Exhibit 1

Information/Action Item

Discussion on Policy Framework

Goal for the ad hoc meeting is to set a **policy priority rubric** and establish a **proactive Cal Grant agenda** for consideration and approval at our February Commission meeting.

- Ensuring access to college for low income and underrepresented students as a policy priority
- More attention and financial aid support for community college students
- Aid for students attending independent colleges
- Supporting older college students with adequate aid
- Ensuring quality and consumer protections for students attending any California college
- Maintaining strong outreach and operations by the California Student Aid Commission
- Promoting broad financial aid awareness that includes federal, state and college aid, loan, and other opportunities to cover the cost of college and informing federal policy on financial aid that impacts California students

Responsible Person(s): Michele Siqueiros
Committee Chair

Ed Emerson, Chief
Strategic Policy, Media & Communications Division

Exhibit 1.1

CALIFORNIA STUDENT AID COMMISSION
2013 Strategic Policy Framework
Approved by the Commission on November 16, 2012

1. **Broad Equitable Access:** ***Since postsecondary education benefits both individuals and society, California has a vital interest in making sure no Cal Grant-eligible student forgoes college because they cannot afford the cost. Therefore, the California Student Aid Commission will advocate in partnership with students for financial aid and support policy decisions about Cal Grants that ensure that college access is equitable, affordable and comprehensible to the broad span of the State's diverse student population.***

   Students who end their education at high school are at a financial disadvantage for the rest of their lives. This is a fact that has implications for California's future workforce and tax base. Investing in student access to college is a sound policy that benefits both students and society. In addition to making college access affordable and equitable, policies need to support the broad dissemination of information so students understand their options and can make informed choices.

2. **Education Quality Transparency:** ***As a major investor in higher education, California has high expectations for the quality of education that students receive. Therefore, policy decisions about Cal Grants should 1) focus on outcomes that reflect the capability of graduates to be productive members of society; 2) hold institutions accountable for their performance through incentives and disincentives; and 3) support the ability of students and families to make informed choices about education quality by providing accurate, transparent information.***

   A college education that leaves a graduate unprepared to succeed in life is of questionable value to both the individual and the State. While the quality of college programs is a matter for accreditation bodies, it is reasonable for the State to seek assurance that its investment in financial aid supports high-quality education opportunities and outcomes for students.

3. **Persistence and Completion:** ***Access to college is only the first step toward a better educated citizenry and workforce. Therefore, policy decisions about Cal Grants should reflect the need to help students persist and complete their education once they enroll in college.***

   State and federal studies demonstrate that financial aid is a critical factor in the ability of low-income students to persist and complete a college education. There is compelling evidence that students are able to enter, continue and complete college at much higher rates when they have access to sufficient financial aid – and to Cal Grants in particular. Studies have found that receiving a Cal Grant is significant in determining whether students enroll immediately after high school, re-enroll for a second year, stay at the same institution for four years, or remain enrolled somewhere for four years.

However, other state and federal studies have indicated persistence and completion happen at far lower rates for low-income students, who often drop out of college when they run out of money to pay fees or when they must devote time to jobs instead of studying. To ensure the State's investment is well utilized, decisions about financial aid should move beyond a focus on broad access to take into account the persistence and completion performance of students at institutions that participate in the Cal Grant program.

4. **CSAC Effectiveness:** ***To best respond to the growing need for financial aid, it is important for CSAC to operate programs effectively and efficiently. To support CSAC effectiveness, therefore, policy decisions about Cal Grants should be data-driven, sustainable, student-centric, based on feedback from stakeholders, and carefully considered to achieve CSAC goals and avoid unintended consequences.***

   As the Commission advocates for programs that will broaden access, ensure quality education and increase persistence/completion, it is important to understand the ripple effects that can occur when changes are made. Policy decisions should be considered holistically so that decisions in one area that benefit some students do not disadvantage other students unintentionally.

   The Commission has compiled a notable record for efficient administration of existing programs. Over the 12 years ending in 2011-12, the Cal Grant program has grown 206% while administrative overhead and staffing have been significantly reduced.

Exhibit 1.2

CSAC Strategic Planning Outcome

During its June 2013 strategic planning session, the Commission identified and categorized the following issues as strategic priorities:

Funding Students

- **Cal Grant Structure –** Take a fresh look at Cal Grants by performing a comprehensive review of the program to see how well it meets the needs of the low-income students it is intended to serve. Possible goals: simplification, modification of time limitations.
- **Outreach –** Raise awareness of college and financial aid options. Assist with FAFSA, from initial application through completion of financial aid qualification process. One specific target: Increase FAFSA completion rate.
- **Award-Utilization Rate –** Increase the number and percentage of students who actually use the Cal Grant awards they are offered. Analyze gap between offers and use of Cal Grants. Address issues such as failure to self-certify high school completion.
- **Low-Income Students –** Enhance assistance for the neediest students. Define terms, understand data on outcomes for these students to target increased aid appropriately.

Completion/Success

- **Foundation –** Explore creation of a new foundation (general agreement to dissolve rather than repurpose EdFund) to attract resources for expanded outreach and advocacy on behalf of student interests. Assess current partnerships; avoid damaging relationships; further leverage partnerships.
- **Student Success –** Enhance efforts to make sure students understand their postsecondary options, plus financial aid opportunities/impacts. Focus on initiatives that support completion of the level of education needed/wanted to meet student aspirations.
- **Institutional Accountability –** Support transparency to enable informed student choice. Examine issues like CDR manipulation for negative impact on students.

Operational Effectiveness

- **Staff Resources** – Be aware of balance between resources and responsibilities.
- **Technology Update/Upgrade –** Plan for future needs in face of aging technology system.
- **Student/Segment/Partner Policy Collaboration –** Enhance policy dialogue with more structured opportunities for the Commission to interact with students, segments and other partners (including Legislature, LAO, Administration and policy makers).
- **Advocacy –** As resources allow, become more active advocates at state and federal level for student interests.

Student Debt

- Understand issues/analysis
- Increase student understanding of loan repayment options (income-dependent repayment)
- Enhance financial literacy for students and their families

Exhibit 1.2

Action Plans: First Steps

Time Frame for Reaching Goals: July 2013 - December 2014				
Issue	***Who***	***What***	***When***	***Responsible CSAC Division***
Student/Segment/ Partner Policy Collaboration	Chairman McDowell Executive Director Fuentes-Michel	Reach out to students, segments, Legislature, LAO, Administration and other policy bodies for input; propose plan for ongoing policy dialogue at Commission meetings	September meeting	• Executive Office
Award Utilization Rates	Commissioner Beltran Executive Director Fuentes-Michel	Propose plan to Commission on improving award utilization rates/AB 540 data	September - November meetings	• Program Administration and Services Division • Information Technology Services Division
Award Utilization Rates	Janet McDuffie	Propose revisions to the Commission to CSAC reporting terminology to reflect award utilization rate issues	September meeting	• Administration and External Affairs Division • Program Administration and Services Division
Outreach: Enhance social media	Commissioners Shah and Siqueiros Patti Colston	Patti Colston to work with Commissioner Shah on a plan to improve social media tools; Commissioner Siqueiros sharing social media tips from the Campaign for College Opportunity; present a plan to the Commission	September meeting	• Executive Office • Information Technology Services Division
FAFSA completion	Janet McDuffie	EdTrust West report; Janet McDuffie report on data; report on high school	November meeting	• Administration and External Affairs Division

Exhibit 1.2

Time Frame for Reaching Goals: July 2013 - December 2014				
Issue	***Who***	***What***	***When***	***Responsible CSAC Division***
		Champion program; include strategies to increase FAFSA completion		
Define legislative priorities for advocacy	Strategic Policy and Planning Committee	Propose definitions for terms to clarify policy positions, including "neediest"; develop priorities and plan; bring to full Commission	By January	• Executive Office
Outreach: Improving student success through understanding of financial aid options	Catalina Mistler	Reach out to high school counselors/fin aid community about enhancing training to give students better understanding of options; this is Commissioner Scott's concept of supporting college completion by informing part-time students of their amounts of financial aid available to them if they were to attend full-time	Prior to November training	• Program Administration and Services Division • Information Technology Services Division

Time Frame for Reaching Goals: 2015 and Beyond				
Issue	***Who***	***What***	***When***	***Responsible CSAC Division***
Foundation	Commissioner Arzate Executive Director Fuentes-Michel	Begin exploration with presentation by current LA area foundation partners; report to Commission	September meeting	• Executive Office • Legal Office

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Time Frame for Reaching Goals: 2015 and Beyond				
Issue	***Who***	***What***	***When***	***Responsible CSAC Division***
Cal Grant Structure	Commissioner Geiogue	Develop and propose a plan to the Commission for a Commission task force to conduct a comprehensive review of the Cal Grant program to determine how well it meets the needs of the low-income students it is intended to serve; task force to function consistent with the student/ segment/partner policy collaboration goal	November meeting	• Executive Office
Technology	Commissioner Beltran Student Impact Committee Chris Edwards	Present an assessment of the of the Grant Delivery System at the June Commission meeting; next steps to be determined	June 2014 meeting	• Information Technology Division • Program Administration and Services Division
Student debt	Commissioner Anton - overall Commissioners Conley and Siqueiros on income-based repayment	Identify resources/presenters to provide info to the Commission on student debt, including possible institutional practices of manipulating federal cohort default rates by steering students to private loans rather than using their full federal-loan eligibility; Increase student understanding of loan repayment options (income-dependent repayment); Enhance financial literacy for students and their families	January 2014 meeting	• Executive Office