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Action Item

California Student Aid Commission

Consent Calendar

Recommended Action: Approve the consent agenda, including:

- a. Minutes of June 30 – July 1, 2009

**CALIFORNIA STUDENT AID COMMISSION
MEETING MINUTES
June 30 – July 1, 2009**

A meeting of the California Student Aid Commission was held on Tuesday, June 30, 2009 and Wednesday, July 1, 2009 at the Sacramento County Office of Education located at 10474 Mather Boulevard, Boardroom, in Mather, California.

TUESDAY, JUNE 30, 2009

Chair Barry Keene called the meeting to order at 1:18 p.m.

The following Commission Members were present:

Barry Keene, Chair
Lorena Hernandez, Vice Chair
Yasmin Delahoussaye, Secretary
Lynne de Bie
Patricia Fong Kushida
Enrique Murillo
Israel Rodriguez
Antonio Solórzano, Jr.

The following Commission Member was absent:

Bonaparte Liu

Roll Call was taken and a quorum was recognized.

CLOSED SESSION

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

AGENDA ITEM 1 – PERSONNEL ITEM

Item 1.a – Evaluation of the Executive Director’s Performance (Action)

AGENDA ITEM 2 – LOAN PROGRAM ITEMS

Item 2.a – Sale of Student Loan Guarantee Program Assets (Information/Action)

*Item 2.b – 2009-10 Annual Loan Program Business Plan and Budget
(Information/Action)*

Thereupon, the Commission resolved into CLOSED SESSION at 1:19 p.m. and adjourned at 4:05 p.m.

WEDNESDAY, JULY 1, 2009

RECONVENE OPEN SESSION

Chair Keene reconvened the OPEN SESSION meeting of the California Student Aid Commission on Wednesday, July 1, 2009 at 8:25 a.m.

The following Commission Members were present:

- Barry Keene, Chair
- Lorena Hernandez, Vice Chair
- Yasmin Delahoussaye, Secretary
- Lynne de Bie
- Patricia Fong Kushida
- Enrique Murillo
- Israel Rodriguez
- Antonio Solórzano, Jr.

The following Commission Member was absent:

- Bonaparte Liu

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

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

CHAIR'S REPORT

Chair Keene provided an update on the meetings with segmental representatives held on May 8 and 28, 2009 to discuss streamlining the financial aid process in the interest of students. Some discussion ensued about the proposals by the Governor, the California Education Roundtable and the Commission.

Executive Director Diana Fuentes-Michel provided an overview of the proposals and some of the issues raised such as: outreach and public awareness efforts; early identification of students; early award notification; the appeal process; and distribution of aid among sectors.

There was a consensus among the Commissioners to continue the on-going discussions with the segmental representatives and to look at the issues through a student-based lens versus institution-based.

AGENDA ITEM 3 – CONSENT CALENDAR (Action)

Chief Deputy Director Keith Yamanaka presented the Consent Calendar. Commission staff requested, and the Commission agreed, to consider the revised agenda item 3.e (Approval of 2009-10 Cal-SOAP Contracts) separate from the Consent Calendar.

On **MOTION** by Commissioner Hernandez, **SECONDED** and **CARRIED**, the Commission **APPROVED** the following items on the Consent Calendar:

- a. Minutes of April 16, 2009 (as presented)
- b. Ratification of the amendment to the Interagency Agreement with the Attorney General's Office for legal services to increase the amount by \$240,000 from \$135,000 to \$375,000.
- c. Authorization of the Executive Director to enter into an Interagency Agreement for \$275,000 with the Department of Technology Services for the period of July 1, 2009 through June 30, 2010.
- d. Ratification of funding revisions to the 2008-09 California student Opportunity Access Program (Cal-SOAP) contract amendments.

Item 3.e – Approve 2009-10 Cal-SOAP Contracts (Action)

Ms. Janet McDuffie, Chief of the Administration & External Affairs Division, summarized the process for developing recommendations for the 2009-10 Cal-SOAP baseline budgets and Career Technical Education funding allocations.

On **MOTION** by Commissioner Hernandez, **SECONDED** and **CARRIED**, the Commission **APPROVED** the recommendation to authorize the Executive Director to execute contracts totaling \$7,349,000 with the Cal-SOAP consortia for the 2009-10 award year at the allocation levels recommended by the Cal-SOAP Project Directors and Commission staff and, if needed, to reallocate the Career Technical Education funding as equitably as possible to the participating consortiums.

Ms. McDuffie also noted that the funds for the Cal-SOAP and Cash for College programs were approved only for 2008-09 and 2009-10. The Obama Administration proposes to allocate \$2.5 billion for access and accountability for higher education. The Commission will have to submit a Budget Change Proposal for 2009-10 to ask for continuation of the programs.

AGENDA ITEM 4 – REPORT ON THE STATE BUDGET AND THE STATUS OF PROPOSALS TO ELIMINATE THE CAL GRANT PROGRAM TO DECENTRALIZE THE CAL GRANT PROGRAM, TO CONSOLIDATE THE COMMISSION WITH THE CALIFORNIA POSTSECONDARY EDUCATION COMMISSION, AND COMMISSION PROGRAMS AND APPROPRIATIONS (Information/Action)

In addition to a written report, Ms. McDuffie provided the following updates:

- Without a revised 2009-10 budget, the Governor indicated he may issue an executive order that would require an additional furlough day for state employees, causing a loss of staff support in operations;
- The State Controller will be issuing IOUs, which means that there will be a delay in any further 2008-09 Cal Grant payments and the 2008-09 APLE payments will be issued as IOUs; and
- The advances, which are normally processed in June, were not processed because of the lack of funding.

AGENDA ITEM 5 – GOVERNANCE MONITORING COMMITTEE REPORT: STATE AND FEDERAL ISSUES AND LEGISLATION AND CONSIDERATION OF POSITIONS ON BILLS AFFECTING THE COMMISSION AND STUDENT ACCESS (Action)

Committee Chair Hernandez reported that the Governance & Monitoring Committee met on April 24, 2009 to consider ten legislative bills. Lori Nezhura, Legislative Liaison, reported on the status of each bill.

On **MOTION** by Commissioner Murillo, **SECONDED** and **CARRIED**, the Commission **ADOPTED** a position of support for Assembly Bill 669 (Fong) *Postsecondary Education: Residency Requirements*.

Ms. Nezhura presented briefings on Free Application for Federal Student Aid (FAFSA) Simplification and Veterans Education Benefits. Some discussion ensued and the following representatives provided public comment:

- Dr. Pat Hurley, Vice Chair – State Issues, California Association of Student Financial Aid Administrators (CASFAA);
- Ms. Jacqueline Bradley, President-Elect, California Community Colleges Student Financial Aid Administrators Association (CCCSFAAA);
- Ms. Mary Lindsey, Vice Chair, Grant Advisory Committee; and
- Ms. Kate Jeffery, Director of Student Support Services, University of California.

On **MOTION** by Commissioner Murillo, **SECONDED** and **CARRIED**, the Commission directed Commission staff to seek urgency legislation that would conform state law to the recent changes in Federal law by seeking an amendment to the California Education Code to remove the portion of the state law that requires the Commission to consider Veterans Benefits as assets; and to direct the Grant Advisory Committee to continue its discussions on other Veterans Benefits issues.

AGENDA ITEM 6 – CONSIDERATION OF AMENDMENT TO OPERATING AGREEMENT (Action/Information)

Mr. Ed Emerson, Chief of the Federal Policy & Programs Division, reported on the actions taken by the Commission during its June 30, 2009 Closed Session.

On **MOTION** by Commissioner Hernandez, **SECONDED** and **CARRIED**, the Commission **APPROVED** by ROLL CALL VOTE the following action:

The California Student Aid Commission appreciates the dedication of EdFund employees during this time of uncertainty.

However, during the current national economic crisis, which has resulted in layoffs and significant salary reductions in both the private and public sectors, the Commission finds that the payment of bonuses is not appropriate and is not an absolute business necessity.

Accordingly, the Commission directs staff to amend the Operating Agreement between the Commission and EdFund and the Commission's policy on EdFund Incentive Compensation Plans to suspend incentive compensation for the EdFund 2009-10 fiscal year for all EdFund employees, except employees covered by the Collection Commission Plan for Internal Collection Staff currently in effect.

AGENDA ITEM 7 – PERSONNEL, EVALUATION & NOMINATIONS (PEN) COMMITTEE REPORT (Action/Information)

Item 7.a – Process for Evaluating the Executive Director's Performance (Action/Information)

Committee Chair Delahoussaye reported that the PEN Committee met on June 30, 2009 to discuss the process for evaluating the Executive Director's performance. Committee Chair Delahoussaye summarized the discussions regarding the proposed timeline, the evaluation survey and recipient list, and the role of the PEN Committee.

On **MOTION** by the PEN Committee, **SECONDED** and **CARRIED**, the Commission APPROVED the following items:

Item 7.a.1 – Proposed Timeline for the 2008-2009 Performance Evaluation of the Executive Director, as presented

Item 7.a.2 – Recipients of Performance Evaluation Survey (August 2008) Form A (Goals and Leadership Behavior) and Form B, with the following amendments:

- The recipient list will be updated with the incumbents by title.
- The list of stakeholders will be expanded to include The Institute of College Access & Success and the Campaign for College Opportunity.

Item 7.a.3 – Role of PEN Committee – General Schedule for PEN Committee, with the following amendment:

- Revise #4 – Evaluation of the Executive Director, Bullet #2 to reflect that the annual performance evaluation process covers the period from November 1 to October 31.

Item 7.a.4 – Survey of Employees and Stakeholders Regarding Annual Performance Evaluation of CSAC's, with the following amendments:

- Incorporate the goals that the Commission set for the Executive Director.
- Ask survey recipient to mark the degree to which he/she believes the goal has been completed.
- Change "N/A" to "No Basis for Judgment."

Item 7.b – Extension of Terms of Commission Officers

On **MOTION** by the PEN Committee, **SECONDED** and **CARRIED**, the Commission APPROVED the extension of the terms of existing Commission officers until the Commission elects new officers after the State Budget issues involving decentralization and consolidation are resolved.

AGENDA ITEM 8 – EXECUTIVE DIRECTOR'S REPORT

Executive Director Fuentes-Michel presented a written report of the Commission's activities, including reports from the EdFund President and the Grant Advisory Committee Chair. She

also provided an update on the Commission's media involvement since the release of the Governor's proposal.

Additionally, Executive Director Fuentes-Michel presented certificates of appreciation to the staff of Information Technology Services and Program Administration & Services for their outstanding work towards the completion of Phase II of the Grant Delivery System Enhancements Project. A certificate of appreciation was also presented to Ms. Leanna Sinibaldi, as she transitions to her new position in the Administration & External Affairs Division, for her outstanding performance as manager of the Federal Policy & Programs Division. Executive Director Fuentes-Michel also thanked the staff of the Commission for their hard work.

There being no further business, the meeting of the California Student Aid Commission was adjourned at 11:15 a.m.

YASMIN DELAHOUSAYE
SECRETARY