

Exhibit 1

Action Item

Approval of minutes of April 16-17, 2015

DRAFT

CALIFORNIA STUDENT AID COMMISSION MEETING MINUTES

April 16-17, 2015

A meeting of the California Student Aid Commission was held on Thursday, April 16, 2015 and Friday, April 17, 2015 at the California Student Aid Commission Boardroom located at 11040 White Rock Road, Rancho Cordova, California.

Thursday, April 16, 2015

Chair Hal Geiogoue called the meeting to order at 2:29 p.m.

The following Commissioners were present:

Hal Geiogoue, Chair
Ana Beltran, Vice Chair
Brian Conley, Secretary
Lande Ajose
Nancy Anton
Jessica Foresti
Devon Graves
Harry Le Grande
Michael W. Marion, Jr.
John R. McDowell, Jr.
Jamillah Moore
Jack Scott

The following Commissioners were absent:

Jacqueline Doud
Wm. Gregory Sawyer
Jose Solorio

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

Chair Geiogoue called for public comment and, hearing none, proceeded to the next agenda item.

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APPROVAL OF MINUTES OF February 19-20, 2015

MOVED (McDowell), **SECONDED** and **CARRIED**, the Commission **APPROVED**, by Unanimous Consent, the minutes of February 19-20, 2015, as presented.

***In Favor:** Commissioners Ajose, Anton, Beltran, Conley, Foresti, Graves, Le Grande, Marion, McDowell, Moore, Scott and Geiogoue*

***Absent:** Commissioners Doud, Sawyer and Solorio*

CHAIR'S REPORT

Chair Geiogoue reported on his activities since the February Commission meeting, including campus visits, the Governor's Innovation in Higher Education Conference, legislative budget hearings, and the Chafee Foster Youth Grant Program Work Group meeting.

EXECUTIVE DIRECTOR'S REPORT

In Executive Director Diana Fuentes-Michel's absence, Chair Geiogoue announced that her written report is enclosed in the agenda.

UPDATE ON THE TERMINATION OF ELIGIBILITY FOR CAL GRANT PROGRAM PARTICIPATION – HEALD COLLEGE

Ms. Catalina Mistler, Chief of the Program Administration & Services Division, provided an update on Heald College's halt pay status, and reported that no Cal Grant payments will be released until the Commission decides whether to allow payments for the Spring Quarter.

Ms. Keri Tippins, General Counsel, reported that Heald College has not complied with the Commission's action taken in February and has not provided the Commission with documentation on whether or not it has the financial stability to remain in the Cal Grant Program. Therefore, its Institutional Participation Agreement has been terminated. There was some discussion about options the Commission may consider to reconcile the Spring Quarter payments and decide how much money would be owed to Heald College.

MOVED (Conley), **SECONDED** and **CARRIED** unanimously, the Commission **APPROVED**, by Roll Call Vote, the following staff recommendation:

Upon verification of the student's eligibility for payment, the Commission will review each student ledger and determine the amount owed to Heald and the amount that would be disbursed to the student based upon the application of the student's Cal Grant award. Any Cal Grant funds owed to the student will be applied to the student's outstanding student loans or directly to the student, where applicable. Any funds which are owed to Heald College will be held until the liability for the current program compliance reviews has been determined. Any financial liability from the program compliance reviews will be deducted from the funds being held and the remainder, if any, will be remitted to Heald.

***In Favor:** Commissioners Ajose, Anton, Beltran, Conley, Foresti, Graves, Le Grande, Marion, McDowell, Moore, Scott and Geiogoue*

***Absent:** Commissioners Doud, Sawyer and Solorio*

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CALIFORNIA STUDENT OPPORTUNITY AND ACCESS PROGRAM (CAL-SOAP) PROJECT DIRECTORS REPORT

Ms. Nicole Korgie Jackson, Lead Cal-SOAP Project Director, presented highlights from her written report of Cal-SOAP activities, including updates on the new database, funding, and financial aid events.

Ms. Mistler reported that the Cal-SOAP projects must now meet new insurance requirements before the Department of General Services will approve their contracts and allow them to receive funding. Ms. Jackson commented on the challenges facing the projects in obtaining the necessary documentation. Additional discussion ensued.

PRESENTATION OF RECENT COMMISSION REPORTS AND OTHER DATA

Mr. Keith Yamanaka, Chief Deputy Director, presented several new data reports prepared by the Commission and the Legislative Analyst's Office.

UPDATE ON AD HOC COMMITTEES

Ad hoc committee on exploring partnership and the creation of a foundation to enhance the Commission's vision and mission

Commissioner Scott reported that the Commission has drawn up a Memorandum of Understanding (MOU) with the Los Angeles Chamber of Commerce (Chamber) whereby the Chamber would serve as a repository for any funds that the Commission may raise and would assist with Cash for College and other efforts. Both Commissioners Scott and Conley recommend maintaining the relationship with the Chamber rather than attempt an independent fund-raising activity, which would be very costly and require major effort.

Ad hoc committee on Commission meeting locations

Commissioner Le Grande reported that the University of California will host the June 25-26, 2015 Commission meeting at the Berkeley campus. He suggested that the ad hoc committee meet in June to discuss a process for selecting meeting locations and make a recommendation to the Commission in September.

STRATEGIC POLICY AND PLANNING COMMITTEE REPORT

❖ Consideration of Amendments to Committee Charter

On **MOTION** by the Committee, the Commission unanimously **ADOPTED** the proposed charter of the Strategic Policy and Planning Committee, as presented.

In Favor: Commissioners Ajose, Anton, Beltran, Conley, Foresti, Graves, Le Grande, Marion, McDowell, Moore, Scott and Geioque

Absent: Commissioners Doud, Sawyer and Solorio

❖ Consideration of Updating the 2013 Strategic Policy Framework and 2014 Policy Priorities

Committee Chair Anton reported that the Committee affirmed the policy priorities, with no changes.

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❖ Update on Competitive Cal Grant Program

Mr. Matthew La Roque, Research Analyst for The Institute for College Access & Success (TICAS), presented recommendations for changes to the Competitive Cal Grant scoring matrix, including five modeling options to strengthen the scoring and capture the most disadvantaged applicants.

Committee Chair Anton noted that this item is intended to be brought back to future meetings to allow stakeholders the opportunity to provide feedback. More discussion followed about TICAS' competitive scoring proposals.

Ms. Mistler presented an overview of the Competitive Cal Grant Program, including the number of awards authorized, offered, and paid over the last ten years. She also reported that the Commission is preparing to run another award cycle that will award an additional 1,500 eligible students in the 2014-15 academic year. Additional discussion followed regarding the treatment of deferrals, leaves of absence, the process of monitoring rosters, and communications with students.

On **MOTION** by the Committee, the Commission **APPROVED**, by Unanimous Consent, the following recommendation:

Starting with the 2015-16 academic year,

- (1) Allow only student-initiated deferrals of Competitive Cal Grant awards;
- (2) Implement an appeal process to allow students to revive their withdrawn awards in the current year, if possible, or the next academic year, upon sufficient showing that, among other reasons, their inability to use their awards in the award year was due to circumstances beyond their control; and
- (3) Implement an administrative process that would count deferred awards in the year in which the awards are paid, rather than the year originally awarded.

***In Favor:** Commissioners Ajose, Anton, Beltran, Conley, Foresti, Graves, Le Grande, Marion, McDowell, Moore, Scott and Geioque*

***Absent:** Commissioners Doud, Sawyer and Solorio*

❖ Update on California Community College Transfer Cal Grant Entitlement Program

Committee Chair Anton reported that the Committee received an informational update and will continue to monitor the program. The Committee plans to develop and bring recommendations for statutory changes to the Commission at its September meeting.

❖ Update on the Commission's Institutional Participation Agreement (IPA) Process

Committee Chair Anton reported that this item was deferred to the Full Commission as an informational item only.

❖ Presentation of Loan Assumption Programs

Committee Chair Anton reported that this was in informational item only.

STUDENT IMPACT COMMITTEE REPORT

California Student Aid Commission

Committee Chair Graves reported that the Committee met on April 16, 2015 and received informational updates on the following agenda items:

- **Update on Dream Act**
 - **Update on Middle Class Scholarship**
 - **Presentation on High School Graduation Certification**
 - **Update on Chafee Foster Youth Program**
- ❖ **Consideration of Amendments to Committee Charter**

On **MOTION** by the Committee, the Commission **ADOPTED**, by Unanimous Consent, the proposed charter of the Student Impact Committee, as presented.

In Favor: Commissioners Ajose, Anton, Beltran, Conley, Foresti, Graves, Le Grande, Marion, McDowell, Moore, Scott and Geiogue

Absent: Commissioners Doud, Sawyer and Solorio

- ❖ **Consideration of Draft Report on Commission's Public Hearing in November 2014: A Symposium on Student Debt in California**

Committee Chair Graves reported that some of the system representatives raised concerns about the report's recommendation to amend the IPA to require student financial literacy from institutions. He added that Commissioner Anton will be working with Commission staff to enhance the draft report so that it can be considered for approval at a future meeting.

- ❖ **Discussion of Website Improvements**

Mr. Ed Emerson, Chief of the Strategic Policy, Media and Communications Division, reported that Commission staff has researched student financial aid websites in ten states to identify possible ways to improve the look, feel and functionality of the Commission's website. He also reported that Ms. Tracy Howard, Chief Information Officer, is developing a Statement of Work for the purpose of requesting proposals to redesign the website, including streamlining and integrating the Commission's multiple websites, and implementing a modern Content Management System.

LEGISLATIVE, AUDIT & BUDGET COMMITTEE REPORT

Committee Chair Moore reported that the Committee received informational updates on the following agenda items:

- **Update on State Budget**
- **Update on the Grant Delivery System Modernization Project**

Committee Chair Moore reported that Commissioner Conley had requested the Committee discuss the Commission's role in federal student aid advocacy at a future meeting. She added that Chair Geiogue had granted the request.

- ❖ **Update on State and Federal Legislation affecting Commission Programs**

Committee Chair Moore reported that the Committee followed up on the state legislative bills that were discussed at its April 9, 2015 meeting.

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Mr. Bryan Dickason, Student Financial Assistance Programs Coordinator at the California Community Colleges Chancellor's Office, commented on Assembly Bill (AB) 200, which proposes to increase the number of Competitive Cal Grant awards. He urged the Commission to consider supporting legislation that would increase the dollar amount of the awards instead. Additional discussion ensued.

There was some discussion about AB 1361 (Burke): Student Financial Aid Cal Grant Program for Veterans, which eliminates the age limit in the Cal Grant Transfer Entitlement Program. The discussion included whether to sponsor the bill and whether there might be any unintended consequences.

On **MOTION** by the Committee, the Commission unanimously **APPROVED** the slate of legislative bill positions as discussed and agreed upon by the LAB Committee at its April 9, 2015 meeting, and presented in the document entitled, "Updated Exhibit 20.1," with the following amendments:

- 1) Bifurcate the position on Senate Bill (SB) 15 (Block): Postsecondary Education: Aid: Incentive Grants as follows:
 - A. SUPPORT IN CONCEPT the portion of the bill that 1) increases the total number of Competitive Cal Grant A and B awards granted annually from 22,500 to 30,000; and 2) increases the maximum tuition award amount for Cal Grant A and B for students at private non-profit postsecondary educational institutions to \$9,084 for the 2015-16 award year; and
 - B. WATCH the remainder of the bill.
- 2) Amend the position on AB 1361 (Burke): Student Financial Aid Cal Grant Program: Veterans from SUPPORT/SPONSOR to SUPPORT.

In Favor: Commissioners Ajose, Anton, Beltran, Conley, Foresti, Graves, Le Grande, Marion, McDowell, Moore, Scott and Geiogoue

Absent: Commissioners Doud, Sawyer and Solorio

RECESS

Chair Geiogoue recessed the Commission meeting at 4:50 p.m. until 9:00 a.m. on Friday, April 17, 2015.

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PUBLIC HEARING ON "HOW IS THE CAL GRANT PROGRAM WORKING?"

RECONVENE

Friday, April 17, 2015

Chair Hal Geiogoue called the meeting to order at 9:01 a.m.

Hal Geiogoue, Chair
Ana Beltran, Vice Chair

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Brian Conley, Secretary
Lande Ajose
Nancy Anton
Jessica Foresti
Devon Graves
Harry Le Grande
Michael W. Marion, Jr.
John R. McDowell, Jr.
Jamillah Moore
Jack Scott

The following Commissioners were absent:

Jacqueline Doud
Wm. Gregory Sawyer
Jose Solorio

Roll Call was taken and a quorum was recognized.

AN OVERVIEW OF THE ORTIZ-PACHECO-POOCHIGIAN-VASCONCELLOS CAL GRANT PROGRAM

Former State Senator Deborah Ortiz presented the history behind the establishment of the Cal Grant Entitlement Program, including how the Cal Grant program was significantly changed by SB 1644, and the goals that were set for the program, which continue to be met today.

HOW THE CAL GRANT PROGRAM OPERATES AND COMMENTS ON STRUCTURAL REFORM

Mr. Paul Golaszewski, Principal Fiscal & Policy Analyst at the Legislative Analyst's Office, provided a summary of student and institutional eligibility requirements, current award amounts, and current state expenditures at the California State University (CSU) and University of California (UC) systems. Mr. Golaszewski also raised issues for the Commission's consideration such as possible consolidation and coordination, award amounts and eligibility.

CHALLENGES FACING THE CAL GRANT PROGRAM

Ms. Debbie Cochrane, Research Director at The Institute for College Access & Success (TICAS), presented a series of comparisons on the Cal Grant Program, including:

- Cost of attendance at public California institutions;
- Net Cost for low-income students at a community college, a CSU and a UC; and
- How Cal Grants compare nationally.

Ms. Cochrane also raised concerns about the Cal Grant B access award and presented TICAS' recommendation that the Commission make it a priority to increase the number of awards and the Cal Grant B access award amount.

Dr. Hans Johnson, Senior and Bren Fellow at the Public Policy Institute of California (PPIC), provided a summary of the issues facing the Cal Grant Program, including tuition increases, student debt, access, and completion. Dr. Johnson's presentation also included historical data on employment

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rates in relation to educational level; and how the Cal Grant aligns with the Federal Pell Grant across the segments.

Dr. Su Jin Gatlin Jez, Assistant Professor of Public Policy and Administration at the California State University, Sacramento, discussed the issue of wealth, such as home equity, versus income in determining a student's financial need.

Dr. Orville Jackson, Senior Policy & Research Officer at the College Futures Foundation, discussed ways in which the Commission's data can be used to support local and statewide efforts, strengthen schools, and improve award take rates.

CAL GRANTS AND HIGH SCHOOLS, STUDENTS AND THE SEGMENTS

Ms. Diana Diaz, Esteban E. Torres High School Counselor, shared her experiences helping students and families apply for the Cal Grant program, and the problems they encounter.

Ms. Rachelle Feldman, Assistant Vice Chancellor and Financial Aid Director at UC Berkeley, presented suggestions on how to modernize financial aid systems, simplify communications and leverage campus expertise.

Ms. Veronica Villalobos Cruz, Director of Governmental Affairs at the Association of Independent California Colleges & Universities (AICCU), provided information on enrollment, graduation, diversity, and award amounts at the non-profit institutions. Ms. Cruz also discussed AICCU's support of AB 831 (Bonilla) which proposes guidance on how to calculate awards.

The following segmental representatives shared their system's financial aid packaging models as well as suggestions to help improve the Cal Grant Program:

- Mr. Chris Carter, Director of Student Financial Support, University of California Office of the President (UCOP);
- Ms. Noelia Gonzalez, Financial Aid Director, CSU Stanislaus;
- Mr. Dean Kulju, Financial Aid Director, CSU Chancellor's Office;
- Ms. Rhonda Mohr, Dean of Student Services, California Community Colleges Chancellor's Office; and
- Ms. Susan Murphy, Senior Associate Dean and Director of Enrollment and Financial Services, University of San Francisco.

PUBLIC COMMENT PERIOD & COMMISSION DISCUSSION

Mary Gill, Higher Education Consultant, presented a proposal for an integrated delivery system for the Cal Grant Program, including comments about portability and the proposed changes to the role of campuses, high school counselors and the Commission.

CLOSED SESSION

Mr. Keith Yamanaka, Chief Deputy Director, made the following announcement:

- ❖ **The Commission will meet in Closed Session to discuss and may take action on personnel matters pursuant to California Government Code, Section 11126(a)(1).**

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Chair Geiogue recessed the Open Session at 2:44 p.m. and convened the Closed Session at 2:47 p.m.

RECONVENE OPEN SESSION

Chair Geiogue reconvened the Open Session at 3:20 p.m. and indicated that there is nothing to report from the Closed Session.

NEW BUSINESS FOR FUTURE MEETINGS, WITH A PREVIEW OF THE JUNE 25-26, 2015 MEETING AND WORKSHOP

The June 25-26, 2015 Commission meeting will include a day of Strategic Planning, which will be an opportunity to review and discuss the testimony heard at the Public Hearing on the Cal Grant Program.

ADJOURNMENT

There being no further business, the meeting of the California Student Aid Commission was adjourned at 3:25 p.m.

BRIAN CONLEY
SECRETARY