

Exhibit 10

Action Item

Approval of minutes of April 25, 2013

DRAFT

**CALIFORNIA STUDENT AID COMMISSION
STUDENT IMPACT COMMITTEE
MEETING MINUTES**

April 25, 2013

A meeting of the California Student Aid Commission's Student Impact Committee was held on Thursday, April 25, 2013 at the Commission's Boardroom located at 11040 White Rock Road in Rancho Cordova, California.

Committee Chair Johnny Garcia Vasquez called the meeting to order at 11:42 a.m.

The following Committee Members were present:

Johnny Garcia Vasquez, Chair
Jacqueline Doud
Jamillah Moore
Ishan Shah
Michele Siqueiros
John R. McDowell, Jr., Ex Officio

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

Committee Chair Garcia Vasquez called for public comment on items not included in the agenda and, hearing none, proceeded to the next agenda item.

AGENDA ITEM 1 – APPROVAL OF THE MINUTES OF AUGUST 22, 2012 AND FEBRUARY 20, 2013 (Action)

MOVED (Doud), **SECONDED** and **CARRIED**, the Committee **APPROVED** the minutes of the August 22, 2012 and February 20, 2013 meetings.

***In Favor:** Committee Members Doud, Shah, Siqueiros and Garcia Vasquez*

***Abstained:** Committee Member Moore*

California Student Aid Commission

AGENDA ITEM 2 – CHAIR’S REPORT (Information)

Committee Chair Garcia Vasquez expressed his appreciation to the student representatives joining the meeting as well as to Commission staff for their work on the agenda material. He also commended Commissioner Gregory Sawyer for his willingness to serve on the Committee.

AGENDA ITEM 3 – PRESENTATION BY STUDENT REPRESENTATIVES AND STUDENT ORGANIZATIONS (Information)

Ms. Raquel Morales, President of the University of California Student Association (UCSA), and Ms. Katie Mesesan, UCSA Board Chair, presented a PowerPoint, which included an overview of UCSA’s mission, history, structure and legislative goals, activities and achievements. UCSA’s current issues and concerns include:

- Making online education more supplemental and faculty driven;
- Tying financial aid to tuition increases;
- Increasing financial literacy to help lower student loan debt;
- Redefining a manageable level of student borrowing and working;
- Maintaining the University of California (UC) system as public rather than private; and
- Increasing funding levels for Cal Grants and Pell Grants.

Ms. Ning Yang, nonvoting student member, and Ms. Jurena Storm, voting student member for the Board of Governors for California Community Colleges, gave a presentation on the Board of Governors’ roles, responsibilities, authority and services. The Board of Governors’ major projects include the Student Success Initiative and the Associate degree transfer program.

Ms. Emily Kinner, student senator for the Student Senate for California Community Colleges (SSCCC), presented a summary of the SSCCC’s structure, funding, activities and legislative priorities. The SSCCC is concerned about, and working on, the following:

- Financial aid issues;
- Legislation related to tiered education;
- Implementation and equity in the Student Success Act; and
- Strategy for financially sustaining the SSCCC organization.

There was some discussion about the UCSA’s support of Assembly Bill 1285 (Fong), if amended, and Ms. Mesesan clarified that the UCSA wants to increase the pool of community college students who can access the Cal Grant B program, as these students are transferring to the UC and California State University (CSU) systems directly in increasing numbers.

Ms. Rhonda Mohr, Student Financial Assistance Programs Specialist, California Community Colleges Chancellor’s Office (CCCCO), discussed the timeline for the implementation of the Student Success Act.

Additional discussion ensued regarding the Governor’s proposal to increase General Fund support to each of the higher education segments over the next four years.

California Student Aid Commission

AGENDA ITEM 4 - UPDATE ON THE DREAM ACT (Information/Action)

Ms. Catalina Mistler, Chief of the Program Administration & Services Division, and Mr. Tae Kang, Grant Operations Manager, provided an update on the Dream Act applications and award offers. The Committee requested that future reports include a table reflecting the breakdown of applications, award offers, etc. by segment.

Some discussion ensued regarding the process that follows when Deferred Action for Childhood Arrivals (DACA) students submit the Free Application for Federal Student Aid (FAFSA) instead of the Dream Act Application.

Mr. David Alcocer, Interim Vice Chancellor, UC Office of the President (UCOP), provided an update on the impact of the Dream Act on UC students. Highlights of his presentation include:

- Institutional aid will increase from \$1 million for about 200 students in 2011-12 to an estimated \$10 million for approximately 700 students in 2012-13;
- Rough estimates indicate students will receive between \$5-10 million in Cal Grants and \$10-15 million in UC grants;
- UC is working with the Commission to increase awareness through various media and campuses are working through different disbursement options.

Mr. Dean Kulju, Director of Student Financial Aid Services and Programs, CSU Chancellor's Office, provided an update, which included the following highlights:

- In a student population of about 8,600, over 1,400 institutional awards out of 1,500 were disbursed in the 2012-13 academic year (AY) and CSU projects about \$400 million in total disbursement for Winter/Spring 2013;
- Some challenges in Phase 1 (2012-13 AY) included interfacing CSU's review and award process with its student information systems; multiple applications and duplicate records; and a large number of Dream applicants who were not admitted, matriculated and/or enrolled; and
- Challenges in Phase 2 (2013-14 AY) include introducing the Cal Grant roster and the Cal Grants; verification and corrections; and the DACA/FAFSA dilemma.

Mr. Tim Bonnel, Student Financial Assistance Programs Coordinator, CCCCCO, presented a PowerPoint presentation, which included the following:

- Breakdown of the financial aid programs available to community college students;
- Timeline of messaging to AB 540 students and milestones in the implementation process; and
- Concerns, which include the disbursement methodology, IRS required withholdings on award disbursements, and DACA implications for FAFSA filers.

Ms. Veronica Villalobos Cruz, Vice President of External Relations at the Association of Independent California Colleges & Universities (AICCU), provided some comments about the independent sector's concerns. The issues Ms. Villalobos Cruz mentioned include:

California Student Aid Commission

- Identifying Dream Act students with the CSAC roster;
- Uploading information with existing software programs; and
- Dream Act students only have Cal Grants and institutional aid, but need more access in terms of Pell Grants and work-study.

Some discussion followed about the Commission possibly establishing a process that would ensure delivery of Cal Grant awards to Dream Act students if their institutions could not disburse those payments due to the institution's use of debit cards. Executive Director Diana Fuentes-Michel suggested establishing a working group at the institutional level that would discuss how to ensure that DACA students are identified and served. Furthermore, Committee Chair Garcia Vasquez recommended that the Commission staff find a mechanism to identify FAFSA/DACA students that have been flagged and monitor whether those students actually receive payment in the future.

Ex Officio Member McDowell recognized the work of the Commission's Dream Act team members and announced they would each receive a certificate of appreciation. Ex Officio Member McDowell also presented Mr. Max Espinoza with a Cal Grant Champion Award and the Committee expressed their appreciation for his service.

AGENDA ITEM 5 – UPDATE ON THE EFFECTS THE 2012-13 STATE BUDGET ON CAL GRANTS AND STUDENTS (Information/Action)

Ms. Catalina Mistler provided information on the State Budget's impact on Cal Grant award amounts and institutional eligibility. Ms. Janet McDuffie, Chief of the Administration & External Affairs Division, reported that Commission staff testified at the recent Senate Budget Committee hearing and expressed concerns that the last minute changes to Cal Grant eligibility are forcing students to change their college plans very late in the process. Some discussion ensued about the need for more resources for the Commission's call center to respond to students when such changes are made.

Committee Member Siqueiros expressed concerns about community college students receiving insufficient financial aid and suggested an ad hoc committee of the Student Impact Committee that would discuss community college financial aid issues and determine what, within the Commission's capacity and infrastructure, the Commission might be able to do better to give more aid to students in the community college sector. General discussion followed about the process of identifying and informing affected students of the changes in eligibility and explaining their options.

Ex Officio Member McDowell requested that Commission staff prepare a plan to protect students from any changes by timing and by all the possible steps the Commission can take to ensure students are notified of the impending situation.

AGENDA ITEM 6 – DISCUSSION OF STUDENT FINANCIAL AID DEBIT CARDS AND RELATED FEES (Information/ Action)

Mr. Bryan Dickason, Senior Manager of Program Administration, provided an overview of the use of student financial aid debit cards at institutions, including highlights from the U.S. PIRG Education Fund study on such debit cards. General discussion ensued.

California Student Aid Commission

Ms. Margie Carrington, President of the California Community Colleges Student Financial Aid Administrators Association (CCCSFAAA), expressed concerns about AB 540 students who are unable to use debit cards because they do not meet federal requirements allowing them to use them under banking laws. Some discussion followed about the fee-driven debit card model, contract negotiations and the need for fair practices.

Mr. Brian Heinemann, Copper Mountain College, commented on his institution's use of debit cards.

Ms. Keri Tippins, General Counsel, made comments about debit card fees that are reducing the amount that students receive for their Cal Grant B access awards.

Ms. Catalina Mistler explained the necessary actions should the Commission decide to take on the responsibility of establishing a system to disburse access awards directly to students, such as collecting additional information from institutions. She indicated that the Commission staff plans to continue its discussions with agencies that already have a disbursement system in place to determine what the Commission would be required to do.

Mr. David Alcocer described the use of debit cards at the University of California and urged that the Committee conduct more discussion and fact-finding before making any specific recommendations.

Ms. Lori Nezhura, Legislative Director, summarized the two legislative bills related to student financial aid debit cards, Senate Bill (SB) 595 (Calderon) and Assembly Bill (AB) 1162 (Frazier).

MOVED (Siqueiros), **SECONDED** and **CARRIED** Unanimously, the Committee **APPROVED** a SUPPORT position on SB 595 (Calderon), and a SUPPORT position on AB 1162 (Frazier) IF AMENDED to require Cal Grant participating institutions to transmit a copy of their policies for negotiating contracts with financial institutions to disburse student financial aid through debit cards to the Commission as a condition of their eligibility for Commission administered programs.

In Favor: Committee Members Doud, Moore, Shah, Siqueiros and Garcia Vasquez

AGENDA ITEM 7 – OUTREACH UPDATE (Information/Action)

Due to time constraints, the Outreach Update will be presented to the Full Commission at its April 25-26, 2013 meeting.

AGENDA ITEM 8 – NEW BUSINESS TO BE CONSIDERED AT FUTURE COMMITTEE MEETINGS (Information/Action)

The Committee may consider the following topics at future meetings:

- California Dream Act Update; and
- Follow-up discussion with segmental and student leaders on student financial aid debit cards.

California Student Aid Commission

ADJOURNMENT

There being no further business, the meeting of the Student Impact Committee was adjourned at 3.56 p.m.

JOHNNY GARCIA VASQUEZ
CHAIR