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Information Item

California Student Aid Commission

Executive Director's Report

Enclosed for review is a written report from the Executive Director of the California Student Aid Commission.

Responsible Person(s): Diana Fuentes-Michel
Executive Director



CALIFORNIA
STUDENT AID
COMMISSION

**Executive Director's Report
February, 2012**

Dear Commissioners,

The March 2nd deadline for filing for Cal Grant aid is quickly approaching. Thousands of high school seniors, returning college students and new college students are seeking financial assistance to pursue college and/or career education. This application year, the Commission initiated a link from the FAFSA website to the Commission's website to facilitate the completion of the Cal Grant application process by the submittal of a GPA. It is our hope that this new "bridge" to the Cal Grant process will make it easier for students to apply for Cal Grant. The Commission staff is also working with our Cash for College partners in sponsoring almost 700 workshops throughout the state to help students file the FAFSA and complete the GPA submittal process. Our business, community, education and Cal-SOAP partners are working hard to ensure that families, particularly first-generation and college students, know about the availability of all types of financial aid (federal, state, institutional and private aid) through the submittal of the FAFSA form. Following the March 2 deadline, Cash for College partners will be holding workshop sessions to help students and their families understand their financial aid letters and determine what college choice makes academic and financial sense. This assistance is particularly needed as students face the uncertainty of admission at the college of their first choice. Local options, like enrolling in a community college or state university, are not as certain as community colleges and CSU campuses face enrollment constraints.

In addition, the Commission staff has been working to identify those students whose Cal Grant aid was eliminated due to budget actions which required renewal Cal Grant recipients to meet income and asset ceilings as is the current process for new Cal Grant applicants. The Commission's policy of Cal Grant students being held to the same income and asset ceilings for the program (A or B programs) that they were initially paid under, is now being changed to allow Cal Grant B students to be held to Cal Grant A income and asset ceiling standards. This Cal Grant B to A switch is now being undertaken.

And finally, the Commission staff has worked over the last six weeks to produce a new Dream Act application for use in determining institutional aid for California Dream Act students attending the University of California, California State University and the State's community colleges. On February 4th, the Commission was the lead organization with the Cien Amigos, Latino Opportunity Project and the Mexican Consulate General of Northern California, to host "Steps to College, 2012". The university feria, which included financial aid workshops for filing a FAFSA or a Dream Act application, or help in assisting in immigration affairs, was attended by over 1,500 students and their families. Over 200 college and high school counselors, college outreach and admissions officers volunteered with students from local colleges and organizations like Dream, Develop, Do, to offer admissions, financial aid and immigration assistance. The Commission staff is working with other community, education and student groups on workshop activities for the Fall of 2012 in anticipation of the Cal Grant Dream Act application period.

The Governor presented his proposed 2012-13 Budget to the Legislature on January 5, 2012. The Commission staff has been analyzing the proposed changes to the Cal Grant Program, including:

raising the minimum Grade Point Average, reducing the maximum award at non-public institutions, phasing out of the Loan Assumption Programs, shifting Temporary Assistance for Needy Families (TANF) funds from the CalWorks program to the Cal Grant program, maintaining the institutional eligibility requirement Cohort Default Rate at 24.6 percent, and requiring Transfer Entitlement students to have attended a community college within the academic year before the award year. Staff's analysis is provided in Tab 5.

This coming week, the Commission will be hold a hearing on distance education which is included in your agenda materials. We will also be discussing the impact of the Governor's 2012-13 budget proposals and its impact on the Cal Grant and APLE loan forgiveness program for teachers. It has been a busy and productive month since we've last met.

Please see some of the highlights of our divisions' work and a report on the actions taken by the Commission at its last meeting.

COMMISSION PROGRAMS UPDATE

❖ Administration & External Affairs Division Update

2012-13 Budget

The Commission staff has been focused on analyzing the Governor's Proposed 2012-13 Budget changes to the Cal Grant and Loan Assumption Programs in preparation for the Commission meetings and Legislative budget hearings. The Assembly and Senate budget hearings are scheduled for March 7, 2012 and April 19, 2012, respectively.

Cash For College Workshops

California Cash for College workshops have been underway since the first week of January, with 675 scheduled workshops up to the March 2 Cal Grant deadline.

Seven regional Cash for College coalitions of high schools, colleges, community and business groups, 15 Cal-SOAP regions, and hundreds of high schools and campuses around the state have been working to assist high school seniors to complete the FAFSA.

ECMC is once again providing \$500,000 to fund the \$1,000 Cash for College scholarship incentive program to help students maximize their financial aid by attending a workshop and applying for a Cal Grant by the deadline. In addition, a new video contest scholarship was introduced to have students tell us why they apply for college financial aid and how they will apply themselves to their future in college and beyond. Scholarships will be announced in May, after the March 2 deadline.

2011-12 Arthur Marmaduke High School Counselor Award

Since 1985, the Commission has annually presented The Arthur Marmaduke Award to recognize one high school counselor who has demonstrated superior skills, dedication, and results helping students seek and receive financial aid. Arthur Marmaduke served as the Executive Director of the Commission for 25 years, and this honor was created to acknowledge his commitment to assisting students gain access to postsecondary education through the Commission's grant, scholarship and loan assumption programs.

Nominations from high school principals for the 2011-12 award are being accepted now through March 30, 2012.

❖ **Program Administration and Services Division Update**

2011-12 Cal Grant Term Advances

- The 2011-12 Cal Grant term advance payments continue to be issued at 50 percent of the previous year's reconciled term amount. Institutions are receiving supplemental disbursements within a week of the term advance after reconciling their eligible student payments in WebGrants. This term advance adjustment continues to assist in better reconciliation of the Cal Grant funds to provide more accurate expenditure data to the state's control agencies.

2012-13 Cal Grant Award Processing

- Initial processing of electronic and paper 2011-12 Cal Grant Grade Point Average (GPA) began in September 2011 and processing of the 2011-12 FAFSA forms began in January 2012.
- The first processing of the 2012-13 High School Entitlement Cal Grant award offers began this week and awards cycles will continue on a weekly basis. Awards are being processed under the current Cal Grant requirements and award amounts.
- Electronic California Aid Reports (CAR) are being sent to students who have email addresses and paper CARs to students without an email address.
- Institutions can now access 2012-13 WebGrants school rosters identifying the preliminary Cal Grant offers made to students.
- GPA webcast training sessions are being provided through February 2012. This training provides information on the electronic upload process for schools that use the paper GPA process.
- Commission staff is collaborating with other school districts to share the Non-SSN GPA model allowing schools to submit GPAs without using the social security number as a student identifier.

Support for Students and Parents

- On February 21, 2012, the Commission's Customer Relations Branch has extended its call center hours of operation from 8:00 a.m. to 4:45 p.m. to assist students and parents during the peak period of March 2 and to assist with other Cal Grant, Specialized Programs and various financial aid questions. The Commission will continue the extended hours through March 9, 2012.

Commission Training Events

- In January, Commission staff introduced the webinar training sessions for Cal Grant and Specialized Programs to be held throughout the 2012 calendar. The goal is to provide the necessary training to financial aid administrators, high school counselors and various college administrators to ensure appropriate administration of the Cal Grant and Specialized Programs.

- Commission staff provided the first Cal Grant 101 webinar on January 27, 2012 to 70 financial aid administrators from various segments. The majority of attendees rated the training webinar “Above Average” and encouraged staff to continue its plan on providing regular training sessions.

❖ **Information Technology (IT) Services Division Update**

The Dream Act Application is meant to serve AB 540 eligible students also eligible under the provisions of AB 130 and 131. The California Dream Act will be implemented in two phases. Phase I (2012-13) will provide two primary functions:

- An online application for students to enter and submit their information.
- A process to output the student's application data to California colleges in a format that nearly replicates the federal Institution Student Information Record (ISIR).

The online application is very similar to the FAFSA application and includes an Expected Family Contribution (EFC) calculator and enhanced logic (e.g. to identify the student's dependency status). The application emulates the federal FAFSA since the federal needs analysis methodology is mandated by state law.

The 2012-13 application is on schedule for an April 2 release date and has been demonstrated to CSAC staff and student groups. Staff has consulted with the public and private segments, student advocacy groups and high school counselors to gather information on how to present the Dream Act Application questions and supporting instructions to applicants as clearly and simply as possible. This April 2nd application is for public campus state funded assistance for the 2012-13 year.

The application will be housed at www.caldreamact.org. Institutions will download application data from the Commission's Web Grants System. Commission staff will hold webinars on the Dream Act Application process and include the application process in the annual high school counselor's workshops. Commission staff is developing written supporting documentation to aid colleges, high schools and advocacy groups in assisting student to complete the Dream Act Application.

Phase II of the Dream Act Application will be released in January 2013 for 2013-14 California financial aid including Cal Grants.

Phase II will add additional functionality to both the application and the Cal ISIR distribution and corrections process. The Commission will probably collect additional information such as actual SSN (if they have one), student and parent Individual Taxpayer Identification Number (ITIN) and student cell phone number.

The following chart provides an update on the Commission’s November 17-18, 2011, December 22, 2011 and January 26, 2012 meetings and its actions:

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
1	<p>Designation of Commissioners as Directors of the EdFund Board At its November meeting, the Commission took action to designate the Commissioners as Directors of the EdFund Board.</p>	No action necessary.
2	<p>2011-12 CAL-SOAP Contracts On November 17th, the Commission authorized the Executive Director to execute the 2011-12 Cal-SOAP contracts totaling \$6,889,400 at the allocation levels recommended by Commission staff and authorized the Executive Director flexibility in allocating the increased funding of \$216,083 but with priority given to the greatest extent possible to providing services to students in the area previously served by the North Valley Cal-SOAP.</p>	<p>Staff is reviewing the following requests for funds and expects to issue contract amendments soon:</p> <ul style="list-style-type: none"> • A \$75,000 planning grant for the Sacramento Cal-SOAP to explore providing services to students previously served by the North Valley Cal-SOAP. • \$141,000 to fund 10 requests for \$14,100 each to provide supplemental services to students within existing Cal-SOAP projects.
3	<p>California Education Code Further Defining “Mandatory Systemwide Fees” to include Fees for “Tuition,” at Public Institutions At the November meeting, the Commission authorized staff to seek an additional 90-day extension of the emergency regulation and adopted the proposed regulation and accompanying documents, requested that the effective date of the regulations be the date of filing, and authorized staff to take the necessary steps to complete the regulatory process. Commissioner Conley opposed the action.</p>	The Commission received the additional 90-day extension of the emergency regulation. The Commission has also filed the Certificate of Completion with the Office of Administrative Law (OAL). Upon approval of the Certificate of Completion, the regular rulemaking process for this regulation will have been completed.
4	<p>Student Eligibility for California Community College Transfer Cal Grant Entitlement Program In November, the Commission took action to eliminate the Cal Grant Community College Transfer Entitlement Program’s continuous enrollment requirement between community college attendance and attendance at a four-year college. In addition, the Commission requested that staff provide a detailed recommendation as to the implementation of the Cal Grant Community College Transfer Entitlement Program policy change in the current year.</p>	Implementation of this policy is on hold pending the outcome of the budget process, as the Governor elevated the issue of the Commission’s new policy for awarding Transfer Entitlement Cal Grant awards to allow otherwise eligible students to qualify for these awards without having attended a community college within the academic year before the award year to the legislative arena and expanded it into a budget issue.
5	<p>Designating Commissioner(s) as Director(s) of the EdFund Board At the December 22nd meeting, the Commission designated Commissioners Garcia Vasquez, Moore, Shah, and Siqueiros, and any other subsequently appointed Commissioners, as Director(s) on the EdFund Board of Directors.</p>	No action necessary.
6	<p>2011-12 Budget and Governor’s Proposed 2012-13 Budget At its January 26, 2012 meeting, the Commission adopted the following resolution: <i>“The California Student Aid Commission sees higher education as an investment in California’s future. Education is the economic imperative of our time and the civil rights issue of our generation. Access to higher education is the basis for the formation of our democratic society. As the stewards of access to opportunity for higher education, we urge the Legislature to give the highest priority to students in the budget during this time of financial downturn.”</i></p>	Additional analysis of the Governor’s 2012-13 Budget proposals is provided in Tab 5.
7	<p>Commission Meeting Minutes On November 17th, the Commission approved the minutes of the August 11, 2011 meeting.</p>	The Commission Secretary has signed the approved meeting minutes.

	ACTIONS TAKEN BY THE COMMISSION	STATUS UPDATE
8	Commission Meeting Calendar On November 17 th , the Commission approved the 2012 Commission meeting calendar.	No action necessary.

I have included for your information the following reports:

- a. California Student Opportunity and Access Program (Cal-SOAP) Project Directors' Report (Oral Report); and
- b. ECMC report on the status of the transition of the federal student loan guaranty program will be sent under separate cover.

I look forward to seeing you at our February meeting which will be held at the State Capitol Building.

Sincerely,

Diana Fuentes-Michel
1975-1979 Cal Grant B Recipient
1979 Graduate of Loyola Marymount University