

Information/Action Item

GRANT ADVISORY COMMITTEE

Approval of December 16, 2004 Minutes

For the Committee's review and approval, enclosed are the minutes from the December 16, 2004 Grant Advisory Committee teleconference meeting.

CALIFORNIA STUDENT AID COMMISSION
GRANT ADVISORY COMMITTEE MEETING

3300 ZINFANDEL DRIVE
SACRAMENTO, CALIFORNIA
Thursday, December 16, 2004

ADVISORY COMMITTEE MEMBERS

Mary Lindsey , Chair, PI
Louise McClain, Commission Liaison
Sharon Bowles, K-12
Gary Byers, PI
Nicole DeMartini, CSU
Karl Engelbach, CPSE
Noelia Gonzalez, CASFAA
Kate Jeffrey, UC
David Kopperud, CDE
Karina McDaniel, CSU
Mary Robinson, CSU
Michelle Sliwa-Macias, K-12
Veronica Villalobos, AICCU
Craig Yamamoto, CCC

COMMITTEE MEMBERS ABSENT

Lora Jo Bossio, UC
Sherri Hancock, CCC
Aram Nadjarian, AICCU
Ryan Sanders, UC
Catherine Thomas, AICCU

STAFF

John Bays, Chief, Information Technology Division
Max Espinoza, Chief, Grant Services Division
Keith Yamanaka, Special Counsel
Anne Robertson, Manager, Grant Operations
Gloria Falcon, Associate Financial Aid Analyst,
Grant Operations
Judith Fredericks, Associate Financial Aid Analyst,
Grant Operations
Sam Kipp, Research Analyst,
Government and Public Affairs Division
Alma Perez, Governmental Relations
Aaron Lester, Liaison

ALSO PRESENT

Nancy Anton, Senate Education Committee
Tim Bonnel, CCC Chancellor's Office

Tab 1: Committee Chair's Report

Committee Chair Mary Lindsey reported that this teleconference was originally scheduled November 4th to deal specifically with the Domestic Partner Act.

Ms. Lindsey's report noted that the Committee on the Future of Cal Grants has met. The official report from the Committee has not been released.

Ms. Lindsey reported that the Commission approved the GAC recommendations for the 2005-06 student expense budgets, the income and asset ceilings and Cal Grant selection criteria at their November Commission meeting. The Commission tabled the Cal Grant GPA recommendations at the meeting. It was later discussed at a Grants and Programs Committee teleconference meeting. Their recommendations now need to be heard at a full commission meeting which will not take place until February.

Ms. Lindsey further reported that the Commission approved the Grant Advisory Committee (GAC) March and October meeting dates for 2005-06 however, asked that an additional August date be reserved in case it is needed.

Ms. Lindsey explained that the Commission clarified that if a student meets the federal criteria for Simplified Needs Test, they are presumed to have met the asset ceiling requirements for Cal Grant purposes. Schools report to the Commission only if a school comes across any information that indicates the student did not meet the requirements for the Simplified Needs Test. If a student fails to meet the Simplified Needs Test, it is then the school's responsibility under the Institutional Participation Agreement to verify the recipient meets all eligibility and program requirements, including income and asset ceilings, prior to disbursement of Cal Grant Funds.

Ms. Lindsey reported that the Commission approved the convening of two GAC workgroups for next year and approved the general items as recommended by GAC and staff to the Commission. A calendar is being developed on how to move forward on the workgroups.

Tab 2: CSAC Update on Implementation of Legislation

Max Espinoza, Chief, Grant Services Division, presented the Commission policy for implementation of Assembly Bill (AB) 205 – the California Domestic Partner Rights and Responsibilities Act of 2003 (Act).

Mr. Espinoza noted that at the last GAC meeting, GAC recommended four guiding principles for the implementation of AB 205: to treat students equitably, avoid a supplemental application for all students (with an emphasis on all students); avoid delays when awarding Cal Grants and to not place the responsibility for the data collection on institutions.

Using these guidelines, the Commission has developed a policy to be implemented January 1, 2005.

- To ensure that new awards are not delayed, the Commission intends to initially award the 2005-06 Cal Grant Entitlement and Competitive awards based on information reported on the FAFSA.
- All recipients who receive California Aid Reports (CAR) award notifications and those who receive disqualification letters will be informed of the new law and provided with guidance for compliance.
- The Commission will require that students self-identify themselves or their parents as being in a registered domestic partnership by contacting the Commission either by phone or email. These students will receive a form from the Commission which will allow for the needed financial data to be reported to the Commission to update and process their

information. The Commission will forward this financial data to the institutions for their records.

- The Commission will calculate an expected family contribution (EFC) based on the updated information received directly from the student. The Commission will notify students immediately upon processing of the information.
- Schools that receive information directly from students that change the award status can report this change to the Commission through the regular update process.
- The WebGrants record change screen and the G-21 Change Form will be modified to contain a registered domestic partnership flag to allow updated financial information to be reported by the schools.
- A new report will be created for schools to download information regarding the students that have had their award status changed based on the updated information.
- The Commission website as well as Commission publications will be updated to include information regarding the new law.
- The Operations Memo will provide attachments to the schools of all documents.
- The Commission will determine eligibility for renewal Cal Grants in late June and will continue to rely on schools to determine the student's actual award eligibility.
- Students who receive renewal notifications will also be notified that AB 205 may affect their eligibility for a renewal Cal Grant.
- The Commission does not intend to require a recalculation of awards made for the 2004-05 academic year, however, if the institution processes data that affects a student's eligibility for a 2004-05 Cal Grant award, the school may notify the Commission.

Committee member Jeffery noted that the legal counsel at the University of California felt that they were legally required to adjust awards for 2004-05 because of the implementation date of the law. CSAC policy is proposing that the Commission does not require recalculation of 2004-05 Cal Grant awards. CSAC Special Counsel Keith Yamanaka clarified that the CSAC position is this is a policy decision, not a legal decision.

Committee member Jeffery suggested that the legal counsels from all segments meet with Mr. Yamanaka to come to a consensus on the mid-year recalculation of awards policy. Mr. Yamanaka agreed to set up a meeting. Segmental legal counsels should contact Mr. Yamanaka directly. Segmental counsels may call Mr. Yamanaka directly at 916-526-8918.

Committee members agreed that there needs to be equitable treatment of students across segments and institutions for the purposes of Cal Grant. Nancy Anton from the Senate Education Committee asked if it would be helpful to have clarification in the form of legislation that would state, for financial aid purposes, the law did not take effect until awards made for 2005-06. It was noted that this type of legislation could not be pursued prior to the January 1, 2005 implementation date. Ms. Anton remarked that she would speak with their legal counsel to find out his interpretation as well.

Mr. Espinoza indicated that the Commission will follow the initial principles that GAC adopted as well as be equitable and balanced in the way CSAC implements the law. There could be a bit of a delay in notifying students of their revised eligibility or ineligibility, but the intent is to process them immediately upon receipt of their information. There will be a report available for schools to download that will note those students whose awards have been recalculated using the domestic partnership information.

Mr. Espinoza updated GAC on Senate Bill (SB) 25 – the Personal Information Security Act. The Commission implemented the changes required on December 4th, prior to the January 1, 2005 implementation date. To date, the Commission has not received any information from schools that they are having problems with the change.

Mr. Espinoza reported that at the last GAC meeting, there were significant concerns and questions about the Commission's interpretation of SB728 – Simplified Needs Test. The Commission plans to send out a policy bulletin that states:

- To clarify, the Commission interprets the requirement of institutions as follows: "...to resolve any conflicts that may exist in the data the institution possesses relating to that individual" to mean that schools report to the Commission only if a school comes across any information that indicates the student did not meet the requirements for the Simplified Needs Test. If a student fails to meet the Simplified Needs Test, it is then the school's responsibility under the Institutional Participation Agreement (IPA) to verify the recipient meets all eligibility and program requirements, including income and asset ceilings, prior to disbursement of Cal Grant Funds.

Mr. Espinoza also noted that schools are required under their IPA to ensure that all Cal Grant recipients are within the program requirements prior to disbursement of funds. The Legislation also references the IPA's.

Chair Lindsey suggested that a decision tree may be a helpful item to add to the bulletin to aid the schools.

Tab 3: Workgroup Charges and Membership

Chair Lindsey reported that two workgroups were approved by the Commission to meet next year. The two workgroups are *Technology Needs and Enhancements (TNE)* and *Enhancing Reporting and Analysis (ERA)*. Cathy Thomas and Kate Jeffery were listed as co-chairs of the ERA workgroup although there is a question as to whether Cathy Thomas would chair alone or with Ms. Jeffery. Craig Yamamoto with Lora Jo Bossio will co-chair the TNE workgroup. It is hoped that the groups will meet at least once so that they can make recommendations for the March GAC meeting so that those can then be forwarded to the Commission.

The ERA workgroup has the budget listed as one of their discussion items. Ms. Lindsey noted that because of the number of issues the ERA workgroup was assigned, the items needed to be prioritized. The idea is to take one issue, work on that until the charge retires then come back to the other issues and decide as a committee whether to give a new charge to the workgroup based on the other topics presented to the Commissioners.

Committee member Jeffery noted that as co-chair, the goal would be for the workgroup to assist CSAC with the analysis of the impact of the budget proposals so that the segments and CSAC might be unified when speaking about the budget proposals impact.

On a motion from Committee member Jeffery with a second by Committee member Sliwa-Macias, the charge of the ERA workgroup will be to help CSAC with the analysis of the impact of budget proposals so that there is a common understanding across segments regarding the impact of the state budget. The motion was passed unanimously.

On a motion from Committee member Robinson with a second by Committee member Yamamoto, the charge of the TNE workgroup will be to assist the Commission and staff to develop strategies to improve delivery to schools and students. The motion was passed unanimously.

Ms. Lindsey called for committee members to state which workgroup committee members would like to participate.

The membership for the TNE workgroup will consist of Craig Yamamoto (Chair), Lora Jo Bossio (Co-Chair), Veronica Villalobos and Sharon Bowles.

The membership for the ERA workgroup will consist of Cathy Thomas (Chair), Kate Jeffery (Co-Chair), Nicole DeMartini, Noelia Gonzalez, Michelle Sliwa-Macias, Veronica Villalobos, Gary Byers, Mary Robinson, David Kopperud and Mary Lindsey.

Ms. Lindsey requested that Keith Yamanaka send an email out to all committee members, as well as to the members of the public, as to when the meeting with the legal counsel's from the segments will take place.

Mr. Espinoza noted staff will work with the workgroup chairs to schedule the meetings of the workgroups.

The meeting was adjourned at 11:54 a.m.