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## Action Item

### *California Student Aid Commission*

#### Consent Calendar

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**Recommended Action:** Approve the consent agenda, including:

Tab 1.a Minutes of September 2, 2010 and  
September 22, 2010

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**CALIFORNIA STUDENT AID COMMISSION  
MEETING MINUTES**

**SEPTEMBER 2, 2010**

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A meeting of the California Student Aid Commission was held on Thursday, September 2, 2010 at the California Emergency Management Agency located at 3650 Schriever Avenue in Mather, California.

Chair Barry Keene called the meeting to order at 9:09 a.m.

The following Commission Members were present:

Barry Keene, Chair  
Lorena Hernandez, Vice Chair  
Lynne de Bie, Secretary  
Lawrence Hershman  
Enrique Murillo  
Israel Rodriguez  
Antonio Solórzano, Jr.  
Fred Wood

The following Commission Members were absent:

Patricia Fong Kushida  
Alexander Gonzalez  
Bonaparte Liu

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.

**CLOSED SESSION**

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

**AGENDA ITEM 1 – STUDENT LOAN GUARANTEE PROGRAM ITEMS**

***Item 1.a - Update on the sale of the state student loan guarantee program assets  
(Information/Action)***

***Item 1.b - Consideration of 2010-11 Annual Loan Program Budget (Action)***

**AGENDA ITEM 2 – PENDING LITIGATION: DEMAND BY EDFUND EXECUTIVE MANAGEMENT FOR PAYMENT OF APPROXIMATELY \$437,000 IN DISCRETIONARY INCENTIVE COMPENSATION (BONUSES) NOT GRANTED BY THE COMMISSION (Information/Action)**

Thereupon, the Commission recessed the OPEN SESSION at 9:10 a.m. and resolved into CLOSED SESSION at 9:11 a.m.

**RECONVENE IN OPEN SESSION**

Chair Keene adjourned CLOSED SESSION at 2:15 p.m. and reconvened OPEN SESSION at 2:20 p.m. Chair Keene announced that there were no reportable items to report from Closed Session.

**AGENDA ITEM 3 – CONSENT CALENDAR (Information/Action)**

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

- a. Minutes of May 19, 2010 and June 24, 2010 (Action)
- b. Commission meeting calendar for 2011 (Action)

**AGENDA ITEM 4 – CONSIDERATION OF ACTIONS TO FULFILL THE COMMISSION'S OVERSIGHT RESPONSIBILITIES FOR THE STATE'S STUDENT LOAN GUARANTEE PROGRAM (Information/Action)**

Ms. Keri Tippins, General Counsel and Chief of Legal & Audit Services, reported that this item is a placeholder in case the Commission needed to take action in open session relating to the state student loan guarantee program. However, the item is not necessary.

**AGENDA ITEM 5 - CONSIDERATION OF APPROVAL OF CONCEPTS TO BE SUBMITTED AS COMMISSION BUDGET CHANGE PROPOSALS FOR THE 2011-12 STATE BUDGET (Action)**

Ms. Janet McDuffie, Chief of Administration & External Affairs, provided an overview of the 2011-12 Budget Change Proposals (BCPs) for an electronic imaging system and the Student Expenses and Resources Survey (SEARS).

Ms. Maureen Mason-Muyco, Vice President of State Issues for the California Association of Student Financial Aid Administrators (CASFAA), indicated that CASFAA could contact its schools for assistance in providing the Commission with student email addresses to send the SEARS surveys.

On **MOTION** by Commissioner Hershman, **SECONDED** and **APPROVED**, the Commission APPROVED the staff recommendation to authorize staff to submit to the Department of Finance 2011-12 Budget Change Proposals to obtain resources for an electronic imaging system and to conduct the SEARS survey.

**AGENDA ITEM 6 - CONSIDERATION OF 2010-11 CALIFORNIA STUDENT OPPORTUNITY AND ACCESS PROGRAM (CAL-SOAP) CONTRACTS (Action)**

Ms. McDuffie provided an update on the funding support for Cal-SOAP, including the Federal College Access Challenge Grant and State appropriations.

On **MOTION** by Commissioner de Bie, **SECONDED** and **CARRIED**, the Commission APPROVED the staff recommendation to authorize the Executive Director to execute contracts totaling \$7,348,962 with the Cal-SOAP consortia for the 2010-11 award year at the allocation levels recommended by the Cal-SOAP Project Directors and Commission staff and authorize the Executive Director to reallocate funds as equitably as possible if a project cannot utilize its allocation.

Commissioner Hernandez **MOVED** to TABLE agenda items 7, 8, 9, 10 and 11.

Chair Keene asked for public comment before tabling the remaining agenda items.

Mr. Sean Richards, California State Student Association Financial Aid Officer, commented that he understood the universities would cover students' fees until the State budget passes and Cal Grant payments are paid. However, students from San Francisco State University have reported that they are being dropped from classes and are not able to receive any money.

Executive Director Diana Fuentes-Michel indicated that the Commission has no authority to distribute Cal Grant funds to students because there is no state budget. Commission staff would be in contact with the California State University regarding Mr. Richards' comments.

*Agenda items 7 and 8 were UN-TABLED. The following items were discussed out of sequence.*

**AGENDA ITEM 8 - UPDATE ON COMMISSION INITIATIVES WITH HIGH SCHOOLS AND HIGH SCHOOL COUNSELORS TO IMPROVE ACCESS TO HIGHER EDUCATION AND AWARENESS OF CAL GRANTS AND FINANCIAL AID (Information)**

Mr. Bryan Dickason, Programs Administration and Services Manager, presented an overview of the Commission's high school initiatives. There was some discussion regarding the California School Information Services (CSIS) number, a unique numerical identifier for each California student. The Commission can only match data from the Free Application for Federal Student Aid (FAFSA) and the CSIS number is not included in the FAFSA. There was also some discussion about the use of the high school code on the FAFSA.

**AGENDA ITEM 7 - DISCUSSION OF ACCREDITATION OF INSTITUTIONS PARTICIPATING IN THE CAL GRANT PROGRAM (Information)**

Ms. Lori Nezhura, Legislative Liaison, provided a brief overview of program quality and program integrity, the two areas pertaining to accreditation as they relate to Cal Grant institutional eligibility. Ms. Nezhura also summarized the Negotiated Rulemaking process, noting that the U.S. Department of Education will issue final rules in November for implementation on January 1, 2011. Some discussion followed regarding the impact the rules may have on the Cal Grant program.

**AGENDA ITEM 9 – SUMMARY OF SPECIALIZED PROGRAMS ADMINISTERED BY THE COMMISSION (Information)**

This agenda item was TABLED to a future Commission meeting.

**AGENDA ITEM 10 - UPDATE ON STATE AND FEDERAL ISSUES AND LEGISLATION, INCLUDING UPDATE ON 2010-11 STATE BUDGET ISSUES RELATING TO COMMISSION PROGRAMS AND OPERATIONS (Information/Action)**

This agenda item was TABLED to a future Commission meeting.

**AGENDA ITEM 11 – EXECUTIVE DIRECTOR’S REPORT (Information), INCLUDING**

***Item 11.a – EdFund Report (Information)***

A written report was provided.

***Item 11.b - California Student Opportunity and Access Program (Cal-SOAP) Project Directors’ Report (Information)***

Mr. Ken Songco, Project Director for the San Francisco Cal-SOAP Consortium, presented a written report of Cal-SOAP project activities on behalf of the sixteen projects.

**AGENDA ITEM 12 – NEW BUSINESS (Information/Action)**

The Commission had no new business.

There being no further business, the meeting of the California Student Aid Commission was adjourned at 3:08 p.m.

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LYNNE DE BIE  
SECRETARY

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**CALIFORNIA STUDENT AID COMMISSION  
TELECONFERENCE MEETING MINUTES**

**SEPTEMBER 22, 2010**

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A teleconference meeting of the California Student Aid Commission was held on Wednesday, September 22, 2010 at the California Student Aid Commission Executive Conference Room located at 10834 International Drive in Rancho Cordova, California and the various meeting locations listed on the second amended meeting notice dated September 21, 2010.

Chair Barry Keene called the meeting to order at 3:06 p.m.

The following Commission Members were present:

Barry Keene, Chair  
Lorena Hernandez, Vice Chair  
Lynne de Bie, Secretary  
Lawrence Hershman  
Bonaparte Liu  
Enrique Murillo  
Israel Rodriguez  
Antonio Solórzano, Jr.  
Fred Wood

The following Commission Members were absent:

Patricia Fong Kushida  
Alexander Gonzalez

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.

**CLOSED SESSION**

Ms. Keri Tippins, Commission General Counsel, announced that the California Student Aid Commission would meet in CLOSED SESSION to discuss and may take action on business matters of a proprietary nature pursuant to California Government Code, section 11126(e)(1). The topic will include:

**AGENDA ITEM 1 – STUDENT LOAN GUARANTEE PROGRAM ITEM**

***Item 1.a - Consideration of a response to the U.S. Department of Education's termination of the state's student loan guarantee program agreement (Information/Action)***

Thereupon, the Commission recessed the OPEN SESSION at 3:08 p.m. and resolved into CLOSED SESSION at 3:22 p.m.

**RECONVENE IN OPEN SESSION**

Chair Keene adjourned CLOSED SESSION at 4:55 p.m. and reconvened OPEN SESSION at 4:55 p.m. Chair Keene issued the following statement.

“In order to protect the current and future students of California, the Commission, by a majority vote, has taken decisive action to appeal the US Department of Education's decision to terminate the California Student Aid Commission's guaranty agreement.

This action by the U.S. Department of Education puts at risk financial aid to 330,000 California students and disrupts services that support the Cal Grant program and the other specialized federal and state financial aid programs administered the Commission.

Our goal is to ensure that maximum funding remains available to the state of California to support the Cal Grant program and that California and its students' future are not jeopardized. Recently, the Legislative Leadership expressed its serious concerns about the action taken by the U.S. Department of Education; we the Commission, as the guaranty agency, ask that the U.S. Department of Education's action be rescinded in order to protect the interests of the students of California.”

There being no further business, the meeting of the California Student Aid Commission was adjourned at 5:07 p.m.

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LYNNE DE BIE  
SECRETARY