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Action Item

California Student Aid Commission

Consent calendar

Recommended Action: Approve the consent agenda, including:

- a. Minutes of April 14, 2011, May 19, 2011 and June 16, 2011

**CALIFORNIA STUDENT AID COMMISSION
MEETING MINUTES**

APRIL 14, 2011

A meeting of the California Student Aid Commission was held on Thursday, April 14, 2011 at CalPERS Auditorium #1190 located at 400 P Street in Sacramento, California.

Chair Barry Keene called the meeting to order at 8:40 a.m.

The following Commission Members were present:

Barry Keene, Chair
Lynne de Bie, Secretary
Nancy Anton
Brian Conley
Alexander Gonzalez
Lawrence Hershman
Enrique Murillo
Israel Rodriguez
Fred Wood

The following Commission Member was absent:

Lorena Hernandez, Vice Chair

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

The following members of the public provided comments regarding the changes resulting from Senate Bill 70, the education trailer bill:

- Mr. Craig Yamamoto, Financial Aid Director at California State University, Sacramento, representing the California Association of Student Financial Aid Administrators (CASFAA); and
- Mr. Calvin Rankin, President-Elect of the California Community Colleges Student Financial Aid Administrators Association (CCCSFAAA).

CHAIR'S REPORT

Chair Keene introduced the newest appointment, Commissioner Brian Conley, appointed by the Speaker of the Assembly. In addition, Executive Director Diana Fuentes-Michel read into the record, the Resolution for departing Commissioner, Antonio Solórzano, Jr.

AGENDA ITEM 1 – CONSENT CALENDAR (Action)***Agenda Item 1.a – Minutes of February 24-25, 2011***

Commissioner Anton requested that the following corrections to the draft minutes:

- On page 7, change “Member was” to “Members were”; and
- On page 9, change “needed” to “needy.”

On **MOTION** by Commissioner Hershman, **SECONDED** and **CARRIED**, the Commission approved the minutes of the February 24-25, 2011 meeting, as amended.

Agenda Item 1.b – Approval of a 2011-12 interagency agreement with the California Technology Agency for data center support

Executive Director Diana Fuentes-Michel explained that no action is required on agenda item 1.b due to changes in state law. As a result, the item was removed from the Consent Calendar.

AGENDA ITEM 2 – UPDATE ON THE 2011-12 STATE BUDGET (Information/Action)

Ms. McDuffie presented a status update on the Commission’s top two Cal Grant cost savings priorities, adopted in February and considered by the Legislature during the creation of Senate Bill (SB) 70. Mr. Bryan Dickason, Manager of the Programs Administration & Services Division, addressed some concerns expressed by institutions and students about changes in the financial aid processes resulting from SB 70. Some discussion followed regarding the impact of SB 70 on institutional eligibility, new reporting requirements and renewal student eligibility. The discussion included concerns about an All Cuts Budget and the implications of tuition increases on the Cal Grant program.

An ad hoc committee consisting of Commissioners Anton and Hershman and staff was established to draft a proposed resolution for the Commission’s consideration that would urge the Legislature to place on the November ballot a measure to assure sufficient revenues to prevent a collapse of the higher education system in California.

Mr. Yamamoto made additional comments about institutional eligibility, potential changes to institutional delivery systems, and added administrative workload.

AGENDA ITEM 3 – CONSIDERATION OF AUTHORIZING RULEMAKING TO ADOPT AND/OR AMEND REGULATIONS TO INTERPRET AND MAKE SPECIFIC EDUCATION CODE SECTION 66021.2, RELATING TO “MANDATORY SYSTEMWIDE FEES,” AND EDUCATION CODE SECTIONS 69999.10 – 69999.30 PERTAINING TO THE CALIFORNIA NATIONAL GUARD EDUCATION ASSISTANCE AWARD PROGRAM (Action)

Ms. Keri Tippins, General Counsel, presented an overview of the mandatory system-wide fees regulations.

On behalf of Assembly Speaker John Pérez, Commissioner Conley requested that the Commission continue this regulation on emergency status until the Assembly and his office has an opportunity to review the regulation with the Commission staff. Ms. Tippins explained that the current regulation is in effect until September 21 so there is time for this regulation to continue. Additionally, the emergency rulemaking process allows the Commission to seek two 90-day extensions. Some discussion ensued about considering the possibility of taking action at a future meeting.

Ms. Tippins explained there are some technical changes needed for the California National Guard Education Assistance Award Program to comply with SB 70. Some discussion followed.

On **MOTION** by Commissioner Gonzalez, **SECONDED** and **CARRIED**, the Commission approved the staff recommendation to authorize staff to take the necessary steps to complete the rulemaking process to adopt and/or amend regulations to interpret and make specific Education Code Sections 69999.10-69999.30 pertaining to the California National Guard Education Assistance Award Program.

Staff will bring the final rulemaking packages to the Commission for approval prior to its submission to the Office of Administrative Law.

The following agenda items were taken out of sequence.

AGENDA ITEM 6 – EXECUTIVE DIRECTOR’S REPORT (Information)

Executive Director Michel presented a Certificate of Appreciation to Mr. Bill Connor for his service in the Federal Policy & Programs Division. There was some discussion regarding the Commission’s role in Federal policy.

Agenda Item 6.a - California Student Opportunity and Access Program (Cal-SOAP) Project Directors’ Report

Ms. Imelda Simos-Valdez, Project Director of San Joaquin Valley Cal-SOAP, provided an oral report of the Cal-SOAP Consortia activities and data summaries.

Agenda Item 6.b - ECMC Report on the transition of the federal student loan guaranty program

Executive Director Fuentes-Michel presented the ECMC Report, including an updated status report of the services that ECMC provides to the Commission through its partnership.

AGENDA ITEM 5 – CONSIDERATION OF DESIGNATING COMMISSIONERS APPOINTED TO THE COMMISSION AFTER DECEMBER 7, 2010, TO BE DIRECTORS ON THE EDFUND BOARD (Action)

Ms. Keri Tippins, General Counsel, presented the EdFund Bylaws, as amended and restated on March 23, 2011. Some discussion followed regarding the bylaws pertaining to the designation of Commissioners to the EdFund Board of Directors.

On **MOTION** by Commissioner Hershman, **SECONDED** and **CARRIED**, the Commission approved the staff recommendation to designate Commissioners Anton and Conley as Directors on the EdFund Board of Directors.

AGENDA ITEM 4 – UPDATE ON STATE AND FEDERAL ISSUES AND LEGISLATION AND CONSIDERATION OF POSITIONS ON BILLS AFFECTING COMMISSION PROGRAMS (Information/Action)

Ms. Lori Nezhura, Legislative Liaison, provided an update on the progress of the 2011 legislative bills on which the Commission has a position.

On **MOTION** by Commissioner Anton, **SECONDED** and **CARRIED**, the Commission adopted the 2011 slate of legislative bill positions.

On **MOTION** by Commissioner Hershman, **SECONDED** and **CARRIED**, the Commission approved the recommendation to direct staff to send a letter, subject to the Chair's approval, to the California Delegation and the President thanking them for supporting the maximum Pell Grant award amount.

CLOSED SESSION

Chair Keene announced that the California Student Aid Commission would meet in CLOSED SESSION to discuss and may take action on pending litigation pursuant to California Government Code, section 11126(e)(1) and on proprietary business matters of a proprietary nature pursuant to California Education Code, section 69525(g)(3). Topics will include:

AGENDA ITEM 7 – PENDING LITIGATION:

Agenda Item 7.a - Bersinger v. California Student Aid Commission, Sacramento Superior Court Case No. 07AS02816 (Information/Action);

Agenda Item 7.b - Mather Development Partners IV LP v. EdFund, Inc., et al., Sacramento Superior Court Case No. 34-2011-00095194 (Information/Action)

AGENDA ITEM 8 – STUDENT LOAN GUARANTY PROGRAM ITEMS:

Agenda Item 8.a - Update on ECMC Transition (Information);

Agenda Item 8.b - Update on EdFund Transition and Financial Status (Information)

Thereupon, the Commission recessed the OPEN SESSION at 10:40 a.m. and resolved into CLOSED SESSION at 11:46 a.m.

RECONVENE OPEN SESSION

Chair Keene adjourned the CLOSED SESSION at 12:09 p.m. and reconvened the OPEN SESSION at 12:10 p.m. stating that there were no reportable items.

AGENDA ITEM 2 (continuation) – UPDATE ON THE 2011-12 STATE BUDGET (Information/Action)

On **MOTION** by Commissioner Conley, **SECONDED** and **CARRIED**, the Commission unanimously adopted the following Resolution:

Recently enacted budget cuts will severely damage public access to higher education, to the detriment of California economically and socially, now and in the future. These cuts diminish the opportunities for California students that are fundamental to the mission of the California Student Aid Commission. But that is not all. Additional cuts, without consideration of the continuation of revenues, will fully eviscerate higher education and sacrifice tens of thousands of additional students.

Accordingly, taking all necessary steps afforded by our democratic system to avoid such unthinkable and self-defeating cuts, without allowing the People to speak, is of such paramount importance as to be a moral imperative.

Therefore, it is **RESOLVED**, that the California Student Aid Commission strongly urges the Legislature and the Governor to ensure that a crucial policy decision on continuing necessary revenues to avoid additional cuts, which according to California’s Constitution ultimately resides in the People, not be circumvented by procedural barriers.

ADJOURNMENT

There being no further business, the meeting of the California Student Aid Commission was adjourned at 1:03 p.m.

LYNNE DE BIE
SECRETARY

**CALIFORNIA STUDENT AID COMMISSION
TELECONFERENCE MEETING MINUTES**

MAY 19, 2011

A meeting of the California Student Aid Commission was held on Thursday, May 19, 2011 in the Commission Headquarters Executive Conference Room located at 10834 International Drive in Rancho Cordova, California.

Chair Barry Keene called the meeting to order at 10:02 a.m.

The following Commission Members were present:

Barry Keene, Chair
Lynne de Bie, Secretary
Nancy Anton
Brian Conley
Alexander Gonzalez
Lawrence Hershman
Enrique Murillo
Fred Wood

The following Commission Members were absent:

Lorena Hernandez, Vice Chair
Israel Rodriguez

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

Chair Keene asked for public comment and, hearing none, proceeded to the next agenda item.

**AGENDA ITEM 1 – UPDATE ON 2011-12 STATE BUDGET ISSUES RELATING TO
COMMISSION PROGRAMS AND OPERATIONS (Information/Action)**

Ms. Janet McDuffie, Chief of the Administration & External Affairs Division, provided a high-level summary of the May Revision to the Governor’s proposed 2011-12 Budget.

There was some discussion about the need to set priorities, perform an impact analysis, and be prepared to recommend alternatives to the Governor and Legislature. Staff was directed to poll the Commissioners for an emergency meeting should the Commission be afforded the opportunity to participate in the decision-making.

ADJOURNMENT

There being no further business, the meeting of the California Student Aid Commission was adjourned at 11:10 a.m.

LYNNE DE BIE
SECRETARY

**CALIFORNIA STUDENT AID COMMISSION
TELECONFERENCE MEETING MINUTES**

June 16, 2011

A meeting of the California Student Aid Commission was held on Thursday, June 16, 2011 in the Commission Headquarters Executive Conference Room located at 10834 International Drive in Rancho Cordova, California.

Chair Barry Keene called the meeting to order at 1:03 p.m.

The following Commission Members were present:

Barry Keene, Chair
Lorena Hernandez, Vice Chair
Lynne de Bie, Secretary
Brian Conley
Alexander Gonzalez
Lawrence Hershman
Enrique Murillo
Israel Rodriguez

The following Commission Members were absent:

Nancy Anton
Fred Wood

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

Chair Keene asked for public comment and, hearing none, proceeded to the next agenda item.

**AGENDA ITEM 1 – UPDATE ON 2011-12 STATE BUDGET ISSUES RELATING TO
COMMISSION PROGRAMS AND OPERATIONS (Information/Action)**

Ms. Janet McDuffie, Chief of the Administration and External Affairs Division, provided an overview of the Commission's 2011-12 budget.

**AGENDA ITEM 2 – CONSIDERATION OF THE AMENDMENT/EXTENSION OF THE
OPERATING AGREEMENT BETWEEN THE COMMISSION AND ITS
AUXILIARY ORGANIZATION, EDFUND (Information/Action)**

Ms. Keri Tippins, General Counsel, presented the proposed two-year amendment/extension of the Operating Agreement between the Commission and EdFund, which contains no new provisions.

On **MOTION** by Commissioner Conley, **SECONDED** and **CARRIED**, the Commission approved the amendment/extension of the 2011-13 Operating Agreement between the Commission and its auxiliary organization, EdFund.

AGENDA ITEM 3 – PRESENTATION ON THE OCTOBER 31, 2010 OPERATING FUND AND FEDERAL FUND FINANCIAL STATEMENTS FOR FEDERAL STUDENT LOAN PROGRAM (Information/Action)

Ms. Tina Treis, Partner at Perry Smith LLP, presented the October 31, 2010 Operating Fund and Federal Fund financial statements for the Federal student loan program.

On **MOTION** by Commissioner Hershman, **SECONDED** and **CARRIED**, the Commission accepted the Operating Fund and Federal Fund audited financial statements for the four months ended October 31, 2010.

ADJOURNMENT

There being no further business, the meeting of the California Student Aid Commission was adjourned at 1:43 p.m.

LYNNE DE BIE
SECRETARY