

Exhibit 19

Action Item

Approval of minutes of June 19-20, 2014

CALIFORNIA STUDENT AID COMMISSION MEETING MINUTES

June 19-20, 2014

A meeting of the California Student Aid Commission was held on Thursday, June 19, 2014 and Friday, June 20, 2014 at the Variety Boys and Girls Club, located at 2530 Cincinnati Street, Los Angeles, California.

Thursday, June 19, 2014

Commission Chairman John R. McDowell, Jr. called the meeting to order at 10:02 a.m.

The following Commissioners were present:

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

The following Commissioners were absent:

Brian Conley
Devon Graves

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

Dr. Zoe Blumberg Corwin, Assistant Research Professor, Pullias Center for Higher Education at the University of Southern California, Rossier School of Education, discussed the development of a suite of games and social media used to engage college students to prepare and apply for college. Dr. Corwin also thanked the Commission and its staff for their collaborative efforts.

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Mr. Joshua Bloom, California Organizing Director for The Young Invincibles, provided an overview of his organization, including its advocacy and outreach efforts.

CHAIR'S REPORT

Chairman McDowell announced that the Commission will be putting aside discussions about legislation, operational issues and segmental reports, and will be focusing on bigger issues of concern to the Commission and developing a plan of action for the next year.

STRATEGIC PLANNING DISCUSSION AND DEVELOPMENT

❖ Review of Progress Made Since the Last Planning Meeting

Mr. Brad Morrison, Facilitator, presented a summary of the efforts made by Commissioners and staff over the last year that were completed in furtherance of the Commission's 2013 strategic goals. There was some discussion about issues of interest and concern to Commissioners, including:

- Analysis of student aid in California;
- Financial literacy;
- Student loan debt;
- Simplification of the Free Application for Federal Student Aid (FAFSA);
- Analysis of internal/external work groups to determine gaps where work still needs to be done;
- Cal Grant structure;
- Establishing foundation to build capacity and resources; and
- Best practices in other states.

❖ Interview Discussion

Mr. Morrison reported that he had conducted one-on-one interviews with each Commissioner to determine topics that they would like to pursue. The following subjects had been raised and, after some discussion, the Commission requested that they be considered at the September 18-19, 2014 Commission meeting:

- Discussion of Committee structure;
- Discussion of standing closed sessions at Commission meetings; and
- Discussion of Commission meeting calendar and locations.

❖ What is the Status of Financial Aid in California?

Ms. Catalina Mistler, Chief of the Program Administration & Services Division, presented an overview of the Cal Grant Program since the beginning of the Entitlement Program in 2001-02 through projections for 2014-15. Ms. Mistler discussed the Commission's outreach and training efforts for the Middle Class Scholarship Program and grade point average (GPA) verification upload at school districts and campuses. She also shared students' concerns about eligibility, award notification and disbursement. Some discussion followed about the reductions in Cal Grant award size and the ratio of awardees to recipients.

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Ms. Mary Lindsey from the Fashion Institute of Design and Merchandising commented on the Commission's previous annual publications of preliminary statistics. Executive Director Diana Fuentes-Michel explained that the reports were eliminated due to reductions in resources. An executive data review group has been established to determine what reports the Commission can provide with its existing resources.

Mr. Ed Emerson, Chief of the Strategic Policy, Media & Communications Division, discussed California's financial literacy approach relating to student debt in comparison to other states, and reported on a six-part financial literacy program implemented by the Federal Deposit Insurance Corporation (FDIC). Some discussion ensued about the Obama Administration's initiative on student debt.

Mr. José Rivas, Project Director for Solano County California Student Opportunity and Access Program (Cal-SOAP) Consortium and Lead Cal-SOAP Project Director, commented on the financial literacy efforts carried out by the Cal-SOAP projects. There was further discussion about the Commission's efforts to reach students by way of telephone calls, social media and web chats.

❖ **Where Do We Want to Be?**

Discussion ensued about where the Commissioners want the Commission to be. Ideas include:

- Conducting public hearings to listen to student aid experts in the field, learn from best practices in other states and identify questions for research studies so that the Commission can be proactive in providing recommendations to the Governor and the Legislature on policy issues;
- Inviting presenters who can address the issue of how to expand the Commission's resources, such as foundations and investors with mutual goals as the Commission;
- Developing a Committee to work with the Legislative Director to introduce legislation and increase the Commission's presence at the Capitol; and
- Holding informational hearings on specific and immediate priority issues.

❖ **The Challenges We Face**

Highlights from the discussion include:

- Importance of gathering useful data that will inform decisions;
- Political opposition to access for all;
- Status quo;
- Competition for funding;
- Need for forecasting three to five years in order to be more proactive rather than reactive; and
- Commission/Committee meeting structure and duration.

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❖ What Actions Do We Want to Take to Get There?

The Commission developed the following plan of action:

Action Plans: First Steps

Time Frame for Reaching Goals: July 2014 – June 2015			
<i>Issue</i>	<i>Who</i>	<i>What</i>	<i>When</i>
Expanding Meeting Times	Chairman McDowell	Expand current structure of meetings	September 18-19, 2014 meeting
Expanding Use of Data: Stanford/Harvard and other studies	Ad Hoc Committee: <ul style="list-style-type: none"> • Nancy Anton • Michele Siqueiros 	Expanding the use of data so that data is behind all of the Commission's decisions	September 18-19, 2014 meeting
Financial Literacy	Ad Hoc Committee: <ul style="list-style-type: none"> • Harry Le Grande • Wm. Gregory Sawyer 	Develop a hearing and/or an educational session for the Commission on the topic of Financial Literacy/Student Loan Debt	September 18-19, 2014 meeting
Structure of the Cal Grant Program	Ad Hoc Committee: <ul style="list-style-type: none"> • Ana Beltran • Jacqueline Doud 	Examine the Cal Grant to see if we further can deliver to underrepresented and underserved students	
Foundation	Ad Hoc Committee: <ul style="list-style-type: none"> • Cris Arzate • Jack Scott 	Create a foundation to raise funds to enhance CSAC vision and mission	

RECESS

Chairman McDowell recessed the meeting of the California Student Aid Commission at 4:10 p.m.

Friday, June 20, 2014

Commission Chairman John R. McDowell, Jr. called the meeting to order at 9:00 a.m.

The following Commissioners were present:

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

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The following Commissioners were absent:

Brian Conley
Jamillah Moore

Roll Call was taken and a quorum was recognized.

The next agenda item was taken out of sequence.

PRESENTATION OF THE 2014 ARTHUR S. MARMADUKE AWARD

Chairman McDowell presented the 2014 Arthur S. Marmaduke award to Ms. Andrea Goodwin of the Los Angeles High School of the Arts (LAHSA). Chairman McDowell and Vice Chair Beltran presented her with additional awards from LAHSA, the California Department of Education State Superintendent of Public Instruction Tom Torlakson, and Los Angeles Unified School District 2 Board Member Mónica Garcia. Principal Susan Canjura, LAHSA, shared some congratulatory remarks.

Mr. Mark Gonzalez presented a Resolution on behalf of Assembly Speaker Emeritus John A. Pérez. Lastly, Senator Kevin de León presented Ms. Goodwin with a Resolution on behalf of the California State Senate.

PUBLIC COMMENT

Commissioner Arzate introduced several graduating members and alumni of the Variety Boys and Girls Club (VBGC). The following people introduced themselves and discussed their connection to VBGC, their backgrounds and future plans:

- Rick Hernandez, VBGC Program Director;
- Geovanni Fuentes, Social Justice Leadership Academy at Esteban Torres High School;
- Fraylin Gramajo, Woodrow Wilson High School;
- Karen Gomez, Alliance Marc & Eva Stern Math and Science High School;
- Richard Carlos, Bravo Medical Magnet High School; and
- Douglas Rivera, Mendez Learning Center.

In addition, Council Member Gil Cedillo, Los Angeles City District 1, thanked the Commissioners and members of the public for their work on behalf of students' education, the working class and the Dream Act. He discussed his background and his work with the Dream Act and immigration.

PRESENTATION BY THE HONORABLE KEVIN DE LEÓN, CALIFORNIA STATE SENATE

California State Senator and Senate President pro Tem-Elect Kevin De León welcomed the Commissioners to the VBGC. He spoke about the diversity of the Los Angeles community and the importance of higher education and financial aid programs like the Cal Grant. Senator De León also discussed the state budget, his tax credit measure that deals with the Cal Grant B and Proposition 30.

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CONSENT CALENDAR, INCLUDING

- ❖ **Approval of minutes of April 10, 2014 and May 15, 2014**

MOVED (Le Grande), **SECONDED** and **CARRIED** Unanimously, the Commission **APPROVED** the Consent Calendar.

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

Absent: Commissioners Conley and Moore

EXECUTIVE DIRECTOR'S REPORT, INCLUDING

- ❖ **California Student Opportunity & Access Program (Cal-SOAP) Project Directors Report**

Executive Director Diana Fuentes-Michel presented her written report and indicated that Jerome Horton, Chairman of the California State Board of Equalization, 4th District, wished to thank Commissioner Arzate for his participation in the 2014 Non-profit Conference held this past March. There was some discussion about the Competitive Cal Grant award program and Executive Director Michel indicated an update on the leave of absence issue would be presented to the Commission in September. Also, the Commissioners will be kept posted on the status of the research projects with Stanford and Harvard Universities. Additional discussion about the Success Dashboard ensued.

Mr. José Rivas, Lead Cal-SOAP Director, presented his written report and highlighted Cal-SOAP's recent media activities as well as College Day in San Jose. Executive Director Michel reported that staff has engaged in discussions with the project directors regarding the budget language, and will begin discussions about data needs.

PERSONNEL, EVALUATION & NOMINATIONS (PEN) COMMITTEE REPORT, INCLUDING

- ❖ **Consideration of hiring a retired annuitant to conduct a salary survey for the senior management team positions**

Committee Chair Beltran reported that the PEN Committee met on June 19, 2014 to discuss the executive director's performance evaluation tools. She announced that the survey stakeholder list would be sent to Commissioners for their feedback.

CONSIDERATION OF STATE AND FEDERAL LEGISLATION AND ISSUES AFFECTING COMMISSION PROGRAMS

Dr. Angelo Williams, Legislative Director, presented highlights from his written legislative update. There was some discussion about Assembly Bill (AB) 2099 (Frazier), for which Commission staff recommends support.

MOVED (Anton), **SECONDED** and **CARRIED**, the Commission **APPROVED** the staff recommendation to SUPPORT AB 2099 (Frazier): Postsecondary education: Title 38 awards.

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

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Absent: Commissioners Conley and Moore

Commissioner Siqueiros requested that all legislative recommendations be processed through the Strategic Policy & Planning Committee in the future. Staff was also asked to provide further analysis of AB 2377 (Pérez): Student loans: California Student Loan Refinancing Program.

UPDATE ON 2014-15 STATE BUDGET

Ms. Janet McDuffie, Chief of the Administration & External Affairs Division, provided an overview of the 2014-15 State Budget, highlighting the budget changes that were agreed upon by the Governor and Legislature, as well as changes that were not in alignment with the Governor's proposed Budget. There was some discussion about trailer bill language regarding the minimum amount of the Middle Class Scholarship.

Ms. McDuffie provided updates on the Grant Delivery System budget change proposal and the Federal College Access Challenge Grant Program maintenance of effort waiver. Some discussion ensued regarding the state process to hire a consultant to evaluate the Cash for College and Cal-SOAP. Ms. McDuffie also discussed the Commission's request to the Department of Finance to augment Cal Grant funding.

NEW BUSINESS TO BE CONSIDERED AT FUTURE COMMISSION MEETINGS

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

- Strategy and cost effectiveness of selecting meeting locations, including anecdotal information.

ADJOURNMENT

There being no further business, the meeting of the California Student Aid Commission was adjourned at 11:39 a.m.

CRIS ARZATE
SECRETARY