

Exhibit 9

Action Item

Consideration of updating the 2013 Strategic Policy Framework and 2014 Policy Priorities

This item summarizes and provides documents related to the formation of the Commission's 2013 Policy Framework and 2014 Policy Priorities for review and potential updating.

2013 Policy Framework

On November 16, 2012, the Commission adopted a 2013 Strategic Policy Framework (2013 Framework), a copy of which is shown in Exhibit 9.1.

2014 Policy Priorities

Based on the 2013 Framework, the Commission formulated and adopted a Statement of Policy Priorities for 2014, a copy of which is shown in Exhibit 9.2. The 2014 Statement of Policy Priorities (2014 Priorities) identified five policy priorities, in no priority order, and these policy priorities provided the basis for the Commission's legislative strategy last session.

Context for possible 2015 revision of policy priorities

The 2013 Policy Framework and 2014 Priorities served as the basis for the Commission's legislative program in 2014. With the start of the new legislative session, an update of the 2014 Priorities may be in order due to recent developments relating to higher education funding.

Several bills were introduced at the beginning of the 2015-2016 Legislative session, among which SB 15 (Block) is the most significant to the Commission. Supported by the Senate President and the Senate Majority Caucus, SB 15 (Block): A Plan for Higher Education in California, would increase the total number of Competitive Cal Grant A and B awards to 30,000 (increase of 7,500), would maintain the maximum tuition Cal A and B award for students at private non-profits and for-profits accredited by the Western Association of Schools and Colleges (WASC) at \$9,084 in 2015-16, and would establish in 2015-16 the Competitive Incentive Grant Award (as specified, focused on CSU students). The Senate Democratic plan also highlights the increase in the Cal Grant B award covering access costs – that is, living expenses and expenses for transportation, supplies and books – funded through the College Access Tax Credit Fund, and enacted in legislation last year.

The Commission has discussed and taken positions in previous years on some of the individual proposals involving financial aid included in SB 15. Further, staff anticipates a variety of financial aid bills in this new session.

Consideration of a primary policy priority to focus on in 2015-2016 or of ranking the policy priorities in the Statement of Priorities by order of importance could provide useful guidance to staff when

California Student Aid Commission

managing the wide array of anticipated bills affecting Commission programs throughout this legislative session,

Recommended Action: Designate a primary policy priority for 2015-16 or adopt a ranking of policy priorities

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CALIFORNIA STUDENT AID COMMISSION
2013 Strategic Policy Framework
Approved by the Commission on November 16, 2012

1. **Broad Equitable Access:** *Since postsecondary education benefits both individuals and society, California has a vital interest in making sure no Cal Grant-eligible student forgoes college because they cannot afford the cost. Therefore, the California Student Aid Commission will advocate in partnership with students for financial aid and support policy decisions about Cal Grants that ensure that college access is equitable, affordable and comprehensible to the broad span of the State's diverse student population.*

Students who end their education at high school are at a financial disadvantage for the rest of their lives. This is a fact that has implications for California's future workforce and tax base. Investing in student access to college is a sound policy that benefits both students and society. In addition to making college access affordable and equitable, policies need to support the broad dissemination of information so students understand their options and can make informed choices.

2. **Education Quality Transparency:** *As a major investor in higher education, California has high expectations for the quality of education that students receive. Therefore, policy decisions about Cal Grants should 1) focus on outcomes that reflect the capability of graduates to be productive members of society; 2) hold institutions accountable for their performance through incentives and disincentives; and 3) support the ability of students and families to make informed choices about education quality by providing accurate, transparent information.*

A college education that leaves a graduate unprepared to succeed in life is of questionable value to both the individual and the State. While the quality of college programs is a matter for accreditation bodies, it is reasonable for the State to seek assurance that its investment in financial aid supports high-quality education opportunities and outcomes for students.

3. **Persistence and Completion:** *Access to college is only the first step toward a better educated citizenry and workforce. Therefore, policy decisions about Cal Grants should reflect the need to help students persist and complete their education once they enroll in college.*

State and federal studies demonstrate that financial aid is a critical factor in the ability of low-income students to persist and complete a college education. There is compelling evidence that students are able to enter, continue and complete college at much higher rates when they have access to sufficient financial aid – and to Cal Grants in particular. Studies have found that receiving a Cal Grant is significant in determining whether students enroll immediately after high school, re-enroll for a second year, stay at the same institution for four years, or remain enrolled somewhere for four years.

However, other state and federal studies have indicated persistence and completion happen at far lower rates for low-income students, who often drop out of college when they run out of money to pay fees or when they must devote time to jobs instead of studying. To ensure the

Exhibit 9.1

State's investment is well utilized, decisions about financial aid should move beyond a focus on broad access to take into account the persistence and completion performance of students at institutions that participate in the Cal Grant program.

4. **CSAC Effectiveness: *To best respond to the growing need for financial aid, it is important for CSAC to operate programs effectively and efficiently. To support CSAC effectiveness, therefore, policy decisions about Cal Grants should be data-driven, sustainable, student-centric, based on feedback from stakeholders, and carefully considered to achieve CSAC goals and avoid unintended consequences.***

As the Commission advocates for programs that will broaden access, ensure quality education and increase persistence/completion, it is important to understand the ripple effects that can occur when changes are made. Policy decisions should be considered holistically so that decisions in one area that benefit some students do not disadvantage other students unintentionally.

The Commission has compiled a notable record for efficient administration of existing programs. Over the 12 years ending in 2011-12, the Cal Grant program has grown 206% while administrative overhead and staffing have been significantly reduced.

CALIFORNIA STUDENT AID COMMISSION
STATEMENT OF POLICY PRIORITIES
(2014)

As the primary state agency responsible for administering California's student financial aid programs, and in furtherance of its responsibility to provide policy leadership on student financial aid issues, the California Student Aid Commission establishes the following policy priorities, in no priority order, to fulfill the state's historic, long-term commitment to ensuring both access to and selection of an institution of higher education for students with financial need:

- Maximize public investment in California students through financial aid that:
 - Ensures access for low-income and historically underrepresented California students to our eligible public colleges and universities and non-profit independent colleges; and for profit eligible WASC accredited colleges that meet the 90-10 rule without using state grant aid or Title 38 aid as a means for satisfying the non-Title IV revenue requirement.
 - Ensures sufficient financial support for living expenses and costs of attendance for low-income community college students.
- Maximize the effectiveness of state-authorized financial aid programs through consequential quality standards and consumer protections for students attending any California college.
- Advance awareness of financial aid for California students and parents through sufficient funding and support for comprehensive outreach programs and financial literacy programs that include federal, state and institutional aid, loans and other opportunities to cover the cost of college.
- Influence and inform federal policy on financial aid policy and programs that affect California students, parents and college institutions
- Maximize the effectiveness of state-authorized financial aid programs through sufficient funding and support for the operations of the California Student Aid Commission.

Approved by the California Student Aid Commission on February 21, 2014