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

Teleconference

**MINUTES
May 7, 2009**

A teleconference meeting of the Grant Advisory Committee (GAC) was held on May 7, 2009.

The following GAC Members were present:

Susan Gutierrez, Chair, CSU
Mary Lindsey, Vice Chair, PI
Chris Shultz, UC
Dean Kulju, CSU
Tim Bonnel, CCC
Cindy Castillo, CCC
Lisa Douglass, AICCU
Catherine Graham, AICCU
Barbara Bonardi, AICCU
Frederick Holland, PI
Judi Sveen, PI
Sally Pace, K-12
David Kopperud, K-12

The following Commission Staff were present:

Catalina Mistler, Chief, PASD
John Bays, Chief, Information Technology
Tae Kang, Acting Manager, Grant Operations
Gloria Falcon, Manager, PPD
Debi Jackson, Manager, Information Technology
Thea Pot-Van Atta, Manager, Student Support Services
Charles Wood, Program Compliance
Suzan Donald, PPD
Kathy Spencer, PPD
Kristen Trimarche, PPD

Enrique Murillo, Commission Liaison

The following GAC Members were absent:

Kate Jeffery, UC
Andrew Grant, UC
Jammie Jelks, CSU
Sharon Bowles, HS
Adrian Griffin, CPEC
Coletta McElroy, CASFAA

AICCU	Association of Independent California Colleges and Universities ¹
CASFAA	California Association of Student Financial Aid Administrators
CCC	California Community College
CPEC	California Postsecondary Education Commission
CSU	California State University
HS	High School
K-12	Kindergarten – 12 th grade
PASD	Program Administration and Services Division
PI	Proprietary Institution
PPD	Program Policy and Development Branch
UC	University of California

1 Chair Gutierrez called the meeting to order, roll call was taken and a quorum was
2 recognized.

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

4 Chair Gutierrez provided the following report:

- 5 • Vice-Chair Lindsey attended the last Commission Meeting as Chair Gutierrez was
6 not able to attend.
- 7 • Commissioners listened to a presentation on the proposed decentralization of the
8 Cal Grant Program and will be following up with the various segments for further
9 discussion.

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

11 Executive Director Fuentes-Michel provided a report, which included the following:

- 12 • Thanked those who sent notes during her absence.
- 13 • A 14 percent increase in number of Cal Grant applications received, an increase in
14 GPA’s and calls in the call center, and a total of approximately 261,000 accounts in
15 Web Grants for students. Staff remains committed to the mission of CSAC in spite of
16 staffing shortages.
- 17 • The 2009-10 Budget is contingent on the passage of propositions before the
18 electorate on May 19, 2009. The propositions are dependent on revenues being
19 received by the State in April; however, current revenues are down significantly and
20 regardless of whether the propositions pass, there will be further cuts to state
21 programs expected during the month of June.
- 22 • On May 28, 2009 the Department of Finance (DOF) will release a June revision
23 which will provide some indication of the Commission’s budget and its programs.
- 24 • The Senate and Assembly have scheduled a hearing next week on the issue of
25 decentralization. In pre-hearings both houses have indicated that they will not
26 support cuts to the Cal Grant program.

- 1 • On April 1, 2009, the Commission received notification specifying that DOF wants to
- 2 revisit cuts to the Cal Grant Program, which placed back on the table the same cuts
- 3 as were proposed in January: elimination of the Competitive Cal Grant Program;
- 4 freezing of income ceilings; reduction of awards for independent
- 5 colleges/universities; reducing maximum Cal Grant Award by approximately 14
- 6 percent; and making further reductions by decoupling fee increases at UCs and
- 7 CSUs from financial aid.
- 8 • California has filed an application and has received approval for Federal Stimulus
- 9 funding for K-12 and higher education, which are contingent upon the State
- 10 maintaining 2006 levels of appropriation. Financial aid may be vulnerable to further
- 11 cuts in June as these funds are not included in the basic level of appropriation.
- 12 • In January the administration proposed potential consolidation and decentralization
- 13 of the Commission and its programs. A public hearing will be held on May 13 and
- 14 14, 2009 in the Assembly and the Senate.
- 15 • A copy of the Governor's legislative proposal is available, is being circulated and will
- 16 be forwarded to the list serve by the Commission.
- 17 • The proposal disseminates the functions of the Commission to the public sector,
- 18 including the administration of private awards.

19 **TAB – 3 COMMISSION LIAISON COMMENTS**

20 Catalina Mistler presented the Commission Liaison comments, which included the
 21 following:

- 22 • Bryan Dickason will be out for an extended leave and Tae Kang will be acting as lead in
- 23 the Operations area. Executive Director Fuentes-Michel relayed her faith and
- 24 confidence in Acting Manager Kang's ability and asked for support in his new role.

- 1 • The E1 processing continues on a weekly cycle, currently processed and offered over
- 2 71,000 E1 awards.
- 3 • Approximately 14,000 tentative E2 award offers were sent with the direction to complete
- 4 the G-6 form in order to determine eligibility.
- 5 • California Aid Report will not be sent for C1 since the budget is proposing the elimination
- 6 of the Competitive Program. A postcard will be mailed informing tentative awardees to
- 7 check their status on Web Grants for Students and that the award is tentative until the
- 8 outcome of the budget.
- 9 • Over 46,000 potential Cal Grant C recipients have been certified. The Commission will
- 10 be sending postcards requesting applicants to complete the supplement form.
- 11 • The Commission is currently processing late GPA appeals. The appeal process has
- 12 been communicated to students who have completed the FAFSA on time but did not
- 13 include a GPA.
- 14 • A total of 2,483 new Chafee applicants in 2009-10 have been identified. The
- 15 Commission is notifying renewal students to complete the FAFSA and institutions to
- 16 complete Needs Analysis Report.

17 **TAB – 4 APPROVAL OF MINUTES FROM THE FOLLOWING MEETING:**

18 **4.a March 12, 2009**

19 On **MOTION** by Member Kopperud, **SECONDED** and **CARRIED**, the GAC APPROVED
 20 the minutes WITH CHANGES BY ROLL CALL VOTE. Member Graham ABSTAINED.

21 **TAB – 5 REVIEW OF ACTION ITEMS FROM JANUARY 15, 2009 MEETING**

22 Kristen Trimarche presented the action items and recorded the updates.

23 **TAB – 6 WORKGROUP UPDATES AND RECOMMENDATIONS**

24 **6.a 2010-11 CAL GRANT C AWARD SCORING AND SELECTION CRITERIA**

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1 Mary Lindsey, Workgroup Chair reported that the workgroup reviewed the statistics and
2 simulation data provided by staff, which would result in a shift of approximately 1,000 students.
3 This item will be included on the October 8, 2009 workgroup agenda after the award cycle has
4 been completed.

5 **TAB – 7 DISCUSSION OF CAL GRANT ACCOUNT MAINTENANCE & ANNUAL INTEREST**
6 **CALCULATION AND NEGATIVE INTEREST**

7 Manager Falcon indicated that this item is on the agenda to provide a forum for GAC
8 members to ask questions. Chief Mistler indicated that Executive Director Fuentes-Michel
9 received letters from the UC President's Office and the CSU Chancellor's Office in response to
10 the Special Alert that directed campuses to remit interest. The Commission is currently working
11 on the responses to those letters.

12 Member Kulju asked for clarification regarding the process and status of the interaction
13 between the Commission and DOF. Chief Mistler pointed out that the CSU System office
14 contacted DOF inquiring about the method to use in calculating interest. DOF then contacted
15 the Commission for more information, which was provided by Chief McDuffie. DOF has not
16 provided a written response.

17 A discussion ensued regarding the use of generally acceptable accounting practices and
18 interest that is earned or lost on funds.

19 On **MOTION** by Member Lindsey, **SECONDED** and **CARRIED**, the GAC APPROVED
20 the following BY ROLL CALL VOTE:

21 GAC respectfully requests of the Commission an update on any Commission staff
22 communication with Department of Finance regarding generally accepted accounting practices
23 being used to calculate interest.

24 **7.a DISCUSSION AND CONSIDERATION OF INTEREST REMITTANCE USING CALENDAR**
25 **YEAR v. FISCAL YEAR**

26 This item was not discussed and will be included on July 9, 2009 meeting agenda.

1 **TAB – 8 UPDATE ON GRANT DELIVERY SYSTEM IMPROVEMENTS – PHASE II**

- 2 • Web Services will be implemented this week and an Operations Memo will be
3 released with a user guide.
- 4 • The advisory group used on project has been beneficial and will be continued, and
5 will allow others to be part of this teleconference group.

6 **TAB – 9 CONSIDERATION OF FUTURE TOPICS**

7 Member Pace requested an update and discussion regarding the status of
8 decentralization at the next GAC meeting, which is scheduled on July 9, 2009.

9 There being no further business, the meeting of the Grant Advisory Committee was
10 adjourned at 11:57 a.m.

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12 SUSAN GUTIERREZ
13 GRANT ADVISORY COMMITTEE CHAIR