
**CALIFORNIA STUDENT AID COMMISSION
GRANT ADVISORY COMMITTEE MEETING**

10811 International Drive
Rancho Cordova, CA 95670

**MINUTES
March 14, 2008**

A meeting of the Grant Advisory Committee was held on Friday, March 14, 2008, in the California Room at CSAC Headquarters.

ADVISORY COMMITTEE MEMBERS:

Mary Lindsey, Chair, PI
Sharon Bowles, Vice Chair, HS
Lorena Hernandez, Commission Liaison
Timothy Bonnel, CCC
Lora Jo Bossio, UC
Marco De La Garza, CCC
Lisa Douglass, AICCU
Catherine Graham, AICCU
Susan Gutierrez, CSU
Kate Jeffery, UC
Sally Pace, K-12
Dean Kulju, CSU

STAFF:

Diana Fuentes-Michel, Executive Director
Catalina Mistler, Chief, PASD
John Bays, Chief, Information Technology
Bryan Dickason, Manager, Cal Grant Operations
Gloria Falcon, Manager, PPD
Bob Illa, Manager, Fiscal and Administrative Services
Thea Pot-Van Atta, Manager, Student Support Services
Lori Nezhura, PPD
Mona Stolz, PPD
Tae Kang, PPD
Kristen Trimarche, PPD
Renee Alexander, PASD
Clarita Cortez, PPD
Jorge Cortez, School Support Services
Suzan Donald, PPD
Karen Henderson, Research & Policy Analysis

AICCU (Associate of Independent California Colleges and Universities)
CCC (California Community College)
CSU (California State University)
HS (High School)
K-12 (Kindergarten – 12th grade)
PASD (Program Administration and Services Division)
PI (Proprietary Institution)
PPD (Program Policy and Development Branch)
UC (University of California)

1 Roll Call was taken and a quorum was not recognized.

2 Chairperson Lindsey began the meeting by asking everyone to introduce themselves
3 and state their years of experience, etc. During this time, Member Bonnel arrived and it was
4 noted that a quorum now existed.

5 **TAB 1 – COMMITTEE CHAIR’S REPORT**

6 Chairperson Lindsey discussed the number of new Commissioners and that the
7 Commission has a new staff counsel. Executive Director Fuentes-Michel stated that Kerri
8 Tippins is the Commission’s new staff counsel and that she has extensive experience working
9 at the State level. Chairperson Lindsey reported that the Commission passed a motion to
10 support continued funding of the Competitive Cal Grant Program. Chairperson Lindsey stated
11 she would like to discuss how the Chair and Vice Chair of the Grant Advisory Committee (GAC)
12 works with CSAC staff at the next GAC meeting. Since electing a new Chair is scheduled for
13 October, it would be helpful for GAC members to know how the process works. Because of
14 possible quorum concerns, Chairperson Lindsey stated that some of the Agenda Tab items will
15 be moved. Member Graham Chairperson also made two announcements: 1) Cathy Thomas’
16 (a former GAC member) husband passed away and 2) the Western Region of the College
17 Board recognized Cash for College as their Distinguished Service Award recipient.

18 **TAB 2 – EXECUTIVE DIRECTOR’S REPORT**

19 Executive Director Diana Fuentes-Michel began by thanking the Western Region of the
20 College Board for supporting Cash for College, and she was pleased to announce progress on
21 assigning federal funds for funding Cash for College in the future.

22 Executive Director Fuentes-Michel indicated that she had testified to the Legislature
23 regarding the Competitive Cal Grant Program and she is hopeful the program will continue. She
24 continued by discussing the impact of the sale of EDFUND including detangling services, and
25 that the Commission will not be co-locating with EDFUND when they move. Executive Director
26 Fuentes-Michel also discussed the latest information regarding the State’s budget problems

1 including the Commission's budget reduction and staffing issues. She finished her report by
2 stating that the Commission would be conducting a Strategic Planning Meeting on March 27,
3 2008, and that the Commission will continue to move forward with continued focus on students.

4 **TAB 3 – APPROVAL OF MINUTES**

5 On **MOTION** by Member Bowles, **SECONDED** and **CARRIED**, the GAC approved the
6 minutes of the June 16, 2006 GAC teleconference meeting, as amended.

7 On **MOTION** by Member De La Garza, **SECONDED** and **CARRIED**, the GAC approved
8 the minutes of the October 18, 2007 GAC meeting.

9 On **MOTION** by Member Pace, **SECONDED** and **CARRIED**, the GAC approved the
10 minutes of the October 19, 2007 GAC meeting, as amended.

11 On **MOTION** by Member Gutierrez, **SECONDED** and **CARRIED**, the GAC approved the
12 minutes of the January 16, 2008 GAC teleconference meeting, as amended.

13 **TAB 4 – OVERVIEW OF ADMINISTRATIVE PROCEDURES FOR COMMITTEE** 14 **MEMBERS**

15 Kristen Trimarche and Mona Stolz discussed administrative procedures for GAC
16 members relating to travel, recording etiquette, teleconference information, and restaurant
17 choices in Rancho Cordova.

18 **TAB 5 – CONSIDERATION OF THE GOVERNOR'S PROPOSED ELIMINATION OF** 19 **THE COMPETITIVE PROGRAM AND THE EFFECTS OF THE GOVERNOR'S** 20 **PROPOSAL ON THE ADMINISTRATION OF THE CAL GRANT COMPETITIVE** 21 **PROGRAM**

22 Chief Catalina Mistler started the discussion of this Tab Item by stating that the
23 Governor's proposed budget includes the elimination of the Competitive Cal Grant Program.
24 Because of this proposal, CSAC staff had to decide if they should continue to run the normal
25 award cycle and how to inform the students of the situation, etc. CSAC staff sought feedback
26 from some stakeholders who consensually felt the Commission should continue to run the

1 Competitive award cycle and to make sure potential recipients were notified that the program
2 could be eliminated. Therefore, CSAC staff prepared a draft postcard that would be sent to
3 potential recipients. Chief Mistler asked the GAC for their feedback on the language of the
4 postcard. A lengthy discussion followed including the possibility of removing student names
5 from the institutions' rosters, confidentiality issues of the content of the postcard, other methods
6 of notification, and ensuring students were aware of other financial aid opportunities.

7 John Bays stated it might be possible to use the N/A code on the rosters for the
8 Competitive applicants. After further discussions, Member Graham made a motion to run the
9 Competitive A and B awards, N/A code those students on the rosters, and send the postcard
10 that has been modified to protect student privacy. The motion also stipulated that the
11 Commission would not send any communication to non-eligible applicants. Member Bossio
12 seconded the motion. The motion was passed with one abstention (Member Bonnel).

13 **TAB 6 – CONSIDERATION OF AT-RISK INSTITUTIONS CRITERIA**

14 Gloria Falcon provided a brief summary of research that had been conducted and
15 information found from the Department of Education on at-risk institutions. Ms. Falcon stated
16 that she recently attended a quarterly meeting of the California Partnership, sponsored by the
17 Department of Education and chaired by Linda Henderson. This group shares information
18 about challenged schools. Ms. Falcon said that from the research she conducted on this
19 subject, she found that some for-profit institutions and a few nonprofit institutions that are now
20 closed have not repaid the Commission the funds they have used. Ms. Falcon indicated that
21 the Commission has identified four considerations: (1) utilizing the Commission's
22 Postsecondary Education Participants System (PEPS) to identify "at-risk" institutions; (2) using
23 the lack of administrative capability and financial stability as the criteria to identify "at-risk"
24 institutions; (3) checking only private non-profit and for-profit institutions since research
25 indicated these segments lead in the number of deficiencies in the areas of administrative
26 capability and/or financial stability; and (4) placing applicable segments on a reimbursement

1 program until cleared. After some discussion, Chairperson Lindsey requested staff review some
2 scenarios and possible options on implementation of a reimbursement program for these
3 institutions and bring the information to the next GAC meeting.

4 Following a break, Commissioner Hernandez recommended that since there is a long
5 gap between GAC meetings, that staff prepare a chart of action items with their status to help
6 stay on track.

7 **TAB 7 – WORKGROUP UPDATES AND RECOMMENDATIONS**

8 **TAB 7.a – Prioritization of 2008 Workgroups**

9 Member Bonnel moved at the last teleconference meeting that GAC set priorities and
10 not add additional priorities due to the lack of adequate resources. Chair Lindsey indicated that
11 the agreed upon priorities were; (1) Cal Grant data analysis (SEARS and student expense
12 budgets); (2) Cal Grant account maintenance and annual interest earnings. If there were
13 additional resources, GAC would go back and look at the rest. Additionally, GAC discussed Cal
14 Grant C, selection criteria, and non term-based workgroups. Member Holland had stated in an
15 earlier teleconference meeting that his workgroup, non term-based workgroup, required no
16 further work for staff or GAC and he would be ready to make a recommendation at the May
17 GAC meeting. Member Bonnel stated he would like to see the notes from the December
18 meeting regarding non term-based programs because it does impact some community colleges
19 and he would like to be involved in discussions concerning this workgroup.

20 Chair Lindsey asked that GAC prioritize the three active workgroups. Member Bonnel
21 made a motion with the following priorities for this year: 1) SEARS student expense survey, 2)
22 Cal Grant interest calculation, and 3) non term-based Cal Grant payments. Member De La
23 Garza seconded the motion. The motion passed.

24 **TAB 7.b – Cal Grant Data Analysis**

25 **TAB 7.b.1 – Student Expenses and Resources Survey (SEARS)**

26 **TAB 7.b.2 – Student Expense Budgets**

1 Workgroup Leader Jeffery questioned, due to the current budget climate and technology
2 changes, whether or not conducting another SEARS is warranted. Member Jeffery reported a
3 summary and recommendation from what the Workgroup had discussed the previous day. After
4 further discussion, Member Jeffery made a motion that starting with academic year 2009-10, the
5 Commission collect estimates of the expenses for the total standard student expense budgets
6 that campuses will use to award Cal Grants in the following year. The Commission will modify
7 the college cost estimate form on which campuses currently provide estimates of fees and on-
8 campus room and board expenses in order to collect expense information. The Commission
9 will use the estimates that campuses provide to make preliminary awards. If no updated
10 estimates are available, the Commission will use the most recent campus expense budget
11 information available. Member Bonnel seconded the motion. The motion passed.

12 Member Jeffery made a motion for the Commission to modify the G-21 form to include
13 an additional item where campuses can enter the campus student expense budget that applies
14 to the particular student and where they can indicate whether that expense budget involved a
15 professional judgment adjustment or represents the standard campus budget for that particular
16 category such as standard commuter, on-campus, or off-campus budget. Member De La Garza
17 seconded the motion. The motion passed.

18 Member Jeffery made a motion that the Commission issue an Operations Memo that
19 clearly describes the current interim process that campuses should use to establish or withdraw
20 a Cal Grant for an applicant whose eligibility is affected by a difference in the actual campus
21 expense budget used to determine eligibility and the expense budget the Commission used in
22 making the student's preliminary award. Member De La Garza seconded the motion. The
23 motion passed.

24 Member Jeffery stated that GAC members would be checking with their institutions to
25 gather some more information about the level of interest in using the SEARS information.
26 Additionally, CSAC staff will be checking their history to see why it is so important to the

1 Commissioners to have early January awarding. Additionally, CSAC staff will check with
2 stakeholders on the impact to students if awarding did not occur until late February or March,
3 etc.

4 **TAB 8 – CONSIDERATION OF THE INTERNAL AUDIT BY THE DEPARTMENT OF**
5 **FINANCE ON CAL GRANT PROGRAM NEW APPLICANT ELIGIBILITY FOR AWARD**
6 **YEAR 2006-07**

7 Chief Catalina Mistler gave a summary of the findings from an internal audit conducted
8 by the Department of Finance on Cal Grant Program new applicant eligibility for award year
9 2006-07. There were six findings.

10 One finding addressed the requirement for the use of GPAs for the Competitive Cal
11 Grant B Program. Based on the language in the California Education Code it was determined
12 that, except for community college GPAs, the college GPA is not to be used for Competitive Cal
13 Grant B awarding. This finding is due to an error in the statute and staff are working to obtain a
14 correction. This will take time and processing has to continue according to the audit finding.
15 Therefore, the system is being changed to not accept college GPAs for the Competitive Cal
16 Grant B program.

17 Chairperson Lindsey expressed concern about the need to inform the institutions, so
18 they in turn can inform students. Some institutions track their students and make estimates
19 based on receiving a Cal Grant. Chief Catalina Mistler reported that a simulation of this change
20 indicated that less than one percent of the students would have been adversely affected
21 compared to using the college GPAs. Member Gutierrez cautioned that it would create more
22 concern and confusion for the institutions and more work for the Commission to try to notify all
23 the schools, when only a small number of students would be affected. Member Graham
24 disagreed and felt that if there were changes in the selection criteria, then the institutions should
25 know about it. Member Bonnel expressed concern that this change would affect the CCCs
26 more because the other segments auto-select for Cal Grant A, not B. Member Gutierrez said

1 that for the CSU, this doesn't mean that there will be fewer Competitive Cal Grant B recipients,
2 just that it would be a slightly different group. Member Gutierrez made a motion that GAC
3 recommends that CSAC staff not communicate to schools that the "college GPA" will not qualify
4 an applicant for consideration for a 2008-09 Competitive Cal Grant B, in recognition of the fact
5 that CSAC is pursuing a statutory remedy. Member De La Garza seconded the motion. Motion
6 passed with 3 Nays (Members Bonnel, Graham, and De La Garza) and one abstention
7 (Member Douglass).

8 **TAB 9 – PROGRAM ADMINISTRATION AND SERVICES DIVISION UPDATES**

9 **TAB 9.a – Cal Grant Operations**

10 Time did not allow for this update.

11 **TAB 9.b – Specialized Programs**

12 Time did not allow for this update.

13 **TAB 9.c – School Support Services**

14 Time did not allow for this update.

15 **TAB 9.d – Student Support Services**

16 Thea Pot Van-Atta provided a brief on-line demonstration of the new home portal for
17 WebGrants for Students.

18 **TAB 9.e – Program Policy and Development**

19 Time did not allow for this update.

20 **TAB 9.f – Business System Integration**

21 Time did not allow for this update.

22 **TAB 10 – PUBLIC AFFAIRS UPDATE**

23 Time did not allow for this update.

24 **TAB 11 – GRANT DELIVERY SYSTEM (GDS) PHASE II UPDATE**

25 Time did not allow for this update.

26 **TAB 12 – STATE AND FEDERAL LEGISLATIVE UPDATE**

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Time did not allow for this update.

Member Graham requested the topic of the GAC's role as it pertains to the Commission's process with other stakeholders be added as a future agenda item. Chairperson Lindsey stated the role the advisory committee would be noted for a future agenda item.

There being no further business, the meeting of the Grant Advisory Committee was adjourned at 4:07 p.m.

MARY LINDSEY
GRANT ADVISORY COMMITTEE CHAIR