

Minutes

Action Item

Approval of minutes of June 16-17, 2016

DRAFT

CALIFORNIA STUDENT AID COMMISSION MEETING MINUTES

June 16-17, 2016

A meeting of the California Student Aid Commission was held on Thursday, June 16, 2016 and Friday, June 17, 2016 at the Commission's Board Room located at 11040 White Rock Road, Rancho Cordova, California.

THURSDAY, JUNE 16, 2016

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

The following Commissioners were present:

Hal Geiogoue, Chair
Nancy Anton
Catalina Cifuentes
Jessica Foresti
Devon Graves
Harry Le Grande
Debra Maxie
Jamillah Moore
Maria Salinas
Wm. Gregory Sawyer
Jose Solorio
David Valladolid

The following Commissioners were absent:

Lande Ajose, Vice Chair
Glen Becerra

Roll Call was taken and a quorum was recognized.

Chair Geiogoue, asked for a Moment of Silence for victims in Orlando and San Bernardino.

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PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

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

APPROVAL OF MINUTES OF MAY 6, 2016, MAY 20, 2016 AND APRIL 7-8, 2016 (ACTION)

MOVED (Le Grande), **SECONDED** and **CARRIED**, the Commission **APPROVED** the minutes of the May 6, 2016, May 20, 2016 and April 7-8, 2016 meetings.

In Favor: Commissioners Anton, Foresti, Graves, Le Grande, Maxie, Moore, Sawyer, Solorio and Geiogoue

Abstained from voting on April 8, 2016 minutes: Commissioners Moore and Salinas

Absent: Commissioners Ajose and Becerra

CHAIR'S REPORT (INFORMATION)

Chair Geiogoue announced the departure of former Commissioner Jack Scott and welcomed the newest Commissioners, Maria Salinas and Catalina Cifuentes who were both present and given the opportunity to introduce themselves. Additionally, Chair Geiogoue announced the following new Committee appointments, effective June 16, 2016:

- Commissioner Cifuentes as member of the Student Impact and Legislative, Audit & Budget (LAB) Committees;
- Commissioner Salinas as member of the Legislative, Audit & Budget (LAB) and PEN Committees;
- Commissioner Moore as member of the Strategic Policy and Planning Committee (SPPC);
- Commissioner Solorio as member of the Legislative, Audit & Budget (LAB) Committee; and
- Commissioner Becerra as Vice-chair of the of the Legislative, Audit & Budget (LAB) Committee

Chair Geiogoue announced that the Annual Arthur Marmaduke High School Counselor Award Presentation would take place at Commission Headquarters on Friday, June 17 at 9:00 a.m. He also stated that Commissioners Cifuentes and Maxie will be an ad hoc committee to study and improve the Arthur Marmaduke award process for the future. He explained that Item 20 in the Agenda will be moved up to right after the Arthur Marmaduke award presentation, since it calls for a vote from the Commission. In addition, the Commission may have to meet as an EdFund Board in the future to make decisions in regards to an unanticipated windfall.

Chair Geiogoue was happy to report that after much discussion about reinstating the Grant Advisory Committee (GAC), it has been succeeded by the Financial Aid Advisory Board (FAAB) and recognized the Commission's Executive Director for her efforts in making this a reality.

Chair Geiogoue announced that this would be Commissioner Foresti's last Commission meeting and thanked her for her service. He also announced the departure of Keri Tippins, General Counsel and Chief of Legal and Audit Services Division, who has accepted a position at the Department of Social Services. Finally, he announced that Commissioner Ajose will join the Commission at 4:00 p.m. on June 16, Commissioner Becerra will join the meeting on June 17, and Commissioner Cifuentes will not be in attendance on June 17.

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EXECUTIVE DIRECTOR'S REPORT (INFORMATION)

Executive Director Lupita Cortez Alcalá provided a brief Budget update that includes \$396,000 for the Grant Delivery System, 1.9 million for security mitigation, \$500,000 reimbursement authority and an additional \$3 million for 1000 more Chafee awards. Executive Director Alcalá recognized staff in these budget accomplishments. The FAAB meeting was very successful and allowed for an opportunity to discuss the October 1 financial aid application season and preparations in more detail. The next FAAB meeting will be scheduled for September. Executive Director Alcalá welcomed Gurinder Bains as the new Chief of the Information Technology Services Division. She also thanked Keri Tippins for her service to the Commission and congratulated her on her promotion with the Department of Social Services.

In addition, Executive Director Alcalá reported on California Cash for College surveys, the run of Cal Grant competitive awards that benefited 12,875 students out of the 146,719 eligible students, the registration of over 14,400 eligible Dream Act male students with the U.S. Selective Service, and the notification to over 137,000 UC and CSU students of their potential Middle Class Scholarship eligibility. The Transfer Entitlement awards were launched on April 30th and the GPA submission portal was open on the first week of June as part of the efforts of the 2017-18 Early FAFSA and Cal Grant award notifications. Executive Director Alcalá also participated in different partnership meetings with the California Lottery, the California Endowment, and the California Futures Foundation among others.

Commissioner Anton inquired about the increase of the 2016-17 Cal Grant fall term advance from 50% to 95%. Does it mean that 50% of awarded students were receiving their award up front and the other half had to wait until the additional funds were made available and now 95% of these students will receive their award in a timely manner?

Executive Director Alcalá explained that that was not necessarily the case as most institutions were likely fronting the needed funds to disburse Cal Grant awards to their students.

Division Chief Catalina Mistler further explained that the 50% advance is given to institutions so they can begin making payments to their eligible students, but as soon as they expend the funds through working their rosters and identifying additional eligible students, the Commission transfers additional funds to the institutions on a weekly basis.

Executive Director Alcalá and Chair Geiogue confirmed that increasing the 50% advance to 95%, should eliminate the need for institutions to request additional funds on a continuous basis. Chair Geiogue also confirmed that Commission staff is following up on Commissioner Le Grande's request to find ways to do electronic agendas; some vendors have been contacted but no final selection has been made. This item will be revisited when the time is ready.

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

Ms. Nicole Korgie Jackson, Long Beach Cal-SOAP Director and Lead Project Director, provided a brief update on the Cal-SOAP database enhancement project. Division Chief, Catalina Mistler confirmed that there is a Request for Offer (RFO) out for a contractor to work on these enhancements with funds from the 2015-16 academic year. Ms. Korgie Jackson was pleased to report that the Cal-SOAP Policy and Procedures Manual has been updated and delivered to all Project Directors. The last time this manual was officially updated was in August of 2004. In addition, she provided an update on the activities and services provided by the Long Beach Cal-

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SOAP consortium to the Los Angeles areas that are being served with additional funds received from the Los Angeles consortium. She also mentioned the request to submit a Budget Change Proposal for the 2017-18 fiscal year. Lastly, Ms. Korgie Jackson confirmed that this would be her last Commission meeting as the Lead Project Director and that the new Lead will be Monica Montenegro from the East Bay Cal-SOAP consortium starting July 1. Chair Geiogoue and Ms. Mistler recognized Ms. Korgie Jackson for her role as the Lead Project Director.

DISCUSSION OF PROPOSAL FOR THE COMMISSION TO SPONSOR AND PARTICIPATE IN THE STATE-SPONSOR SPECIAL LICENSE PLATE PROGRAM

Chief Deputy Director Keith Yamanaka stated that the postponement of consideration of this proposal is not at all a staff recommendation based on merit, but it is more of a concern in regards to work load and the Commission's current limited staff resources. Mr. Yamanaka provided a brief overview of the California Specialized License Plate program and the proposal to partner with the California Masonic Foundation (Masons) to fund scholarships through the sponsorship of this program. It was stated that current law would allow the Commission to sponsor this program and pursuant to Veh. Code § 5157(c), 5159, the proposed funding of scholarships would be an appropriate use. Although there is the potential for additional funding and the advantage of having already the 7,500 mandated requests to be able to start the program, the implications of assuming the corresponding administrative responsibilities, pose a significant constraint for the Commission to move forward at this particular time. Commission staff is currently working on the implementation of the statewide FI\$Cal project overseen by the Department of Finance that has significantly increased the work load of the Commission's administrative division. This would be additional work load for this particular division and given the State's current mandated priorities, staff is recommending postponing the Commission's consideration of this item to a later time.

Mr. Michael Sekera, representative of Masons of California introduced himself and proceeded to explain the work that has been done with the DMV for the last five years to embark on this program, the advantages for the underprivileged students that would benefit from the scholarships funded through the proposed partnership, the high number of applications ready to be submitted to the DMV for processing along with the corresponding fees, and the minimum work that would be required from Commission staff as they already have procedures and staff in place to do the data entry and preliminary revision of all valid requirements.

Mr. Jim Ridley, District Inspector of Free Masons and representative of the Grand Lodge, introduced himself and stated that their main intent is to improve their scholarship program through this partnership and was there to answer any questions. He clarified that their scholarship program is perpetual and that they are also available for teachers, nurses, and other programs. They are normally a 4-year scholarship with certain requirements, including academic progress and a need to reapply every year. Based on experience with a similar program in other states, the Commission could benefit from about 5% to cover any administrative costs (this percentage could be negotiable).

Commissioner Sawyer asked if there are any changes to the staff perspective based on the presentations from Mr. Sekera and Mr. Ridley. Mr. Yamanaka expressed that even with the Masons taking over the data entry, given the responsibilities of the State agency in the law, the Commission would have to review all submitted applications before sending them to the DMV. He further explained that there is a mechanism in the law that would authorize the Commission to receive some of the funds to cover some of the administrative related costs of the program. The Commission could also negotiate and decide on ways in which the program could be broadened to the general public.

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Mr. Sekera clarified that all the money available for the scholarships after DMV's administrative costs would go directly to the Commission and the Commission would then give the Masons the money. He also provided some general history of their scholarship program.

Commissioner Solorio provided some feedback to the Mason's representatives and Commission staff in regards to this proposal. He has some previous experience with the Specialized License Plate program, which for the most part, serve general public needs rather than individual associations or organizations. He envisions a General California Scholarship promoted by a program like this and maybe supported by other organizations but not necessarily one to promote a particular association.

Commissioner Valladolid asked for a brief description of what do Masons stand for. Mr. Ridley explained that they are a fraternity of men whose main mission statement is to take good men and make them better. They are not a religion or political persuasion, and they are not allowed to speak about these two topics in their meetings. They have members join from all over the world, and they support different charities and causes such as cancer, wounded warriors, and guide dogs among others. They have about 300 lodges in the state of California and do not consider themselves a secret society.

Commissioner Graves thanked the Masons and staff for working on this proposal. He appreciates the important program and he would love to support it, however, it all comes down to priorities, and taking into consideration all the current responsibilities within the Commission, he favored the postponement of this proposal at this time. Commissioner Moore echoed Commissioner Graves' comments and added that she would like for the Commission to explore some other mechanisms to support an implementation like this, like a foundation or grant that could assist in processing this for us. Mr. Yamanaka clarified that to defer means that staff will continue to explore this proposal.

Commissioner Anton suggested having the Senator float legislation to advance the funds to the Commission to administer this program. She would be supportive of this proposal as long as we could keep it open to the Commission to tailor the program to meet specific needs and without compromising the Commission's work.

Commissioner Solorio voiced his concerns about endorsing a program like this, considering that it would be publicized as the Commission supporting a program in which 95% of revenues go to the Masonic Foundation for distribution to students of their choice. He feels this would not be a broad enough policy statement. Chair Geiogue advised the Masons' representatives that they may wish to explore other opportunities with other State agencies.

RECESS FOR COMMITTEE MEETINGS

Chair Geiogue announced that the Commission meeting would recess for the following:

- ❖ *Legislative, Audit and Budget Committee Meeting;*
- ❖ *Student Impact Committee Meeting;*
- ❖ *Strategic Policy and Planning Committee Meeting; and*
- ❖ *Personnel, Evaluation and Nominations Committee Meeting.*

Chair Geiogue recessed the Commission meeting at 10:20 a.m.

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RECONVENE COMMISSION MEETING

Chair Geiogque reconvened the Commission meeting at 3:40 p.m.

COMMITTEE REPORT ITEMS

LEGISLATIVE, AUDIT AND BUDGET COMMITTEE REPORT

❖ **Update on State and Federal Legislative and Issues affecting Commission Programs, including Consideration of Positions on Legislation (Informational)**

Committee Chair Moore reported the highlights of the updates received in the Committee which included a budget update on the \$1.97 million received for security infrastructure, \$396,000 for the Grant Delivery System Modernization (GDSM) project and the \$3 million for additional Chafee grant awards. Unfortunately, the APLE program did not move forward. There was an overview of the GDSM project's stages 2 and 3, and it was announced that the customer service Budget Change Proposal (BCP) was not approved. The last item that the Committee touched on was an update on Audits both internal and external. It was noted the limited number of staff performing audits for all segments of Cal Grant eligible institutions and the main issues that are encountered through the audits.

STUDENT IMPACT COMMITTEE REPORT

Committee Chair Graves reported that the Committee discussed five information items and one action item regarding the 2016-17 Cal-SOAP consortia allocations. The Committee voted in favor of the staff recommendation to move forward with the proposed allocations and authorize the Executive Director flexibility to reallocate funds if necessary.

On **MOTION** by the Student Impact Committee, **SECONDED** and **CARRIED** unanimously, the Commission **APPROVED** the Committee's recommendation to approve the 2016-17 Proposed Cal-SOAP budget allocations and grant the Executive Director flexibility to reallocate funds as equitably as possible if a project cannot utilize all of its allocated funds.

In Favor: Commissioners Anton, Cifuentes, Foresti, Graves, Le Grande, Maxie, Moore, Salinas and Geiogque

Absent: Commissioners Ajose, Becerra, Solorio

In addition, Commissioner Graves provided some highlights on the following items:

- ❖ Discussion of possible collaboration with the California College Guidance Initiative (Information)
- ❖ Update on the 2017-18 FAFSA release on October 1, 2016 (Information)
- ❖ Update on Outreach and Communication Plans for 2016-17 (Information)
- ❖ Update on Dream Act (Information)
- ❖ Update on Middle Class Scholarship (Information)

STRATEGIC POLICY AND PLANNING COMMITTEE REPORT

Committee Chair Anton indicated that Commissioner Le Grande volunteered to review the Governance Policies. The Commissioners were encouraged to review and provide their comments to Commissioner Le Grande. In addition she provided a brief update on the Competitive Cal Grant program paid rate and the Memorandum of Understanding (MOU) that was recently established

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with the California Community Colleges (CCC) to use enrollment files to identify some additional unpaid students. Finally, the committee discussed the Cal Grant C program for students pursuing vocational or technical education which has been receiving a lot of attention from the legislation but continues to have low demand from students. Currently, all eligible applicants are receiving an award because there is low participation in the program. Staff will look in more detail to see if the drop in participation is related to the schools that lost Cal Grant eligibility due to the cohort default rates.

Chair Geiogue will convene the Commission meeting at 9:00 a.m. on Friday, June 17, 2016 for the Marmaduke award presentation and then the Strategic Planning Session will begin around 9:30 a.m. He also announced that the PEN Committee will meet today and report out tomorrow.

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RECONVENE OPEN SESSION

FRIDAY, JUNE 17, 2016

Chair Hal Geiogue reconvened the Commission meeting at 9:02 a.m.

The following Commissioners were present:

Hal Geiogue, Chair
Lande Ajose, Vice Chair
Nancy Anton
Glen Becerra
Jessica Foresti
Devon Graves
Harry Le Grande
Debra Maxie
Jamillah Moore
Maria Salinas
Wm. Gregory Sawyer
Jose Solorio
David Valladolid

The following Commissioners were absent:

Catalina Cifuentes

Roll Call was taken and a quorum was recognized.

ARTHUR MARMADUKE HIGH SCHOOL COUNSELOR AWARD PRESENTATION

Chair Geiogue and Executive Director Alcalá presented the 2015-16 Arthur S. Marmaduke High School Counselor Award to Mr. Jesse Barajas, Jr. from the Gridley Unified School District. Executive Director Alcalá provided a brief history of the Arthur S. Marmaduke Award which was established in 1985 in honor of former Executive Director by the same name and given to one outstanding California high school counselor who demonstrates exemplary skills and commitment to helping students fulfill their dreams of going to college. Mr. Barajas was recognized by Mr. Steve Marmaduke, son of former Executive Director Arthur Marmaduke, Mr. Rick Rubino, Superintendent

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at Gridley Unified School District, Joe Adame, Principal of Gridley High School, as well as representatives of Assembly Member James Gallagher and Senator Jim Nielsen.

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

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

REPORT FROM CLOSED SESSION

Chair Geiogoue reported that the Commission met in Closed Session on Thursday, June 16, 2016 and Commissioner Le Grande, Chair of the Personnel, Evaluation and Nominations Committee, proceeded with the report. Informal session with Executive Director Alcalá on her initial six months in this position and clarified that a formal evaluation will take place when she completes the first year as Executive Director of the Commission. He was pleased to report that the Committee feels that the goals for the first six months have been reached and that she is doing well.

PRESENTATION OF RECENT COMMISSION REPORTS AND OTHER DATA (INFORMATION / ACTION)

Chair Geiogoue presented item 19.1, a data chart entitled, “Cal Grant Program – Offered Awardees and Eligible Non-Offered Awardees”. This item is for informational purposes only and it provides Commissioners with the latest Commission’s reports and data on grade point averages, average income, family size and age for new offered awardees and eligible non-offered awardees for all Cal Grant programs for the 2014-15 academic year.

CONSIDERATION OF DESIGNATING COMMISSIONERS AS DIRECTORS OF THE EDFUND BOARD

Ms. Keri Tippins, General Counsel and Chief of the Legal and Audit Services Division, stated that the motion presented today will serve two purposes: 1) to appoint the new Commissioners as members of the EdFund Board of Directors; and 2) to designate all Commissioners appointed after June 17, 2016 to the EdFund Board.

MOVED (Anton), **SECONDED** and **CARRIED** unanimously, the Commission **APPROVED** the designation of new Commissioners Maxie, Valladolid, Becerra, Cifuentes and Salinas as members of the EdFund Board of Directors, and to designate all Commissioners appointed to the Student Aid Commission after June 17, 2016 to the EdFund Board of Trustees, effective as of the date of their Oath of Office for the Commission without requiring further action by the Commission until EdFund is dissolved.

***In Favor:** Commissioners Ajose, Anton, Becerra, Foresti, Graves, Le Grande, Maxie, Moore, Salinas, Sawyer, Solorio, Valladolid and Geiogoue*

***Absent:** Commissioner Cifuentes*

STRATEGIC PLANNING DISCUSSION AND DEVELOPMENT

Executive Director Alcalá introduced the facilitator of this session, Ms. Janelle Kubinec, Director of the Comprehensive School Assistance Program at WestEd. Ms. Kubinec shared some of her background and went over the main goals of the strategic planning session. Commissioners brainstormed on ways in which they could contribute to the Commission’s goals based on their personal career experience and their time with the Commission. A brief summary of prior planning

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and policy statements was reviewed and discussed among Commissioners. Executive Director Alcalá presented a brief overview of the priorities she has been working on for the last six months which include improving external relationships, Budget priorities, the Early FAFSA and Dream Act applications, increasing the Cal Grant paid rate, personnel management, outreach and media.

There was open discussion on the Commission's priorities on different areas such as student focus and customer service resources; policy making and budget change proposals; providing adequate guidance, support and resources to staff; succession planning; technology investment and GDSM project; strategic partnerships; and support of current business and unforeseeable business changes.

Additional discussion followed about the major areas involved in the strategic planning and the Commissioners expanded on the general and specific outcomes they would like to see, including the following:

1. Administration
 - Grant Delivery System
 - Data Security
 - Cal Grant Paid Rate
 - Website
 - Staff Communication, Training and Morale
2. Policy
 - Resources to Support and Build Capacity
 - Relationship with the Legislature
 - Outreach
 - Use and Sharing of Data and Research
 - Communication Plan
3. Advocacy
 - National Attention
 - Coalition Partnerships
 - Model of Effective Development and Advocacy for Dreamers
 - Commissioner Advocacy

Ms. Kubinec finalized the strategic planning session with some final discussion among Commissioners to get more clarity on the roles and expectations of the subcommittees.

Commissioners thanked and recognized Ms. Kubinec for her assistance in facilitating this session. Ms. Kubinec planned to work with Executive Director Alcalá to finalize the Commission's Strategic Plan, which will be presented at the September Commission meeting.

NEW BUSINESS FOR FUTURE MEETINGS (INFORMATION/ACTION)

The Commission may discuss the following items at the September Meeting:

- Community College Segment Presentation
- California Competes Report; Commissioner Lande Ajose
- Feedback from Cal Grant Recipients on their experiences with the financial aid process; Student Impact Committee

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ADJOURNMENT

There being no further business, the meeting of the California Student Aid Commission was adjourned at 2:40 p.m.

WM. GREGORY SAWYER
SECRETARY