

Minutes

Action Item

Approval of minutes of September 17-18, 2015

DRAFT

CALIFORNIA STUDENT AID COMMISSION MEETING MINUTES

September 17-18, 2015

A meeting of the California Student Aid Commission was held on Thursday, September 17, 2015 and Friday, September 18, 2015 at the Commission's Board Room located at 11040 White Rock Road, Rancho Cordova, California.

THURSDAY, SEPTEMBER 17, 2015

Chair Hal Geiogue called the meeting to order at 2:40 p.m.

The following Commissioners were present:

Hal Geiogue, Chair
Ana Beltran, Vice Chair
Brian Conley, Secretary
Lande Ajose
Nancy Anton
Jacqueline Doud
Jessica Foresti
Devon Graves
Harry Le Grande
Michael W. Marion, Jr.
John R. McDowell, Jr.
Jamillah Moore
Wm. Gregory Sawyer
Jack Scott
Jose Solorio

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

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

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APPROVAL OF MINUTES OF MAY 28, 2015 AND JUNE 25-26, 2015

MOVED (Anton), **SECONDED** and **CARRIED**, the Commission **APPROVED** the minutes of the May 28, 2015 and June 25-26, 2015 meetings as presented.

***In Favor:** Commissioners Ajose, Beltran, Conley, Doud, Graves, Le Grande, Marion, McDowell, Moore, Solorio and Geiogoue*

***Abstained:** Commissioners Anton, Foresti, Sawyer and Scott*

CHAIR'S REPORT

Chair Geiogoue provided an update on recent activities, including updates on the executive director search, the Cal-SOAP evaluation, and the invitation from the four segments to engage in an in-depth discussion on the Integrated Delivery System proposal.

ACTING EXECUTIVE DIRECTOR'S REPORT

Mr. Keith Yamanaka, Acting Executive Director, presented his written report.

ACTION ITEMS

LEGISLATIVE, AUDIT AND BUDGET COMMITTEE REPORT

Committee Chair Moore reported that the Committee had a robust discussion of the budget change proposals, and received informative updates on state legislation and the Grant Delivery System.

❖ **Consideration of Budget Change Proposals for Fiscal Year 2016-17**

Committee Chair Moore reported that the Committee recommends the Full Commission take the following actions:

1. **AMEND** the 2016-17 Budget Change Proposal (BCP) to increase the number of Competitive Cal Grant Awards, by doubling the proposed number of awards from 3,250 to 6,500.
2. **APPROVE** the 2016-17 BCPs, including the additional five positions and \$500,000 cost to the Grant Delivery System (GDS) Modernization Project, and the amendment to the proposed number of Competitive Cal Grant awards.

Discussion ensued and concerns were raised about the need to evaluate the success of the Assumption Program of Loans for Education (APLE), and possibly increase the number of designated seasoned teachers eligible to receive awards.

On **AMENDED MOTION** (McDowell), **SECONDED** and **CARRIED** unanimously, the Commission took the following actions:

1. **AMENDED** the 2016-17 Budget Change Proposal (BCP) to increase the number of Competitive Cal Grant Awards, by doubling the proposed number of awards from 3,250 to 6,500.

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2. **AMENDED** the 2016-17 BCP to reinstate the APLE Program at 1,000 new loan assumption agreements annually with the proviso that an evaluation component be included and explore whether the number of designated veteran teachers is sufficient.
3. **APPROVED** the 2016-17 BCPs with the above two amendments and including the additional five positions and \$500,000 cost to the Grant Delivery System (GDS) Modernization Project.

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

STRATEGIC POLICY AND PLANNING COMMITTEE REPORT

❖ Consideration of Competitive Cal Grant Scoring Process

On **MOTION** by the Committee, the Commission **ADOPTED** a “Modified Proposal F,” which does not include additional points for veterans, with the **CAVEAT** that the modified scoring model will be implemented on a trial basis and that, after a year of operation, the veteran scoring factor will be reviewed.

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

CONSIDERATION OF SCHEDULING COMMISSION MEETINGS

❖ Meeting Date for Executive Director Interviews and Selection

The Commission came to a **CONSENSUS** to meet on November 4, 2015 to conduct interviews and make their selection.

❖ Draft Commission Meeting Calendar for 2016

Chair Geiogoue advised Commissioners to review their calendars and discuss any changes to the proposed calendar at the November 5-6, 2015 Commission meeting.

APPROVAL OF CONTRACTS OVER \$100,000

MOVED (Doud), **SECONDED** and **CARRIED** unanimously, the Commission **APPROVED** the ratification of the contract with Global Blue DVBE, Inc. for \$278,000.

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

INFORMATION ITEMS

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

Ms. Nicole Korgie-Jackson, Long Beach Cal-SOAP Project Director and Lead, presented her written report. Some discussion ensued about the new requirements to provide insurance documentation. Ms. Keri Tippins, General Counsel, reported that it was determined that approval by the Department of General Services was not required, and the Commission was authorized to enter into the Cal-SOAP contracts on its own. Mr. Tae Kang, Senior Programs Manager, reported

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that the contracts are currently being finalized and Ms. Catalina Mistler, Chief of the Program Administration & Services Division, reported that staff is revising the current process so that the contracts can be in place earlier.

LEGISLATIVE, AUDIT AND BUDGET COMMITTEE REPORT (Continued)

❖ Update on State and Federal Legislation affecting Commission Programs

Committee Chair Moore presented a summary of the information provided by the legislative unit. Questions arose about Assembly Bill (AB) 721 (Medina): Student financial aid: private student loans, and whether there has been any federal legislative activity. Mr. Matthew La Rocque, Research Analyst with The Institute for Student Access and Success (TICAS), provided an update on TICAS's efforts to evaluate new national data provided by the U.S. Department of Education's College Scorecard. He also commented that AB 721 includes information that focuses on bachelor degree recipients, which is not included in the Scorecard. The bill would also set forth student debt disclosures and help students understand their eligibility for federal aid.

❖ Update on the Grant Delivery System Modernization Project

Committee Chair Moore reported that, after receiving an update from Ms. Tracy Howard, Chief Information Officer, the Committee raised concerns about the Grant Delivery System Modernization (GDSM) Project, including its timeline, the need for additional staff, and the system's sustainability. She requested that there be further discussion of the GDSM Project's strategic imperatives in November, beginning with the LAB Committee and then the Full Commission.

Ms. Howard began her presentation by first announcing the recent hiring of Mr. Steve Grimes, Information Security Officer, and Mr. Fred Wood, GDSM Project Manager. Ms. Howard reported that the Department of Technology has added additional requirements to the STAR Stage Gate process, which the Commission is working to complete, including the identification of business requirements and a security risk assessment. She indicated that, after completing all four phases of the STAR Stage Gate process, the Commission is expected to start the project in 2019.

Further discussion ensued and more concerns were raised about the need to be mindful of potential expenditures that may be needed to continue to support this process among other competing priorities, and the need to ensure that staff is supported and not pulled away from critical tasks. Staff was also encouraged to continue its consultation with stakeholders throughout the process, especially with regard to the strategic imperatives.

CLOSED SESSION

❖ PERSONNEL MATTERS

Ms. Keri Tippins, General Counsel, made the following announcement:

- ❖ **The California Student Aid Commission gives notice that pursuant to Government Code section 11126(a) it will be meeting in Closed Session regarding the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee.**

Chair Geigogue recessed the Open Session at 3:54 p.m. and convened the Closed Session at 4:00 p.m.

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RECONVENE OPEN SESSION

Chair Geiogoue reconvened Open Session at 4:59 p.m. and reported that there is nothing to report out of Closed Session.

RECESS

Chair Geiogoue recessed the Commission meeting at 5:00 p.m. until 9:00 a.m. on Friday, September 18, 2015.

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RECONVENE OPEN SESSION

FRIDAY, SEPTEMBER 18, 2015

Chair Hal Geiogoue called the meeting to order at 9:02 a.m.

The following Commissioners were present:

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

The following Commissioners were absent:

Jamillah Moore
Jose Solorio

Roll Call was taken and a quorum was recognized.

PRESENTATION BY THE ASSOCIATION OF INDEPENDENT CALIFORNIA COLLEGES AND UNIVERSITIES (AICCU) ON INDEPENDENT COLLEGES AND UNIVERSITIES IN CALIFORNIA

Ms. Kristen Soares, President of the Association of Independent California Colleges and Universities (AICCU), gave a Power Point overview of California's independent non-profit institutions, including their enrollment population, diversity, average financial aid awards and student loan debt, and AICCU's role in Cal Grant advocacy.

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Mr. Kenneth Hall, AICCU Executive Committee Member & University of Redlands Trustee, and Ms. Ann McElaney-Johnson, provided overviews of their respective institutions, including their boards, student populations, retention and graduation rates, and funding sources. Mr. Hall invited the Commission to have a regular meeting at the University of Redlands and to meet with the students.

Ms. Janet Salcedo, a senior at Fresno Pacific University, and Mr. Aram Nadjarian, Managing Partner at Mozaic Communications, shared their experiences as Cal Grant recipients.

Discussion ensued about the issue of time to degree, tuition increases, the importance of students and institutions advocating for higher education, and the need to increase the visibility of the independent colleges and universities.

STUDENT IMPACT COMMITTEE REPORT

- ❖ **Update on California Dream Act**
- ❖ **Update on Middle Class Scholarship**

Committee Chair Graves thanked staff for their presentations on the Dream Act and Middle Class Scholarship.

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

Committee Chair Graves reported that the report is still being finalized and the final draft report will be presented to the Commission for consideration in November. He encouraged Commissioners to provide their ideas and comments to Commission staff and/or Commissioner Anton who are working to complete the report. It was suggested that the Commission later work to develop policy recommendations based on the final report.

- ❖ **Presentations by Statewide Student Organizations**

Committee Chair Graves reported that the Committee heard presentations from representatives of the California State Student Association (CSSA) and the University of California Student Association (UCSA) on their new leadership and priorities.

- ❖ **Outreach Plans for 2016-17**

A question arose about the recent U.S. Department of Education's announcement that it is making changes to the Free Application for Federal Student Aid (FAFSA) process, including the acceptance of prior-prior year income and the establishment of a new October 1st deadline. Chair Geiogou announced that the November Commission meeting agenda will include a discussion of how those changes will impact the Commission's activities, such as application and award processing, training and outreach.

STRATEGIC POLICY AND PLANNING COMMITTEE REPORT (Continued)

- ❖ **Update on the Commission's Institutional Participation Agreement (IPA) and Consideration of Specific Issues**

Committee Chair Anton reported that the Institutional Participation Agreement (IPA) is in the process of being updated and Commission staff has been in consultation with segmental

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representatives on proposed changes. At its September 17, 2015 meeting, the Committee considered several issues where Commission staff and the segments have been unable to reach agreement. The Committee provided the following direction to Commission staff:

1. Conduct some consultation meetings in person to stimulate more productive discussions;
2. Present the issues using data and identify what the problem is, what the solutions are, and what the pros and cons are;
3. Consider extending the IPA until the outstanding issues are resolved; and
4. Consider tailoring the IPA for each segment to account for provisions that are unique to one segment.

Committee Chair Anton also encouraged Commissioners who are interested to participate in the in-person meetings or webinars, noting that up to three Commissioners may attend at a time.

❖ **Update on California Community College Transfer Cal Grant Entitlement Program**

Committee Chair Anton reported that the Committee discussed the Community College Transfer Cal Grant Entitlement Program and had unanimous support for the following staff recommendations for legislative changes:

1. Allow gap-year flexibility;
2. Modify the age limit; and
3. Partner with admitting institutions.

Since several of these changes require legislation, the Committee referred this agenda item to the Legislative, Audit & Budget Committee for further consideration.

PERSONNEL, EVALUATION AND NOMINATIONS COMMITTEE REPORT

❖ **Update on Search for Executive Director**

Committee Chair Beltran reported that the Commission will conduct the final interviews for the Executive Director candidates on Wednesday, November 4, 2015. The location is tentatively set for the Marriott Rancho Cordova. The Commission will conduct its regular meeting on November 5-6, 2015 in the Commission's Boardroom.

REPORT OF AD HOC COMMITTEES

Ad hoc committee on Commission meeting locations

Commissioner Le Grande reported that there was consensus among the Commissioners to meet out of Sacramento/Rancho Cordova once a year. He suggested that, in light of Mr. Kenneth Hall's invitation, the Commission should meet at the University of Redlands for the April 2016 meeting. Commissioner Le Grande also suggested meeting at California State University, Channel Islands the following year.

PRESENTATION OF RECENT COMMISSION REPORTS AND OTHER DATA

Mr. Keith Yamanaka presented the "Facts at Your Fingertips: 2013-14 Competitive Program," which is issued annually. He also presented the report, "Cal Grant Program – New Offered Awardees and Eligible Non-Offered Awardees – Average Income, GPA, Family Size, and Age by Segment, Award

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Year 2013-14,” which is posted to the Commission’s website and is sent to the Legislature as a requirement.

ANNOUNCEMENT OF THE OPENING OF NOMINATIONS FOR COMMISSION OFFICERS

Ms. Keri Tippins announced that the Commission is opening up nominations for the annual November election of officers, and in accordance with the Commission’s Governance Policies, all nominations must be emailed to Ms. Tippins prior to the close of business on October 26, 2015.

NEW BUSINESS FOR FUTURE MEETINGS, WITH A PREVIEW OF THE NOVEMBER 5-6, 2015 AGENDA

Mr. Keith Yamanaka announced that the November Commission meeting will include a discussion of items from the Student Impact Committee meeting, such as the changes to the FAFSA process.

ADJOURNMENT

There being no further business, the meeting of the California Student Aid Commission was adjourned at 11:14 a.m.

HAL GEIOGUE
ACTING SECRETARY