamm conducted gps implementation training. The participants were "amazed at the capabilities of the system and want to rid themselves of OpenNet and process only through gps."

FASFAA - The FL Association invited Fidel Calero to join its Early Awareness Committee to bring financial aid awareness to the high school and college student population and to those in the foster youth programs. The committee loved EdFund's Fund Your Future brochure; the **University of Central Florida** and **Valencia Community College** ordered 300 to be used at their early awareness events. In addition, FASFAA and the Foster Youth Organization created a flyer they are co-branding with EdFund to further provide outreach information to associations and schools throughout the state.

McCann School - Manny Loera and Mary Gaynor met with Joyce Zaleski, DFA and Linda Walinski, President, to present a default prevention plan. The school was concerned that their draft CDR was higher than their official rate from the year prior. They were impressed with the comprehensiveness of EdFund's plan and are committed to implementing it. Manny will assist the school in challenging the current draft rate and will work to bring default prevention workshops to the campuses.

**Grant Advisory Committee (GAC) Meeting
May 7, 2009**

**Committee Chair's Report
Susan Gutierrez, GAC Chair**

The Grant Advisory Committee (GAC) met by teleconference on Thursday, May 7, 2009. The actions taken by GAC consisted of the following:

- GAC passed a motion respectfully to request of the Commission an update on any Commission staff communication with the Department of Finance regarding whether or not the commonly accepted accounting principle of average daily balance is also acceptable for use in calculating interest earned on Cal Grant funds held in accounts by institutions.