

Exhibit 1

Action Item

Approval of minutes of August 27, 2014 and September 18, 2014

**CALIFORNIA STUDENT AID COMMISSION
STRATEGIC POLICY & PLANNING COMMITTEE
PUBLIC HEARING TELECONFERENCE MINUTES**

August 27, 2014

DRAFT

A public hearing teleconference of the California Student Aid Commission's Strategic Policy & Planning Committee (SPPC) was held on Wednesday, August 27, 2014 at the California Student Aid Commission, Boardroom, located at 11040 White Rock Road, Rancho Cordova, California and the various locations listed on the public hearing notice dated August 20, 2014.

Committee Chair Michele Siqueiros called the meeting to order at 10:33 a.m.

The following Committee Members were present:

Michele Siqueiros, Committee Chair
Nancy Anton
Brian Conley
Jacqueline Doud
Hal Geioque
Harry Le Grande
Jack Scott
John R. McDowell, Jr., Ex Officio

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Acting Chair McDowell called for public comment on items not on the agenda and, hearing none, proceeded to the next agenda item.

PUBLIC HEARING ON RULEMAKING FILE Z2014-0630-01

Ms. Keri Tippins, General Counsel and Chief of the Legal & Audit Services Division, provided a status update on the rulemaking process for the implementation of SB 70 reporting requirements, following the Commission's consultation with the Administration, Department of Finance, Legislative leadership, the California Community Colleges Chancellor's Office (CCCCO) and the Association of Independent California Colleges & Universities (AICCU). Ms. Tippins described the two

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methodologies by which institutions will now be allowed to report job placement rate and salary and wage information. She also reported that visiting students will be excluded from the data reporting.

Ms. Rhonda Mohr, Dean of CCCC Student Financial Assistance Programs, commented on whether students taking non-credit courses should be excluded, and recommended further discussion.

There was some discussion regarding visiting students, international students, and programs that are promoted with respect to job placement. Questions arose about whether sanctions will be imposed upon institutions that fail to comply. Ms. Tippins reported that the sanctions are included in the Institutional Participation Agreement.

Ms. Veronica Villalobos, Vice President of AICCU External Affairs, expressed AICCU's support of the proposed regulations and the way the required data is defined, with the exception of the undergraduate program because AICCU's institutions have very few certificate programs that fall under the definitions. However, AICCU agrees that the regulations are clear in terms of which certificate programs have to be reported, and supports moving forward.

Mr. Chris Carter, Director of Student Financial Support at the University of California Office of the President (UCOP), commented that the exclusion of visiting students helps UCOP present data that is consistent.

Lastly, Ms. Tippins stated that the public comment for this rulemaking package closes at 5:00 p.m. (PST) on August 27, 2014 and that the proposed regulations will be presented to the Full Commission for final approval in September.

NEW BUSINESS BE CONSIDERED AT FUTURE COMMITTEE MEETINGS

The Committee had no new business.

ADJOURNMENT

There being no further business, the meeting of the Strategic Policy & Planning Committee was adjourned at 11:20 a.m.

MICHELE SIQUEIROS
COMMITTEE CHAIR

Strategic Policy and Planning Committee

CALIFORNIA STUDENT AID COMMISSION STRATEGIC POLICY AND PLANNING COMMITTEE MEETING MINUTES

September 18, 2014

DRAFT

A meeting of the California Student Aid Commission's Strategic Policy and Planning Committee was held on Thursday, September 18, 2014 at the Commission's Board Room located at 11040 White Rock Road, Rancho Cordova, California.

Committee Chair Michele Siqueiros called the meeting to order at 10:36 a.m.

The following Committee Members were present:

Michele Siqueiros, Chair
Nancy Anton
Jacqueline Doud
Hal Geiogue
Harry Le Grande
Jack Scott

The following Committee Member was absent:

Brian Conley

Roll Call was taken and a quorum was recognized.

PUBLIC COMMENT

Committee Chair Siqueiros asked for public comment and, hearing none, proceeded to the next agenda item.

APPROVAL OF MINUTES OF MARCH 20, 2014 AND APRIL 10, 2014

MOVED (Le Grande), **SECONDED** and **CARRIED** unanimously, the Committee **APPROVED** the minutes of March 20, 2014 and April 20, 2014.

***In Favor:** Committee Members Anton, Doud, Geiogue, Le Grande, Scott and Siqueiros*

***Absent:** Committee Member Conley*

REPORT ON TRANSFER ENTITLEMENT CAL GRANT PROGRAM

Ms. Catalina Mistler, Chief of the Program Administration and Services Division, presented her written report on the Transfer Entitlement Cal Grant Program, which included an overview of the application process, program eligibility, outreach efforts and transfer statistics. Mr. Tae Kang,

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Senior Programs Manager, discussed the institutions' process of calculating a student's Grade Point Average (GPA).

Dr. Linda Williams, President-Elect of the California Community Colleges Student Financial Aid Administrators Association (CCCSFAAA), commented on Sierra College's method of GPA calculation. There was some discussion about outreach. Dr. Linda Williams commented that the Fund Your Future publication is a very useful tool and recommended that it be made accessible electronically in lieu of printing.

Concerns were raised about the significant decrease in award offers and the consequence of a gap year on a student's eligibility.

Mr. Tim Bonnel, Student Financial Aid Systems Coordinator at the California Community Colleges Chancellor's Office (CCCCO), commented on students who are financially ineligible for Cal Grant, those who may be eligible but did not file a Free Application for Federal Student Aid (FAFSA), and those who used their Cal Grants to transfer. He also discussed how the community colleges determine the eligibility of students who are receiving Board of Governor (BOG) Fee Waivers. More discussion followed and Mr. Bonnel indicated that the community colleges have the capacity to share information with the Commission on BOG students to enable the Commission to provide outreach to potential transfer students; he noted, however, that the decision to do so lies with the system.

Committee Chair Siqueiros directed Commission staff to work with the community college representatives to determine how to better promote the Transfer Entitlement program and ensure that all potentially eligible students receive a Transfer Entitlement Cal Grant Certification Form (G-6); and report back to the Committee with recommendations.

UPDATE ON COMPETITIVE CAL GRANT PROGRAM, INCLUDING LEAVES OF ABSENCE

Ms. Mistler provided an update on the Competitive Cal Grant utilization rates. She also reported on the number of students taking leaves of absence, and discussed how the Commission has been communicating to those students about opportunities to use their Cal Grants. Ms. Mistler discussed the progress made on changing the scoring, which has resulted in smaller cohorts that will enable the Commission to award more students with less risk of exceeding the maximum of 22,500 awards. She indicated that the Commission will continue looking at the current scoring system in consultation with the work groups, as well as work on establishing a deadline to withdraw the award offers that are not utilized and identify the next group of eligible students.

Mr. Matthew La Rocque, research analyst at The Institute for College Access and Success (TICAS), presented the following recommendations for the Competitive Cal Grant scoring matrix:

- Reconsider non-financial measures of disadvantage;
- Use all points available;
- Incorporate Estimated Financial Contribution (EFC) as the primary financial element used to award points; and
- Allocate a greater share of points to financial elements (such as EFC, or a combination of EFC and family income/household size).

Discussion ensued and Mr. Bryan Dickason, Senior Programs Manager, commented on the scoring elements as well as the Commission's communications strategy to reach students and ensure that all 22,500 awards are paid.

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Dr. Linda Williams commented on the community colleges' communications campaign that includes outreach events, student ambassadors, and social media. She suggested that the Commission participate in round table discussions with students and state associations to learn what campuses are doing. Committee Chair Siqueiros expressed her gratitude to the community colleges for their role in helping to move this initiative forward.

Committee Chair Siqueiros directed Commission staff to consider TICAS's recommendations and report back to the Committee at the November meeting with recommendations on improving the scoring matrix to maximize the award utilization rate.

REVIEW OF THE COMMISSION ORIENTATION MANUAL

Committee Member Geiogue indicated that the draft Orientation Manual has been revised to match the new Governance Policies, and includes updates to the committees and the election process. Commissioners may provide their feedback to Chief Deputy Director Keith Yamanaka.

CONSIDERATION OF 2014-15 CALIFORNIA STUDENT OPPORTUNITY AND ACCESS PROGRAMS (CAL-SOAP) CONTRACTS

Ms. Janet McDuffie, Chief of the Administration and External Affairs Division, reported that the U.S. Department of Education has granted the Commission's waiver of the "maintenance of effort" requirement to continue the College Access Challenge Grant Program, but will not release the funds until the 2015-16 Budget is enacted demonstrating that the funds have been committed to higher education. After discussions with the Administration, Department of Finance, and Senate and Assembly Budget staff, there is agreement that the Commission will be allowed to use its existing funding appropriation for local assistance in order to begin payments for the Cal-SOAP and Cash for College Programs. When funding is received in July 2015, the Commission can reimburse the General Fund.

Some discussion followed and Executive Director Diana Fuentes-Michel expressed her thanks to the Administration for their support of Cal-SOAP and Cash for College, and their assistance with the Challenge Grant. As this is the final year of funding, Executive Director Michel will recommend to the Commission at its November meeting that it consider carrying or sponsoring legislation that would seek permanent funding for the programs from the General Fund.

Ms. Monica Roberts, Project Director for the Sacramento Cal-SOAP Consortium, expressed her appreciation for the Commission's efforts, but asked what could be done to avoid the situation again. She also asked for clarification as to whether the staff recommendations will result in changes to their contracts. Ms. McDuffie responded that upon confirmation from the Assembly, the Commission will move forward with the contracts.

MOVED (Doud), **SECONDED** and **CARRIED** unanimously, the Committee **APPROVED** the staff recommendation as follows:

Because federal Challenge Grant funds are currently being held by the federal government, to be released upon future action by the State, and interim funding mechanisms are currently being pursued, the Commission authorizes the Executive Director to take the following actions, subject to the condition that the 2014-15 Cal-SOAP contracts shall authorize spending by the Cal-SOAP consortia only to the extent and timing of authorized and available funds:

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1. Execute the 2014-15 Cal-SOAP contracts to provide up to \$6,727,157 in total baseline funding.
2. Provide up to \$206,643 in additional 2014-15 contract funding to the South County Gilroy Cal-SOAP to continue development of the new database. This funding is subject to the existing statutory requirements of 30% for stipends for student tutors and 8% for indirect costs.
3. Provide \$500,000 in additional 2014-15 contract funding for outreach for the Middle Class Scholarship Program.
4. Reallocate the 2014-15 Cal-SOAP funding as equitably as possible, if the Challenge Grant award amount is different than the anticipated amount of \$14,746,800.
5. Reallocate funds as equitably as possible any consortia cannot utilize all of their allocated funds.
6. Continue to collect, review and assess additional Cal-SOAP data and provide an update at the November Commission meeting.

***In Favor:** Committee Members Anton, Doud, Geiogue, Le Grande, Scott and Siqueiros*

***Absent:** Committee Member Conley*

In the interest of time, the Committee agreed to hear the following items during the Strategic Policy and Planning Committee Report at the Commission meeting:

- ❖ **Update on state and federal legislation affecting Commission programs; and**
- ❖ **Report on Cash for College study.**

ADJOURNMENT

There being no further business, the meeting of the Strategic Policy and Planning Committee was adjourned at 12:21 p.m.

MICHELE SIQUEIROS
COMMITTEE CHAIR