

Exhibit 16

Action Item

Approval of the minutes of May 25, 2013 and June 25, 2013

DRAFT

CALIFORNIA STUDENT AID COMMISSION TELECONFERENCE MEETING MINUTES

May 23, 2013

A meeting of the California Student Aid Commission was held on Thursday, May 23, 2013 at the Commission Boardroom, 11040 White Rock Road in Rancho Cordova, California and the various locations listed on the amended meeting notice dated May 14, 2013.

Commission Chairman John R. McDowell, Jr. called the meeting to order at 9:06 a.m.

The following Commissioners were present:

John R. McDowell, Jr., Chairman
Ana Beltran, Vice Chair
Cris Arzate, Secretary
Nancy Anton
Brian Conley
Jacqueline Doud
Hal Geiogque
Harry Le Grande
Wm. Gregory Sawyer
Jack Scott
Michele Siqueiros

The following Commissioners were absent:

Johnny Garcia Vasquez
Jamillah Moore
Ishan Shah

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

Chairman McDowell asked for public comment and, hearing none, proceeded to the next agenda item.

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CHAIR'S REPORT

Chairman McDowell introduced Commissioner Jack Scott and welcomed him to the Commission meeting. Additionally, Chairman McDowell noted that one of the key issues the Commission would be addressing is funding for outreach.

AGENDA ITEM 1 – UPDATE ON THE 2013-14 STATE BUDGET ISSUES INCLUDING ITEMS RELATING TO COMMISSION PROGRAMS AND OPERATIONS (Information/Action)

Ms. Leanna Sinibaldi, Fiscal Services Manager, presented an update on the Governor's May Revision of the 2013-13 State Budget. Some discussion ensued about the status of the Commission's request for a waiver of the College Access Challenge Grant maintenance of effort requirement and its impact on the services and staffing of the California Student Opportunity & Access Program (Cal-SOAP) and Cash for College Program.

Commissioner Arzate commented that a primary issue of discussion at the Commission's upcoming strategic planning meeting should be the possibility of using the auxiliary as a source of support for the Commission's personnel, programs and services.

Some discussion followed about how to prioritize the Commission's programs. There was further discussion about the importance of Cal-SOAP and Cash for College and how the Commission might still be able to protect the programs should it not receive the Challenge Grant, such as seeking State funding. The Commission also discussed the coordination of a full court press with the State and Federal Legislatures.

Ms. Erin Gemar, South San Joaquin County Cal-SOAP Project Director, expressed the importance of Cal-SOAP and the need for advocacy.

MOVED (Arzate), **SECONDED** and **CARRIED** unanimously, the Commission **APPROVED**, by Roll Call Vote, to support seeking State funding for Cal-SOAP and Cash for College if federal funds are not available.

***In Favor:** Commissioners Anton, Arzate, Beltran, Conley, Doud, Geiogoue, Le Grande, Sawyer, Scott, Siqueiros and McDowell*

***Absent:** Commissioners Garcia Vasquez, Moore and Shah*

Ms. Sinibaldi continued with an update on the budget change proposal to reestablish shared services from the Educational Credit Management Corporation (ECMC). In addition, Ms. Keri Tippins, General Counsel, provided an update on the final Operating Agreement between the Commission, EdFund and ECMC, which expires on June 30, 2013, and the Commission's gradual transition from ECMC's support.

Concerns were raised about how to prioritize issues and strengthen the Commission's relationships between its staff, the Governor's Office, the Department of Finance and key legislative staff to gain more support for the Commission's programs.

Executive Director Fuentes-Michel commented on the call center funding request and the need to assess its workload volume, which now includes the implementation of the California Dream Act. She also commented that the Commission may wish to consider advocating for zero-based budgeting and the need to set measures and send

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correspondence to the Conference Committee. Further discussion ensued regarding the challenges facing the Commission's operations and possible funding options such as repurposing the auxiliary and developing public/private partnerships.

Chairman McDowell and Commissioner Geiogue volunteered to work with staff to draft letters to the Conference Committee in the limited time available.

AGENDA ITEM 2 – UPDATE ON THE DREAM ACT LEGISLATION FOR OTHER STATES (Information/Action)

Ms. Catalina Mistler reported on Minnesota's request for assistance in implementing its Dream Act application. She noted that by assisting Minnesota and receiving some additional resources, the Commission would be able to make necessary enhancements to streamline the current California Dream application as well as make an application available to Minnesota. Discussion followed about the possibility of other states requesting the Commission's assistance and the need to conduct a cost-effective analysis.

Commission staff explained in general how the Commission would assist Minnesota, which would entail Minnesota purchasing equipment to separate its information technology (IT) process from California's IT process, and the Commission generating the Estimated Family Contribution (EFC) data for Minnesota's 2013-14 Dream applicants, for a price.

Ms. Keri Tippins commented that the Commission would need statutory authority to establish a specific fund with continuous appropriation authority to allow the Commission to receive money from Minnesota and spend it.

On **AMENDED MOTION** (Arzate), **SECONDED** and **CARRIED** unanimously, the Commission **APPROVED**, by Roll Call Vote, to authorize staff to take all the necessary steps to establish and fund a process to allow other states for CSAC assistance to implement and process their Dream Act application, including legislation, if necessary, and those funds would supplement existing funds.

***In Favor:** Commissioners Anton, Arzate, Beltran, Conley, Doud, Geiogue, Le Grande, Sawyer, Scott and McDowell*

***Absent:** Commissioners Garcia Vasquez, Moore, Shah and Siqueiros*

AGENDA ITEM 3 - NEW BUSINESS TO BE CONSIDERED AT FUTURE COMMISSION MEETINGS (Information/Action)

The Commission will consider the following at future meetings:

- Governance Policies;
- Budget Update;
- Litigation Update;
- Menlo College Appeal;
- Bagley-Keene Open Meeting Act Presentation by Deputy Attorney General Ted Prim; and
- Strategic Planning, including -
 - Discussion of repurposing the auxiliary; and
 - Discussion of increasing audit personnel.

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ADJOURNMENT

There being no further business, the meeting of the California Student Aid Commission was adjourned at 11:56 a.m.

CRIS ARZATE
SECRETARY

California Student Aid Commission

DRAFT

CALIFORNIA STUDENT AID COMMISSION MEETING MINUTES

June 20-21, 2013

A meeting of the California Student Aid Commission (Commission) was held on Thursday, June 20, 2013 and continuing on Friday, June 21, 2013 at the Marriott Hotel, Los Angeles Conference Room, 11211 Point East Drive in Rancho Cordova, California.

STRATEGIC PLANNING RETREAT THURSDAY, JUNE 20, 2013

Commission Chairman John R. McDowell, Jr. called the meeting to order at 10:05 a.m.

The following Commissioners were present:

John R. McDowell, Jr., Chairman
Ana Beltran, Vice Chair
Cris Arzate, Secretary
Nancy Anton
Brian Conley
Jacqueline Doud
Johnny Garcia Vasquez
Hal Geiogoue
Jamillah Moore
Wm. Gregory Sawyer
Jack Scott
Ishan Shah
Michele Siqueiros

The following Commissioner was absent:

Harry Le Grande

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

There was no public comment.

AGENDA ITEM 1 - CHAIR'S REPORT (Information)

Chairman McDowell welcomed and introduced Commissioner Jack Scott to the Commission. He then expressed his appreciation to Commissioner Geiogoue for his assistance in crafting the letter to the Conference Committee, to Commissioner Garcia Vasquez for testifying before the Department of Education on the cohort default rate manipulation issue, and to Commissioner Siqueiros for her assistance in developing the agenda for the strategic planning retreat. He also thanked the Legislative Analyst's Office (LAO) for helping the Commission in the Conference Committee hearing and the

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Governor's Office for working closely with the Commission on the Challenge Grant. Lastly, he thanked Commission staff for their work at the Capitol and on the Dream Act implementation.

Chairman McDowell remarked that the Commission has several critical components to consider as it discusses its strategic planning:

- Strengthening California's economy and workforce development;
- Growing the college educated population to a million or more within the next decade;
- Ensuring that people have the ability to go to college and have the financial aid they need; and
- Providing outreach to underserved populations who might otherwise never go to college or know that there are financial aid opportunities available to them.

AGENDA ITEM 2 - STRATEGIC PLANNING DISCUSSION AND DEVELOPMENT (Information/Action)

Ms. Kathy Beasley, Facilitator, commented that the goals for the strategic planning session are to develop an action plan and make the action plan doable. The Commissioners then provided feedback on the issues they believe should be priority to the Commission. After significant discussion, the Commission identified and categorized the following issues as strategic priorities:

STRATEGIC PRIORITIES

Funding Students

- **Cal Grant Structure** – Take a fresh look at Cal Grants by performing a comprehensive review of the program to see how well it meets the needs of the low-income students it is intended to serve. Possible goals: simplification, modification of time limitations.
- **Outreach** – Raise awareness of college and financial aid options. Assist with the Free Application for Federal Student Aid (FAFSA), from initial application through completion of financial aid qualification process. One specific target: Increase FAFSA completion rate.
- **Award-Utilization Rate** – Increase the number and percentage of students who actually use the Cal Grant awards they are offered. Analyze gap between offers and use of Cal Grants. Address issues such as failure to self-certify high school completion.
- **Low-Income Students** – Enhance assistance for the neediest students. Define terms; understand data on outcomes for these students to target increased aid appropriately.

Completion/Success

- **Foundation** – Explore creation of a new foundation (general agreement to dissolve rather than repurpose EdFund) to attract resources for expanded outreach and advocacy on behalf of student interests. Assess current partnerships; avoid damaging relationships; further leverage partnerships.

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- **Student Success** – Enhance efforts to make sure students understand their postsecondary options, plus financial aid opportunities/impacts. Focus on initiatives that support completion of the level of education needed/wanted to meet student aspirations.
- **Institutional Accountability** – Support transparency to enable informed student choice. Examine issues like cohort default rate (CDR) manipulation for negative impact on students.

Operational Effectiveness

- **Staff Resources** – Be aware of balance between resources and responsibilities.
- **Technology Update/Upgrade** – Plan for future needs in face of aging technology system.
- **Student/Segment/Partner Policy Collaboration** – Enhance policy dialogue with more structured opportunities for the Commission to interact with students, segments and other partners (including Legislature, LAO, Administration and policy makers).
- **Advocacy** – As resources allow, become more active advocates at state and federal level for student interests.

Student Debt

- Understand issues/analysis
- Increase student understanding of loan repayment options (income-dependent repayment)
- Enhance financial literacy for students and their families

After further deliberation, the Commission developed the following Action Plans:

Action Plans: First Steps

Time Frame for Reaching Goals: July 2013 - December 2014				
Issue	Who	What	When	Responsible CSAC Division
Student/Segment/ Partner Policy Collaboration	Chairman McDowell Executive Director Fuentes-Michel	Reach out to students, segments, Legislature, LAO, Administration and other policy bodies for input; propose plan for ongoing policy dialogue at Commission meetings	September meeting	<ul style="list-style-type: none"> • Executive Office
Award Utilization Rates	Commissioner Beltran Executive Director Fuentes-Michel	Propose plan to Commission on improving award utilization rates/AB 540 data	September - November meetings	<ul style="list-style-type: none"> • Program Administration and Services Division • Information Technology Services Division
Award Utilization Rates	Janet McDuffie	Propose revisions to the Commission to CSAC reporting terminology to reflect award utilization rate issues	September meeting	<ul style="list-style-type: none"> • Administration and External Affairs Division • Program

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Time Frame for Reaching Goals: July 2013 - December 2014				
<i>Issue</i>	<i>Who</i>	<i>What</i>	<i>When</i>	<i>Responsible CSAC Division</i>
				Administration and Services Division
Outreach: Enhance social media	Commissioners Shah and Siqueiros Patti Colston	Patti Colston to work with Commissioner Shah on a plan to improve social media tools; Commissioner Siqueiros sharing social media tips from the Campaign for College Opportunity; present a plan to the Commission	September meeting	<ul style="list-style-type: none"> • Executive Office • Information Technology Services Division
FAFSA completion	Janet McDuffie	EdTrust West report; Janet McDuffie report on data; report on high school Champion program; include strategies to increase FAFSA completion	November meeting	<ul style="list-style-type: none"> • Administration and External Affairs Division
Define legislative priorities for advocacy	Strategic Policy and Planning Committee	Propose definitions for terms to clarify policy positions, including “neediest”; develop priorities and plan; bring to full Commission	By January	<ul style="list-style-type: none"> • Executive Office
Outreach: Improving student success through understanding of financial aid options	Catalina Mistler	Reach out to high school counselors/fin aid community about enhancing training to give students better understanding of options; this is Commissioner Scott’s concept of supporting college completion by informing part-time students of their amounts of financial aid available to them if they were to attend full-time	Prior to November training	<ul style="list-style-type: none"> • Program Administration and Services Division • Information Technology Services Division

Time Frame for Reaching Goals: 2015 and Beyond				
<i>Issue</i>	<i>Who</i>	<i>What</i>	<i>When</i>	<i>Responsible CSAC Division</i>
Foundation	Commissioner Arzate Executive Director Fuentes-Michel	Begin exploration with presentation by current LA area foundation partners; report to Commission	September meeting	<ul style="list-style-type: none"> • Executive Office • Legal Office
Cal Grant Structure	Commissioner Geogue	Develop and propose a plan to the Commission for a Commission task force to conduct a comprehensive review of the Cal Grant program to determine how well it meets the needs of the low-income students it is intended to serve;	November meeting	<ul style="list-style-type: none"> • Executive Office

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Time Frame for Reaching Goals: 2015 and Beyond				
Issue	Who	What	When	Responsible CSAC Division
		task force to function consistent with the student/segment/partner policy collaboration goal		
Technology	Commissioner Beltran Student Impact Committee Chris Edwards	Present an assessment of the of the Grant Delivery System at the June Commission meeting; next steps to be determined	June 2014 meeting	<ul style="list-style-type: none"> • Information Technology Division • Program Administration and Services Division
Student debt	Commissioner Anton - overall Commissioners Conley and Siqueiros on income-based repayment	Identify resources/presenters to provide info to the Commission on student debt, including possible institutional practices of manipulating federal cohort default rates by steering students to private loans rather than using their full federal-loan eligibility; Increase student understanding of loan repayment options (income-dependent repayment); Enhance financial literacy for students and their families	January 2014 meeting	<ul style="list-style-type: none"> • Executive Office

Chairman McDowell requested a scorecard report at every meeting to inform the Commissioners of the progress of their plans. He then recessed the meeting at 4:04 p.m. and announced that the Commission would reconvene on Friday, June 21, 2013.

COMMISSION MEETING FRIDAY, JUNE 21, 2013

Chairman John R. McDowell, Jr. reconvened the meeting of the California Student Aid Commission on Friday, June 21, 2013 at 9:05 a.m.

The following Commissioners were present:

John R. McDowell, Jr., Chairman
 Ana Beltran, Vice Chair
 Cris Arzate, Secretary
 Nancy Anton
 Brian Conley
 Jacqueline Doud
 Johnny Garcia Vasquez
 Hal Geiogque
 Jamillah Moore
 Wm. Gregory Sawyer
 Jack Scott
 Ishan Shah
 Michele Siqueiros

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The following Commissioner was absent:

Harry Le Grande

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

Chairman McDowell called for public comment and, hearing none, proceeded to the next agenda item.

AGENDA ITEM 1 - CHAIR'S REPORT (Information)

Chairman McDowell thanked Commissioners Conley and Siqueiros for their efforts to help the Commission secure the Challenge Grant with their trips to Washington, DC.

AGENDA ITEM 3 - APPROVAL OF THE MINUTES OF APRIL 25-26, 2013 (Action)

Commissioner Siqueiros questioned the description of the action stated on page 8 of the April 25-26, 2013 minutes regarding Assembly Bill (AB) 1318 (Bonilla). She requested that the April 25-26, 2013 minutes, and future meeting minutes, reflect specific concerns that are raised by the Commissioners when taking a "Support in Concept" position on bills.

Ms. Lori Nezhura, Legislative Director, clarified that in the Commission's discussion, the concerns about the "Support in Concept" position revolved around the exemptions to the matching requirement, the statutory formula and the cost. Another concern was that the formula was evenly weighted between the University of California (UC) and the California State University (CSU) General Fund subsidies for Cal Grant recipients, ignoring the larger percentage of Cal Grant recipients at the CSU. Ms. Nezhura pointed out that since the Commission's discussion, the formula has been amended to add the weighting and to decrease the percentage of the new Cal Grant award for students attending qualifying private institutions from 80 percent to 75 percent of the public universities' subsidies.

MOVED (Conley), **SECONDED** and **CARRIED**, the Commission **APPROVED** the minutes of the April 25-26, 2013 meeting, AS AMENDED on page 8 to reflect that, prior to adopting a "Support in Concept" position on AB 1318 (Bonilla) Student Financial Aid: Cal Grant Program, concerns were raised about 1) the exemptions to the matching requirement, 2) the statutory formula, 3) the need to include weighting towards California State University (CSU), and 4) the cost.

***In Favor:** Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Geiogoue, Moore, Sawyer, Shah, Siqueiros and McDowell*

***Abstained:** Commissioner Scott*

***Absent:** Commissioners Le Grande and Shah*

AGENDA ITEM 4 - CONSIDERATION OF MENLO COLLEGE APPEAL (Action)

Ms. Keri Tippins, General Counsel, provided an overview of Menlo College's appeal of the Commission's determination that it is ineligible to participate in the Cal Grant

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Program for the 2013-14 academic year due to exceeding the CDR threshold of 15.5%. Some discussion ensued about whether the Commission has the legal authority or jurisdiction to grant an appeal under the circumstances, and concerns about setting precedent. Concerns were also expressed about the affected students who would not receive enough financial aid to attend if the institution was not granted an appeal.

Dr. James Kelley, Menlo College President, explained that Menlo College had never been out of compliance; its CDR was reported incorrectly by its loan servicer but the guarantor has since corrected it to reflect a 2009, 3-year CDR of 15.15%. He further indicated that the college's failure to appeal within the allowed timeframe was due to timing issues. Dr. Kelley also indicated that he plans to use next year's endowment to help the current year's affected students, but without the Cal Grant, the following year's students cannot attend.

Ms. Gabriela Vasquez, Menlo College student and Cal Grant recipient, commented that had it not been for the financial aid package from Menlo College, she would not have been able to receive an education. She asked that the Commission help the small number of affected students to continue pursuing a higher education.

Ms. Ellen Hou, representative for Assembly Member Richard Gordon, indicated that Assembly Member Gordon sent a letter to the Commission on behalf of the students of Menlo College. Ms. Hou reiterated Assembly Member Gordon's request to grant the appeal for correction of Menlo College's three-year CDR so it can continue to provide degrees to all Californians.

Further discussion ensued.

MOVED (Siqueiros), **SECONDED** and **CARRIED**, the Commission **APPROVED** the Menlo College appeal with the finding, as stated below:

The California Student Aid Commission finds:

- a. Menlo College has been determined to be ineligible for Cal Grant awards for 2013-14 because the United States Department of Education (USED) has reported the Menlo College 2009 3-year cohort default rate (CDR) to be higher than the maximum CDR of 15.5% authorized by Education Code section 69432.7(1)(3)(C).
- b. Due to a mistake by a loan servicer involving data for just one student, Menlo College's CDR was incorrectly calculated to be 15.6%.
- c. Using factually correct data, Menlo College's CDR is 15.15%.
- d. Menlo College failed to timely avail itself of USED challenge and appeal processes to correct the mistake.
- e. USED has verified that had Menlo College timely challenged and appealed the mistakenly calculated CDR, USED's reported 2009 3-year CDR for Menlo College would have been below 15.5%, and that the Menlo College would have been eligible for Cal Grant awards in 2013-14.

The Commission concludes that despite the technical lack of compliance with the method by which Education Code section 69432.7(1)(3)(C) requires the Commission to identify a CDR to use to establish institutional eligibility for a Cal Grant, Menlo College complies with the substantive standard established by section 69432.7(1)(3)(C) by having a factually correct CDR below 15.5%. This satisfies the primary purpose of

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section 69432.7(l)(3)(C) and constitutes substantial compliance for purposes of determining Menlo College for Cal Grants.

Based on these unique circumstances, the appeal by Menlo College is granted.

***In Favor:** Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Moore, Sawyer, Scott, Shah, Siqueiros and McDowell*

***Abstained:** Commissioner Geiogue*

***Absent:** Commissioner Le Grande*

AGENDA ITEM 5 - APPROVAL OF CONTRACTS AND CONTRACT AMENDMENTS (Action)

Ms. Janet McDuffie, Chief of the Administration & External Affairs Division, presented the contracts and contract amendments.

The following agenda item was discussed out of sequence.

Agenda Item 5.c – Consideration of up to \$150,000 for a contract for information technology consulting services to upgrade the Grant Delivery System (GDS) from Oracle 10g to Oracle 11g and to conduct an assessment of the GDS and its applications (Action)

Ms. McDuffie reported that Commission staff requested offers through the California Multiple Awards Schedule (CMAS) competitive bid process and is currently reviewing responses. Some bids have come in at a higher cost than the \$150,000 estimated by staff. Due to the Bagley-Keene Open Meeting Act, Commission staff could not make any changes to the recommendation for the \$150,000 maximum amount of contract authority to the Executive Director. However, Commission staff requests that the Commission grant that authority and, if the final determination is actually higher than \$150,000, the Executive Director would have the authority to enter into the contract, notifying the Commission at that time and returning to the Commission for ratification.

MOVED (Conley), **SECONDED** and **CARRIED** unanimously, the Commission **APPROVED** up to \$150,000 for a contract for information technology consulting services to upgrade the Grant Delivery System (GDS) from Oracle 10g to Oracle 11g and to conduct an assessment of the GDS and its applications.

***In Favor:** Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Geiogue, Sawyer, Scott, Shah, Siqueiros and McDowell*

***Absent:** Commissioners Le Grande and Moore*

Agenda Item 5.a – Consideration of an amendment to the Radian Solutions LLC, Contract No. S-12-008 for information technology consulting services to increase the amount of the contract from \$215,250 up to \$350,000 and to extend the term of the contract to June 30, 2014 (Action)

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Mr. Chris Edwards, Chief Technology Officer, noted that with the new services, the Commission would be able to make future changes that may be required by new legislation or business needs far more easily than with the existing systems.

MOVED (Conley), **SECONDED** and **CARRIED** unanimously, the Commission **APPROVED** an amendment to the Radian Solutions LLC, Contract No. S-12-008 for information technology consulting services to increase the amount of the contract from \$215,250 up to \$350,000 and to extend the term of the contract to June 30, 2014.

***In Favor:** Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Geiogoue, Sawyer, Scott, Shah, Siqueiros and McDowell*

***Absent:** Commissioners Le Grande and Moore*

Agenda Item 5.b – Consideration of an amendment to the Stanfield Systems, Incorporated, Contract No. S-12-007 for information technology consulting services to increase the amount of the contract from \$188,275 up to \$350,000 and to extend the term of the contract to June 30, 2014 (Action)

MOVED (Conley), **SECONDED** and **CARRIED** unanimously, the Commission **APPROVED** an amendment to the Stanfield Systems, Incorporated, Contract No. S-12-007 for information technology consulting services to increase the amount of the contract from \$188,275 up to \$350,000 and to extend the term of the contract to June 30, 2014.

***In Favor:** Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Geiogoue, Sawyer, Scott, Shah, Siqueiros and McDowell*

***Absent:** Commissioners Le Grande and Moore*

AGENDA ITEM 6 - UPDATE ON 2013 STATE BUDGET AND STATE AND FEDERAL LEGISLATION AFFECTING COMMISSION PROGRAMS (Information/ Action)

Ms. Janet McDuffie presented an update on the 2013 State Budget and a high-level summary of the recent actions taken by the Legislature. Discussion ensued about the Middle Class Scholarship and it was recommended that the Commission work with representatives of the University of California (UC) and the California State University (CSU) to figure out how to administer the program efficiently and effectively, and possibly write the consultation into law. In addition, there was concern that the legislation would make it harder for low-income students and easier for middle-class students to obtain financial aid. It was suggested that staff conduct an analysis.

Ms. Emily Kinner, External Affairs Senator, Student Senate California Community Colleges (SSCCC), expressed concern that the community colleges were excluded from this proposal and asked for the Commission's support of complementary legislation that would directly and positively impact financial aid for community college students.

Ms. McDuffie continued with updates on the College Access Challenge Grant waiver and the status of correcting an unintentional error in the budget bill language pertaining to the award amount for the for-profit Western Association of Schools & Colleges (WASC) accredited institutions.

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Ms. Nezhura presented an update on the status of legislative bills affecting the Commission's programs.

MOVED (Geiogoue), **SECONDED** and **CARRIED** unanimously, the Commission **APPROVED** a **SUPPORT** position on **Senate Bill (SB) 524 (Lara)** Pupil Instruction: Pathways Curriculum Task Force.

***In Favor:** Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Geiogoue, Sawyer, Scott, Shah, Siqueiros and McDowell*

***Absent:** Commissioners Le Grande and Moore*

There was some discussion about Assembly Joint Resolution (AJR) 20 (Pérez): Relative to student loan interest rates. Commissioner Siqueiros raised concerns about the interest rate for Federal Direct Stafford Loans doubling from 3.4 percent to 6.8 percent on July 1, 2013. Commissioner Garcia Vasquez shared those concerns and requested that Commission staff draft a press release regarding this issue.

The **MOTION** (Siqueiros), **SECONDED**, to **OPPOSE** the doubling of the interest rates on July 1, 2013, and to **SUPPORT** efforts to develop a long-term policy to maintain student loan interest rates as low as possible was **WITHDRAWN**.

Ms. Nezhura clarified that the Resolution includes language requesting that Congress and the President enact legislation that prevents the doubling of interest rates and creates a long-term legislative solution to maintain affordable and reliable student loan rates. More discussion followed.

MOVED (Conley), **SECONDED** and **CARRIED**, the Commission **APPROVED** a **SUPPORT** position on **AJR 20 (Pérez)**: Relative to student loan interest rates.

***In Favor:** Commissioners Anton, Arzate, Beltran, Conley, Doud, Garcia Vasquez, Geiogoue, Sawyer, Scott, Shah and McDowell*

***Opposed:** Commissioner Siqueiros*

***Absent:** Commissioners Le Grande and Moore*

AGENDA ITEM 7 - UPDATE ON GOVERNANCE POLICIES (Information)

Commissioner Geiogoue reported that he and Chief Deputy Director Keith Yamanaka have been working to bring together all of the comments made by various Commissioners and put them into a format that will be easy to follow. He added that comments are still being accepted and a new revised version will hopefully be considered by the Strategic Policy & Planning Committee in September and then the Full Commission.

Commissioner Garcia Vasquez provided a brief update on the testimony he provided to the Department of Education on May 30, 2013 about CDR manipulation, student aid debit cards and the Commission's priorities. He recommended more dialogue between the Commission and the Department of Education.

Chairman McDowell announced that the two Student Representatives, Commissioners Garcia Vasquez and Shah, would be cycling off of the Commission and thanked them for their service.

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CLOSED SESSION

Chairman McDowell announced that the Commission would meet in closed session. Ms. Keri Tippins announced that the Commission would meet in closed session to confer with or receive advice from legal counsel and may take action on pending litigation pursuant to California Government Code section 11126(e)(1). The topic will include:

AGENDA ITEM 8 – ARGOSY UNIVERSITY OF CALIFORNIA LLC V. CALIFORNIA STUDENT AID COMMISSION, ORANGE COUNTY SUPERIOR COURT, CASE NO 30-2012-00600722 (Information/Action)

Thereupon, the Commission recessed into CLOSED SESSION at 11:56 a.m.

RECONVENE INTO OPEN SESSION

Chairman McDowell reconvened the OPEN SESSION of the Commission meeting at 12:06 p.m. and reported there is nothing to report out of the CLOSED SESSION.

ADJOURNMENT

There being no further business, the meeting of the California Student Aid Commission was adjourned at 12:09 p.m.

CRIS ARZATE
SECRETARY