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Action Item

California Student Aid Commission

Consent calendar

Recommended Action: Approve the consent agenda, including:

- a. Minutes of April 26-27, 2012 and May 17, 2012
- b. Commission meeting calendar for 2013
- c. Consideration of designating Commissioner(s) as Director(s) of the EdFund Board

**CALIFORNIA STUDENT AID COMMISSION
PUBLIC HEARING AND MEETING MINUTES**

April 26-27, 2012

COMMISSION PUBLIC HEARING

THURSDAY, APRIL 26, 2012

A public hearing of the California Student Aid Commission was held on Thursday, April 26, 2012 at CalPERS located at 400 P Street, Auditorium #1190 in Sacramento, California.

Chair Barry Keene called the hearing to order at 9:06 a.m.

The following Commission Members were present:

Barry Keene, Chair
Nancy Anton, Vice Chair
Terri Bishop
Brian Conley
Johnny Garcia Vasquez
Alexander Gonzalez
John McDowell, Jr.
Jamillah Moore
Dontae Rayford
Michele Siqueiros
Fred Wood

The following Commission Member was absent:

Ishan Shah

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

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

CHAIR'S OPENING STATEMENT

Chair Keene provided some recent historical background and reminded the Commissioners of their duty to uphold the constitution and laws, and to be responsible to the students and the taxpayers. He provided an overview of several issues that the Commission should consider,

including the quality of distance learning, and advised the commissioners to be prepared to make recommendations to the Legislature on oversight.

AGENDA ITEM 1 – WHAT SHOULD CAL GRANTS PAY FOR IN THE COMING ERA OF DISTANCE LEARNING?

Agenda Item 1.a. – Who provides oversight of distance learning and what kind of oversight is it?

The following representatives of the Western Association of Schools and Colleges (WASC) gave presentations on accreditation:

- Mr. Ralph Wolff, President, Accrediting Commission for Senior Colleges and Universities; and
- Dr. Barbara Beno, President, Accrediting Commission for Community and Junior Colleges.

Mr. Wolff answered questions on topics such as:

- The accrediting commission's funding;
- Alternative distance learning models;
- Graduation and completion rates;
- Cohort default rates;
- Regional vs. national accreditation; and
- Physical presence in the state.

Dr. Beno addressed the following:

- Authentication of students;
- Training for institutions and evaluators;
- Institution review process;
- Process for handling complaints about institutions not accredited by the commission; and
- Governing boards.

Agenda Item 1.b. – Public Comment

There was no public comment.

ADJOURNMENT

There being no further business, the public hearing of the California Student Aid Commission was adjourned.

COMMISSION MEETING**THURSDAY, APRIL 26, 2012**

A meeting of the California Student Aid Commission was held on Thursday, April 26, 2012 at CalPERS located at 400 P Street, Auditorium #1190 in Sacramento, California.

AGENDA ITEM 2 – PRESENTATION OF RESOLUTIONS (Information)

Executive Director Diana Fuentes-Michel read into the record the Resolutions for former Commissioners Lynne de Bie and Israel Rodriguez.

AGENDA ITEM 3 – CALIFORNIA STUDENT OPPORTUNITY AND ACCESS PROGRAM (CAL-SOAP) (Information)***Agenda Item 3.a. – Presentation on the South County Gilroy Cal-SOAP Consortium (Information)***

Ms. Erin Gemar, Project Director for the South County Gilroy Cal-SOAP Consortium, presented a video and the following representatives provided public comment about their Cal-SOAP experiences:

- Mandi Jo Torres, college student;
- Jennifer Gonzalez, Ann Sobrato High School Student;
- Hugo Naranjo, Ann Sobrato High School Student;
- Milara Gatcke, Gilroy High School Counselor; and
- Ted Thomas, Ann Sobrato High School Counselor.

Agenda Item 3.b. – California Student Opportunity and Access Program (Cal-SOAP) Project Director's Report (Information)

Ms. Gemar presented the Cal-SOAP Project Director's Report on behalf of Lead Director and Project Director of Central Coast Cal-SOAP, Diana Perez. Ms. Gemar presented a summary of the number of students served during the first two quarters of 2011-12 and the number of Cash for College events.

AGENDA ITEM 4 – CONSIDERATION OF 2012-13 CALIFORNIA STUDENT OPPORTUNITY AND ACCESS PROGRAM (CAL-SOAP) CONTRACTS (Action)

Ms. Janet McDuffie, Chief of the Administration & External Affairs Division, provided an update on the 2011-12 Cal-SOAP budget reductions, the status of the North Valley and Sacramento Consortia and the one-time funding allocations.

On **MOTION** by Commissioner Anton, **SECONDED** and **CARRIED**, the Commission **APPROVED** by ROLL CALL VOTE the staff recommendation to authorize the Executive Director to execute the 2012-13 Cal-SOAP contracts totaling \$6,889,400 at the allocation levels

recommended by Commission staff and authorize the Executive Director to have the flexibility to reallocate funds as equitable as possible if a project cannot utilize all of its allocated funds.

AGENDA ITEM 5 – CONSIDERATION OF COMPOSITION AND SELECTION OF COMMISSION AD HOC COMMITTEES (Information/Action)

Chair Keene announced the Commission ad hoc committee assignments, as follows:

- The Distance Learning Committee consists of Commissioners Bishop, Gonzalez, Rayford, Shah and a vacancy for an independent segmental commissioner.
- The Dream Act Committee consists of Commissioners Anton, Garcia Vasquez, Moore and a vacancy for a K-12 segmental commissioner.
- The Student Impact Committee consists of Commissioners Conley, Garcia Vasquez, Siqueiros, Wood and a vacancy for a public segmental commissioner.

Ms. Keri Tippins, General Counsel and Chief of the Legal and Audit Services Division, explained the basic meeting structure for the ad hoc committees, which expire at the end of the year.

Thereupon, Chair Keene declared a recess at 1:58 p.m. to allow the ad hoc committees to meet.

FRIDAY, APRIL 27, 2012

RECONVENE

Chair Keene reconvened the meeting of the California Student Aid Commission on Friday, April 26, 2012 at 8:37 a.m.

The following Commission Members were present:

Barry Keene, Chair
Nancy Anton, Vice Chair
Terri Bishop
Brian Conley
Johnny Garcia Vasquez
Alexander Gonzalez
John McDowell, Jr.
Jamillah Moore
Dontae Rayford
Michele Siqueiros

The following Commission Members were absent:

Ishan Shah
Fred Wood

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

Mr. Paul De Giusti, Vice President of Government Relations for Corinthian Colleges, provided information about his institution and invited commissioners to visit its regional campuses.

AGENDA ITEM 9 – REPORT ON FEDERAL STUDENT FINANCIAL AID ISSUES (Information)

Commissioner Conley provided an update on his visit to Washington D.C. in February when he met with the U.S. Senate Committee on Health, Education, Labor and Pensions (HELP), the House Workforce and Education Committee, Undersecretary of Education Martha Kanter and Congresswoman Doris Matsui.

Ms. Lori Nezhura, Legislative Director, provided a federal legislative update on student loan interest rates, Pell Grant changes, the elimination of the Ability-to-Benefit requirement, and changes to the Expected Family Contribution threshold. Some discussion followed.

On **MOTION** by Commissioner Siqueiros, **SECONDED** and **CARRIED**, the Commission **APPROVED** by Unanimous Consent a motion to support Congress ensuring that the interest rate on subsidized student loans is not doubled and maintained at the 3.4 percent current rate.

AGENDA ITEM 10 – EXECUTIVE DIRECTOR’S REPORT (Information) INCLUDING

a. Educational Credit Management Corporation (ECMC) Report (Action)

Executive Director Fuentes-Michel presented her written report, highlighting activities related to the Dream Act application.

AGENDA ITEM 11 – CONSENT CALENDAR (Action)

On **MOTION** by Commissioner Conley, **SECONDED** and **CARRIED**, the Commission **APPROVED** by Unanimous Consent the Consent Calendar, which includes:

a. Minutes of January 26, 2012 and February 23-24, 2012 (Action)

AGENDA ITEM 12 – CONSIDERATION OF THE NEW CAL GRANT INSTITUTIONAL PARTICIPATION AGREEMENT (IPA) FOR 2012-16 (2ND READING) (Information/Action)

Ms. Catalina Mistler, Chief of the Program Administration & Services Division, presented an update on the revision of the Institutional Participation Agreement (IPA), highlighting some areas of concern such as:

- Corrective measures;
- Senate Bill (SB) 70 reporting requirements; and
- The consultative process.

Ms. Tippins provided more detail on the above and a discussion ensued. The following members of the public commented on the SB 70 reporting requirements issue:

- Mr. Craig Yamamoto, Vice President of State Issues, California Association of Student Financial Aid Administrators (CASFAA); and
- Ms. Margie Carrington, President-Elect, California Community Colleges Student Financial Aid Administrators Association (CCCSFAAA).

On **MOTION** by Commissioner Anton, **SECONDED** and **CARRIED**, the Commission ADOPTED by Roll Call Vote the 2012-16 Institutional Participation Agreement (IPA).

AGENDA ITEM 13 – CONSIDERATION OF AUTHORIZATION TO COMMENCE RULEMAKING PROCESS FOR THE ADOPTION OF REGULATIONS TO INTERPRET AND MAKE SPECIFIC SECTIONS 69433.2 AND 69433.6 OF THE EDUCATION CODE RELATING TO THE CAL GRANT PARTICIPATING INSTITUTION DATA REPORTING REQUIREMENTS ESTABLISHED BY SENATE BILL 70 (CHAPTER 7, STATUTES OF 2011) (Information/Action)

Ms. Tippins provided a brief overview of the rulemaking calendar and Mr. Gus Cubillo, Chief of Information Technology Services, discussed the consultation process. Some discussion followed.

On **MOTION** by Commissioner Siqueiros, **SECONDED** and **CARRIED**, the Commission ADOPTED by Roll Call Vote the staff recommendation to authorize staff to commence the regulatory process, including drafting proposed regulations and accompanying documents, request that the effective date of the regulations be the date of filing, and authorize staff to take the necessary steps to complete the regulatory process.

On **MOTION** by Commissioner Siqueiros, **SECONDED** and **CARRIED**, the Commission APPROVED by Roll Call Vote the motion to hold a public hearing as a Commission to hear feedback on SB 70 draft regulations.

AGENDA ITEM 14 – CONSIDERATION OF ADOPTION OF AMENDMENTS TO REGULATIONS, SECTIONS 30730-30736, TITLE 5, CALIFORNIA CODE OF REGULATIONS, DIVISION 4, TO INTERPRET, IMPLEMENT AND MAKE SPECIFIC SECTIONS 69999.10-69999.30 OF THE EDUCATION CODE, IMPLEMENTING THE CALIFORNIA NATIONAL GUARD EDUCATION ASSISTANCE AWARD PROGRAM (Action)

Ms. Tippins provided a summary of changes requested by the National Guard.

On **MOTION** by Commissioner Bishop, **SECONDED** and **CARRIED**, the Commission APPROVED by Roll Call Vote the staff recommendation to authorize staff to commence the rulemaking process, adopt the proposed regulations and accompanying documents, request that the effective date of the regulations be the date of filing, and authorize staff to take the necessary steps to complete the regulatory process.

AGENDA ITEM 15 – UPDATE ON STATE ISSUES AND LEGISLATION AND CONSIDERATION OF POSITIONS ON BILLS AFFECTING COMMISSION PROGRAMS (Information/Action)

Ms. Nezhura presented an overview of state legislative bills and some discussion ensued.

The Commission ADOPTED by Unanimous Consent a position of SUPPORT IN CONCEPT on Assembly Bill (AB) 2296 (Block) - Private Postsecondary Education Act of 2009.

The Commission ADOPTED by Unanimous Consent a position of SUPPORT on Senate Bill (SB) 1103 (Wright) - Cal Grant Program: Annual Report.

The Commission ADOPTED by Unanimous Consent a position of SUPPORT on SB 1289 (Corbett): Postsecondary Education: Private Student Loans.

On **MOTION** by Commissioner Anton, **SECONDED** and **CARRIED**, the Commission ADOPTED by Roll Call Vote a WATCH position on AB 1637 (Wieckowski) - Cal Grant Program: Student Default Risk: Index Score.

The Commission ADOPTED a position of SUPPORT on AB 1899 (Mitchell) – Postsecondary Education Benefits: Crime Victims. Commissioner Anton OPPOSED.

On **MOTION** by Commissioner Anton, **SECONDED** and **CARRIED**, the Commission ADOPTED an OPPOSE position on AB 970 (Fong) – Student Fees: Student Financial Aid Report. Commissioners Garcia Vasquez and McDowell OPPOSED. Commissioners Moore and Siqueiros ABSTAINED.

On **MOTION** by Commissioner Gonzalez, **SECONDED** and **CARRIED**, the Commission ADOPTED a position of SUPPORT on AB 1723 (Fuentes) – Postsecondary Educational Institutions: Meetings. Commissioner Moore ABSTAINED.

The Commission ADOPTED by Unanimous Consent a position of WATCH on AB 2190 (Perez J) – State Higher Education Authority.

On **MOTION** by Commissioner Siqueiros, **SECONDED** and **CARRIED**, the Commission ADOPTED by Roll Call Vote a position of WATCH on SB 721 (Lowenthal) – State Postsecondary Education: State Goals and to direct staff to work with the author so that the Commission can be included in the process. Chair Keene ABSTAINED.

On **MOTION** by Commissioner McDowell, **SECONDED** and **CARRIED**, the Commission ADOPTED by Roll Call Vote positions of SUPPORT on AB 1501 (Perez) – Student Financial Aid: Middle Class Scholarship Programs and SB 1466 (De León) – Student Financial Aid: Cal Grant Program Eligibility.

AGENDA ITEM 16 – NEW BUSINESS (Information)

The Commission will discuss the following topic at a future meeting:

- Recommended changes to the Bagley-Keene Open Meeting Act.

ADJOURNMENT

There being no further business, the meeting of the California Student Aid Commission adjourned at 12:02 p.m.

NANCY ANTON
VICE CHAIR

**CALIFORNIA STUDENT AID COMMISSION
TELECONFERENCE MEETING MINUTES**

May 17, 2012

A teleconference meeting of the California Student Aid Commission was held on Thursday, May 17, 2012 at Commission Headquarters, Executive Conference Room, located at 10834 International Drive in Rancho Cordova, California and the various locations listed in the meeting notice dated May 7, 2012.

Chair Barry Keene called the meeting to order at 9:03 a.m.

The following Commission Members were present:

Barry Keene, Chair
Nancy Anton, Vice Chair
Terri Bishop
Johnny Garcia Vasquez
Alexander Gonzalez
John McDowell, Jr.
Jamillah Moore
Ishan Shah
Michele Siqueiros
Fred Wood

The following Commission Members were absent:

Brian Conley
Dontae Rayford

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

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

AGENDA ITEM 1 – UPDATE ON THE 2012-13 STATE BUDGET ISSUES INCLUDING ITEMS RELATING TO COMMISSION PROGRAMS AND OPERATIONS (Information/Action)

Ms. Leanna Sinibaldi, Fiscal Services Manager, presented the 2012-13 State Budget update. *[Additional information may be found in the May 17, 2012 agenda materials.]*

Further discussion ensued, including comments from the following members of the public in opposition to the Governor's May Revise proposals:

- Antionnae Comeaux, Legislative Director, University of California Student Association (UCSA);
- Traci Ishigo, Member, UCSA Executive Board of Directors;
- Lana El-Farra, Media Relations Director and Incoming Vice President, Undergraduate Student Association Council, University of California, Los Angeles;
- Alfonso Quintero, Undergraduate Freshman, University of California, Santa Cruz;
- Emily Kinner, President, California Community College Association of Student Trustees (CCCAST);
- Rich Copenhagen Co-Student Trustee, Peralta Community College District Board of Trustees;
- James Varble, Senator, Student Senate for California Community Colleges, Modesto Community College;
- Kristen Soares, President, Association of Independent California Colleges and Universities (AICCU);
- Craig Yamamoto, Vice President of State Issues, California Association of Student Financial Aid Administrators (CASFAA); and
- Debbie Cochran, Program Director, The Institute for College Access and Success (TICAS).

Additional comments were provided by Maureen McRae of Occidental College in Los Angeles.

On **MOTION** by Commissioner Siqueiros, **SECONDED** and **CARRIED**, the Commission APPROVED by Roll Call Vote the motion to oppose proposals in the 2012-13 Budget and the May Revision that eliminate access to, and choice in, higher education for California students from low-income and working families. Such proposals undermine California's sacred commitment to collective opportunity in higher education, thus placing our economic future at risk.

Specifically, the Commission:

- 1) Opposes the proposal to align Cal Grant methodology with federal Pell Grant methodology.

This proposal disavows the Cal Grant Program's promise of opportunity for low-income and working-class students. It would eliminate the certainty that Cal Grants will pay for the full amount of mandatory system-wide fees and tuition charged by University of California and California State University. It would reduce the amount of a student's Cal Grant award by referring to an unrelated federal program. This proposal requires deliberate review and consideration and, thus, should not be included in the abbreviated and time-limited budget process.

- 2) Opposes the proposal to raise grade point average requirements for students to qualify for Cal Grants.

This proposal undermines the need-based objective of the Cal Grant Program. Using a "merit" standard based on academic achievement to ration financial aid is arbitrary and unfounded. Because lower achievement is strongly correlated to poverty, the proposal will deny Cal Grants to students from the lowest-income communities, a disproportionate number of whom are Latino and African American.

- 3) Opposes the proposal to reduce award amounts for Cal Grant students at private institutions.

This proposal will effectively deny higher education to many California students, who have no other alternatives at a time when public institutions are limiting enrollments.

- 4) Opposes the proposal to limit Commission policy and operational decision-making if the fiscal effects are \$500,000 or more.

Imposing special statutory bureaucratic limits on decisions benefiting California students cannot be justified in absence of similar statutory limits on other state programs, such as those affecting prisoners.

Commissioners Anton, Bishop and Gonzalez OPPOSED. Commissioner Keene ABSTAINED.

AGENDA ITEM 2 – CONSIDERATION OF PROPOSING AMENDMENTS TO THE BAGLEY-KEENE OPEN MEETING ACT, GOVERNMENT CODE, SECTIONS 11120-11132 (Information/Action)

Ms. Keri Tippins, General Counsel and Chief of Legal and Audit Services, provided some background information on the Bagley-Keene Open Meeting Act.

On **MOTION** by Vice Chair Anton, **SECONDED** and **CARRIED**, the Commission APPROVED by Roll Call Vote the authorization for Commission staff to prepare a letter to the Legislature requesting that it convene a group of its staff to look at ways to integrate public participation through modern technology.

AGENDA ITEM 3 – REPORT OF THE DREAM ACT COMMITTEE (Information/Action)

- ***Presentation of the Dream Act Application (Information)***
- ***Consideration of the Dream Act Implementation (Information)***

Ms. Catalina Mistler, Chief of Program Administration & Services, presented her report of the May 7, 2012 Dream Act Committee teleconference meeting. Highlights include:

- Staff made changes to the Dream Act application based on the Committee's recommendations;
- A Question & Answer section has been added to the Dream Act website and continues to be refined; and
- Staff will continue to seek input from students, parents and financial aid administrators to ensure the successful release of the Dream Act application on January 1, 2013.

AGENDA ITEM 4 – NEW BUSINESS (Information)

The Commission had no new business.

ADJOURNMENT

There being no further business, the meeting of the California Student Aid Commission adjourned at 11:13 a.m.

NANCY ANTON
VICE CHAIR

California Student Aid Commission's 2013 Calendar of Meetings

Month	Date	Meeting Type
January	24	Commission Teleconference Meeting
February	21-22	Commission Meeting
March		
April	25-26	Commission Meeting
May		
June		
July		
August		
September	12-13	Commission Meeting
October		
November	21-22	Commission Meeting
December		

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Action Item

California Student Aid Commission

Consideration of designating Commissioner(s) as Director(s) on the EdFund Board

The Bylaws of EdFund, as amended and restated on March 23, 2011, (Bylaws) provide that “at all times, the members of the Commission shall be directors of this corporation.” (Article IV, Section 2.) The Bylaws additionally establish that the Directors of EdFund shall be designated by the California Student Aid Commission. (Article III, Section 1; Article IV, Sections 4 and 5.)

As a result of the foregoing provisions, all newly-appointed Commissioners should be designated to serve on the EdFund Board of Directors.

Recommended Action: Designate Commissioner Arzate, Commissioner Beltran, Commissioner Doud and Commissioner White, and any other subsequently appointed Commissioners, as Director(s) on the EdFund Board of Directors.

Responsible Person(s): Keri Faseler Tippins
General Counsel