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Action Item

California Student Aid Commission

Consent Calendar

Recommended Action: Approve the consent agenda, including:

- a. Minutes of November 17-18, 2012 and December 22, 2011
- b. Consideration of designating Commissioner(s) as Director(s) of the EdFund Board

**CALIFORNIA STUDENT AID COMMISSION
MEETING MINUTES**

November 17-18, 2011

A meeting of the California Student Aid Commission was held on Thursday, November 17, 2011 and Friday, November 18, 2011 at the Rancho Cordova City Hall Council Chambers located at 2729 Prospect Park Drive in Rancho Cordova, California.

Thursday, November 17, 2011

Chair Barry Keene called the meeting to order at 10:00 a.m.

The following Commission Members were present:

Barry Keene, Chair
Lynne de Bie, Secretary
Nancy Anton
Brian Conley
Lawrence Hershman
Enrique Murillo
Dontae Rayford
Israel Rodriguez
Fred Wood

The following Commission Member was absent:

Alexander Gonzalez

Roll Call was taken and a quorum was recognized.

CHAIR'S REPORT

Chair Keene discussed the two major challenges that the Commission faces, in addition to the implementation of the Dream Act, including 1) the state complaint process and 2) distance learning. He recommended holding public hearings on some of these issues to allow for outside participation.

AGENDA ITEM 1 – PRESENTATION OF RESOLUTIONS (Information)

By UNANIMOUS CONSENT, the Commission ADOPTED the Resolutions for the following:

- a. Lorena Hernandez, Former Commissioner; and
- b. John Bays, Chief of the Information Technology Services Division.

AGENDA ITEM 2 – EXECUTIVE DIRECTOR’S REPORT (Information), INCLUDING***Agenda Item 2.a – Update on state and federal issues and legislation affecting Commission programs***

Executive Director Diana Fuentes-Michel provided an update on the Commission’s efforts to implement the Dream Act, including a budget change proposal, a feasibility study report, and various partnerships with entities such as the Mexican General Consul in Sacramento. She noted that Commission staff would be working with the institutions to formulate one Dream Act application to minimize students’ confusion and burden on resources. Commissioner Hershman recommended that the Commission write a letter of thanks to the Governor and Legislature. Further discussion ensued about Cal Grant eligibility for AB 540 students at all institutions followed by discussion about the development of the Dream Act application.

Executive Director Fuentes-Michel reported on the legislative meetings with the California Legislature, congressional representatives and the CASFAA federal issues chair.

The following members of the public commented on the Commission’s consultative process:

- Ms. Margie Carrington, 2012 State Issues Chair, California Community Colleges Student Financial Aid Administrators Association (CCCSFAAA); and
- Ms. Mary Gill, 2012 State Issues Chair, California Association of Student Financial Aid Administrators (CASFAA).

Agenda Item 2.b – California Student Opportunity and Access Program (Cal-SOAP) Project Director’s Report

Ms. Imelda Simos-Valdez, Director of the South San Joaquin Cal-SOAP and Lead Cal-SOAP Project Director, provided an overview of the Cal-SOAP Consortia’s accomplishments for 2010-11 and a summary of the challenges they face in 2011-12. Her report included the following recommendations to the Commission:

- Support their efforts to continue providing quality student services with more secured funding;
- Implement a system of rewarding those Consortia that are performing above and beyond the call of duty, that are following policies and procedures, and those that continue to do more with less resources; and
- For those projects receiving the baseline annual funding of \$276,316 - please consider a funding increase whenever possible so that [they] can regain some of the programs lost and begin to increase the quantity and quality of student services again. It has been extremely difficult to run a full program without having to cut important services to students and their families.

Ms. Simos-Valdez introduced the 2012 Cal-SOAP Liaison, Ms. Diana Perez, who is the project director for the Central Valley Cal-SOAP. Ms. Perez invited feedback from the Commissioners on items they would like her to include in future updates.

Agenda Item 2.c – ECMC report and appreciation for Commission assistance on the initial phase of the transition of the federal student loan guaranty program

Executive Director Fuentes-Michel presented the ECMC report on the progress of the transition of the federal student loan guaranty program. She also presented to the Commission the plaque of appreciation from ECMC.

Agenda Item 2.d – Update on the Commission’s social media and communications with students

Mr. Ed Emerson, Chief of the Federal Policy & Programs Division, gave a presentation on social media and social networking including e-mail, texting, YouTube, Facebook, search engines and mobile device applications. He also provided an update on enhancements to the Commission’s web pages and WebGrants application, and discussed on-line learning and e-textbooks.

AGENDA ITEM 3 – CONSENT CALENDAR (Action)

On **MOTION** by Commissioner Conley, **SECONDED** and **CARRIED**, the Commission **UNANIMOUSLY APPROVED** the Consent Calendar, which included the following items:

- a. Minutes of August 11, 2011;
- b. Commission meeting calendar for 2012; and
- c. Consideration of designating the Commissioner(s) as Director(s) of the EdFund Board.

AGENDA ITEM 4 – PRESENTATION ON CERTIFIED THREE-YEAR COHORT DEFAULT RATES ON STUDENT LOANS PURSUANT TO CHAPTER 7, STATUTES OF 2011 (SB 70) FOR ACADEMIC YEAR 2012-13 (Information)

Mr. Emerson presented an overview of the SB 70 certified cohort default rates (CDR) and affected institutions. Further discussion followed about student loan borrowing trends and the importance of financial literacy programs.

AGENDA ITEM 5 – CONSIDERATION OF AN AMENDMENT TO THE EXECUTIVE DIRECTOR’S AUTHORITY TO SIGN 2011-12 CALIFORNIA STUDENT OPPORTUNITY AND ACCESS PROGRAM (CAL-SOAP) CONTRACTS TO INCLUDE \$216,083 IN ADDITIONAL FEDERAL FUNDS (Action)

Ms. Janet McDuffie, Chief of the Administration and External Affairs Division, provided an update on the Cal-SOAP contract process for 2011-12, including the steps the Commission has taken to clarify requirements.

On **MOTION** by Commissioner Hershman, **SECONDED** and **CARRIED**, the Commission **APPROVED** the recommendation to authorize the Executive Director to execute the 2011-12 Cal-SOAP contracts totaling \$6,889,400 at the allocation levels recommended by Commission staff and to authorize 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.

AGENDA ITEM 6 – CONSIDERATION OF AUTHORIZING RULEMAKING TO ADOPT REGULATION, SECTION 300001.5, TITLE 5, CALIFORNIA CODE OF REGULATIONS, DIVISION 4, CHAPTER 1, TO INTERPRET, IMPLEMENT AND MAKE SPECIFIC SECTION 66021.2 OF THE EDUCATION CODE FURTHER DEFINING “MANDATORY SYSTEMWIDE FEES” TO INCLUDE FEES FOR “TUITION,” AT PUBLIC INSTITUTIONS (Action)

Ms. Keri Tippins, General Counsel and Chief of the Legal and Audit Services Division, provided a summary of the emergency regulation.

The following members of the public provided comments:

- Ms. Antoinnae Comeaux, Legislative Director, University of California Students Association; and
- Mr. Sean Richards, Representative, California State Students Association.

On **MOTION** by Commissioner Murillo, **SECONDED** and **CARRIED**, the Commission APPROVED by ROLL CALL VOTE the recommendation to authorize staff to seek an additional 90-day extension of the emergency regulation and adopt the proposed regulation and accompanying documents, request that the effective date of the regulations be the date of filing, and authorize staff to take the necessary steps to complete the regulatory process.

Commissioner Conley OPPOSED.

AGENDA ITEM 7 – DISCUSSION OF OPTIONS FOR CALIFORNIA’S IMPLEMENTATION OF FEDERAL FINANCIAL AID REGULATIONS REQUIRING STATE (1) AUTHORIZATION AND (2) COMPLAINT PROCESSES FOR POSTSECONDARY INSTITUTIONS TO QUALIFY TO PARTICIPATE IN FEDERAL STUDENT FINANCIAL ASSISTANCE PROGRAMS AND THE CAL GRANT PROGRAM (Action/Information)

Mr. Keith Yamanaka, Chief Deputy Director, provided an overview of the state complaint process issues. Ms. Catalina Mistler, Chief of the Program Administration and Services Division, provided examples of complaints received by the Commission’s Customer Relations Branch.

Ms. Laura Szabo Kubitz, Policy Associate at the Institute for College Access and Success, provided public comment.

By UNANIMOUS CONSENT, the Commission AMENDED the recommended action to eliminate the phrase “at a minimum.”

On **MOTION** by Commissioner Hershman, **SECONDED** and **CARRIED**, the Commission APPROVED by ROLL CALL VOTE the recommendation AS AMENDED to recommend to the Governor and the Legislature that the state implementation of the federally required

authorization and complaint processes for postsecondary institutions include Commission access to any information potentially affecting Cal Grants and financial aid.

CLOSED SESSION

Chair Keene announced that the California Student Aid Commission would meet in CLOSED SESSION to discuss and may take action on personnel matters pursuant to the California Government Code, section 11126(a)(1). Topics will include:

AGENDA ITEM 8 – PERSONNEL ITEM:

Agenda Item 8.a – Involving the evaluation of the Executive Director’s performance (Action)

Thereupon, the Commission recessed the OPEN SESSION at 4:00 p.m. and resolved into CLOSED SESSION at 4:15 p.m.

Due to the lateness of the hour, the CLOSED SESSION was continued to Friday, November 18, 2011.

FRIDAY, NOVEMBER 18, 2011

RECONVENE OPEN SESSION

Chair Keene reconvened the OPEN SESSION meeting of the California Student Aid Commission on Friday, November 18, 2011 at 8:34 a.m.

The following Commission Members were present:

- Barry Keene, Chair
- Lynne de Bie, Secretary
- Nancy Anton
- Brian Conley
- Lawrence Hershman
- Enrique Murillo
- Dontae Rayford
- Israel Rodriguez
- Fred Wood

The following Commission Member was absent:

- Alexander Gonzalez

Roll Call was taken and a quorum was recognized.

AGENDA ITEM 9 – CONSIDERATION OF STUDENT ELIGIBILITY FOR CALIFORNIA COMMUNITY COLLEGE TRANSFER CAL GRANT ENTITLEMENT PROGRAM (Information/Action)

Ms. Mistler provided an overview of the issues surrounding student eligibility for the Transfer Entitlement Awards. Further discussion ensued.

The following members of the public provided comments:

- Ms. Mary Gill, representing herself;
- Mr. Tim Bonnell, Student Services Coordinator, California Community Colleges Chancellor's Office; and
- Ms. Margie Carrington, State Issues Chair, CCCSFAAA

On **MOTION** by Commissioner Anton, **SECONDED** and **CARRIED**, the Commission APPROVED by ROLL CALL VOTE the elimination of the Cal Grant Community College Transfer Entitlement Program's continuous enrollment requirement between community college attendance and attendance at a four-year college.

On **MOTION** by Commissioner Wood, **SECONDED** and **CARRIED**, the Commission APPROVED by ROLL CALL VOTE the motion to ask the staff to provide the Commission with a detailed recommendation as to the implementation of the Cal Grant Community College Transfer Entitlement Program policy change in the current year.

AGENDA ITEM 10 – DISCUSSION OF THE PLANNING FOR AND IMPLEMENTATION OF THE NEW CAL GRANT INSTITUTIONAL PARTICIPATION AGREEMENT TO TAKE EFFECT ON JULY 1, 2012 (Information)

Ms. Mistler presented an update on the consultation process to gather input from the financial aid community on the new Cal Grant Institutional Participation Agreement (IPA). Ms. Gloria Falcón, Manager of the Program Policy and Development Branch and the Specialized Programs Branch, discussed the timing of implementation.

AGENDA ITEM 11 – NEW BUSINESS (Information)

The Commission had no new business.

CLOSED SESSION (Continuation)

Chair Keene announced that the California Student Aid Commission would continue the CLOSED SESSION to discuss and may take action on personnel matters pursuant to the California Government Code, section 11126(a)(1). Topics will include:

AGENDA ITEM 8 – PERSONNEL ITEM: (Continuation)

Agenda Item 8.a – Involving the evaluation of the Executive Director's performance (Action)

Thereupon, the Commission recessed the OPEN SESSION at 10:05 a.m. and resolved into CLOSED SESSION at 10:06 a.m.

RECONVENE OPEN SESSION

Chair Keene adjourned the CLOSED SESSION at 11:00 a.m. and reconvened the OPEN SESSION at 11:01 a.m. Chair Keene reported that there were no items to report.

ADJOURNMENT

There being no further business, the meeting of the California Student Aid Commission was adjourned at 11:01 a.m.

LYNNE DE BIE
SECRETARY

**CALIFORNIA STUDENT AID COMMISSION
TELECONFERENCE MEETING MINUTES**

December 22, 2011

A teleconference meeting of the California Student Aid Commission was held on Thursday, December 22, 2011 at the California Student Aid Commission Headquarters Executive Conference Room located at 10834 International Drive in Rancho Cordova, California.

Chair Barry Keene called the meeting to order at 9:05 a.m.

The following Commission Members were present:

Barry Keene, Chair
Lynne de Bie, Secretary
Nancy Anton
Brian Conley
Johnny Garcia Vasquez
Alexander Gonzalez
Lawrence Hershman
Jamillah Moore
Enrique Murillo
Dontae Rayford
Israel Rodriguez
Ishan Shah
Michele Siqueiros

The following Commission Member was absent:

Fred Wood

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

Chair Keene called for public comment and, hearing none, proceeded to the first agenda item.

AGENDA ITEM 1 – CONSIDERATION OF DESIGNATING COMMISSIONER(S) AS DIRECTOR(S) OF THE EDFUND BOARD (Information/Action)

On **MOTION** by Commissioner Murillo, **SECONDED** and **CARRIED**, the Commission **APPROVED** by ROLL CALL VOTE the recommendation to designate Commissioners Garcia Vasquez, Moore, Shah, and Siqueiros, and any other subsequently appointed Commissioners, as Director(s) on the EdFund Board of Directors.

CLOSED SESSION

Chair Keene announced that the California Student Aid Commission would meet in CLOSED SESSION to discuss and may take action on pending litigation pursuant to the California Government Code, section 11126(e)(1). Topic will include:

AGENDA ITEM 2 – PENDING LITIGATION:

Agenda Item 2.a – Mather Development Partners IV, LP v. EdFund, Inc., et al., Sacramento Superior Court Case No. 34-2011-00095194 (Information/Action)

Thereupon, the Commission recessed the OPEN SESSION at 9:10 a.m. and resolved into CLOSED SESSION at 9:15 a.m.

RECONVENE OPEN SESSION

Chair Keene adjourned the CLOSED SESSION meeting of the California Student Aid Commission at 9:25 a.m. and reconvened the OPEN SESSION at 9:26 a.m. Chair Keene indicated there were no items to report.

AGENDA ITEM 3 – NEW BUSINESS (Information)

The Commission had no new business.

ADJOURNMENT

There being no further business, the meeting of the California Student Aid Commission was adjourned at 9:30 a.m.

LYNNE DE BIE
SECRETARY

4.b

Action Item

California Student Aid Commission

Consideration of designating Commissioner(s)
as Director(s) on the EdFund Board

The Bylaws of EdFund, as amended and restated on March 23, 2011, (Bylaws) provide that “at all times, the members of the Commission shall be directors of this corporation.” (Article IV, Section 2.) The Bylaws additionally establish that the Directors of EdFund shall be designated by the California Student Aid Commission. (Article III, Section 1; Article IV, Sections 4 and 5.)

As a result of the foregoing provisions, all newly-appointed Commissioners should be designated to serve on the EdFund Board of Directors.

Recommended Action: Designate Commissioner Bishop and Commissioner McDowell, and any other subsequently appointed Commissioners, as Director(s) on the EdFund Board of Directors.

Responsible Person(s): Keri Faseler Tippins
General Counsel