
GRANT ADVISORY COMMITTEE

GRANT ADVISORY COMMITTEE WORKGROUP MEETING

Thursday, May 15, 2008
9:00 a.m. – 1:00 p.m.

California Student Aid Commission
10834 International Drive, Conference Room A
Rancho Cordova, CA 95670

MEMBERS

Mary Lindsey, Chair
Louise McClain (Alternate)
Kate Jeffery
Lora Jo Bossio
Dean Kulju
Susan Gutierrez
Anthony Martinez
Timothy Bonnel
Marco De La Garza

Lisa Douglass
Catherine Graham
Ricardo Tejada
Frederick Holland
Judi Sveen
Sally Pace
Noelia Gonzalez
Daniel Friedlander, Commission Liaison (Alternate)

AGENDA

Housekeeping

Public Comment (**Public Comment will also be asked for every agenda item**)

1. Consideration of Payment Periods for Non-Traditional Based Schools
2. Consideration of Cal Grant Account Maintenance and Annual Interest Calculation
3. Consideration of At-Risk Institutions Reimbursement Program
4. Review of Action Items from March 13, 2008 workgroup meeting

Adjournment

AT-RISK INSTITUTIONS

Reimbursement Program

Background:

At the March 14, 2008, Grant Advisory Committee (GAC) meeting, California Student Aid Commission (Commission) staff provided criteria for the GAC members to consider when identifying “at-risk” institutions. Institutions that are found in a provisional certification status judged by the Department of Education (Department) to lack administrative capability and/or financial stability can potentially be classified as “at-risk” institutions and placed in a Reimbursement Program.

The GAC members requested information describing the Reimbursement Program and the following outlines those efforts.

Reimbursement Program Description:

The Reimbursement Program would require that institutions request Cal Grant funds by posting payments for eligible students to WebGrants. “At-risk” institutions would no longer benefit from term advances, which allows them to received 95 percent of the prior year reconciled Cal Grant funds two to three weeks prior to the start of the term for timely disbursement to students.

Also called the “pay as you go method,” the Reimbursement Program would minimize the amount of Cal Grant funds that “at-risk” institutions will hold in their bank account.

Reimbursement Program Options for Consideration:

The following lists two options under the Reimbursement Program that can potentially be implemented when an institution is determined to be “at-risk.” These options are being presented to the GAC for review and consideration.

Option 1 – Under this method, the Commission releases Cal Grant funds to the institution after the institution has verified a student’s eligibility and has posted the requested payment to WebGrants.

- Institution must verify eligibility of Cal Grant recipients
- Institution must post payments (reimbursement) to WebGrants for eligible students
- Commission will approve disbursement of Cal Grant funds to the institution
- Commission will notify students that funds are available for distribution at the institution
- Institution must submit documentation within two weeks of disbursement that each student was eligible to receive and received Cal Grant funds

Option 2 – Under this method, the Commission releases Cal Grant funds to the institution after the institution has made the disbursement to students using their institutional funds.

- Institution identifies students’ Cal Grant eligibility for which it is seeking reimbursement
 - Institution must post payments (reimbursement) to WebGrants for eligible students who will receive Cal Grant funds
 - Institution must submit documentation that each student is eligible to receive Cal Grant funds
 - Commission will approve disbursement of Cal Grant funds to the institution
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**GRANT ADVISORY WORKGROUP
ACTION ITEMS
03/13/08**

	A	B	C	D	E	F	G
1	DATE	TAB	AGENDA, PRESENTER	REQUESTED BY	ACTIONS ITEMS	RESPONSIBLE	STATUS
2	03/13/08	1	Student Expenses & Resources Survey (SEARS)	Member Jeffery	Member Graham requested that CSAC provide training at CASFAA regarding the value of SEARS	Yvette Johnson	
3	03/13/08	1		Member Jeffery	Schools want to use the G-21 to adjust financial need when survey data is not accurate for their demographic area. Member Jeffery wanted this ability documented for all to understand this process.	Bryan Dickason / Tae Kang	
4	03/13/08	1		Member Jeffery	Improve G-21 by adding item that adjusts Cost of Attendance (COA)	Bryan Dickason	
5	03/13/08	1		Member Jeffery	Evaluate reason of #19 (Reason for the New Recipient Data) on the G-21.	Bryan Dickason	
6	03/13/08	1		Member Jeffery	Send GOM on how schools use G-21 and explain adjusting COA. Allow schools to use CSAC COA as determined by SEARS or use the local COA.	Bryan Dickason	
7	03/13/08	1		Member Jeffery	Include a question on SEARS about healthcare costs. This information is needed to determine campus budget. This will effect unmet need about \$900/year. GAC recommended to include healthcare in SEARS.	Ruben Romero / Karen Henderson	
8	03/13/08	2	Consideration of Cal Grant Account Maintenance & Annual Interest Calculation	Member Graham Member Kulju	GAC recommended to oversee this workgroup. Co-leaders are: Member Graham-AICCU and Member Kulju-CSU	Member Graham / Member Kulju	
9	03/13/08	2		Member Graham	Member Graham asked about real-time disbursement. John mentioned that CSAC is restructuring the database to accommodate upgrading to a weekly update-implention date of Oct 2008.	John Bays	
10	03/13/08	2		Member Bonnel	GAC recommend looking into legal standard/state accounting manual for calculating negative interest. Find out how the rest of the states money is stored and disseminated.	Bob Illa	
11	03/13/08	2		Chair Lindsey	GAC recommend for the workgroup to meet again and look into the calculation methodology. The point is to reduce interest earned by the school.	Member Graham / Member Kulju	
12	03/13/08	2		Member Graham	Catalina's concern is will schools want to follow strict methodology. GOM sent in 2007 allowed greater flexibility. Catherine wants copy of GOM.	Bryan Dickason	
13	03/13/08	2		Member Bonnel	Discuss what are the common accounting practices in private vs. public schools when calculating interest.	GAC Segments	