

Item 1

Information Item

Acting Executive Director's report



Acting Executive Director's Report September 2015

Dear Commissioners,

This report describes significant recent activities from each of the CSAC divisions. Work on the Grant Delivery System Modernization Project continues, and is described in Item 10 of the September 17-18, 2015 Commission agenda.

COMMISSION PROGRAM UPDATES

Program Administration & Services Division

2015-16 Processing Updates

- On July 1, 2015, approximately 234,000 continuing Cal Grant awardees with remaining eligibility were renewed for the 2015-16 academic year.
- In accordance with the 2015-16 Budget Act, the following changes were made to student awards in the Commission's Grant Delivery System:
 - Cal Grant B Access award increased from \$1,648 to \$1,656 through the College Access Tax Credit Fund.
 - Maximum Cal Grant A and B tuition award for new recipients attending private, non-profit institutions and WASC accredited for-profit institutions was maintained at \$9,084.
 - Cal Grant A and B tuition awards at the University of California Segment increased from \$12,192 to \$12,240 to match the new student services fee.

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- Competitive Cal Grant awards increased from 22,500 to 25,750. As a result, an additional 1,625 award offers were made to the March 2nd competitive pool.
- Maximum annual household asset amount of \$150,000 was added to the Middle Class Scholarship Program.

Workgroups

- The Cal Grant Program Manual is intended to provide higher education administrators with sufficient program information to successfully administer the Cal Grant program. This manual describes the Cal Grant programs and outlines operational and eligibility requirements, program application processes, policies and procedures. In order to provide a useful and up-to-date resource, the Commission established the Cal Grant Manual Workgroup, with representatives from each segment, to perform a review and update this valuable resource. The Cal Grant Manual Workgroup held its final meeting on June 24, 2015. The Commission anticipates having the updated Cal Grant Manual available to institutions by the end of September 2015.
- The Chafee Grant Workgroup convened on April 28 and June 3, 2015. The workgroup discussed and provided feedback on the newly proposed awarding process that eliminates the Financial Need Analysis Report (NAR). The workgroup is currently working with a project manager and programmer to implement the new enhancements commencing with the 2016-17 academic year.

Training and Outreach Efforts

- The Commission added 9 new mini-training modules to the on demand training.
- Hosted 16 live, scheduled webinars for institutions.

The Commission participated in the following outreach events:

- Hosted a booth at the California State Fair on July 13, 2015;
- Hosted an informational table at the “Feria Informativa para Sonadores y sus Familias” to assist Dreamers with questions about financial aid on August 16, 2015; and
- Provided Dream Act Training for CSU Sacramento staff on August 18, 2015.

In preparation for the 2015 High School Counselor workshops beginning in October, staff:

- Developed the 2015 high school counselor training presentation;
- Created the event registration site; and
- Formed and assigned training teams.

As part of the outreach efforts to incorporate new legislation resulting from Assembly Bill (AB) 2160, Commission staff:

- Worked in partnership with the California School Board Association (CSBA) to include AB 2160 information in a CSBA School News Email that was delivered to their members on June 24, 2015;

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- Worked in conjunction with the California Association of School Business Officials (CASBO) to include AB 2160 information in the CASBO Newsletter that was sent via an email blast to their members on July 14, 2015; and
- Partnered with the California Department of Education to email county and district Superintendents, charter schools, and principals, AB 2160 information on July 24, 2015.

As part of the implementation of Senate Bill 1028 legislation for Cal Grant C awards that requires giving special consideration and additional weight to applicants facing specified challenges (such as the long-term unemployed), Commission staff:

- Reached out to the Employee Development Department (EDD) to execute an interagency agreement;
- Obtained an occupational list from the EDD for use in creating priority areas of occupational and technical training; and
- Reached out to the Workforce Services Branch and Marketing & Constituent Affairs of the EDD to develop a marketing strategy.

As part of the efforts in reaching out to high schools to meet the Commission's new FAFSA/Dream Act Completion Program Agreement requirement:

- 1,152 emails were sent to institutions on July 17, 2015, informing schools about submission of the FAFSA/Dream Act Completion Program Agreement.
- On August 14, 2015, 933 emails were sent to institutions reminding them to update their system access forms. To date, a total of 965 FAFSA/Dream Act Completion forms have been received and processed.

As part of the Commission's program activities, the following statistics have been identified:

- Customer Relations Calls from June 1, 2015 – August 14, 2015:
 - Students: 11,916
 - Institutions: 1,754
 - Escalated Calls: 1,024
 - Abandon rate of 2.34%
- Answered 5,408 emails from students;
- Researched and processed 149 Cal Grant appeals for 2015-16; and
- Researched and responded to 3,422 escalated faxes and emails from schools and students.

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Specialized Programs:

- Initial fiscal year 2015-16 Assumption Program of Loans for Education (APLE) payments were processed on July 24, 2015. A total of 2,069 participants received loan assumption benefits for teaching in the 2014-15 academic year.
- Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP): Processed ScholarShare Trust payments to 32 students for June and July.
- Chafee Foster Youth Grant Awards: 1,031 new awards and 1,258 renewal awards have been processed for 2015-16.

Strategic Policy, Media & Communications Division

Community Outreach

- The Commission is partnering with the Los Angeles City Housing Authority (LACHA) to provide financial aid informational trainings and FAFSA completion support, including Get Schooled, targeting students attending Markham Middle School and Jordan High School, where a student's average annual family income is \$14,597 for a family of 4. The community education partnership is focused on engaging community volunteers including LACHA existing partners: the University of Southern California (USC), Los Angeles Police Department (LAPD), Los Angeles Unified School District (LAUSD) and the Boys and Girls Clubs of America. The partnership also intends to incorporate California Community Colleges and, perhaps, the Community College Foundation e-Bus during 2016-17 financial aid application season.
- The Commission is seeking to engage in a financial aid education and informational campaign with BRIDGES Housing for the Mandela Gateway housing community in West Oakland following the LACHA model. Existing partners in West Oakland include the Self-Help Credit Union and the Internal Revenue Service (IRS) of Volunteer Income Tax Assistance volunteer program. We have reached out to the East Bay Consortium Cal-SOAP; and BRIDGES has reached out to Oakland Unified School District (OUSD) to include their participation.

Campus Collaborations

- The First in the World (FITW) Grant partnership with the University of Southern California is proceeding with positive results. The UC Merced Center for Educational Partnerships has been secured as a data collection and research partner. As indicated in previous reports, California is the only state with a gaming-based research design and the FITW U.S. Department of Education (DOE) grant. Undersecretary Ted Mitchell visited USC and received a briefing on our *Mission: Admission FITW* grant and its progress. Both USC and the U.S. DOE see the success of our project as setting the tone for a national dialogue about using role-playing games to engage low-income and first-generation students in the college access and financial aid access.
- The Commission met with representatives from San Francisco Unified School District (SFUSD) and Plan of Action for Challenging Times (PACT) to discuss supporting the district in its initiative to improve outcomes for African American young men, including

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the White House My Brother's Keeper Initiative, by providing "Fund Your Future" Magazines and financial aid education and informational opportunities for SFUSD students, parents and volunteers.

- The Commission participated in the White House Initiative on Educational Excellence for African Americans Summit at UCLA with the Education Trust-West and the California Endowment. We have been asked to host the Summit with University of California at Davis (UCD) in 2016 during financial aid application season and provide a Cash for College workshop on campus during the Summit. This activity is somewhat similar to Steps to College, however, it is less labor intensive as UCD and the UC Office of the President are providing in-kind support and resources.

Federal Agency Collaborations

- The Commission partnered with the Federal Insurance Deposit Corporation (FDIC) for its *Money Smart for Young People* 2016 Financial Literacy campaign by providing recommendations for high schools statewide to be a part of their outreach program. We referred the FDIC to high schools that are currently participating in Get Schooled.
- The Commission continues to work with the Selective Service System in partnership to reach 18-24 year old young men. They invited the Commission to participate in their campaign with the Inland Empire 66ers. Cash for College in the IE is promoting Cash for College every Tuesday during the minor league baseball team's fall season.

State Agency Collaborations

- The Commission has met with the State Treasurer's staff regarding the California College Access Tax Credit Fund (CATCF). We are working together to develop communications and marketing strategies for 2015 – 2018.
- The Commission will take part in the State Controller's Financial Literacy Month information fair at the State Capitol and in Los Angeles along with numerous other state agencies and state officials.
- The Commission partnered for the first time with the State Fair to launch Youth Day. The e-Bus also participated and the July 13, 2015 event was considered a success with an estimated 5,000 youth attending the youth rally.
- The Board of Equalization is interested in continuing the Commission's participation in statewide conferences regarding the College Access Tax Credit.
- Continued meetings with the California Department of Education to discuss how the Commission can partner with them on their upcoming increasing "college access" campaign to high school students.

Nonprofit Organization Collaborations

- KtoCollege is continuing to reach out to the Commission to discuss improving access to technology for low-income students in California's community colleges.

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- Completed FAFSA/VITA cross-training pilot in San Francisco Bay Area with the United Way of the Bay Area at five locations. VITA is the Internal Revenue Service (IRS) Volunteer Income Tax Assistance ports for low-income taxpayers (taxpayers making \$50,000 or less). The outcome was a demonstrated increase in FAFSA applications in the participating sites.
- The Commission Chair and Acting Executive Director participated in the California CPA Institute's Financial Literacy Summit in San Jose. Over 250 attendees registered for the event including small businesses, teachers, community leaders, elected officials and others. The Commission presented on panels regarding student loan debt and the College Access Tax Credit Fund.

Continuing:

- The Get Schooled Foundation
- The Get Schooled Foundation and Comcast/Univision Initiative
- KtoCollege
- National College Resources Foundation
- California Association of African American Educators
- Speaker's Office of Member Services
- California Senate Training Services
- Sacramento High College Track Program
- Updates to Fund Your Future Magazine
- Updates to CSAC website

Media Interviews

- KCRA-TV NBC Sacramento/Stockton/Modesto, Heald College
- Univision, Heald College
- Politico, College Access Tax Credit
- Bay Area News Group, Heald College
- Sacramento Bee, Heald College
- Fox 40 News, Heald College
- Chronicles of Higher Education, Corinthian Colleges

Twitter

- Followers: 1,456
- August Tweet impressions: 4,396
- Top Tweet: "The end of an era. @DianaDmichel retires today after #35years of dedicated public service."
- Profile Visits up 58.9%
- Mentions up 80%

Facebook

- Likes: 1,428
- Best Reach: "The end of an era. @DianaDmichel retires today after #35years of dedicated public service."

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- Best Engagement: “The end of an era. @DianaDmichel retires today after #35years of dedicated public service.”
- Most Likes/Comments/Shares: “@FAFSA: If you didn’t receive enough financial aid, here are some ideas on how to fill the gap”
- Total Reach up 112%
- Engagement up 207%

Legal & Audit Services Division

Program Compliance

The program compliance auditors have been performing fiscal audits of all institutions that were determined to be ineligible to participate in the Cal Grant Program as a result of failing to meet the cohort default rate and/or graduation rate thresholds found in Education Code section 9432.7(l). For the 2014-15 fiscal year, there were 44 audits completed, which resulted in \$181,768.35 being returned to the Commission and an additional \$9,842.00 in institutional liability resulted from two institutions that failed to appropriately reconcile Cal Grant funds. For the 2015-16 fiscal year, there are 33 audits in process. Of these, 12 audits have closed resulting with no financial liability arising from any findings.

The program compliance auditors are also performing full field audits of Cal Grant participating institutions. For the 2014-15 fiscal year, there were 10 closed audits which resulted in \$12,606.23 being returned to the Commission and an additional \$3,029.00 in institutional liability resulted from three institutions that failed to appropriately reconcile Cal Grant funds. For the 2015-16 fiscal year, there are 24 audits in process. One of these audits has closed, resulting in \$2,393.00 being returned to the Commission.

In addition to the normal audit schedule, the auditors have been working on several ad hoc issues that have arisen. The first unscheduled item involved the reconciliation of the Heald College Spring term payments necessitated by the Commission’s action to terminate Heald College’s participation in the Cal Grant program. This item was completed, and student’s received their disbursements, in late June 2015. The second ad hoc item involved an audit of the Los Angeles Cal-SOAP project. This audit is currently in process and is estimated to be completed in November 2015.

Internal Audits

The Financial Integrity and State Manager’s Accountability Act of 1983 (FISMA) was recently modified and updated through legislative action and is now known as the State Leadership Accountability Act (SLAA). The Commission’s Internal Audits has been attending focus group meetings and facilitating the Commission’s transition to the new SLAA reporting system which is scheduled to go live in November 2015. The first SLAA Corrective Action Plan is due December 31, 2015.

In addition, as a result of the added workload associated with the ad hoc audit items mentioned above, the Commission’s Internal Auditor was temporarily redirected to assist with the completion of those ad hoc audits. She returned to her normal assignment as of September 7, 2015.

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Administration & External Affairs Division

Budgets

- Staff are in the process of uploading baseline budget information for the development of the 2016/17 fiscal year.
- We continue to interface and attend training with the Department of General Services on the Financial Information System for California (FI\$Cal) transformation.
- We have received notification from the U.S. Department of Education that California has met the 2013/14 Maintenance of Effort (MOE) requirements for the Federal Challenge Grant resulting in the release of the 2014/15 funds.

Accounting

- Accounting staff have submitted all year-end financial statements for Governmental Cost Funds to the State Controller's Office, as required by July 31, 2015. Additionally, all Non-Governmental Cost Funds were submitted by August 20, 2015.
- Accounting staff have successfully completed the accounting system automated year-end close (YEC) and year-end open (YEO) for the 2014/15 fiscal year cycle. We have completed the establishment of the new accounts system table for the 2015/16 budget.
- We have successfully submitted the Generally Accepted Accounting Principles (GAAP) financial statement for the Student Loan Operating Fund (SLOF) to the State Controller's Office to ensure accountability and the standard for measuring financial presentations.
- We welcome two new staff members Mao Her and Svetlana Shpyrka to backfill recent transfers. The addition of the new staff members bring new ideas and talent to the Commission as well as provide tremendous assistance in revising and updating accounting procedures in preparation for the Fi\$Cal transformation.

Research

- Staff continues to provide data and fiscal information to the Department of Finance, the Legislative Analyst Office, the Commission and the Legislature on bill cost and population estimates.
- Staff continues to provide research and forecasting support for data requests.
- Staff began working on the Cal Grant projections for the Governor's 2016/17 budget.
- Staff updated and posted the 2015/16 Cal Grant School list on August 17, 2015. The update is a result of 17 schools on the eligible list moving from the potentially eligible section to the eligible section. The potentially eligible section now has 10 schools pending receipt and approval of updated documents.

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Date Released	Number of Schools		
	Eligible	Ineligible	Total
07/17/2015	317	31	348
08/17/2015	317	31	348

Business Services

- We have completed the TANF contract for reimbursement for the 2015/16 budget year and it is currently being reviewed by the Department of Social Services for approval. We are working on amendments to the Child Development contract and expect it to be completed at the end of September. We await approval on the CNG-EAAP from the California Military Department. The Chafee contract is in the process of being amended and we expect to have this contract concluded at the end of September. The Office of Emergency Services has not received their funding allocation for the John R. Justice (JRJ) Grant and no contract has been submitted. In the past year we did not receive the JRJ contract until January.
- We have completed testing with the Information Technology Services Division on the temporary EPubs ordering process. We expect to begin processing orders in mid-September for the 2015/16 school year.

Personnel

- Personnel has completed the development of a revised hiring process, which streamlines and simplifies the process for supervisors and managers. A step-by-step guide has been provided to review for final changes. Implementation of the new process will take place on September 21st.
- The delegation authority process with CalHR has been completed, and Personnel is reporting monthly on CEAs, illegal appointments, and Classification/Certification Request form 625s per CalHR requirements.
- The Annual Workforce Analysis report has been completed and submitted to CalHR for 2014/2015.
- The chart below identifies the number of CSAC staff separations, transfers, and new hires from 05/01/15 through 08/31/15.

Division	New Hires	Separations
Information Technology Services	3	1
Program Administration & Services	3	6
Administration & External Affairs	2	1
Legal & Audit Services	0	0
Strategic Policy & Communications	0	0
Executive	0	1
Total	8	9

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COMMISSION ACTIONS UPDATE

Below is an update of the actions taken by the Commission at its June 25-26, 2015 meeting.

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
1	<p>Commission Meeting Minutes</p> <p>On June 25, 2015, the Commission approved the minutes of the April 16-17, 2015 meeting, as presented.</p> <p><i>In Favor:</i> Commissioners Ajose, Beltran, Conley, Doud, Graves, Le Grande, Marion, McDowell and Geiogoue Absent: Commissioners Anton, Foresti, Moore, Sawyer, Scott and Solorio</p>	<p>The Commission Secretary has signed the minutes.</p>
2	<p>Institutional Eligibility Appeals for the 2015-16 Academic Year, including Providence Christian College and Columbia College Hollywood</p> <p>The Commission took the following actions on June 26, 2015.</p> <p><u>Providence Christian College</u></p> <ol style="list-style-type: none"> 1) The Commission granted Providence Christian College's appeal and re-instated its eligibility for the Cal Grant Program for the 2015-16 academic year; and 2) The Commission delegated to the Executive Director the authority to grant appeals by future institutions that present similar factual and legal issues to those presented by Providence Christian College. <p><i>In Favor:</i> Commissioners Beltran, Conley, Doud, Graves, Le Grande, Marion, Moore, Solorio and Geiogoue Absent: Commissioners Ajose, Anton, Foresti, McDowell, Sawyer and Scott</p> <p><u>Columbia College Hollywood (CCH)</u></p> <p>Based upon application of the criteria established by the Commission previously;</p> <ol style="list-style-type: none"> 1) The Commission granted CCH's appeal and re-instated the institution's eligibility for Cal Grant participation in the 2015-16 academic year; and 2) The Commission delegated to the Executive Director the authority to grant appeals by future institutions that present similar factual and legal issues to those presented by Menlo 	<p>Providence Christian College and Columbia College Hollywood have been informed of the Commission's decisions and are in the process of having their 2015-16 Cal Grant eligibility re-instated.</p>

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	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
	<p>College and Columbia College Hollywood.</p> <p><i>In Favor: Commissioners Beltran, Conley, Doud, Graves, Le Grande, Marion, Moore, Solorio and Geiogoue Absent: Commissioners Ajose, Anton, Foresti, McDowell, Sawyer and Scott</i></p>	
3	<p>2015-16 Cal-SOAP Contracts</p> <p>On June 26th, the Commission authorized the Executive Director to take the following actions, subject to the final 2015-16 State Budget:</p> <ol style="list-style-type: none"> 1. Execute the 2015-16 contracts to provide up to \$7,721,000 in total baseline funding and authorize the Executive Director flexibility to reallocate funds as equitably as possible if a project cannot utilize all of its allocated funds. 2. Reinstate \$162,500 to the CTE baseline allocation. 3. Provide up to \$331,343 in additional 2015-16 contract funding for documenting business requirements for the database enhancements and an evaluation tool for the program. 4. Allocate \$500,000 in additional 2015-16 contract funding for outreach of the Middle Class Scholarship Program, with \$95,000 allocated to a consortium for specific outreach material requested by the Commission staff. <p><i>In Favor: Commissioners Ajose, Beltran, Conley, Doud, Graves, Le Grande, Marion, McDowell, Solorio and Geiogoue Absent: Commissioners Anton, Foresti, Moore, Sawyer and Scott</i></p>	<p>The 2015-16 contract was amended to include language that the consortium should have insurance coverage to meet any liability risks from consortium activities. The amended contract was routed to Administration and Fiscal Services for processing and should be routed to the Project Directors the week of August 31, 2015.</p>
4	<p>Approval of Contracts over \$100,000</p> <p>On June 26th, the Commission authorized the Executive Director to enter into the following contracts:</p> <ol style="list-style-type: none"> 1. Contract with Gartner Consulting for \$300,000; 2. Contract with C & G Technology Services, Inc. for \$224,952; and 3. Contract with a firm that has not yet been selected as the State procurement process has not yet been completed, for a cost not to exceed 122,000. 	<p>Contract work with Gartner Consulting and C & G Technology Services, Inc. is now in progress.</p> <p>A contract has been finalized with OnCore Consulting and work is now in progress.</p>

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	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
	<p><i>In Favor: Commissioners Ajose, Beltran, Conley, Doud, Graves, Le Grande, Marion, McDowell, Solorio and Geiogoue</i></p> <p><i>Absent: Commissioners Anton, Foresti, Moore, Sawyer and Scott</i></p>	
5	<p>Commission Policy on Travel to Washington, D.C.</p> <p>The Commission referred this issue to the Legislative, Audit and Budget (LAB) Committee, which would return by the end of the year with a recommendation on how the Commission should proceed.</p> <p><i>In Favor: Commissioners Ajose, Beltran, Conley, Doud, Graves, Le Grande, Marion, McDowell, Moore, Solorio and Geiogoue</i> <i>Absent: Commissioners Anton, Foresti, Sawyer and Scott</i></p>	<p>The LAB Committee will consider this item at its November 2015 meeting.</p>

I look forward to seeing you in September.

Sincerely,

Keith Yamanaka
 Acting Executive Director
 California Student Aid Commission