

**Information Item**

***California Student Aid Commission***

Executive Director's Report

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Enclosed for review is a written report from the Executive Director of the California Student Aid Commission, which includes:

- a. Education Credit Management Corporation (ECMC) Report

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



**Executive Director’s Report  
April, 2012**

Dear Commissioners,

This Commission meeting will begin with a public hearing on “What Should Cal Grants Pay for in the Coming Era of Distance Learning.” The hearing follows our hearing in late February on the same subject. As I pen this report, I am reminded that this meeting marks my ninth year as executive director. It has been an honor and a privilege to work with you and the staff of the Commission. Our mission” to make college financially accessible to all students” remains essential to the social and economic future of our great State. Our daily work with students, parents, high school counselors, educators and outreach staff reminds me often how important our work is to providing OPPORTUNITY. The opportunity to get an education is at the core of what the Commission and its staff do every day. I very much appreciate the opportunity to serve students in my capacity as director.

The last two months have been busy with activity as the Commission staff processed almost two million Free Application for Federal Student Aid (FAFSA) records and assisted thousands of new and returning students and schools with questions regarding their Cal Grant and other financial aid programs. In addition, our focus has been on implementation of the California Dream Act, development of the process for determining the reporting requirements for Senate Bill 70 and finalizing changes to the Institutional Participation Agreement (IPA). The Commission staff has also been working with the Commission to develop their new committees to help guide the Commission’s work:

- The Student Impact Committee;
- The Dream Act Committee; and
- The Distance Learning Committee.

We will be discussing the work of these committees at our April meeting.

**2012-13 State Budget**

The Legislature has begun the 2012-13 budget hearings. I provided testimony at the March 7, 2012 Assembly Budget Committee - Subcommittee No. 2: Education Finance Hearing. The Subcommittee took the following actions:

Item #	Action	Governor’s Proposed 2012-13 Budget
1	Approve	Commission’s State Operations Budget which includes funding to implement Assembly Bill 131 (Dream Act) and Senate Bill 451 (Cal Grant C priorities).

Item #	Action	Governor's Proposed 2012-13 Budget
2	Reject	Trailer bill language to require the Commission to obtain written permission from the Department of Finance before implementing changes in policy or practice that would have a fiscal effect of \$500,000 or more.
3	Approve	Shift \$30 million from the Student Loan Operating Fund to offset General Funds for Cal Grants expenditures.
4	Conform to action taken at Subcommittee # 1 on Health and Human Services which rejected major component of proposed CalWORKS reductions.	Shift federal Temporary Assistance for Needy Families from the Department of Social Services to the Commission to offset \$737.4 million in General Fund for Cal Grant expenditures.
5	Refer to the Higher Education Policy Committee	Maintain the current SB 70 institutional Cohort Default Rate (CDR) that makes an institutions ineligible for Cal Grants if their CDR is 24.6 percent or greater instead of allowing the minimum CDR to increase to 30 percent beginning in 2012-13.
6	Refer to the Higher Education Policy Committee	Limit eligibility for a Cal Grant Transfer Entitlement to otherwise eligible students who attended a California Community College in the year immediately preceding the award year.
7	Reject	Eliminate the Student Loan Assumption Programs awards, including not providing loan assumption benefits to participants who had not already received their first payment.
8	Reject	Reduce the maximum Cal Grant award levels at non-public institutions.
9	Reject	Limiting Cal Grant eligibility by raising the minimum GPA requirements.

I will be providing testimony at the Senate Budget Subcommittee No. 1 on Education Committee hearing on Thursday April 19, 2012 and will provide an oral update at the Commission meeting on any actions taken by the Committee.

**COMMISSION PROGRAMS UPDATE**

❖ **Administration & External Affairs Division Update**

2012-13 Budget

The Commission staff has provided revised Cal Grant and Specialized Programs projections to the Department of Finance in preparation for the Governor's May Revise, which is expected to be released in mid-May.

CollegeWeek LIVE Video Event – California Dream Act Application

High school counselors, outreach, admissions, college educators and community members are invited to participate in this event from 9:00 a.m. to 12:00 noon to receive information and training on the 2012-13 California Dream Act Application released on April 2, 2012.

Students, educators, advocates, community members and families are invited to participate in this event from 12:00 to 6:00 p.m. to receive information on completing the 2012-13 California Dream Act Application, applying for institutional aid and other scholarships and to login for Live Chats on questions about the application and AB 540.

KCRA Consumer Call In

On February 23, 2012, Commission Executive Director Diana Fuentes-Michel, Commission staff and external financial aid and outreach partners participated in the **KCRA 3** (*Sacramento/Stockton/Modesto NBC affiliate*) Cal Grant/ Cash for College Call In.

This event highlighted the March 2 Cal Grant application period and Cash for College workshops, and represented a significant financial and public service contribution from KCRA 3 to our mission.

Representatives manned ten phone and e-mail stations and responded to over 1,600 viewer calls and a substantial volume of e-mails from 4:30 a.m. to 7:00 p.m.

Pre-show and broadcast day promotion was extensive.

Prior to the event, KCRA produced and transmitted two pre-produced segments which publicized call in details and highlighted the application period. Topics were:

- An interview with a participant at a Cash for College event was aired multiple times beginning with the 6 p.m. evening news broadcast on February 20, 2012. This piece illustrated the value to students and parents with workshop one on one assistance completing the FAFSA. (<http://www.kcra.com/video/30505873/detail.html>)
- Another segment also ran multiple times during news broadcasts beginning on February 21, 2012. This piece focused on a Cal Grant “success story” and profiled the educational and career path of Cal Grant recipient Trinette Marquis, Communications Director for the Twin Rivers School District. In addition, KCRA news anchor Walt Gray asked Director Michel about the state budget and the Governor’s proposed modifications. (<http://www.kcra.com/video/30512185/detail.html>)

During call in hours, live interviews with anchors were conducted at the phone bank site during the morning, noon and evening broadcasts. Executive Director Michel provided on air commentary throughout the majority of the day. Cash for College advocate, Assemblywoman Mariko Yamada, was also interviewed and addressed the value of the program to California’s low income students. In addition, reporters conducted on air conversations with volunteers fielding phone calls and discussed the types of questions asked by viewers.

Following the broadcast, a letter was sent to Hearst Television President and General Manager Elliott Troshninsky from Executive Director Michel complimenting the station’s

generous donation of time and the ability to augment the Commission's messaging about resources available to finance college or career technical education.

As stated in the letter, the significant and record viewer response clearly identified the need for the Cal Grant program and continued outreach efforts to low income students. We are hopeful that KCRA will continue to provide this valuable community service in coming years.

❖ **Program Administration and Services Division Update**

2012-13 Grade Point Average Process (GPA) Submissions Update

- 51,000 paper GPAs were received and processed for the 2012-13 academic year.
- Correspondence was sent to applicants with missing or incomplete GPA forms.
- Approximately 60,000 notifications were sent to students who filed an on-time Free Application for Federal Student Aid (FAFSA) but no GPA, informing them that they have until May 16 to file a late GPA appeal based on the regulatory 75 day late GPA grace period for late filers.
- The Non-SSN GPA process allowed more schools to submit GPAs without using the social security number as a student identifier which reduced high school counselors' time from having to process paper forms. Based on this new process, the Commission received approximately 20,000 less paper GPAs.

2012-13 Cal Grant Award Processing

- Over 100,000 High School Entitlement Cal Grant award offers have been processed to date. Award offers are processed on a weekly basis.
- Transfer Entitlement Cal Grant award offers are set to run in mid-May.
- March 2<sup>nd</sup> Competition is scheduled to run after the Transfer Entitlement process.
- Cal Grant C supplement notifications are tentatively scheduled for early June. Staff is working on eligibility changes related to SB 451 which will be shared with stakeholders before implementation.

Cal Dream Act Application for Institutional Aid

- Dream Act Application (Phase 1) was successfully released on April 2, 2012 and was developed for students to use in applying for institutional aid.
- Staff worked closely with segmental representatives to set up the data files for institutions to draw down the financial information for applicants.
- Several meetings and webinars were held with campus financial aid directors, segmental representatives, student focus groups, and other various groups and individuals to provide updates on the application and get feedback and suggestions.

- Staff provided on-site Dream Act Application for local area counselors, students and stakeholders at CSU Fresno on March 29, 2012.
- Over 1,300 applications were submitted within the first two weeks of the application being released. The Customer Relations Branch continues to receive numerous Dream Act Application calls from students and parents and other interested parties.
- Staff continue to make enhancements to the application and are working on Phase 2 for the 2013-14 Cal Grant awards to be released January 1, 2013.
- Additional webinars and meetings will be scheduled to provide outreach and training on the Dream Act Application.

### ***Specialized Programs Update***

#### Assumption Program of Loans for Education (APLE)

- The new website for the APLE Program (MyAPLE) is now available for APLE participants to create an account to view their program information. This website provides resources, information, and tools for APLE participants.
- 2012-13 APLE application is now available online.
- Staff is developing screens to allow APLE school and district coordinators to nominate applicants electronically online.

### ***Commission Training Events***

#### CASFAA and CCCSFAAA Cal Grant Training

- Provided Cal Grant Training at the California Community College Spring Financial Aid Administrators Association (CCCSFAAA) Spring conference on April 4, 5, and 9.
- Commission staff will partner with the California Association of Financial Aid Administrators (CASFAA) for the annual California High School Counselor Workshops offered at various locations through California. Commission staff will provide training on Cal Grants and updates on the various Commission tools and resources available to assist students in applying for financial aid.
- Commission staff continues to provide monthly scheduled Webinar training for Cal Grants and Specialized Programs.

#### Cal Grant Handbook

- Staff is currently reviewing the Cal Grant Manual to develop a new Cal Grant Handbook that will provide program information and instructions for the user on the various Cal Grant administrative processes and procedures. Staff plans to schedule webinars and meetings this coming fall to get feedback from stakeholders before its release.

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

April has been a banner month for the ITS Division. On Monday, April 2, the first phase of the California Dream Act Application for students went live. AB 540 eligible students can apply for private scholarships at public colleges and universities. University of California (UC) and California State University (CSU) campuses were able to log in and download the records for well over a thousand students that completed and submitted their “Dream” application. The Dream Act Application is similar to the Free Application for Federal Student Aid (FAFSA) and is designed to require minimal programming by colleges and universities.

Phase II of the Dream 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.

On the evening of April 5, ITS staff migrated our electronic mail system from Novell GroupWise to Microsoft Exchange and Outlook. The migration went smoothly and was a complete success. Staff are excited about this change and are pleased to be using a modern, integrated email client.

We will celebrate both accomplishments later this month.

The following chart provides an update on the Commission’s February 24, 2012 meeting and its actions:

	<b>ACTIONS TAKEN BY THE COMMISSION</b>	<b>STATUS UPDATE</b>
<b>1</b>	<b>Resolutions</b> The Commission adopted Resolutions for former Commissioners, Lawrence Hershman and Enrique Murillo.	N/A
<b>2</b>	<b>Commission Meeting Minutes</b> The Commission adopted the minutes of the November 17-18, 2011 and December 22, 2011 meetings, as presented.	The minutes will be signed by the Secretary.
<b>3</b>	<b>Designating Commissioner(s) as Director(s) of the EdFund Board</b> The Commission designated Commissioners Terri Bishop and John R. McDowell, and any other subsequently appointed Commissioners, as Director(s) on the EdFund Board of Directors.	N/A

I have included an updated ECMC report on the status of the transition of the federal student loan guaranty program for your information. I anticipate receiving word within the next few weeks about the 2012-13 Cal Grant award funding decision by the ECMC Board of Directors. This information will be forwarded to the Governor and Legislature as soon as it is received. We continue to receive and appreciate the operational support we receive from our ECMC partners. ECMC anticipates continued use of our equipment and borrower records through this fall. We look forward to our discussions regarding our continued partnership in 2013.

I look forward to seeing you at our April meeting which will be held at CalPERS located at 400 P Street in Downtown Sacramento.

Sincerely,

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