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Action/Information Item

Grants and Programs Committee

Approval of April 14, 2005 Minutes

Recommended Action: The Committee is asked to approve the minutes.

**CALIFORNIA STUDENT AID COMMISSION
GRANTS AND PROGRAMS COMMITTEE MEETING**

**MINUTES
APRIL 14, 2005**

A meeting of the California Student Aid Commission Grants and Programs Committee was held on Thursday, April 14, 2005, at 3300 Zinfandel Drive, Rancho Cordova, California.

Committee Chairperson Baltodano called the meeting to order at 11:14 a.m.

The following Committee Members were present:

Michelle Dyke
Sally Furay
Adele Levine
Louise McClain
James Sandoval

The following Commissioners were also present:

David Roth, Chairperson
Maria Elena Serna, Vice Chairperson
James Fousekis, Treasurer
Charles Moore, Secretary

AGENDA ITEM 2.1 – APPROVAL OF THE FEBRUARY 23, 2005 MINUTES

On **MOTION** by Commissioner McClain, **SECONDED** and carried, the minutes were approved with corrections.

AGENDA ITEM 2.2 – CAL GRANT ORAL REPORT

Max Espinoza, Chief of the Program Administration and Services Division, reported that the March 2nd Cal Grant competitive and entitlement cycles were successfully completed. As of April 8th, 55,434 entitlement Cal Grants were awarded of which 18,025 were Cal Grant A's and 37,409 were Cal Grant B's. This represents a 3.5 percent increase over last year. As part of the March competitive cycle, 11,661 competitive Cal Grants have been offered. Over 10,000 were awarded Cal Grant B's. There has been an increase in award offers in all segments compared to last year.

Mr. Espinoza noted that a recent data request from the Cash for College coordinator showed there are roughly 80,000 current high school seniors who could potentially be eligible for a Cal Grant if the Commission had received a verified GPA for them. Mr. Espinoza noted that this is an area that continuing Outreach efforts should target. Commissioner McClain expressed her concerns regarding the large number of potentially eligible students. Mr. Espinoza indicated that

staff can break down this data by zip code to assist Outreach efforts. Commissioner Fousekis asked that this situation be formally communicated to the Speaker of the Assembly, the President ProTem of the Senate, Department of Education and the Superintendent of Education. Committee Chair Baltodano noted that the information being presented to the committee is preliminary and the Executive Director will request a more careful analysis of the data will be presented at a later date to the committee.

Mr. Espinoza outlined changes that have been implemented to the processing of GPA Verification forms. Each year, staff processes approximately 70,000 paper GPA forms. This is a labor intensive process that requires special attention, precision and teamwork. Due to misplacement of forms in prior years, management requested a complete review of the process. This review was consistent with the division goal of streamlining program administration by improving efficiency, effectiveness and implementing systems to improve accountability. After a series of meetings between staff and management, the process was refined so that one person is no longer solely responsible for the entire project. An analyst will be hired to serve as a quality check on various steps along with the unit manager.

Mr. Espinoza noted that this year, the processing was completed on time, without the normal use of staff overtime that has been used in the past. Staff is also continuing efforts for the electronic submission of GPA's. Along with efforts in collaboration with the State Superintendent, staff is in the research phase of a project that would allow students to download the GPA form via the Internet. This project also envisions providing the student the capability to electronically request that the high school submit their GPA electronically via the Internet. The primary goal of this effort will be to provide tools to empower the student in the application process.

Mr. Espinoza reported that the Cal Grant forums were conducted at the direction of the Executive Director to gather information from the financial aid community and other interested parties regarding the Commission's administration of the Cal Grant program. The forums were an opportunity for attendees to ask questions and offer suggestions and for staff to provide an update on Commission activities and plans for the future. The ninth and final forum was conducted at Orange Coast College in Costa Mesa. The feedback received from attendees has been very encouraging. Staff has been compiling questions, concerns and suggestions raised in the forums and some suggestions have begun to be implemented.

Mr. Espinoza noted that one area of concern from feedback was the system generated letters, of which the competitive disqualification letter raised the most concern. Recently, minor changes to the wording were made but for the most part the letters have not been revised since the enactment of SB1644 in 1999-2000. A more comprehensive review of all Cal Grant letters will take place this summer. It is hoped that significant changes will be made at that time. Commissioner Furay noted that the letters seemed confusing. Commissioner Serna commented that she has been stopped by students who wanted to know what the denial letter meant. Commissioner Roth requested that a binder be compiled of all letters for each Commissioner, regardless of the review process.

Commissioner Sandoval reiterated his appreciation for the Division's work and noted that the entire financial aid community is aware of the effort we are making to the development that will serve two purposes, both to show that we have heart and that we have to make some hard decisions.

Mr. Espinoza indicated that a comprehensive report on the Cal Grant forums will be presented at the Commission meeting in June.

AGENDA ITEM 2.3 – OVERVIEW OF WEB ACCESS FOR STUDENTS

Chief Espinoza along with John Bays, Chief of Information and Technology and Anne Robertson, Cal Grant Operations Manager, gave a presentation on a new product for students called Web Grants for Students. It is a web based application for students that will provide a tiered, convenient and student friendly method for students to access information regarding their Chafee and Cal Grant award. Links to other financial aid related sites will be included to assist students in looking for other financial aid.

Mr. Espinoza observed that this access will enhance student communication with the Commission. Currently, students are limited to contacting the Commission via telephone or by mail or email, which may take several days for the student to receive a reply. It is hoped that this on-line access will reduce the abandon rate for the calls coming in to the call center which would then allow staff more time to deal with difficult cases.

Web Grants for Students will also allow students to check the status of their application, which is the question most frequently asked by students, especially around the award deadlines. Students will also be able to view their Cal Grant payment history. This information will assist them in knowing how much remaining eligibility they have for the grant. Students will also be able to initiate an address change and submit a school change to the Commission using the on-line access.

Ms. Robertson noted that Web Grants for Students is patterned after the original Web Grants program that is currently used by schools. Use of the existing programming reduced the time and effort to get the system running. Students will be required to create an account, then log on to the system using a log on and password created by the student. Students will be able to retrieve their log-on and password via an email message in the event they have forgotten or misplaced their log on information.

Commissioner Moore expressed concern over the usage of the student's social security number on the Web Grants for Students screens. Mr. Bays assured the Commissioners that the students will be on a secure server when accessing the Web Grants for Students system. Commissioner Fousekis recommended that the security warning at the bottom of the log on page be strengthened to include a warning to the student of serious liability if accessed illegally.

Ms. Robertson outlined the screens students will be able to access on Web Grants for Students, including the application status screen and the award detail screen. The application status screen allows students to view the GPA submitted for them, what school verified the GPA and whether the FAFSA information has been received by the Commission. A link to the FAFSA web site has been included for the student's convenience.

Ms. Robertson noted that the Award Detail screen allows the student to view the details of the Cal Grant the student has been awarded, including the award amount and the school where the student has been awarded.

Mr. Bays cautioned that along with security issues in creating a website such as this, there are scalability issues because the server that students will use to access this site is the same server that schools will use to upload the GPA's to the Commission. The current server allows unlimited number of users however, it would cause the system to slow considerably during peak

periods of use. One of the future implementations will be to move to a service oriented architecture which will accommodate users during peak periods.

Mr. Bays also outlined a future plan to allow students to send an electronic request to their high school to release their GPA to the Commission. This would allow schools to use the CSAC Unique ID instead of the social security number and so would no longer have a security issue in the submission of the GPA.

Mr. Bays added that future enhancements will include the ability for students to submit appeals and corrections to their original application, provide the ability for students to submit a leave of absence, automation of the Cal Grant C supplement form, TCP program request, fifth year requests and applications for the APLE and Byrd Scholarship programs. Commissioner Levine and Commissioner Serna suggested that students be asked to use the system and provide feedback on use as well as try to break the system.

Commissioner Moore noted that there are new legislative requirements, such as the Feinstein legislation, that concerns information break-ins to agencies and requires a plan to respond to that situation. Commissioner McClain indicated that current high school students may access on-line applications with other entities and so are quite used to correcting information in this way.

AGENDA ITEM 2.4 – STUDENT SUPPORT SERVICES / CALL CENTER UPDATE

Catalina Mistler, acting manager of the Student Support Services unit, Janet McDuffie, Chief of the Management Services Division and Chief Max Espinoza, presented an update on the Commission's Call Center. Ms. Mistler noted that Outreach efforts have been very successful, resulting in the increased interest and resulting phone calls to the Commission.

Ms. Mistler reported that the call center is located in the Student Support Services unit, under the Program Administration and Services Division. The call center works directly with students, their parents and schools via phone calls, emails and written correspondence. Phone calls are answered between 8:00 a.m. and 5:00 p.m. As of January 2005, the call center has had the equivalent staff of 2.5 full-time employees and 4.5 equivalent student positions assigned to answer the phone calls on a daily basis. Staff averaged 12 calls per hour or approximately 86 calls per full-time equivalent staff per day. Commissioner Fousekis was interested in finding out what languages were used in the call center. Ms. Mistler noted that Spanish and English were the primary languages used during calls.

Four full-time associate financial aid analysts also work in the unit and their primary responsibilities include solving more complex technical caller questions. Analysts also research written inquiries, including emails and reply to appeals and correspondence from students and campuses as well as Legislative and Governor's Office requests.

Ms. Mistler noted that the calls were qualified to identify the kinds of questions asked by callers such as how do I apply for a Pell Grant, where do I get a GPA Verification form, did you receive my application, who needs to certify my GPA, how do I make corrections to my FAFSA and can I check the status of my FAFSA. Many of these questions can be answered for the student by accessing Web Grants for Students. Also, the scheduled review and clarification of correspondence that is being sent to the student will help to reduce the number of calls received by the call center.

Ms. Mistler reported that the largest spikes in calls came in close to the deadlines, with over 1,300 and 1,400 calls per day during the seven days prior to the March 2 deadline. Another spike in calls is after the disqualification letters are mailed out, as students call to find out why they were disqualified. The letter mailings are staggered so not all 200,000 letters are mailed out at once, which assists in reducing the number of calls coming in to the Commission. Commissioner Levine commented that the number of qualified students who did not receive a Cal Grant was horrendous. Commissioner Fousekis indicated that there is a piece of legislation that addresses that issue.

Ms. Mistler also noted that the increased call volume is due in part to the expansion of the Cal Grant program itself, which has increased the number of recipients by 50 percent since 2000. All these items, combined with the staff shortages, have caused a high abandon rate for calls to the Commission.

Ms. McDuffie noted that as a state agency, there are a limited number of authorized positions allowed through the budget process. The Commission is not able to add staff the way a private company is able to accommodate peaks in work load. Any changes to the number of authorized positions must go through the budget change proposal (BCP) process and be approved by the Department of Finance and ultimately, by the Legislature. A BCP request has been submitted for additional staff and at peak call times, other staff is being redirected to answer the calls however, this causes a back log of work for redirected staff. Emergency hires can be utilized however, they can only be held for up to 30 working days and requests cannot be duplicated throughout the year.

Ms. McDuffie noted that the Commission is currently utilizing 15 students through a contract with the CSU Hornet foundation. Students are not as complicated to hire and they do an outstanding job of assisting with the phone calls as many of them are Cal Grant recipients themselves and understand the program and the concerns of students.

Ms. McDuffie summarized the steps in hiring permanent staff. A test must be given. Applicants must take a test where they must be ranked within the top three ranks on the list for a specific classification. Recently, recruitment efforts have been made to replace staff and some reclassification has taken place to give a broader base of applicants from which to choose. Also, the recent CPR recommendation to eliminate boards and commissions has hindered recruitment efforts as applicants were reluctant to accept a position with an agency that may be eliminated.

Mr. Espinoza outlined the steps that are being taken to reduce the abandon rate.

- A staffing workload analysis was conducted and areas were identified to reduce the abandon rate to 5 percent, the current industry standard.
- All student support staff was utilized to answer calls, regardless of their classification.
- Emergency hires were utilized for the 30 days and a request for an extension has been made.
- The number of students hired was increased from ten to fifteen with students who were able to work on high call volume days – such as Tuesdays and Thursdays.
- Staggering the mailing of correspondence to students also assists in reducing the number of students that call and hang up when the call is not immediately answered.
- Calls are being qualified to help identify areas that students frequently ask questions.
- Web Access for students and an Interactive Voice Response system are two upcoming projects to assist in students accessing their information without having to wait in a call center queue.

- An external review of system generated letters will occur over the next six months. This review asks for assistance from the financial aid community to clarify the communications that are sent to students.
- A BCP has been submitted to the Department of Finance which, if approved, would allow for five additional staff to be hired.
- If approved, a real time database would allow more student on-line access with an immediate feedback instead of the current one week delay in processing.

Commissioner Furay noted that the office hours could be changed to allow a 40 hour workweek for students that would accommodate a students' schedule. Executive Director Fuentes-Michel noted that staff would need to have a conversation with the State Personnel Board and the CSUS Hornet Foundation prior to office hour changes.

Commissioner Baltodano expressed her thanks for the amount of detail that went into this item and she expressed her thanks that this request was taken very seriously by staff.

The meeting was adjourned at 12:30 p.m.

Josefina Baltodano
Chair