

Exhibit 4

Action Item

Consideration of amending the Commission Governance Policies

Chair McDowell directed that the Ad Hoc Committee's report first be reviewed by the Personnel, Evaluation and Nominations (PEN) Committee for its recommendations related to the Executive Director's duties and then subsequently be reviewed by the Strategic Policy and Planning Committee (SPPC) for its recommendations related to the other areas covered by the Policies e.g., Commission's Role.

At the November 2013 Commission meeting, PEN reviewed and forwarded its recommendations to the full Commission on the Executive Director's duties. Also at the November meeting, the SPPC members were presented with the open issues under their jurisdiction and asked to comment by January 10, 2014.

The open Issues and SPPC's consensus recommendations follow and the draft Governance Policies document, February 2014 Revisions, contained in today's agenda reflects the SPPC consensus recommendations. Two versions of the February 2014 Revisions are included. The first version shows changes in underline and strikeout, as well as comments explaining changes. The second version is a "clean" copy showing how the draft would look if all the changes were accepted.

ISSUE 1. On page 2 Comments C3, C4, and C5, the issue was raised of whether it is necessary that the Governance Policies should include the provisions:

"The Commission's State administered financial aid programs provide students and families access to postsecondary education by:

- Informing them about the postsecondary education financial aid opportunities available to them.
- Providing financial resources – grants, scholarships, etc. – to enable them to finance a postsecondary education.
- Serving and caring about each CSAC student and his or her family, in a manner that is supportive, sensitive, and empowering."

Should these provisions be retained or not? (Note: If these provisions are retained in the Governance Policies they have been technically modified as identified in comments C4 and C5.)

SPPC CONSENSUS RECOMMENDATION: Retain these provisions and make technical modifications. While not "necessary" to a governance document, they are desirable.

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ISSUE 2. On page 3 Comment C6, should the provision that the Commission “Be proactive rather than reactive” be more specific? If so, what wording would you suggest?

SPPC CONSENSUS RECOMMENDATION: This statement is not necessary since the Commission’s policy is to be a proactive leader as expressed in Governance Policy 2: Commission’s Role.

ISSUE 3. On page 4 Comments C7 and C8, it is suggested that instead of review and updating the Governance Policies on an annual or “as needed” basis, every two years should be sufficient. Is this acceptable?

SPPC CONSENSUS RECOMMENDATION: Every two years is sufficient and add staff suggested language at end of “C” “with a focus on whether or not the Commission is accomplishing what it wants to accomplish and what is and is not working.”

ISSUE 4. On page 5 Comment C9, the definition of a quorum is clarified. OK?

SPPC CONSENSUS RECOMMENDATION: Adopt the clarifying language.

ISSUE 5. On page 5 Comment C10 and again on page 6 Comment C18, do we need to add specificity to the language that “The Commission will maintain a working relationship with, and seek the advice and perspective of, key stakeholder groups and advisory boards.” If so, what wording do you suggest?

SPPC CONSENSUS RECOMMENDATION: Adopt as revised. Per staff concern add: This process does not necessarily require a formal structure which involves notice under Bagley-Keene Open Meeting Act, CSAC expenses for travel of advisory committee members and significant staff support.

ISSUE 6. On page 5 Comment C11, do we need to add a time frame to the oversight provision L? If so, what time frame do you suggest?

SPPC CONSENSUS RECOMMENDATION: No time frame is needed since this is an ongoing activity of the Commission.

Also, although staff questions the need for this oversight provision, it is best to retain it in order to assert the Commission’s responsibility.

ISSUE 7. On pages 5 and 6, Comments C12, C13, C14, and C15, should we delete section C in its entirety for the reasons stated? If the section is retained, do we need a specific time frame for the performance evaluations? If so, what time frame do you suggest?

SPPC CONSENSUS RECOMMENDATION: Delete Section C because it is redundant of the oversight provision in Section A and the audits required in Section B.

ISSUE 8. On page 9 Comments C20 and C21, Commission counsel should clarify how does conflict of interest affect Commissioners from the private segment and possibly the student Commissioners? Counsel should clarify if there is a current Incompatible

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Activities Policy for Commissioners and if one is needed, how to develop one? These comments seek information from counsel and no changes to the Policies may be needed.

SPPC CONSENSUS RECOMMENDATION: Adopt Counsel changes. Counsel recommends that the language in Section C and D be removed and that Section A be amended to strike “Fair Political Practices Code” and insert the “Political Reform Act and other laws relating to conflict of interest.”

Also on page 5, Section F 3), strike “Fair Political Practices Commission” and insert “Political Reform Act.”

ISSUE 9. On page 9 Comment C22, should we include the full list of duties of each Committee in the Governance Policies or should they be in the Orientation Manual?

SPPC CONSENSUS RECOMMENDATION: It is more appropriate that specific duties should be included in the Orientation Manual.

ISSUE 10. On page 13 Comment C23, currently the Executive Director is authorized under state law, to enter into contracts with a third-party service or product vendor in an amount not to exceed \$100,000 or more. Contracts over \$100,000 require Commission approval; however, in the event that an emergency approval is necessary for a contract over \$100,000, the Executive Director may approve such contract with simultaneous notification to the Commission for subsequent ratification.

Should this provision be amended to include consultation with the Chair for contracts of \$100,000 or less?

SPPC CONSENSUS RECOMMENDATION: Leave as is. This complies with state law and would be an unnecessary burden on the Chair.

ISSUE 11. On pages 14-15 Comment C24, should a provision be added to the Governance Policies which specifies that Commission publications and documents are official Commission products and shall not include the logos or names of other organizations or individuals unless approved by the Chair with notice to the full Commission?

SPPC CONSENSUS RECOMMENDATION: Adopt language as modified per staff’s suggestion. Start by stating “Except for approved outreach events sponsored and/or cosponsored by the Commission or on behalf of the Commission, ...”

Finally it is noted that the February 2014 revisions include minor and conforming errata suggested by staff.

Recommended Action: Based on the consensus of comments from members of the SPPC and staff, the Ad Hoc Committee on Governance Policies requests that the SPPC vote to recommend changes to the Governance Policies that relate to the jurisdiction of the SPPC as discussed in the November 2013 Committee meeting and forward them to the full Commission for final consideration and adoption.

Responsible Person(s): Hal Geiogue, Commissioner



Governance Policies and Procedures

Adopted by the Commission on
June 26, 2008 and most recently updated on 2014

February 2014 Revisions

**DRAFT REVISIONS
WHICH DELETE ALL REFERENCES
TO EDFUND AND LOAN PROGRAM and
SHOW CHANGES RECOMMENDED BY THE PEN AND SPPC COMMITTEES**

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Introduction

Mission

“Making education beyond high school financially accessible to all Californians.”

On ~~September 6, 2007~~ June 26, 2008 the California Student Aid Commission adopted Governance Policies which were ~~last~~ most recently updated on _____. The Governance Policies are a result of an open collaborative process led by the Commission. The Commission originally developed the Governance Policies through the leadership of an Ad Hoc Committee and assistance of a consulting group with input from EDFUND and CSAC management and their respective staffs.

The Commission’s Strategic Policy & Planning Committee, formerly the Governance and Monitoring Committee, is primarily responsible for reviewing the policies and recommending to the Commission any further necessary enhancements. The goal of the Commission is to continue to strive to improve and refine its policies.

This document is subject to revision given the dynamic financial aid environment with pending and new federal and State legislation. It is the intent of the Commission to review and revise these policies, if needed, every two years or earlier if needed.

The Commission is the State’s principal provider of statewide grant aid to postsecondary students. Founded in 1955 as the California State Scholarship Commission, the 15-member Commission has fiduciary and statutory responsibility for State administered financial aid programs, including all federal and state funded specialized grant, scholarship, loan assumption, and outreach programs administered by CSAC as follows:

- Cal Grant Entitlement Program (Cal Grant A and B)
- Cal Grant Community College Transfer Entitlement Program (Cal Grant A and B)
- Cal Grant C Program
- Competitive Cal Grant A and B Award Program
- California Dream Act
- Middle Class Scholarship Program
- APLE – Assumption Program of Loans for Education, a teacher incentive program
- SNAPLE NF - State Nursing Assumption Program of Loans for Education for Nursing Faculty
- Child Development Grant Program
- Law Enforcement Personnel Dependents Grant Program
- National Guard Assumption Program of Loans for Education
- California Chafee Foster Youth Program
- John R. Justice Program

The Commission also administers financial aid awareness and outreach programs, such as Cal-SOAP and Cash for College. For purposes of this governance policy, the Commission’s State administered financial aid programs, including all federal and state funded specialized grant, scholarship, loan assumption, and outreach programs administered by CSAC staff, are referred to as the “CSAC State administered financial aid programs.”

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The Commission has responsibility for oversight of its ~~CSAC State~~ administered financial aid programs. The Commission cannot delegate the ultimate responsibility for this oversight to the Commission's Chair or its committees. The policies in this document set forth how the Commission will govern and oversee the ~~CSAC State~~ administered financial aid programs – its expectations, and the roles and responsibilities of the Commission and Executive Director in fulfilling those expectations.

Prospective students and their families, particularly those who are low-income and first in their family to attend college, will participate in the Commission's outreach programs (such as Cal-SOAP and Cash for College) and will receive information about college planning and preparation, the cost of attending college, and accessing all types of financial aid (including from federal, state, institutional, and private sources).

~~The Commission may add new programs provided that adequate funding is available to operate those programs in the manner and to the standards delineated by the Commission.~~ As the state agency responsible for administering statewide financial aid programs, the Commission will work with the executive and legislative branches of state government to identify appropriate funds to effectively administer the Commission's programs.

Purpose and Types of Policies

By statute, the California Student Aid Commission is the primary governing body responsible for California's student ~~State-administered~~ financial aid programs. The policies in this document set forth how the Commission will govern and oversee these programs – its expectations, and the roles and responsibilities of the Commission and program staff in fulfilling those expectations. The categories of policies are:

Commission Governance Process. These policies define how the Commission itself will operate (for example, the role of the Chair and committees).

Executive Director Assignment and Responsibility Policies. These policies delineate the responsibilities assigned by the Commission to the Executive Director.

~~Monitoring and Oversight Policies. These policies define how the Commission will monitor organizational performance, based on the policies in the other four categories.~~

Comment [C2]: Conforms this sentence to later decision where the substantive provisions of the "Monitoring and Oversight Policies" are proposed to be deleted.

The Commission's ~~State~~ administered financial aid programs provide students and families access to postsecondary education by:

- Informing them about the postsecondary education financial aid opportunities available to them.
- Providing financial resources – grants, scholarships, etc. – to enable them to finance a postsecondary education.
- Serving and caring about each CSAC student and his or her family, in a manner that is supportive, sensitive, and empowering.

Comment [c3]: SPPC recommends retaining the opening clause and the three bullets as guidance for the governance document.

Comment [C4]: Proposes to add "financial aid" to clarify and bring consistency to the reference in the opening clause to "State administered financial aid programs", and to move the opening clause and three bullets to follow the listed programs on page 1.

Comment [C5]: Proposes to add "CSAC" to clarify and bring consistency to the reference in the opening clause to "State administered financial aid programs", and move to page 1.

Commission Governance Process

These policies delineate how the Commission will operate – its governance approach, as well as the role of the Commission, Commission Chair, Commission Committees, and individual Commissioners. In addition, they delineate the authority of the Commission, its Committees, and individual Commissioners in making requests of staff.

Global Policy: Commission Governance Process

The Commission is the governing body that has statutory responsibility for CSAC ~~State~~ administered financial aid programs, on behalf of the people of California and the executive and legislative branches of state government. As such, the Commission will ensure that the CSAC organization achieves the desired outcomes set forth by the Commission in these policies, via strategic and annual plans, or other relevant outcomes. The Commission will ensure that the CSAC organization avoids unacceptable actions and situations, as set forth in the policies herein. The Commission will also take a proactive role in legislative matters in order to maximize the effectiveness of its programs in serving students and their families.

Commission Governance Policy 1: Governance Philosophy

Integrity and sound stewardship are paramount in the governance of all Commission activities. The Commission will govern according to all applicable laws and based on policies set forth in this Governance Policy. The Commission will also conduct itself according to the following principles:

- In deliberating and making decisions, maintain a central theme of serving the interests of students.
- Make the greatest possible contribution to ensure the success of the CSAC ~~State~~ administered financial aid programs.
- Operate these CSAC ~~State~~ administered financial aid programs in a manner that makes efficient use of organizational resources, including the resources used to support the activities of the Commission itself.
- Maintain the highest ethical, legal, and accounting standards.
- Focus on outward vision and strategic leadership rather than administrative detail.
- ~~Be proactive rather than reactive.~~
- Be a leader in financial aid public policy development ~~and~~ including the legislative arena.
- Inform and educate the legislature on issues affecting access to student aid and aid information.
- Be objective and encourage diversity in viewpoints.
- Make decisions in an efficient, timely manner.
- As a Commission, make decisions in a collaborative manner.

Comment [C6]: SPPC recommends to delete the bullet "Be proactive rather than reactive" because a proactive role is covered by the next bullet and the following Governance Policy 2: Commission's Role.

Commission Governance Policy 2: Commission's Role

The Commission will maintain its accountability and responsibility for the CSAC ~~State~~ administered financial aid programs, and the oversight thereof.

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The Commission will play a proactive and supportive role in the development of public policy and legislation at both the federal and state level. The Commission will also maintain a proactive working relationship with key elected and appointed officials in order to make policy decisions with an understanding of state and federal policy.

As part of the Commission's fiduciary and oversight responsibilities over all Commission programs, the Commission will produce the necessary outputs and documentation to assure the State of California, the federal government, and other key stakeholders that CSAC is fulfilling its mission, as well as its obligations under statutes, regulations, and other applicable law.

Governance Process

- A. The Commission will maintain written governance policies that address the broadest level of organizational decisions and situations. The Commission will develop policy, and will take responsibility for updating its policies and adding, deleting, or modifying provisions ~~biennially as needed~~.
- B. On an ongoing basis, the Commission will discuss and decide how to improve the Commission's governance process.
- C. ~~At least biennially~~ annually, the Commission's committee responsible for governance practices will review and report to the Commission assessing the Commission's compliance with the Governance Policies herein. This review and report will include assessment of the Commission's application of the overall governance approach, as well as compliance by the Commission Chair, Commissioners, and all Commission committees to the Governance Policies. It will also examine the effectiveness of the Commissioner orientation and Commission education programs. The committee will present its findings to the Commission, including any recommendations to improve Commission governance policies or practices with a focus on whether or not the Commission is accomplishing what it wants to accomplish and what is and is not working.
- D. The Commission will cultivate a sense of group responsibility and accountability. The Commission will not use the expertise of individual members to substitute for the judgment of the Commission, although the expertise of individual members may be used to enhance the understanding of the Commission as a body. Nor will the Commission rely on the expertise of staff to substitute for the judgment of the Commission, although staff will be expected to provide complete and thoughtful information to support Commission deliberation and decision-making.
- E. The Commission will enforce upon itself the necessary discipline to govern with excellence, including regular attendance at meetings, thorough preparation by each member for each meeting, adherence to its policy-making principles, and respect of roles. The Commission's goal is to evaluate its governance effectiveness annually and take steps to improve its effectiveness as a governing body.
- F. Continual education and development for Commissioners will include a mandatory, comprehensive orientation of new members, which will provide:
 - 1) A copy of this document in order to help provide an understanding of the Commission's governance process.
 - 2) A working knowledge of key elements of the CSAC ~~State~~ administered financial aid and loan programs.

Comment [c7]: See proposed subparagraph C below.

Comment [C8]: SPPC recommends to change "annually" to "biennially." Two years should be sufficient. Also to add staff suggestion at end of paragraph.

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- 3) An understanding of mandates set forth by the Political Reform Act ~~Fair Political Practices Commission~~, Bagley-Keene Open Meeting Act, California Public Records Act, and all applicable law and other governance requirements.
- 4) A working knowledge of state agencies and state and federal legislative and budget processes.

Commission education and development will also include periodic presentations and/or Commission discussion that:

- 5) Further informs Commissioners regarding the CSAC ~~State~~ administered financial aid programs.
 - 6) Informs Commissioners regarding upcoming public policy and legislative issues.
 - 7) Supports improvement in the Commission's governance process.
- G. The concurrence of the majority of the Commissioners present and constituting a quorum, i.e., at least five members at a full Commission meeting, shall be necessary for the Commission or one of its committees, i.e., at least two members of a five-member committee, to take action. Once a decision is reached, all Commissioners will, in their role as Commissioners, speak as a single official voice and act accordingly.
- H. ~~The Commission will seek and give full consideration to broad public input from stakeholders.~~ The Commission will maintain a working relationship with, and seek the advice and perspective of, key stakeholder groups and advisory boards. This process does not necessarily require a formal structure which involves notice under Bagley-Keene Open Meeting Act, CSAC expenses for travel of advisory committee members and significant staff support.
- I. The Commission will comply with all procedural requirements for state commissions, including those set forth in the Bagley-Keene Open Meeting Act.

Comment [C9]: SPPC supports this clarification of what constitutes a quorum.

Comment [C10]: SPPC recommends adoption as amended.

Planning

- A. The Commission will ensure development of CSAC ~~State~~ administered financial aid strategic and annual plans.
- B. The Commission will ensure that a strategic plan is developed for the CSAC entity as a whole, based on the CSAC ~~State~~ administered financial aid program's strategic and annual plans.

Program Oversight

- A. The Commission will conduct fiscal and programmatic oversight of the CSAC ~~State~~ administered financial aid programs to ensure that program funds are spent economically and in accordance with State and federal laws and regulations, and will monitor organizational performance based on the policies herein.
- B. The Commission will maintain effective regularly scheduled internal audits in the CSAC ~~State~~ administered financial aid programs to ensure compliance with existing laws, regulations, policies and other applicable standards.
- C. ~~State Administered Financial Aid Program~~

Comment [C11]: SPPC recommends that no time frame is needed since this is an ongoing activity of the Commission.

Comment [C12]: SPPC recommends to delete C in its entirety. See rationale in next two comments.

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- 1) ~~The Commission will ensure that State administered financial aid staff have put in place all required procedures to comply with the requirements of the State Administrative Manual, State Procurement Manual, and any other applicable state mandated procedures, unless the Commission has received waiver or exemption from such compliance.~~
- 2) ~~The Commission will conduct regular performance evaluations of the State administered financial aid operations, in furtherance of the Commission's fiscal and fiduciary responsibilities. These evaluations will assess: the efficiency and effectiveness of the grant delivery system in reaching the intended beneficiaries; the extent to which the State administered financial aid staff has provided caring and supportive customer service, made effective use of resources, and fulfilled Commission policies herein.~~

Comment [C13]: SPPC recommends to delete 1) as unnecessary because state agencies are required by state law to follow the State Administrative Manual and other state-mandated procedures.

Comment [C14]: SPPC recommends to delete 2) as unnecessary in view of the requirement for internal audits – see paragraph B above – and Executive Director Assignment Responsibilities, Assignment Policy 7.

Comment [C15]: If C is not deleted, should paragraph 2) provide a more specific time frame in place of "regular"? SPPC recommends to delete.

Personnel Practices

- A. The Commission will evaluate the Executive Director's performance annually. This evaluation will be based on: ~~organizational accomplishment of the Commission's Ends Policies and compliance with other Commission policies herein;~~ performance goals and professional development objectives adopted annually by the Commission; and the Executive Director ~~duty statement developed and adopted by the Commission.~~

Comment [C16]: Delete reference to "Ends Policies" as recommended by PEN Committee

Comment [C17]: Delete "duty statement" as recommended by the PEN Committee

Internal and External Communication

- A. The Commission will maintain ongoing communication through its Executive Director to CSAC management and staff. This includes giving consideration in its deliberations and decision-making to the perspective of CSAC management and staff, as represented by management. In turn, given the breadth of responsibility of the Commission, the Executive Director, or where appropriate, CSAC management and staff, will bring issues to the Commission in a timely manner with analysis of each issue and options for addressing it, and whenever possible a recommended course of action.
- B. ~~The Commission will maintain a working relationship with, and seek the advice and perspectives of, key stakeholder groups and advisory bodies. This process does not necessarily require a formal structure which involves notice under Bagley-Keene Open Meeting Act, CSAC expenses for travel of advisory committee members and significant staff support.~~
- C. In furtherance of the above governance philosophy and policies regarding public policy and legislation, the Commission Chair or an appropriate Committee Chair or Commission member will participate in significant interactions with key elected and appointed officials, supported by the Executive Director and/or staff.

Comment [C18]: Paragraph is conformed to page 5 C10.

Comment [c19]: Incorporates the Commission's October 22, 2013 adoption of the Procedures, Nominations and Protocols for the Election of Commission Officers.

Commission Governance Policy 3: Officers of the Commission

- A. **Term:** Officer elections are held annually during the November Commission meeting. Commission officers are elected and serve for a one year term beginning January 1st. There is no policy preventing officers from serving multiple terms. Any Commissioner interested in seeking office may do so at the time of the annual elections.
- B. **Nominations:** Nominees should be knowledgeable of the duties and responsibilities of the office and be willing and able to devote adequate time to the duties of the office.

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Any Commissioner may submit a nomination, and self-nominations are permitted and encouraged. Interested candidates should submit their names upon the opening of nominations. Nominations should be submitted via email to the General Counsel, no later than 10 days in advance of the November Commission meeting.

- C. **Elections:** Elections shall be held during the November Commission meeting. The November meeting agenda shall include an item noticing the election of officers. Names of nominated candidates and the office for which they were nominated shall be included in the agenda materials.

During the November meeting, prior to the election, candidates for office shall be given an opportunity to address the Commission and share their vision for their service as an elected officer. Commissioners and members of the public may comment or otherwise speak on the qualifications of a candidate.

- D. **Voting:** Commissioners present at the annual November meeting may vote for their candidate of choice. The vote shall be by roll call if there is more than one candidate for an office and shall be included in the meeting minutes. A Commissioner not physically present for the meeting may only vote in the election if the meeting is noticed as a teleconference and the Commissioner's physical location is noticed in accordance with the Bagley-Keene Open Meeting Act. There is no proxy voting.

Elected officers will be determined by a majority of votes of those present and voting.

- E. **Officers:** Elections will determine the three officers of the Commission:

a. Chair

The Commission Chair will ensure the integrity and fulfillment of the Commission's governance policies and process, and that the Commission's conduct is consistent with statutes, regulations, and other applicable law. As necessary, the Chair represents the Commission to outside parties. Specifically, the role of the Chair is to:

- i. Coordinate the planning of the Commission's activities for the year ahead providing guidance and leadership on general policy direction, and develop the agenda for each Commission meeting, with input from Commissioners and the Executive Director.
- ii. Preside at Commission meetings, ensuring that meetings are noticed and conducted in accordance with the Bagley-Keene Open Meeting Act and that time is set aside for public comment at meetings.
- iii. Ensure that meeting discussion and deliberation is conducted in a manner that is fair, open, and thorough, and at the same time is efficient, focused and timely.
- iv. Organize the Commission's Committees as established per the Committees policy below, and maintain contact with the Committee Chairs to ensure that Committees are operating effectively.

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- v. Meet regularly with the Executive Director and make decisions as necessary to ensure implementation of the Commission's policies herein.
- vi. Execute specific documents as authorized by the Commission, except as otherwise provided by law.
- vii. Represent the Commission at hearings and/or meetings with Legislators, administration officials, stakeholders, advisory groups, and attend Commission related functions as necessary.
- viii. Appoint the Chairs, Vice Chairs and members of the Standing Committees and Ad Hoc Committees as needed; and appoint interim officers of the Commission in the event of a vacancy.
- ix. Attend Standing Committees as an ex-officio member.
- x. Approve attendance by Commissioners at conferences, training, or site visits of related professional organizations for which they can be reimbursed for eligible travel expenses.

b. Vice Chair

The Vice-Chair is responsible for performing the duties of the Chair in his or her absence.

c. Secretary

The Secretary is responsible for reviewing and signing approved minutes of Commission meetings and providing assistance with parliamentary procedures as needed. The Secretary ensures that a minute book is kept which records the topics discussed and decisions made at any Closed Session meetings of the Commission in accordance with the Bagley-Keene Open Meeting Act.

- F. **Vacancies:** If an officer is, for any reason, unable to complete his or her term, the Chair may appoint an interim officer. The Commission may thereafter hold elections to fill the vacancy at the next regularly scheduled meeting. The officer elected would serve out the remainder of the term.

Commission Governance Policy 4: Commissioner Role and Code of Conduct

The Commission commits itself and its members to ethical, professional, and lawful conduct, including proper use of authority and appropriate decorum when acting as Commission members.

- A. Commissioners will be responsible to understand and act according to the provisions of the Bagley-Keene Open Meetings Act ~~and the Fair Political Practices Code, the Political Reform Act and other laws relating to conflict of interest.~~
- B. Once the Commission has reached a decision, which is accomplished by majority vote of Commissioners present and constituting a quorum, at least five votes for the decision, all Commissioners will, in their role as Commissioners, speak with a single official voice and act accordingly.

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~~C. Commissioners will abide by the Political Reform Act regarding conflict of interest.~~

Comment [C20]: Counsel recommends that the language in Section C and D be removed and that Section A be amended to strike "Fair Political Practices Code" and insert the "Political Reform Act and other laws relating to conflict of interest."

~~D. The Commission will adopt for itself, and adhere to, an Incompatible Activities Policy.~~

Also on page 5 Section F 3), strike "Fair Political Practices Commission" and insert "Political Reform Act."

- C. Commissioners will engage in and support consensus-building. Commissioners will not communicate with individual Commissioners in a lobbying manner that generates discord and has the potential to divide the Commission into factions.
- D. In communicating with any external stakeholder (e.g., the public, the media, representatives of financial or educational institutions or associations, etc.), Commissioners will not convey information that is proprietary or confidential, and will protect intellectual property and confidentiality of consumer identity (e.g., students and families). When representing the Commission, as distinct from speaking as individuals, Commissioners will not:
1. Discuss issues, policies, decisions, or programmatic information of any substance without appropriate authorization from the Commission Chair.
 2. Take a position contrary to that of the Commission, or represent interests contrary to those of the Commission, without making it explicit that such position or interests are not those of the Commission. If such a position is taken as, that Commissioner will inform the Commission Chair in advance whenever possible, or if not possible, within 24 hours thereafter.
 3. Conduct significant discussion of issues, policies, or future Commission decisions upon which the Commission has not taken a position in writing, without first conferring with the Commission Chair or his/her designated Commissioner(s) regarding the issues, policies, or Commission decisions to be discussed.

Comment [C21]: See above C20

Commission Governance Policy 5: Committees

Commission committees are established to help the Commission fulfill its responsibilities by assessing policy issues, alternatives, and implications to support Commission deliberation. Committees have evolved. As of the latest revision to this Governance Policies and Procedures document in 2014, the Commission had four standing committees: the Audit Committee, the Strategic Policy and Planning Committee, the Student Impact Committee, and the Personnel, Evaluation and Nominations Committee. Responsibilities for each committee are detailed in the Commission's Orientation Manual. The Committees will also carry out other tasks as assigned by the Commission. This policy applies to any group that is formed by Commission action, whether or not it is called a committee and regardless of whether the group includes Commission members.

Comment [C22]: SPPC recommends that it is more appropriate that the duties of the committees be included in the Orientation Manual.

- A. Committees may not speak or act for the Commission except when formally given such authority for specific and time-limited purposes.
- B. Committees may not exercise authority over staff, except where specifically authorized by the Commission. Committees are to avoid over-identification with organizational parts rather than the whole, and will at all times act in accordance with the policies herein.
- C. Ad Hoc committees can be created to collect ideas and information, and recommend how the Commission may address specific issues or situations.

Commission Governance Policy 6: Making Requests of Staff

- A. Commission officers or committees may make reasonable and necessary requests for information or assistance within the areas of responsibility assigned to them by the

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Commission. However, if the Executive Director can substantiate that fulfillment would require an undue amount of staff time or funds, or would be substantially disruptive to normal business operations, the Executive Director may appeal such requests to the Commission Chair.

- B. Individual Commissioners (not acting as officers or on behalf of a Commission committee) may request information or assistance within areas of their individual responsibility assigned to them by the Commission. However, the Executive Director may decline to fulfill requests that, in the exercise of judgment, the Executive Director deems to require an undue amount of staff time or funds, or to be substantially disruptive to normal business operations. If the Commissioner nonetheless wishes to pursue the request, that Commissioner must make and substantiate the request to the Commission Chair.

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Executive Director Assignment and Responsibilities Policies

These policies delineate the responsibilities assigned by the Commission to the Executive Director.

Global Policy: Executive Director Assignment and Responsibilities

The Commission will maintain its accountability and responsibility for the CSAC State administered financial aid programs, and the oversight thereof. The Commission's committees, Commissioners and the Executive Director will have only that authority assigned to them ~~in writing~~ by the Commission or by statute, regulation, or other applicable law.

The Commission's Executive Director is the executive officer for the Commission. The Commission's executive officer is responsible for policy leadership, financial and programmatic management of the day-to-day operations of the CSAC State administered financial aid programs.

The Executive Director shall act within the framework established by federal and state law and regulations and in accordance with the written rules and policies adopted by the Commission. Accordingly, the Commission hereby delegates and assigns the following responsibilities to the Executive Director.

Assignment Policy 1: Planning

- A. The Executive Director is responsible for ~~assisting the Commission in the development of developing~~ strategic and annual plans for the ~~State~~ CSAC administered financial aid programs.

~~The Executive Director, in consultation with the Commission or its designated Committee, will provide a recommended strategic plan for adoption by the Commission at five-year intervals.~~

- B. The Executive Director will work with the Commission ~~to develop in the development~~ of a state student aid program strategic plan, which will include a vision statement, goals, strategies, and objectives. The Commission will establish the vision statement looking long term, and set broad three-year goals, with input from the Executive Director and CSAC management staff. The Executive Director will define the strategies that will be utilized to achieve the goals, and the specific objectives to be achieved. The Commission will review and adopt the strategic plan.

The Executive Director will develop an annual plan delineating specific action steps to implement the strategic plan and for use in the operations for the Commission, specifying timelines, and parties within the organization responsible for completion of the action steps. The Commission will review and adopt the annual plan at its annual retreat.

- C. The Executive Director shall inform the Commission when Congress acts to establish a new scholarship or grant program to ensure that participation by the State of California will not be jeopardized or interfere with the State's existing Cal Grant program (Chapter 1.7 (commencing with Section 69430) of Part 42 of the Education Code).

Exhibit 4.1

- D. The Executive Director shall inform the Commission when the State acts, or proposes to act, to establish a new scholarship, grant or loan assumption program, shall annually inform the Commission of the State Budget Act appropriations for the Commission's local assistance and operations, and shall annually present concepts for budget change proposals to the Commission for approval.
- E. The Executive Director shall inform the Commission when a State agency requests assistance from the Commission in the administration of a financial aid program.
- F. The Executive Director is responsible for informing the Commission of any pending expiration of any Commission program and any statutory change impacting the administration of the Commission's programs.

Assignment Policy 2: Program Operations

- A. The Executive Director is responsible for administering the CSAC State administered financial aid programs as established in state and federal law and regulations. It is the responsibility of the Executive Director to establish and maintain operational procedures, ~~subject to periodic review and the approval of the Commission.~~
- B. The Executive Director will ensure that all organizational practices, activities, and decisions are lawful and prudent and are in compliance with commonly accepted business and professional ethics, as well as federal or state laws and regulations.
- C. The Executive Director will conduct the CSAC State administered financial aid programs in a manner that maintains the organization's public image and credibility to support its ability to accomplish its mission.
- D. The Executive Director will ensure that information on any processing backlogs or other delays that are resulting or could result in a delay of the delivery of funds to students is communicated to the Commission.
- E. The Executive Director is responsible, on behalf of the Commission, to provide all statutorily required reports and data to the Administration and Legislature by their required due dates each year.

Assignment Policy 3: Fiscal Operations

- A. The Executive Director is responsible for fiscal management of all CSAC State administered financial aid funds and programs administered by the Commission consistent with federal and state requirements and procedures and Commission policies.
- B. The Executive Director is responsible for the fiscal management of the Commission consistent with state and federal laws. This responsibility includes the oversight of all funds appropriated to, and managed by the Commission.
- N. ~~The Executive Director will take all reasonable and prudent measures within the Executive Director's control to ensure that State administered financial aid program activities and expenditures will not cause or allow the development of fiscal jeopardy.~~

Exhibit 4.1

- C. The Executive Director is authorized under state law, to enter into contracts with a third-party service or product vendors in an amount not to exceed \$100,000 or more. However, in the event an emergency approval is necessary for a contract over \$100,000, the Executive Director may approve such contract with simultaneous notification to the Commission. Such emergency approval shall be ratified at the next regularly scheduled Commission meeting, and if not ratified, the contract shall be canceled. The Executive Director will not enter into serial contracts or commitments with the same vendor in a manner that circumvents the intent of this policy.
- D. The Executive Director, at the direction of the Commission, may enter into contracts to improve the distribution of grants and fellowships through the use of electronic networks. The Executive Director will adhere to the state contract policies as stated under this provision. (Education Code section 69433(e).)
- E. The Executive Director is responsible, with the assistance of the Attorney General's Office, for seeking refunds on any awards to students that resulted from the student or his or her parents, or both, reporting information concerning their status incorrectly, with the incorrect information leading to the establishment of the student's financial eligibility to receive an award. (Education Code section 69517.5.)

Comment [c23]: SPPC recommends that paragraph C not include consultation with the Chair or another officer if the chair is not available. This is unnecessary and burdensome to the Chair.

Assignment Policy 4: Personnel Practices

- A. The Executive Director is responsible for hiring, managing, training, corrective action, and, as necessary, termination of staff as prescribed in State law governing civil service employees.
- B. The Executive Director will ensure that personnel decisions are made fairly.
- C. The Executive Director will ensure that working conditions and procedures are safe dignified, and provide appropriate confidentiality and privacy.
- D. In order to protect the Commission from sudden loss of Executive Director services, the Executive Director will ensure that at least one other manager is familiar with their respective duties, pending issues, and key processes. This manager will be designated during the annual review of the Executive Director.

Assignment Policy 5: Communication with Commissioners

- A. The Executive Director will keep the Commission adequately informed in a timely manner, and provide the necessary support for the Commission to do its work. This includes informing the Commission of relevant trends, anticipated adverse media coverage, and material external and internal issues or changes, particularly issues of changes, which may impact the assumptions upon which any Commission policy or strategic or annual plan has been based.
- B. The Executive Director will provide to the Commission information that is accurate, honest and complete.

Exhibit 4.1

- C. The Executive Director will provide for the Commission as many staff and external points of view, issues and opinions as needed for the Commission to make fully informed choices and decisions.

~~The Executive Director will present information in a form that emphasizes brevity and clarity, and identifies whether that information is for the purpose of monitoring supporting Commission decision/action, or other purposes.~~

- D. The Executive Director will report in a timely manner any actual or anticipated non-compliance with any policy of the Commission or any state or federal law or regulations.

Assignment Policy 6: Internal and External Communication

- A. The Executive Director is responsible for communicating Commission policy and actions taken by the Commission to CSAC management and staff.
- B. The Executive Director is responsible for representing the Commission to the executive and legislative branches of state government, in collaboration with Commissioners.
- C. The Executive Director is responsible for representing the Commission's CSAC State administered financial aid programs to the media, the public, interest groups, and other outside parties.
- D. Confidential Information. In communicating with the public, the media, representatives of financial or educational institutions or associations, or similar external constituencies, the Executive Director will not convey information that is proprietary or confidential, and will protect intellectual property and confidentiality of consumer identity (e.g., students and families).
- E. Taking Official Positions. The Executive Director and staff will not take a position contrary to a position adopted by the Commission, or represent interests contrary to those of the Commission, without making it explicit that such position or interests are not those of the Commission and without informing the Commission Chair of such communications in advance whenever possible, or if not possible, within but no later than two working days thereafter, and the Chair will inform the full Commission as soon as practicable, but no later than the Chair's report at the next Commission meeting.
- F. Public and Media. In representing their respective Commission programs to the media, the public, interest groups, and other similar external constituencies, the Executive Director and staff will not take an official position on critical public policy matters upon which the Commission has not yet adopted a written policy or position. However, if in the exercise of judgment not to do so would limit the ability of CSAC to effectively fulfill its mission, then the Executive Director may take such a position, provided that the Executive Director informs the Commission Chair of such communications in advance whenever possible, or if not possible, within two working days thereafter, and the Chair will inform the full Commission as soon as practicable, but no later than the Chair's report at the next Commission meeting.

Except for approved outreach events sponsored and/or cosponsored by the Commission or on behalf of the Commission, the Executive Director and staff will

Exhibit 4.1

treat any official publication or public document of the Commission as a formal official product and will not include the logos or names of other organizations or individuals in the headings or design along with the CSAC logo or name without the express approval of the Commission Chair and the Chair will inform the full Commission as soon as practicable, but no later than the Chair's report at the next Commission meeting.

Comment [c24]: SPPC recommends that, with the exception recommended by staff, Commission publications and documents be treated as official products and not include other parties/organizations unless approved by the Chair.

- G. Communication with the State and Federal Government. On behalf of the Commission, the Executive Director will take the lead in communicating with state agencies and federal agencies. Furthermore, when issues involving critical policy decisions arise on which the Commission has not yet taken a position, the Executive Director will make all reasonable efforts to inform and involve the Commission Chair or other officer or Committee, as appropriate, before communicating with state and federal officials. When inquiries from these officials are of an urgent nature and the Executive Director cannot contact the appropriate Commissioner(s) beforehand, the Executive Director will notify the Commission Chair immediately afterward, including summarizing all relevant information that was exchanged.

Assignment Policy 7: Internal Audit

Comment [C25]: Proposes to move the duties below from the old Monitoring Policy into this new Assignment Policy.

- A. The Executive Director (or, when appropriate, the Internal Auditor) working through the Audit Committee, will provide to the Commission periodically as appropriate the following:
1. A schedule of planned internal audits and reviews of the CSAC State administered financial aid programs for the fiscal year.
 2. As scheduled, information on audits or reviews of the CSAC State administered financial aid programs to be performed by the State or Federal government.
 3. As completed, audits or reviews of the CSAC State administered financial aid program performed or required by the State or federal government.
 4. As completed, summary internal audit findings and resolutions to the satisfaction of applicable program manager and Commission Audit Committee.
 5. The Financial Integrity and State Managers Accountability Act (FISMA) report, as necessary indicating updates to procedures to ensure that the CSAC State administered financial aid programs' assets are protected, adequately maintained, and not unnecessarily risked.

~~Executive Parameters Policies~~

~~These policies state the parameters within which the Executive Director will carry out the responsibilities assigned by the Commission.~~

Comment [c26]: PEN recommends that this entire section be deleted, since the necessary provisions are being proposed to be incorporated into the other sections above.

~~Global Policy: Executive Parameters~~

~~Regarding the grant program, the Executive Director will ensure that all organizational practices, activities, and decisions are lawful and prudent and are in compliance with commonly accepted business and professional ethics as well as federal or state laws and regulations.~~

Comment [c27]: Has been moved to Executive Director Assignment and Responsibilities, Assignment Policy 2, H

~~Executive Parameters Policy 1: Strategic and Annual Planning~~

~~GRANT PROGRAM~~

- A. ~~The Executive Director will work with the Commission to develop a grant program strategic plan, which will include a vision statement, goals, strategies, and objectives. The Commission will establish the vision statement looking long term, and set broad three-year goals, with input from the Executive Director and grant program staff. The Executive Director will define the strategies that will be utilized to achieve the goals, and the specific objectives to be achieved. The Commission will review and adopt the strategic plan.~~
- B. ~~The Executive Director will develop an annual plan delineating specific action steps to implement the strategic plan, specifying timelines, and parties within the organization responsible for completion of the action steps. The Commission will review and adopt the annual plan.~~

Comment [c28]: Has been moved to Executive Director Assignment and Responsibilities, Assignment Policy 1, B.

Comment [c29]: Has been moved to Executive Director Assignment and Responsibilities, Assignment Policy 1, B, p. 11

~~Executive Parameters Policy 2: Program Operations~~

~~GRANT PROGRAM~~

- A. ~~The Executive Director will develop grant program operational procedures, subject to periodic review and approval by the Commission. These procedures will be consistent with the Commission's policies, and will contain provisions that specifically support the Commission's implementation of the Monitoring and Oversight Policies herein.~~

Comment [c30]: PEN recommends that we delete 1st sentence of paragraph A because Commissioners do not need to get into this level of operational detail. It will be time-consuming to review procedures, which are constantly changing due to changes in circumstances, in the law, in response to requests from students/parents, institutions, and others
Additional comment: PEN recommends to delete last sentence as redundant – see the 3rd paragraph of Executive Director Assignment and Responsibilities Policies, Global Policy.

Exhibit 4.1

~~B. The Executive Director will conduct the grant program in a manner that maintains the organization's public image and credibility to support its ability to accomplish its mission.~~

Comment [c31]: Has been moved to Paragraph B to Executive Director Assignment and Responsibilities, Assignment Policy 2, C.

~~C. The Executive Director may not initiate a new grant program or terminate an existing one without Commission approval.~~

Comment [c32]: PEN recommends to delete Paragraph C as unnecessary. This provision was originally included to provide "equal treatment" or "symmetry" in the way the Commission was treating the Executive Director and the EdFund President.

The Commission was concerned at that time that the EdFund Board and President were entering lines of business, including committing State funds from the Student Loan Operating Fund, without timely notice to, and prior approval by, the Commission.

Commissioners were divided on the seriousness of the concern. Those who did not see the need for close Commission supervision of EdFund's spending of state funds believed this provision was overreaching, and insisted that if the Commission was to treat the EdFund President this way, it should treat the Executive Director identically.

However, the concept of symmetry is misplaced, since Commission programs are established and extinguished through statutes or through the budget process, and State officials are bound by other state laws in the spending of state funds.

~~Executive Parameters Policy 3: Fiscal Operations~~

~~Financial planning for any fiscal year, or the remaining part of any fiscal year, will conform to the Commission's Ends Policies and the Commission's annual budgeting guidelines, with timely notice to the Commission.~~

Comment [c33]: PEN recommends to delete because a separate parameters policy on fiscal operations is not necessary.

GRANT PROGRAM

~~A. *Financial Planning and Annual Budgeting.* In conducting grant program operations, the Executive Director will:~~

- ~~1) Provide sufficient information to the Commission to demonstrate credible projection of revenues (including state appropriations, earned revenue, special grants and funding, and other sources as may be developed over time) and expenses, capital expenditures, and cash flow.~~
- ~~2) Clearly articulate to the Commission all critical planning assumptions.~~

Comment [c34]: PEN agrees that paragraph A 1), 2) is not necessary, since the budget for operations is established through the State budget and the BCP process, and the Commission regularly considers BCP proposals? See Assignment Policy 1, D.

Further, revenue projections, if any, and other assumptions are subject to Department of Finance review and approval for inclusion in the Governor's January Budget.

Capital expenditures are authorized only through the State budget.

Exhibit 4.1

- ~~3) Present an operating budget for each fiscal year that clearly displays the appropriation authority provided in the Budget Act, as well as budget change proposals. This budget (and any budget changes) will support the achievement of the strategic and annual plan goals approved by the Commission, including goals to improve the cost-effectiveness of the administration of the grant program in relationship to the total amount of grants awarded. The Executive Director will also present to the Commission updates to the budget per the state budget process.~~
- ~~4) Provide multi-year CSAC administrative cost projections to the Commission.~~
- B. ~~Grant Program Operational Expenditures. The Executive Director will take all reasonable and prudent measures within the Executive Director's control to ensure that grant program activities and expenditures will not cause or allow the development of fiscal jeopardy. These measures will include ensuring that:~~
- ~~1) Grant program expenditures remain within the multi-year expense projections and efficiency targets established by the Commission, and do not exceed the approved budget, to the extent such expenditures are within the Commission's control (recognizing, for example, the entitlement aspects of the grant program).~~
- ~~2) Grant program purchases have been made in compliance with all applicable laws, regulations, and state administrative procedures~~
- ~~3) The Executive Director will not enter into contracts or make a single purchase or commitment in an amount greater than \$100,000 without the Commission's prior written approval. The Executive Director will not enter into serial contracts or commitments with the same vendor in a manner that circumvents the intent of this policy. However, in the event an emergency approval is necessary for a contract over \$100,000, the Executive Director may approve such contract with simultaneous notification to the Commission. The Commission will either ratify the emergency approval at its next meeting, or if not ratified the contract will be cancelled.~~
- ~~4) Payroll and debts are settled in a timely manner.~~
- ~~5) Government-ordered payments are paid in a timely manner.~~
- ~~6) Receivables that can reasonably be collected are aggressively pursued, in compliance with state administrative procedures.~~
- Comment [c35]:** PEN recommends deletion. The State Budget appropriates the funding for the Commission's operating budget. Assignment Policy 1, D, would already require the Executive Director to provide the State Budget Act appropriations and budget change proposal concepts to the Commission. Assignment Policy 5, A would already require the Executive Director to inform the Commission of changes affecting the strategic and annual plans.
- Comment [c36]:** Has been moved. The first sentence has been moved to Assignment Policy 3, N.
- Comment [c37]:** PEN recommends that we delete 1) in its entirety as unnecessary? Assignment Policy 3, A and B, would already require the Executive Director to administer CSAC funds and programs consistent with state law, which requires compliance with appropriation levels.
- Comment [c38]:** PEN recommends that we delete 2) in its entirety as unnecessary, since Assignment Policy 2, G and H require compliance with law?
- Comment [c39]:** This provision has been moved to Assignment Policy 3, C.
- Comment [c40]:** PEN recommends to delete 4), 5) and 6) as unnecessary. These standards are implicit with Assignment Policy 3, A and B.

Exhibit 4.1

C. ~~Grant Program Local Assistance. The Executive Director will:~~

- ~~1) Provide sufficient information to the Commission to demonstrate credible Grant Program (Local Assistance) expenditure projections.~~
- ~~2) Clearly articulate to the Commission all critical projection assumptions.~~
- ~~3) Present a Grant Program (Local Assistance) budget that clearly displays the appropriation authority provided in the Budget Act.~~

Comment [c41]: PEN recommends that we delete paragraph C in its entirety as unnecessary.

For 1) and 2), local assistance projections and assumptions are within the control of the Department of Finance and the Administration.

For 3), this requirement is included in Assignment Policy 1, D.

D. ~~Asset Protection. The Executive Director will take all reasonable and prudent measures to ensure that the grant program's assets are protected, adequately maintained, and not unnecessarily risked in a manner consistent with all applicable state and federal laws. These measures will include:~~

- ~~1) Ensuring that the organization, the Commission, and grant staff are not unnecessarily exposed to claims of liability.~~
- ~~2) Protecting intellectual property, proprietary information, consumer identity (e.g., students and families), and confidential files from loss or significant damage.~~
- ~~3) Receiving, processing, or disbursing funds under controls that are sufficient to meet the Commission-appointed Internal Auditor's standards and are in compliance with all applicable state and federal laws and procedures.~~
- ~~4) In addition to the above, the Executive Director will not acquire, encumber, or dispose of real property, without the Commission's prior written approval (in accordance with practices for state asset management through the Department of General Services).~~

Comment [c42]: PEN recommends that we delete paragraph D in its entirety as unnecessary, since Assignment Policy 2, H is sufficiently comprehensive to include these provisions.

Executive Parameters Policy 4: Personnel Practices

GRANT PROGRAM

- ~~A. The Executive Director will hire, manage, promote, discipline, and terminate employees according to State civil services rules.~~
- ~~B. The Executive Director will ensure that personnel decisions are made fairly.~~
- ~~C. The Executive Director will ensure that working conditions and procedures are safe, dignified, and provide appropriate confidentiality and privacy.~~
- ~~D. In order to protect the Commission from sudden loss of Executive Director services, the Executive Director will ensure that at least one other manager is familiar with their respective duties, pending issues, and key processes.~~

Comment [c43]: Has been moved in its entirety. Paragraph A would be addressed by Assignment Policy 4, A, and paragraphs B, C and D are proposed to be moved to paragraphs B, C and D of Executive Director Assignment Policy 4.

Executive Parameters Policy 5: Internal Communications and Commission Support

~~The Executive Director will keep the Commission adequately informed, in a timely manner, and provide the necessary support for the Commission to do its work.~~

The Executive Director will:

Comment [c44]: PEN recommends to delete Executive Parameters Policy 5 in its entirety for reasons stated in each individual paragraph below

Comment [c45]: Has been moved to first sentence of Executive Director Assignment and Responsibilities, Assignment Policy 5, A.

Exhibit 4.1

A. ~~Submit data required by the Commission Monitoring Policies in a timely, accurate and understandable fashion, directly addressing provisions of Commission policies being monitored.~~

Comment [c46]: Has been subsumed within Executive Director Assignment and Responsibilities, Assignment Policy 5, A.

B. ~~Cause the Commission to be aware of relevant trends, anticipated adverse media coverage, and material external and internal issues or changes, particularly issues or changes, which may impact the assumptions upon which any Commission policy or strategic or annual plan has been based.~~

Comment [c47]: Has been subsumed within second sentence of Executive Director Assignment and Responsibilities, Assignment Policy 5, A.

C. ~~The Executive Director will provide to the Commission information that is accurate, honest, and complete.~~

Comment [c48]: Has been moved to Executive Director Assignment and Responsibilities, Assignment Policy 5, B.

D. ~~Provide for the Commission as many staff and external points of view, issues and opinions as needed for the Commission to make fully informed choices and decisions.~~

Comment [c49]: Has been moved to Executive Director Assignment and Responsibilities, Assignment Policy 5, C.

E. ~~Present information in a form that emphasizes brevity and clarity, and identifies whether that information is for the purpose of monitoring (per the Commission's Monitoring Policies), supporting Commission decision/action, or other purposes.~~

Comment [c50]: Has been considered to be as part of Executive Director Assignment and Responsibilities, Assignment Policy 5, C.

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Comment [c51]: Delete this paragraph because it appears to be inconsistent with Commission Governance Policy 6, B, which anticipates requests by individual Commissioners to the Executive Director.

Further, the reference to "Committee" in the first line is ambiguous – does this mean only during an open meeting, when a quorum of committee members is present?

Also, the requirement is one-sided – individual Commissioners are not prohibited from communicating with the Executive Director, but the Executive Director is effectively required to refuse to respond substantively to those individual Commissioners by being required to deal directly with the Commission as a whole, or with an appropriate officer of committee.

This section is a relic of a time in which the Commissioners were divided into separate camps over the appropriate oversight of EdFund. Some Commissioners felt that the EdFund president was lobbying individual Commissioners; others believed that the Executive Director was doing so. Rather than confronting and resolving the underlying issues, the Commissioners added this express prohibition to the Executive Director's and EdFund President's parameters.

If this section is retained, should it be moved to Executive Director Assignment and Responsibilities, Assignment Policy 5, pp. 13-14?

F. ~~Deal directly with the Commission as a whole or the appropriate Officer or Committee, avoid lobbying individual Commissioners, and support consensus building rather than~~

Exhibit 4.1

~~communicating with individual Commissioners in a manner that intentionally generates discord or splits the Commission into factions.~~

- ~~G. Report in a timely manner any actual or anticipated non-compliance with any policy of the Commission or any state or federal law or regulation.~~

Comment [c52]: Has been moved to Executive Director Assignment and Responsibilities, Assignment Policy 5, D.

~~Executive Parameters Policy 6: External Communications*~~

Comment [c53]: Has been moved to Executive Director Assignment and Responsibilities, Assignment Policy 6, D, E, F, and G.

- ~~H. *Confidential Information.* In communicating with the public, the media, representatives of financial or educational institutions or associations, or similar external constituencies, the Executive Director will not convey information that is proprietary or confidential, and will protect intellectual property and confidentiality of consumer identity (e.g., students and families).~~
- ~~I. *Taking Official Positions.* The Executive Director and staff will not take a position contrary to a position adopted by the Commission, or represent interests contrary to those of the Commission, without making it explicit that such position or interests are not those of the Commission and without informing the Commission Chair of such communications in advance whenever possible, or if not, possible, within but no later than two working days thereafter.~~
- ~~J. *Public and Media.* In representing their respective Commission programs to the media, the public, interest groups, and other similar external constituencies, the Executive Director and staff will not take an official position on critical public policy matters upon which the Commission has not yet adopted a written policy or position. However, if in the exercise of judgment not to do so would limit the ability of CSAC to effectively fulfill its mission, then the Executive Director may take such a position, provided that the Executive Director informs the Commission Chair of such communications in advance whenever possible, or if not possible, within two working days thereafter.~~
- ~~K. *Communication with the State and Federal Government.* On behalf of the Commission, the Executive Director will take the lead in communicating with state agencies and federal agencies. Furthermore, when issues involving critical policy decisions arise on which the Commission has not yet taken a position, the Executive Director will make all reasonable efforts to inform and involve the Commission Chair or other officer or Committee, as appropriate, before communicating with state and federal officials. When inquiries from these officials are of an urgent nature and the Executive Director cannot contact the appropriate Commissioner(s) beforehand, the Executive Director will notify the Commission Chair immediately afterward, including summarizing all relevant information that was exchanged.~~

Exhibit 4.1

Monitoring and Oversight Policies

~~These policies define how the Commission will monitor organizational performance (based on the policies in the other four categories).~~

Comment [c54]: PEN recommends that we delete this section in its entirety because some sections are duplicative, and because this section limits the Commission's flexibility by requiring amendments to these policies to change how or what the Commission wants reported.

This section is another relic of the dispute among Commissioners over the extent of oversight of EdFund and its activities.

EdFund was subject to less control by state laws and procedures than those governing the Commission and other State agencies. Some Commissioners believed that the EdFund board and president were not completely forthcoming with information about EdFund activities and spending of State funds. Thus, those Commissioners supported this section as a means of ensuring that reports from the EdFund president – and by implication, the EdFund board – were forthcoming.

Commissioners supportive of EdFund insisted on requiring the Executive Director to make similar reports to show "equal treatment" or symmetry, despite the lack of symmetry in responsiveness to the Commissioners, as well as laws regulating state-agency conduct and in oversight by the Legislature, Administration and other State control agencies.

Global Policy: Monitoring

~~The Commission has responsibility for oversight of its grant programs. The Commission cannot delegate the ultimate responsibility for this oversight to the Commission's Chair or its committees. To fulfill this responsibility, the Commission will conduct monitoring to ensure that the grant organization complies with all Commission policies and applicable laws.~~

Comment [c55]: Has been moved to Introduction, pp. 1-2, as revised.

Exhibit 4.1

Monitoring Policy 1: Overall Compliance with Commission Policies

~~Twice annually, the Executive Director will present a report indicating their organization's compliance with the Commission's policies as set forth in this document. The Executive Director will sign these reports certifying their completeness and accuracy. The reports will identify any substantial lack of compliance, the reason for it, and steps that have been taken or that need to be taken, including any recommended Commission action, to achieve compliance with the Commission's policies.~~

Comment [c56]: PEN recommends that we delete Monitoring Policy 1 in its entirety. Executive Director Assignment and Responsibilities, Assignment Policy 5, D, p. 14, would already require the Executive Director to report in a timely manner any actual or anticipated non-compliance with any Commission policy, or state or federal law or regulation.

Rather than having a Governance Policy mandate a specific report, the Commission could incorporate any desired reports within goals and objectives for the next year as part of the Executive Director's annual review process. This would provide flexibility to the Commission, allowing a change whenever necessary to accommodate the Commission's priorities for the next year.

If retained, the following comments have been submitted:

Additional comment: Is such a report needed twice each year, or is annually OK?

Additional comment: Proposes changing "their organization's" to "the organization's"

Monitoring Policy 2: Ends

~~On a quarterly basis, the Executive Director will submit a report of programmatic accomplishments and progress. The Commission will review these reports and take action as appropriate.~~

Comment [c57]: PEN recommends that we delete the first sentence because Commission review and monitoring is identified by other sections, such as: Commission Governance Process, Global Policy; Commission Governance Policy 2, first sentence; paragraphs A and B; Executive Director Assignment and Responsibility, Global Policy, first sentence of the first paragraph, and first sentence of the third paragraph; Assignment Policy 1, A through G; Assignment Policy 5, A through D; and Assignment Policy 7, p. 15.

Additional comment: Are quarterly reports necessary? Wouldn't annually be more efficient and useful?

GRANT PROGRAM

~~The Executive Director's report will include all relevant statistics, analysis of trends, and narrative information to encapsulate the most significant grant program information, including at a minimum:~~

~~A. The number of:~~

- ~~1) Grant applicants in each of the grant and outreach programs for the current quarter and fiscal year to date.~~
- ~~2) The amount of grants or services, in total and by category of students (as specified by the Commission), provided in each of the grant and outreach programs for the current quarter and fiscal year to date as compared to budgeted amounts, and compared to actual data for the same periods in the previous three fiscal years.~~

Comment [c58]: PEN recommends that we delete the "Grant Program" section in its entirety for the following reasons.

Reports on trends and material external and internal issues would already be included in Executive Director Assignment and Responsibilities, Assignment Policy 5, A;

If the Commissioners want this information, a requirement can be added to Assignment Policy 2: Program Operations, specifying that Cal Grant statistical information be included in the Executive Director's Report for each Commission meeting.

If section is retained, should quarterly reports be annual?

Exhibit 4.1

- B. ~~Information on any processing backlogs or other delays that are resulting or could result in a delay of the delivery of funds to students.~~

Comment [c59]: Has been moved to Assignment Policy 2, D.

- C. ~~Costs incurred in providing grant and outreach programs reported by major cost center, as specified by the Commission, for the current quarter and fiscal year to date, as compared to the budgeted amounts and same periods in the previous fiscal year.~~
- D. ~~Efficiency, processing performance, and quality metrics, as specified by the Commission, for the current quarter and fiscal year as compared to the same periods in the previous fiscal year.~~

Comment [c60]: PEN recommends that we delete paragraphs C and D as unnecessary. These were originally included to mirror the requirements imposed on EdFund. These were appropriate for EdFund, since EdFund was a business organization with revenue and expenditure projections in its budget, which was not subject to review by the Department of Finance, the Legislature and the Administration. Commissioners supportive of EdFund insisted on symmetry in the specification of Commission oversight over Commission operations, even though the Commission's programs are not revenue-generating and expenditures are required to conform to appropriations in the State budget.

Monitoring Policy 3: ~~Commission Governance~~

~~On an ongoing basis, the Commission will discuss and decide how to improve the Commission's governance process.~~

Comment [c61]: Both paragraphs have been moved to Commission Governance Policy 2, B and C.

~~At least annually, the Commission's committee responsible for governance practices will review and present a report to the Commission assessing the Commission's compliance with the Governance Policies herein. This review and report will include assessment of the Commission's application of the overall governance approach, as well as compliance by the Commission Chair, Commissioners, and all Commission Committees to the Governance Policies. It will also examine the effectiveness of the Commissioner orientation and Commission education programs. The Committee will present its findings to the Commission, including any recommendations to improve Commission governance policies or practices.~~

Monitoring Policy 4: ~~Assignment and Responsibility~~

~~On an ongoing basis, the appropriate Commission committee responsible for governance practices will assess the effectiveness of and compliance with the Commission's Assignment and Responsibility Policies by the Executive Director. On an annual basis it will conduct an overall assessment of such compliance, and will prepare and present a report of its findings to the Commission, including any recommendations to improve clarity of these policies or compliance therewith.~~

Comment [c62]: PEN recommends that we delete this paragraph, since Commission Governance Policy 2, B and C would require the assessment of all the provisions of the Governance Policy and Procedures.

Exhibit 4.1

Monitoring Policy 5: Strategic and Annual Planning

GRANT PROGRAM

~~On an annual basis, the Commission will review and adopt an annual update to the grant program strategic plan and annual plan, pursuant to the specific provisions in the Executive Parameters policies.~~

Comment [c63]: PEN recommends that we delete this paragraph as redundant, since it would already be included in the requirements in Assignment Policy 1, A and B.

STRATEGIC AND ANNUAL PLAN REPORTING AND UPDATING

~~The Executive Director will provide the Commission with quarterly updates reviewing progress in implementing the overarching and program specific strategic plans, including whether annual plan objectives have been or are expected to be achieved in accordance with the specified timeline.~~

Comment [c64]: PEN recommends that we delete this paragraph as redundant. Assignment Policy 5, A would already require the Executive Director to inform the Commission, in a timely manner, of material external and internal issues; and Assignment Policy 5, Z, would require the Executive Director to report in a timely manner any actual or anticipated non-compliance with any policy of the Commission or any state or federal law or regulation. This is sufficiently broad to include whether strategic plan objectives will be met.
Additional comment: If retained, are quarterly updates really necessary or is annual OK?

Monitoring Policy 6: Fiscal Operations

~~On a quarterly basis, the Executive Director will present a report examining the organization's compliance with the Commission's Fiscal Operations Policies. For each of the fiscal operations provisions in the Assignment and Executive Parameters Policies, the reports will identify any substantial lack of compliance, the reason for it, and steps that have been taken or that need to be taken, including any recommended Commission action, to achieve compliance. This will include compliance with timelines (for example, whether or not steps in the budgeting process have been completed according to the annual budget schedule).~~

Comment [c65]: PEN recommends that we delete this paragraph as redundant. Assignment Policy 5, V would already require the Executive Director to inform the Commission, in a timely manner, of material external and internal issues; and Assignment Policy 5, Z, would require the Executive Director to report in a timely manner any actual or anticipated non-compliance with any policy of the Commission or any state or federal law or regulation. This is sufficiently broad to include fiscal operations
Additional comment: If retained, are quarterly updates really necessary or is annual OK?

~~In addition, as part of its fiduciary obligations and responsibility for oversight, the Commission will receive regular and accurate reporting on the financial status of the grant program. The Executive Director and/or grant program Internal Auditor, as appropriate, will provide complete~~

Comment [c66]: PEN recommends that we delete this paragraph in its entirety as unnecessary. Assignment Policy 5, V would already require the Executive Director to inform the Commission, in a timely manner, of material external and internal issues; and Assignment Policy 5, D, would require the Executive Director to report in a timely manner any actual or anticipated non-compliance with any policy of the Commission or any state or federal law or regulation. This is sufficiently broad to include whether financial status.

Further, Assignment Policy 5, B would already require the Executive Director to provide the Commission with information that is accurate, honest and complete. Assignment Policy 7 would already address the Executive Director's and Internal Auditor's responsibilities.

Exhibit 4.1

and accurate reporting to the Commission on a monthly, quarterly, and annual basis as set forth below.

~~GRANT PROGRAM. The Executive Director (or, where indicated below, the grant program Internal Auditor), will provide to the Commission:~~

Comment [c67]: PEN recommends that we delete this section in its entirety for reasons stated below for each paragraph.

~~A. On an annual basis:~~

Comment [c68]: Delete paragraph A, 1) as redundant. Assignment Policy 1, D would already require the Executive Director to annually inform the commission of the State Budget Act appropriations for the Commission's operations, which constitutes the operating budget.

- ~~1) The proposed operating budget for the grant program which complies with the Commission's Financial Planning and Annual Budget Policy and which is consistent with the grant program strategic and annual goals adopted by the Commission.~~

- ~~2) A schedule of planned internal audits and reviews of the grant program for the fiscal year. (Internal Auditor)~~

Comment [c69]: Moved this paragraph to Assignment Policy 7: Internal Audits.

- ~~3) The Financial Integrity and State Managers Accountability Act (FISMA) report, as necessary indicating updates to procedures to ensure that the grant program's assets are protected, adequately maintained, and not unnecessarily risked.~~

Comment [c70]: Moved this paragraph to Assignment Policy 7: Internal Audits.

~~B. On a quarterly basis:~~

Comment [c71]: PEN recommends that we delete this section in its entirety. Assignment Policy 5, A would already require the Executive Director to inform the Commission, in a timely manner, of material external and internal issues; and Assignment Policy 5, D, would require the Executive Director to report in a timely manner any actual or anticipated non-compliance with any policy of the Commission or any state or federal law or regulation. This is sufficiently broad to include budget expenditures and material variances.

Additional comment: If retained, are quarterly reports necessary or is annual OK?

Exhibit 4.1

- 1) ~~A summary or "dashboard" report describing the grant program's current financial condition, including summarized financial statements and any items of significance to the overall financial performance of the organization, including at a minimum:
 - a) ~~Year to date expenditures, as compared to the annual budget, with projection for year-end results.~~
 - b) ~~Any significant budget variances based on the categories determined by the Commission.~~
 - c) ~~Progress toward the attainment of the cost efficiency metrics established pursuant to the annual plan.~~
 - d) ~~Proposed steps to address budget variances or other issues identified in a) through c) above, consistent with state processes.~~~~

C. ~~Periodically as appropriate:~~

- 1) ~~As scheduled, information on audits or reviews of the grant program to be performed by the State or federal government.~~
- 2) ~~As completed, audits or reviews of the grant program performed or required by the State or federal government.~~
- 3) ~~As completed, summary of internal grant program audit findings and resolutions to the satisfaction of grant program management and the Commission's Audit Committee.~~

Comment [c72]: Moved all three requirements to Assignment Policy 7: Internal Audits, p. 15

Monitoring Policy 7: Personnel Practices

~~Annual Executive Performance Reviews~~

~~At least annually, the Commission will conduct a performance evaluation of the Executive Director, pursuant to the specific provisions in Governance Policy the policy that defines the commission's role. This review will include assessment of compliance with Commission policies herein.~~

Comment [c73]: PEN recommends that we delete this section in its entirety as redundant. Commission Governance Policy 2, Personnel Practices, A would already require the Commission to evaluate the Executive Director's performance annually based on performance goals and professional development objectives adopted annually by the Commission.

Monitoring Policy 8: Internal/External Communications and Commission Support

On an annual basis, the Commission will conduct an assessment of compliance with the Commission's policies regarding Internal and External Communications, specifically the following four Policies:

- Commission Governance Policy 2 (entitled "Commission's Role")
- Commission Governance Policy 4 (entitled "Commissioner Role and Code of Conduct")
- Executive Parameters Policy 5 (entitled "Internal Communications and Commission Support")
- Executive Parameters Policy 6 (entitled "External Communications")

This assessment will consider compliance by the Commissioners and the Executive Director. It will assess the extent to which the Executive Director has kept the Commission informed (e.g., regarding industry trends, staff points of view, etc.) and has supported the Commission in its external communication responsibilities (e.g., appropriately supporting Commission communication with government officials).

The report will identify any substantial lack of compliance, the reason for it, and steps that have been taken or that need to be taken, including any recommended Commission action, to achieve compliance.

In addition:

- A. The annual evaluation of the Executive Director (described above) will include assessment of compliance with the Commission's Communications Policies.
- B. The report described in the Commission Governance Monitoring Policy will focus on the extent to which the Executive Director has kept the Commission informed (e.g., regarding industry trends, staff points of view, etc.) and supported the Commission in its external communication responsibilities (e.g., appropriately supporting Commission communication with government officials).
- C. From time to time, the Commission may also call upon the Commission committee responsible for governance practices to monitor and report compliance with these policies on the part of the Commission and the Executive Director.

Comment [c74]: PEN recommends that we delete this section in its entirety as redundant? Commission Governance Policy 2, B and C, would already require the Commission to assess compliance with the Governance Policies and Procedures by the Commission, the Commission Chair, Commissioners, and Commission Committees.

Commission Governance Policy 2, Personnel Practices, A, would already require the Commission to evaluate the Executive Director's performance annually.

This section is more procedural and seeks to define how the Commission would conduct its assessments. It would provide more flexibility to the Commission to decide on the process for assessment annually, to account for changing circumstances and priorities.

Additional Comment: Bullets will be conformed to final decisions.



Governance Policies and Procedures

Adopted by the Commission on

June 26, 2008 and most recently updated on 2014

February 2014 Revisions

**DRAFT REVISIONS
WHICH DELETE ALL REFERENCES
TO EDFUND AND LOAN PROGRAM and
SHOW CHANGES RECOMMENDED BY THE PEN AND SPPC COMMITTEES**

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Introduction

Mission

“Making education beyond high school financially accessible to all Californians.”

On June 26, 2008 the California Student Aid Commission adopted Governance Policies which were most recently updated on _____. The Governance Policies are a result of an open collaborative process led by the Commission. The Commission originally developed the Governance Policies through the leadership of an Ad Hoc Committee and assistance of a consulting group with input from EDFUND and CSAC management and their respective staffs.

The Commission’s Strategic Policy & Planning Committee, formerly the Governance and Monitoring Committee, is primarily responsible for reviewing the policies and recommending to the Commission any further necessary enhancements. The goal of the Commission is to continue to strive to improve and refine its policies.

This document is subject to revision given the dynamic financial aid environment with pending and new federal and State legislation. It is the intent of the Commission to review and revise these policies, if needed, every two years or earlier if needed.

The Commission is the State’s principal provider of statewide grant aid to postsecondary students. Founded in 1955 as the California State Scholarship Commission, the 15-member Commission has fiduciary and statutory responsibility for State administered financial aid programs, including all federal and state funded specialized grant, scholarship, loan assumption, and outreach programs administered by CSAC as follows:

- Cal Grant Entitlement Program (Cal Grant A and B)
- Cal Grant Community College Transfer Entitlement Program (Cal Grant A and B)
- Cal Grant C Program
- Competitive Cal Grant A and B Award Program
- California Dream Act
- Middle Class Scholarship Program
- APLE – Assumption Program of Loans for Education, a teacher incentive program
- SNAPLE NF - State Nursing Assumption Program of Loans for Education for Nursing Faculty
- Child Development Grant Program
- Law Enforcement Personnel Dependents Grant Program
- National Guard Assumption Program of Loans for Education
- California Chafee Foster Youth Program
- John R. Justice Program

The Commission’s administered financial aid programs provide students and families access to postsecondary education by:

- Informing them about the postsecondary education financial aid opportunities available to them.
- Providing financial resources – grants, scholarships, etc. – to enable them to finance a postsecondary education.
- Serving and caring about each CSAC student and his or her family, in a manner that is supportive, sensitive, and empowering.

The Commission also administers financial aid awareness and outreach programs, such as Cal-SOAP and Cash for College. For purposes of this governance policy, the Commission's State administered financial aid programs, including all federal and state funded specialized grant, scholarship, loan assumption, and outreach programs administered by CSAC staff, are referred to as the "CSAC administered financial aid programs."

The Commission has responsibility for oversight of its CSAC administered financial aid programs. The Commission cannot delegate the ultimate responsibility for this oversight to the Commission's Chair or its committees. The policies in this document set forth how the Commission will govern and oversee the CSAC administered financial aid programs – its expectations, and the roles and responsibilities of the Commission and Executive Director in fulfilling those expectations.

Prospective students and their families, particularly those who are low-income and first in their family to attend college, participate in the Commission's outreach programs (such as Cal-SOAP and Cash for College) and receive information about college planning and preparation, the cost of attending college, and accessing all types of financial aid (including from federal, state, institutional, and private sources).

As the state agency responsible for administering statewide financial aid programs, the Commission will work with the executive and legislative branches of state government to identify appropriate funds to effectively administer the Commission's programs.

Purpose and Types of Policies

By statute, the California Student Aid Commission is the primary governing body responsible for California's student financial aid programs. The policies in this document set forth how the Commission will govern and oversee these programs – its expectations, and the roles and responsibilities of the Commission and program staff in fulfilling those expectations. The categories of policies are:

Commission Governance Process. These policies define how the Commission itself will operate (for example, the role of the Chair and committees).

Executive Director Assignment and Responsibility Policies. These policies delineate the responsibilities assigned by the Commission to the Executive Director.

Commission Governance Process

These policies delineate how the Commission will operate – its governance approach, as well as the role of the Commission, Commission Chair, Commission Committees, and individual Commissioners. In addition, they delineate the authority of the Commission, its Committees, and individual Commissioners in making requests of staff.

Global Policy: Commission Governance Process

The Commission is the governing body that has statutory responsibility for CSAC administered financial aid programs, on behalf of the people of California and the executive and legislative branches of state government. As such, the Commission will ensure that the CSAC organization achieves the desired outcomes set forth by the Commission in these policies, via strategic and annual plans, or other relevant outcomes. The Commission will ensure that the CSAC organization avoids unacceptable actions and situations, as set forth in the policies herein. The Commission will also take a proactive role in legislative matters in order to maximize the effectiveness of its programs in serving students and their families.

Commission Governance Policy 1: Governance Philosophy

Integrity and sound stewardship are paramount in the governance of all Commission activities. The Commission will govern according to all applicable laws and based on policies set forth in this Governance Policy. The Commission will also conduct itself according to the following principles:

- In deliberating and making decisions, maintain a central theme of serving the interests of students.
- Make the greatest possible contribution to ensure the success of the CSAC administered financial aid programs.
- Operate these CSAC administered financial aid programs in a manner that makes efficient use of organizational resources, including the resources used to support the activities of the Commission itself.
- Maintain the highest ethical, legal, and accounting standards.
- Focus on outward vision and strategic leadership rather than administrative detail.
- Be a leader in financial aid public policy development including the legislative arena.
- Inform and educate the legislature on issues affecting access to student aid and aid information.
- Be objective and encourage diversity in viewpoints.
- Make decisions in an efficient, timely manner.
- As a Commission, make decisions in a collaborative manner.

Commission Governance Policy 2: Commission's Role

The Commission will maintain its accountability and responsibility for the CSAC administered financial aid programs, and the oversight thereof.

The Commission will play a proactive and supportive role in the development of public policy and legislation at both the federal and state level. The Commission will also maintain a

proactive working relationship with key elected and appointed officials in order to make policy decisions with an understanding of state and federal policy.

As part of the Commission's fiduciary and oversight responsibilities over all Commission programs, the Commission will produce the necessary outputs and documentation to assure the State of California, the federal government, and other key stakeholders that CSAC is fulfilling its mission, as well as its obligations under statutes, regulations, and other applicable law.

Governance Process

- A. The Commission will maintain written governance policies that address the broadest level of organizational decisions and situations. The Commission will develop policy, and will take responsibility for updating its policies and adding, deleting, or modifying provisions biennially.
- B. On an ongoing basis, the Commission will discuss and decide how to improve the Commission's governance process.
- C. At least biennially, the Commission's committee responsible for governance practices will review and report to the Commission assessing the Commission's compliance with the Governance Policies herein. This review and report will include assessment of the Commission's application of the overall governance approach, as well as compliance by the Commission Chair, Commissioners, and all Commission committees to the Governance Policies. It will also examine the effectiveness of the Commissioner orientation and Commission education programs. The committee will present its findings to the Commission, including any recommendations to improve Commission governance policies or practices with a focus on whether or not the Commission is accomplishing what it wants to accomplish and what is and is not working.
- D. The Commission will cultivate a sense of group responsibility and accountability. The Commission will not use the expertise of individual members to substitute for the judgment of the Commission, although the expertise of individual members may be used to enhance the understanding of the Commission as a body. Nor will the Commission rely on the expertise of staff to substitute for the judgment of the Commission, although staff will be expected to provide complete and thoughtful information to support Commission deliberation and decision-making.
- E. The Commission will enforce upon itself the necessary discipline to govern with excellence, including regular attendance at meetings, thorough preparation by each member for each meeting, adherence to its policy-making principles, and respect of roles. The Commission's goal is to evaluate its governance effectiveness annually and take steps to improve its effectiveness as a governing body.
- F. Continual education and development for Commissioners will include a mandatory, comprehensive orientation of new members, which will provide:
 - 1) A copy of this document in order to help provide an understanding of the Commission's governance process.
 - 2) A working knowledge of key elements of the CSAC administered financial aid and loan programs.

- 3) An understanding of mandates set forth by the Political Reform Act, Bagley-Keene Open Meeting Act, California Public Records Act, and all applicable law and other governance requirements.
- 4) A working knowledge of state agencies and state and federal legislative and budget processes.

Commission education and development will also include periodic presentations and/or Commission discussion that:

- 5) Further informs Commissioners regarding the CSAC administered financial aid programs.
- 6) Informs Commissioners regarding upcoming public policy and legislative issues.
- 7) Supports improvement in the Commission's governance process.

The concurrence of the majority of the Commissioners present and constituting a quorum, i.e., at least five members at a full Commission meeting, shall be necessary for the Commission or one of its committees, i.e., at least two members of a five-member committee, to take action. Once a decision is reached, all Commissioners will, in their role as Commissioners, speak as a single official voice and act accordingly.

- G. The Commission will maintain a working relationship with, and seek the advice and perspective of, key stakeholder groups and advisory boards. This process does not necessarily require a formal structure which involves notice under Bagley-Keene Open Meeting Act, CSAC expenses for travel of advisory committee members and significant staff support.
- H. The Commission will comply with all procedural requirements for state commissions, including those set forth in the Bagley-Keene Open Meeting Act.

Planning

- A. The Commission will ensure development of CSAC administered financial aid strategic and annual plans.
- B. The Commission will ensure that a strategic plan is developed for the CSAC entity as a whole, based on the CSAC administered financial aid program's strategic and annual plans.

Program Oversight

- A. The Commission will conduct fiscal and programmatic oversight of the CSAC administered financial aid programs to ensure that program funds are spent economically and in accordance with State and federal laws and regulations, and will monitor organizational performance based on the policies herein.
- B. The Commission will maintain effective regularly scheduled internal audits in the CSAC administered financial aid programs to ensure compliance with existing laws, regulations, policies and other applicable standards.

Personnel Practices

- A. The Commission will evaluate the Executive Director’s performance annually. This evaluation will be based on: performance goals and professional development objectives adopted annually by the Commission; and the Executive Director.

Internal and External Communication

- A. The Commission will maintain ongoing communication through its Executive Director to CSAC management and staff. This includes giving consideration in its deliberations and decision-making to the perspective of CSAC management and staff, as represented by management. In turn, given the breadth of responsibility of the Commission, the Executive Director, or where appropriate, CSAC management and staff, will bring issues to the Commission in a timely manner with analysis of each issue and options for addressing it, and whenever possible a recommended course of action.
- B. The Commission will maintain a working relationship with, and seek the advice and perspectives of, key stakeholder groups and advisory bodies. This process does not necessarily require a formal structure which involves notice under Bagley-Keene Open Meeting Act, CSAC expenses for travel of advisory committee members and significant staff support.
- C. In furtherance of the above governance philosophy and policies regarding public policy and legislation, the Commission Chair or an appropriate Committee Chair or Commission member will participate in significant interactions with key elected and appointed officials, supported by the Executive Director and/or staff.

Commission Governance Policy 3: Officers of the Commission

- A. **Term:** Officer elections are held annually during the November Commission meeting. Commission officers are elected and serve for a one year term beginning January 1st. There is no policy preventing officers from serving multiple terms. Any Commissioner interested in seeking office may do so at the time of the annual elections.
- B. **Nominations:** Nominees should be knowledgeable of the duties and responsibilities of the office and be willing and able to devote adequate time to the duties of the office.

Any Commissioner may submit a nomination, and self-nominations are permitted and encouraged. Interested candidates should submit their names upon the opening of nominations. Nominations should be submitted via email to the General Counsel, no later than 10 days in advance of the November Commission meeting.

- C. **Elections:** Elections shall be held during the November Commission meeting. The November meeting agenda shall include an item noticing the election of officers. Names of nominated candidates and the office for which they were nominated shall be included in the agenda materials.

During the November meeting, prior to the election, candidates for office shall be given an opportunity to address the Commission and share their vision for their service as an elected officer. Commissioners and members of the public may comment or otherwise speak on the qualifications of a candidate.

- D. **Voting:** Commissioners present at the annual November meeting may vote for their candidate of choice. The vote shall be by roll call if there is more than one candidate for an office and shall be included in the meeting minutes. A Commissioner not physically present for the meeting may only vote in the election if the meeting is noticed as a teleconference and the Commissioner's physical location is noticed in accordance with the Bagley-Keene Open Meeting Act. There is no proxy voting.

Elected officers will be determined by a majority of votes of those present and voting.

- E. **Officers:** Elections will determine the three officers of the Commission:

a. Chair

The Commission Chair will ensure the integrity and fulfillment of the Commission's governance policies and process, and that the Commission's conduct is consistent with statutes, regulations, and other applicable law. As necessary, the Chair represents the Commission to outside parties. Specifically, the role of the Chair is to:

- i. Coordinate the planning of the Commission's activities for the year ahead providing guidance and leadership on general policy direction, and develop the agenda for each Commission meeting, with input from Commissioners and the Executive Director.
- ii. Preside at Commission meetings, ensuring that meetings are noticed and conducted in accordance with the Bagley-Keene Open Meeting Act and that time is set aside for public comment at meetings.
- iii. Ensure that meeting discussion and deliberation is conducted in a manner that is fair, open, and thorough, and at the same time is efficient, focused and timely.
- iv. Organize the Commission's Committees as established per the Committees policy below, and maintain contact with the Committee Chairs to ensure that Committees are operating effectively.
- v. Meet regularly with the Executive Director and make decisions as necessary to ensure implementation of the Commission's policies herein.
- vi. Execute specific documents as authorized by the Commission, except as otherwise provided by law.
- vii. Represent the Commission at hearings and/or meetings with Legislators, administration officials, stakeholders, advisory groups, and attend Commission related functions as necessary.
- viii. Appoint the Chairs, Vice Chairs and members of the Standing Committees and Ad Hoc Committees as needed; and appoint interim officers of the Commission in the event of a vacancy.
- ix. Attend Standing Committees as an ex-officio member.

- x. Approve attendance by Commissioners at conferences, training, or site visits of related professional organizations for which they can be reimbursed for eligible travel expenses.

b. Vice Chair

The Vice-Chair is responsible for performing the duties of the Chair in his or her absence.

c. Secretary

The Secretary is responsible for reviewing and signing approved minutes of Commission meetings and providing assistance with parliamentary procedures as needed. The Secretary ensures that a minute book is kept which records the topics discussed and decisions made at any Closed Session meetings of the Commission in accordance with the Bagley-Keene Open Meeting Act.

- F. **Vacancies:** If an officer is, for any reason, unable to complete his or her term, the Chair may appoint an interim officer. The Commission may thereafter hold elections to fill the vacancy at the next regularly scheduled meeting. The officer elected would serve out the remainder of the term.

Commission Governance Policy 4: Commissioner Role and Code of Conduct

The Commission commits itself and its members to ethical, professional, and lawful conduct, including proper use of authority and appropriate decorum when acting as Commission members.

- A. Commissioners will be responsible to understand and act according to the provisions of the Bagley-Keene Open Meetings Act, the Political Reform Act and other laws relating to conflict of interest.
- B. Once the Commission has reached a decision, which is accomplished by majority vote of Commissioners present and constituting a quorum, at least five votes for the decision, all Commissioners will, in their role as Commissioners, speak with a single official voice and act accordingly.
- C. Commissioners will engage in and support consensus-building. Commissioners will not communicate with individual Commissioners in a lobbying manner that generates discord and has the potential to divide the Commission into factions.
- D. In communicating with any external stakeholder (e.g., the public, the media, representatives of financial or educational institutions or associations, etc.), Commissioners will not convey information that is proprietary or confidential, and will protect intellectual property and confidentiality of consumer identity (e.g., students and families). When representing the Commission, as distinct from speaking as individuals, Commissioners will not:
 - 1. Discuss issues, policies, decisions, or programmatic information of any substance without appropriate authorization from the Commission Chair.
 - 2. Take a position contrary to that of the Commission, or represent interests contrary to those of the Commission, without making it explicit that such position or interests are not those of the Commission. If such a position is taken as, that Commissioner

will inform the Commission Chair in advance whenever possible, or if not possible, within 24 hours thereafter.

3. Conduct significant discussion of issues, policies, or future Commission decisions upon which the Commission has not taken a position in writing, without first conferring with the Commission Chair or his/her designated Commissioner(s) regarding the issues, policies, or Commission decisions to be discussed.

Commission Governance Policy 5: Committees

Commission committees are established to help the Commission fulfill its responsibilities by assessing policy issues, alternatives, and implications to support Commission deliberation. Committees have evolved. As of the latest revision to this Governance Policies and Procedures document in 2014, the Commission had four standing committees: the Audit Committee, the Strategic Policy and Planning Committee, the Student Impact Committee, and the Personnel, Evaluation and Nominations Committee. Responsibilities for each committee are detailed in the Commission's Orientation Manual. The Committees will also carry out other tasks as assigned by the Commission. This policy applies to any group that is formed by Commission action, whether or not it is called a committee and regardless of whether the group includes Commission members.

- A. Committees may not speak or act for the Commission except when formally given such authority for specific and time-limited purposes.
- B. Committees may not exercise authority over staff, except where specifically authorized by the Commission. Committees are to avoid over-identification with organizational parts rather than the whole, and will at all times act in accordance with the policies herein.
- C. Ad Hoc committees can be created to collect ideas and information, and recommend how the Commission may address specific issues or situations.

Commission Governance Policy 6: Making Requests of Staff

- A. Commission officers or committees may make reasonable and necessary requests for information or assistance within the areas of responsibility assigned to them by the Commission. However, if the Executive Director can substantiate that fulfillment would require an undue amount of staff time or funds, or would be substantially disruptive to normal business operations, the Executive Director may appeal such requests to the Commission Chair.
- B. Individual Commissioners (not acting as officers or on behalf of a Commission committee) may request information or assistance within areas of their individual responsibility assigned to them by the Commission. However, the Executive Director may decline to fulfill requests that, in the exercise of judgment, the Executive Director deems to require an undue amount of staff time or funds, or to be substantially disruptive to normal business operations. If the Commissioner nonetheless wishes to pursue the request, that Commissioner must make and substantiate the request to the Commission Chair.

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Executive Director Assignment and Responsibilities Policies

These policies delineate the responsibilities assigned by the Commission to the Executive Director.

Global Policy: Executive Director Assignment and Responsibilities

The Commission will maintain its accountability and responsibility for the CSAC administered financial aid programs, and the oversight thereof. The Commission's committees, Commissioners and the Executive Director will have only that authority assigned to them by the Commission or by statute, regulation, or other applicable law.

The Commission's Executive Director is the executive officer for the Commission. The Commission's executive officer is responsible for policy leadership, financial and programmatic management of the day-to-day operations of the CSAC administered financial aid programs.

The Executive Director shall act within the framework established by federal and state law and regulations and in accordance with the written rules and policies adopted by the Commission. Accordingly, the Commission hereby delegates and assigns the following responsibilities to the Executive Director.

Assignment Policy 1: Planning

- A. The Executive Director is responsible for assisting the Commission in the development of strategic plans for the CSAC administered financial aid programs.
- B. The Executive Director will work with the Commission in the development of a state student aid program strategic plan, which will include a vision statement, goals, strategies, and objectives. The Commission will establish the vision statement looking long term, and set broad three-year goals, with input from the Executive Director and CSAC management staff. The Executive Director will define the strategies that will be utilized to achieve the goals, and the specific objectives to be achieved. The Commission will review and adopt the strategic plan.

The Executive Director will develop an annual plan delineating specific action steps to implement the strategic plan and for use in the operations for the Commission, specifying timelines, and parties within the organization responsible for completion of the action steps. The Commission will review and adopt the annual plan at its annual retreat.

- C. The Executive Director shall inform the Commission when Congress acts to establish a new scholarship or grant program to ensure that participation by the State of California will not be jeopardized or interfere with the State's existing Cal Grant program (Chapter 1.7 (commencing with Section 69430) of Part 42 of the Education Code).
- D. The Executive Director shall inform the Commission when the State acts, or proposes to act, to establish a new scholarship, grant or loan assumption program, shall annually inform the Commission of the State Budget Act appropriations for the Commission's local assistance and operations, and shall annually present concepts for budget change proposals to the Commission for approval.

- E. The Executive Director shall inform the Commission when a State agency requests assistance from the Commission in the administration of a financial aid program.
- F. The Executive Director is responsible for informing the Commission of any pending expiration of any Commission program and any statutory change impacting the administration of the Commission's programs.

Assignment Policy 2: Program Operations

- A. The Executive Director is responsible for administering the CSAC administered financial aid programs as established in state and federal law and regulations. It is the responsibility of the Executive Director to establish and maintain operational procedures.
- B. The Executive Director will ensure that all organizational practices, activities, and decisions are lawful and prudent and are in compliance with commonly accepted business and professional ethics, as well as federal or state laws and regulations.
- C. The Executive Director will conduct the CSAC administered financial aid programs in a manner that maintains the organization's public image and credibility to support its ability to accomplish its mission.
- D. The Executive Director will ensure that information on any processing backlogs or other delays that are resulting or could result in a delay of the delivery of funds to students is communicated to the Commission.
- E. The Executive Director is responsible, on behalf of the Commission, to provide all statutorily required reports and data to the Administration and Legislature by their required due dates each year.

Assignment Policy 3: Fiscal Operations

- A. The Executive Director is responsible for fiscal management of all CSAC administered financial aid funds and programs administered by the Commission consistent with federal and state requirements and procedures and Commission policies.
- B. The Executive Director is responsible for the fiscal management of the Commission consistent with state and federal laws. This responsibility includes the oversight of all funds appropriated to, and managed by the Commission.
- C. The Executive Director is authorized under state law, to enter into contracts with a third-party service or product vendors in an amount not to exceed \$100,000 or more. However, in the event an emergency approval is necessary for a contract over \$100,000, the Executive Director may approve such contract with simultaneous notification to the Commission. Such emergency approval shall be ratified at the next regularly scheduled Commission meeting, and if not ratified, the contract shall be canceled. The Executive Director will not enter into serial contracts or commitments with the same vendor in a manner that circumvents the intent of this policy.
- D. The Executive Director, at the direction of the Commission, may enter into contracts to improve the distribution of grants and fellowships through the use of electronic networks. The Executive Director will adhere to the state contract policies as stated under this provision. (Education Code section 69433(e).)

- E. The Executive Director is responsible, with the assistance of the Attorney General's Office, for seeking refunds on any awards to students that resulted from the student or his or her parents, or both, reporting information concerning their status incorrectly, with the incorrect information leading to the establishment of the student's financial eligibility to receive an award. (Education Code section 69517.5.)

Assignment Policy 4: Personnel Practices

- A. The Executive Director is responsible for hiring, managing, training, corrective action, and, as necessary, termination of staff as prescribed in State law governing civil service employees.
- B. The Executive Director will ensure that personnel decisions are made fairly.
- C. The Executive Director will ensure that working conditions and procedures are safe dignified, and provide appropriate confidentiality and privacy.
- D. In order to protect the Commission from sudden loss of Executive Director services, the Executive Director will ensure that at least one other manager is familiar with their respective duties, pending issues, and key processes. This manager will be designated during the annual review of the Executive Director.

Assignment Policy 5: Communication with Commissioners

- A. The Executive Director will keep the Commission adequately informed in a timely manner, and provide the necessary support for the Commission to do its work. This includes informing the Commission of relevant trends, anticipated adverse media coverage, and material external and internal issues or changes, particularly issues of changes, which may impact the assumptions upon which any Commission policy or strategic or annual plan has been based.
- B. The Executive Director will provide to the Commission information that is accurate, honest and complete.
- C. The Executive Director will provide for the Commission as many staff and external points of view, issues and opinions as needed for the Commission to make fully informed choices and decisions.
- D. The Executive Director will report in a timely manner any actual or anticipated non-compliance with any policy of the Commission or any state or federal law or regulations.

Assignment Policy 6: Internal and External Communication

- A. The Executive Director is responsible for communicating Commission policy and actions taken by the Commission to CSAC management and staff.
- B. The Executive Director is responsible for representing the Commission to the executive and legislative branches of state government, in collaboration with Commissioners.

- C. The Executive Director is responsible for representing the Commission's CSAC administered financial aid programs to the media, the public, interest groups, and other outside parties.
- D. Confidential Information. In communicating with the public, the media, representatives of financial or educational institutions or associations, or similar external constituencies, the Executive Director will not convey information that is proprietary or confidential, and will protect intellectual property and confidentiality of consumer identity (e.g., students and families).
- E. Taking Official Positions. The Executive Director and staff will not take a position contrary to a position adopted by the Commission, or represent interests contrary to those of the Commission, without making it explicit that such position or interests are not those of the Commission and without informing the Commission Chair of such communications in advance whenever possible, or if not, possible, within but no later than two working days thereafter, and the Chair will inform the full Commission as soon as practicable, but no later than the Chair's report at the next Commission meeting.
- F. Public and Media. In representing their respective Commission programs to the media, the public, interest groups, and other similar external constituencies, the Executive Director and staff will not take an official position on critical public policy matters upon which the Commission has not yet adopted a written policy or position. However, if in the exercise of judgment not to do so would limit the ability of CSAC to effectively fulfill its mission, then the Executive Director may take such a position, provided that the Executive Director informs the Commission Chair of such communications in advance whenever possible, or if not possible, within two working days thereafter, and the Chair will inform the full Commission as soon as practicable, but no later than the Chair's report at the next Commission meeting.
- G. Communication with the State and Federal Government. On behalf of the Commission, the Executive Director will take the lead in communicating with state agencies and federal agencies. Furthermore, when issues involving critical policy decisions arise on which the Commission has not yet taken a position, the Executive Director will make all reasonable efforts to inform and involve the Commission Chair or other officer or Committee, as appropriate, before communicating with state and federal officials. When inquiries from these officials are of an urgent nature and the Executive Director cannot contact the appropriate Commissioner(s) beforehand, the Executive Director will notify the Commission Chair immediately afterward, including summarizing all relevant information that was exchanged.

Assignment Policy 7: Internal Audit

- A. The Executive Director (or, when appropriate, the Internal Auditor) working through the Audit Committee, will provide to the Commission periodically as appropriate the following:
 - 1. A schedule of planned internal audits and reviews of the CSAC administered financial aid programs for the fiscal year.
 - 2. As scheduled, information on audits or reviews of the CSAC administered financial aid programs to be performed by the State or Federal government.

3. As completed, audits or reviews of the CSAC administered financial aid program performed or required by the State or federal government.
4. As completed, summary internal audit findings and resolutions to the satisfaction of applicable program manager and Commission Audit Committee.
5. The Financial Integrity and State Managers Accountability Act (FISMA) report, as necessary indicating updates to procedures to ensure that the CSAC administered financial aid programs' assets are protected, adequately maintained, and not unnecessarily risked.

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