

Information/Action Item

GRANT ADVISORY COMMITTEE

Approval of October 16, 2003 Minutes

Enclosed are the minutes from the October 16, 2003 Grant Advisory Committee Meeting.

CALIFORNIA STUDENT AID COMMISSION
GRANT ADVISORY COMMITTEE MEETING

3300 ZINFANDEL DRIVE
SACRAMENTO, CALIFORNIA
Thursday, October 16, 2003

ADVISORY COMMITTEE MEMBERS

Mary Robinson, Chairperson, CSU
Lora Jo Bossio, Vice Chair, UC
Louise McClain, Commission Liaison
Jackie Allen, CDE
Barbara Bickett, PI
Tim Bonnel, CCC
Sharon Bowles, K-12
Chris Carter, UC Alternate
Roger Eagleton, CSU
Karl Engelbach, CPEC
Noelia Gonzalez, CASFAA
Sherri Hancock, CCC
Maria Hernandez, CSU
Kate Jeffrey, UC
Tracy Marquez, CCC Student
Mary Lindsey, PI Alternate
Aram Nadjarian, AICCU Student
Ryan Sanders, UC Student
Catherine Thomas, AICCU
Veronica Villalobos, AICCU

STAFF

Diana Fuentes-Michel, Executive Director
Steve Caldwell, State Legislative Liaison
Kathy Degn, Chief, Outreach
Jim Garcia, Chief, Grant Services
Brenda Metzger, Liaison
John Peirce, Chief, Legal Counsel
Anne Robertson, Manager, Grant Operations
Liisa Rohmer, Policy and Research
Sarah Tyson, Chief, Policy and Research
Karen Vogel-Henderson, Policy and Research

Grant Advisory Committee Chair's Report

Chair Robinson reported that she attended a portion of the Commission's annual workshop in Monterey. While there was much discussion regarding the future of the Commission and its relationship to EdFund, there was not a lot of discussion that was of particular importance to GAC and its agenda.

Chair Robinson noted that at the Commission meeting held on September 12, 2003, there was discussion of the Commission's advisory committees, their roles and meeting schedules. The directive from the Department of Finance directed state agencies to limit the meetings of advisory committees to one per year, if those meetings were statutorily required. GAC is not a statutorily required committee. It was assembled by the Commission to provide advice on budget and policy matters as it relates to grants and special programs. The Personnel and Evaluation Nominations (PEN) Committee recommended that GAC continue to hold one annual meeting as well as convening two workgroups during the coming year to advise the Commission on high school grade point averages, as well as to provide advice on evaluation and data in preparation of reports required by the Legislature.

Chair Robinson indicated that the GPA workgroup will also discuss issues that resulted from SB 680 that was signed this past weekend. SB 680 requires the Commission to have an existing advisory committee look at how the Cal Grant program serves older, non-traditional students.

Chair Robinson also noted that the Commission is very appreciative of the work GAC does on behalf of the Commission. Commissioner McClain reiterated the Commission's appreciation of the GAC committee.

Tab 1: Approval of Minutes from May 29, 2003

Minutes from the May meeting were approved unanimously, as submitted.

Tab 2: Election of Committee Chair and Vice Chair for 2003-04

Chair Robinson called for nominations for the Chair and Vice Chair of the GAC committee. The Commission's Personnel Evaluation and Nominations (PEN) Committee will consider nominations and appointments to the advisory committee at their meeting in February.

Committee member Thomas nominated Lora Jo Bossio for Chair of GAC. MOTION was SECONDED and APPROVED .

Committee member Eagleton nominated Cathy Thomas for Vice Chair of GAC. MOTION was SECONDED and APPROVED unanimously.

Commission liaison McClain thanked Mary Robinson on behalf of the Commission for her dedication and the leadership she has shown to the GAC committee.

Tab 3: Cal Grant Update

Grant Services Division Chief Jim Garcia gave an update of the 2003-04 awards. High School Entitlement awards are up to 60,202. The transfer entitlements are at 1,931 and the March competition stands at 11,564.

There is a statutory mandate of 11,250 awards for the September cycle however, the Commission under-awarded by approximately 300 students. Because the Commission over-awarded the March competition, when the two cycles are combined, the Commission is over the 22,500 awards by approximately 21 awards.

Policy and Research Chief Sarah Tyson indicated that the Transfer Entitlement awards originally numbered 800 but this number has declined to approximately 400 for 2002-03 due to the students not meeting the criteria for the award.

Chief Tyson also noted that the one-year delay entitlement student awards have declined from eight percent the year before to approximately five percent for this award year while the number of awards to students directly out of high school has slightly increased this year.

Tab 4: Federal Issues Update

Chief Legal Counsel John Peirce, presented the update on the federal issues. The Senate held a reauthorization hearing to address the issues of expanding access to postsecondary education and to examine college cost issues and ways to simplify the financial aid process.

Congressman McKeon is expected to release his bill on college cost containment that would hold colleges accountable for tuition increases and to provide students and parents greater access to easily understandable information on the cost of higher education. This proposal would require colleges to provide the Department of Education with justification for cost increases and if it is found to be unjustified, there is the potential to lose some or all of their Title IV funding.

Chief Legal Counsel Peirce indicated that the government is operating on a continuing resolution that is set to expire November 7th. The actual appropriation resolutions for the budget are stalled in committees and it is expected that another resolution will extend it through the Thanksgiving recess.

Chief Counsel Peirce indicated that Commission staff had a meeting with staff from the General Accounting Office (GAO) who are trying to study and determine the impact of the proposed new tax tables on federal methodology. Commission staff noted that it may be helpful to have segmental information from California. Chief Counsel Peirce noted that he would be taking names and contact information to pass on to the GAO staff from people interested in helping the study.

Chief Tyson noted that the GAO was requested to look at the tax table issue by Senator Daschle. The GAO had originally hoped to use the NASFAA survey data. They have determined that it might be more helpful to look at the top six states, of which California would be one.

Chief Counsel Peirce noted that the simplification of the FAFSA has not been a major element of the reauthorization hearings. Executive Director Fuentes-Michel noted that there has been no contact directly from the federal government for CSAC to be involved in a pilot program for the simplified FAFSA. However, at the state level, Assembly bill 728 – Simplified Needs Test, was signed and it removes the asset requirement.

Tab 5: State Legislative Update

State Legislative Liaison Steve Caldwell, reported that September 12th was the last day of the first year of a two-year session. Any bill sent to the Governor as of September 12th or after, has 30 days to be signed. There were between 200 to 300 bills signed, vetoed or action taken on the bills over the weekend.

In an update to the agenda listing, SB 25 and SB 33 were signed into law. SB 328, which would have given student financial aid eligibility for the BOGG fee waiver for undocumented immigrants, was vetoed. These students were eligible to pay resident tuition under AB 540 last year. The students had to be in California for three years and graduate from a California high school.

SB 28 allows students who fill out a 1040A, 540A or a 1040EZ, allows them to skip questions on the FAFSA that pertain to assets, was signed. This bill does not waive the asset requirement, but simplifies the FAFSA for those students.

Committee Member Thomas expressed reservations on the implementation of this bill as having inequitable treatment across institutions. Executive Director Fuentes-Michel commented that the Commission had reservations about the bill and expressed those to the Secretary of Education, the Department of Finance and the Legislative Secretary to the Governor.

Committee Member Bonnel commented that according to the language written in the law, colleges must reconcile any discrepant information. So, if a school receives supplemental information that the student does not meet the asset requirement, the school must report that. The Department of Finance was very concerned about the cost this would have on the system and the possibility of an increased number of awards that could be made to these students.

Executive Director Michel recommended getting the chaptered language and having a discussion within the financial aid community and with Grant Advisory Committee on how this bill affects the federal needs analysis and state programs.

Liaison Caldwell also reported that SB 680 was signed into law. This bill requires the Commission and GAC to review the high school GPA calculation and whether current programs provide adequate resources for non-traditional, returning and older adult students and report back to the Legislature. This issue will be further discussed in the work group meetings.

Executive Director Fuentes- Michel asked Chief Counsel Peirce to analyze AB 205 – the Domestic Partners Act on how this relates to the Commission’s programs. Executive Director Michel-Fuentes also noted that AB 547 – the National Guard Assumption Program of Loans for Education has not been funded. The bill is not operable until the Legislature passes resources in the Budget Act. Finance has indicated that once it goes through the Budget Act, the problems with implementation could be resolved with a clean up bill.

Tab 6: Executive Director’s Report

Executive Director Fuentes-Michel reported that she and Commissioner McClain sat in an outreach meeting where a comprehensive outreach plan is being drawn up for consideration by the Commission in November.

In a letter from the Community College Chancellor, she indicated that their outreach campaign is going to respond to the needs of communicating to students about the Board of Governor’s grant program. Executive Director Fuentes-Michel and Becky Stilling had an opportunity to meet with outreach people within the University of California, the K-12 community, the migrant education community and the Cal-SOAP directors where it was indicated that the Commission is trying to work more collaboratively during these tough times through an informational message as well as sustainable activities to change the college culture in the state.

Executive Director Fuentes-Michel thanked Mary Robinson for the meeting that she and Becky Stilling attended at the CSU Chancellor’s Office where they had an opportunity to talk with all the directors. They also met with Kate Jeffery and the Vice President of Finance, Sandy Fried, as well as former colleagues at the UC Office of the President. The meeting with the AICCU was cancelled during August however, that will be hopefully rescheduled for the future.

Becky Stilling and Executive Director Fuentes-Michel met with FIDM, where they met and spoke with many students and the FIDM staff. She and Becky have also been working closely with the K-12 community, as well as with Superintendent O’Connell regarding outreach activities.

Last year, the Commission’s funding source was changed to the student loan operating fund. During November, a plan for the Commission will be developed. There have also been discussions with the transition team for the administration with regard to the uses of the funds and potential governance changes to the EdFund organization.

Executive Director Fuentes-Michel reported she is trying to better understand the technology behind the Cal Grant program and the concerns of the financial aid community as it relates to the administration of the Cal Grant program.

Executive Director Fuentes-Michel reported that the Commission will be entering into a Memorandum of Understanding (MOU) with the Department of Social Services, to have the Commission administer the Foster Care Grant Program through the Specialized Programs Branch.

In terms of the budget drills that the Commission has been asked to run, there have not been any options recommended to adopt and the Commission has not taken a position on the reduction of the Cal Grant program. The Commission is going to continue to advocate for the continuation of the program at the existing levels.

Tab 7: Proposed 2004-05 Student Expense Budgets

Liisa Rohmer and Karen Vogel-Henderson, Policy and Research Division, gave an update to the nine-month student expenses budget used to calculate the financial need for Cal Grant applicants. The budget contains allowances for books, food, housing, transportation and personal expenses. The 2004-05 student expenses budget is based on the 2000-01 Student Expenses and Resources Survey (SEARS) and is updated for four years of inflation using the California Consumer Price Index. There are no changes for on campus students, a 1 percent change for students living at home and a 1.4 percent change for off campus students.

The staff recommends that GAC approve the budget as presented. The motion to recommend the budget to the Commission was moved, seconded and unanimously accepted, with no abstentions.

Committee member Jeffery requested information on why the Commission does not use the actual institution budgets when calculating the financial need of a student at an institution. Chair Robinson suggested that CSAC staff review what the actual practices are relative to reevaluation of an award decision and suggested that at the next meeting, a discussion take place on the practices and options regarding the cost of attendance allowances used for Cal Grant purposes.

Tab 8: Proposed 2004-05 Cal Grant Program Income and Asset Ceilings

Liisa Rohmer and Karen Vogel-Henderson, Policy and Research Division, reported that the Commission annually adjusts the maximum income and asset levels based on a percentage change in the cost-of-living in California. The income and asset ceilings listed reflect the forecasted change in per capita income based on data from the Department of Finance. The income and asset ceilings and the methodology for adjusting them are in statute.

The staff recommends that GAC approve the income and asset ceilings as presented. The motion to recommend the ceilings to the Commission was moved, seconded and unanimously accepted, with no abstentions.

Tab 9: Selection Criteria for 2004-05

Chief Sarah Tyson presented the selection criteria for the competitive program and for the selection of the top 2 percent of the Cal Grant B entitlement recipients who receive tuition and fees as well as the access grant in their first year of the award. In 2002, the scoring was modified to include the access equalizer component which awards points to students who are older, returning students or for those who came from a disadvantaged high school. A disadvantaged high school is determined by a combination of a low university going rate and a relatively high percent of free/reduced lunch program participants. The university going rate is determined using CPEC's database for freshman who enter UC, CSU or an AICCU institution. The proposal is to carry forward the same scoring components for 2004-05.

A motion was made and amended to include the adoption of the proposed scoring criteria for 2004-05 with a further recommendation that if there are changes at the federal level to state and local tax rates for the purposes of 2004-05 needs analysis, that adjustments be made to the proposed scoring for family income and household size. A motion was made, seconded and unanimously carried, with no abstentions.

Tab 10: Student Expenses and Resources Survey (SEARS) Update

Liisa Rohmer and Chief Sarah Tyson explained that the 2000-01 SEARS casebook is in the process of being reviewed and will be released in two to three weeks.

The 2003-04 SEARS has had a scope of work completed and a vendor that fits the criteria has been selected. This is a combination web and paper survey. This will give the ICU's, the independent colleges, the UC's and the CSU's an opportunity to do the survey on-line. There will be a postcard invitation and an email invitation. After two to three invitations, a paper survey will be sent to the remaining students who have not responded.

The proprietary colleges (PCC's) and the California community colleges (CCC's) will do an in-house, in class survey. There will be approximately 10,000 PCC and 15,000 CCC surveys. There will be an inter-agency agreement with the CCC chancellor's office to help with the cost of the survey. A proctor will handle the survey and this will take place toward the end of January. Approximately 30 days later the results will be available. The results will then be sent to a scanning facility to minimize keying errors. The surveys that are not distributed will be returned so that there will be an accurate response rate.

The survey sent to the CCC will be sent to the chancellor's office. The staff will make sure the survey is a statistically random sample of the student population. The research association on the campuses will conduct the survey and the classes will be chosen scientifically.

The surveys are expected to be compiled into one database by the end of May.

Tab 11: Status and Discussion of Report on Cal Grant Programs Due December 31, 2003

Chief Sarah Tyson presented a preliminary draft of the report that is due to the Legislature on the Cal Grant programs, asking for input on the format from the committee. There is much text, including explanations, that needs to be added in to tables. It is anticipated that in upcoming years, the overall look of the report will change due to additions of sections and the expansion on areas where there is no data yet. Also, the comparison of each cycle was used – March to March and September to September.

Committee member Engelbach recommended that the Commission take on a leadership policy role and state the objective of the competitive program and how well the Commission is meeting this goal in the report.

Committee member Jeffery suggested that the overall financial aid application process be included in an appendix with supplemental information on the application process for the Cal Grant. Included in this information, the Cal Grant C award would be included so that there is a base for the Cal C data and how it differs from the Cal Grant A and B award.

Chair Robinson recommended that in section 3, the chart showing the comparison of 2002-03 to 2001-02 should include a reference to the shift in the segmental distribution of the recipients to the change in the selection criteria. There should also be a clear definition as to what is meant by renewal recipient and what is meant by activation of an award. It is recommended that these include only students who have received a payment, rather than those who were offered an award.

Committee member Bonnel suggested that the charts in section three be broken down into independent and dependent status. Committee member Thomas requested that the charts also list the segment were a recipient is paid for the award.

Chief Tyson anticipated that another draft of the report would be available in mid-November. Committee members were encouraged to email any additional comments to Chief Tyson.

Tab 12: Cal Grant Outreach Update

Kathy Degn, Chief of the Outreach and Training Division, summarized the highlights of the public awareness campaign. In a partnership with Comcast Cable, the company will run 50 spots a week, at 60 seconds each in 12 different areas on 16 different channels. The channels include VH-1, MTV, Discovery Channel, Cartoon Network, Lifetime and ESPN. They will run for three weeks from the end of October to mid-November. They will be pulled for the holidays then start up again January first and run for another nine weeks until March first. There will also be spots running in addition to those 100 times a week, 30 second spots on 16 different channels in 12 different areas. The areas include the Central Valley – from Sacramento to Visalia. Because this is the first year of these spots, the area is limited as a pilot program.

Comcast is also agreeing to provide local legislators with complementary media spots. They will produce promotional messages and airing them free of charge for any legislator or public entity that wants to host a fill-out-the-FAFSA or Cal Grant activity.

Comcast will also be producing 750,000 bill messages that advertise the Cal Grant program. These messages are printed directly on the Comcast bill sent to the household. There will also be a message on the Comcast TV Guide in January and February, reminding students to apply for Cal Grants.

Comcast is also going to provide time on their live, call-in “Ask Comcast” show where people will be able to call in and ask questions about Cal Grants. They will also provide the information to their employees about the Cal grant program via their Intranet.

This media package is valued at \$977,000 but Comcast is only charging \$50,000 for the package.

There is a partnership with Taco Bell and Burger King as well to include Cal Grant bag stuffers in their food bags.

There is a partnership with Regal Theater chain that extends from Yuba City South to San Diego. They will be running the Cal Grant commercials prior to the movie in approximately 250 theaters statewide. There will also be the large cutout figure of the actress in the Cal Grant commercial that will stand in the lobby of the theater with a tear off information sheet.

Other partnerships include Krispy Kreme, Barnes and Noble, Telemundo and La Opinion.

Lesson plans will be mailed out again this year to all high schools, higher education segments and community based and Legislative partners.

An advertisement about Cal Grants will be placed in the September/October issue of Next magazine, which is distributed to all high school seniors.

A draft copy of the Outreach plan that was presented at the last Commission meeting was handed out. While there was no formal Commission approval, there was general support expressed about the plan. Commissioner McClain has been extremely helpful in making sure the messages are delivered correctly.

New radio commercials are being aired that have been recorded by Mark McGrath, Michelle Branch and Bow Wow as well as KIS FM DJ's from Los Angeles.

Committee member Sanders recommended contacting the student government and student associations within the segments to assist in getting the message to students on their campuses.

Committee member Marquez noted that there is an alumni from her school by the name of Mike Anderson who plays for the Denver Bronco's. It was suggested that contact be made with him to see if he would also be interested in recording a radio commercial for Cal Grant. Committee member Thomas suggested Mark Pryor, a pitcher for the Chicago Cubs, who is seeking his master's degree at USC may be another candidate for a commercial.

Committee member Nadjarian noted that he has many community contacts that may prove useful in spreading the message of Cal Grants.

Tab 13: Work Group Updates

Chief Jim Garcia distributed three additional documents to the committee – the first document was emailed to committee members – Measures of Academic Performance (MAP) Work Group issues for 2003-04; the second – Impact of Various Modifications to the Cal Grant GPA Definition and the third – copy of SB 680 that has been chaptered and is a requirement of the Commission.

Committee member Bickett expressed an interest in joining the GPA work group and Tim Bonnel expressed his interest in joining both the GPA as well as the Enhancing Reporting and Analysis work group.

The meeting was adjourned at 4:57 p.m.