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

10834 International Drive
Rancho Cordova, CA 95670

**MINUTES
May 15, 2008**

A meeting of the Grant Advisory Committee was held on Thursday, May 15, 2008, in Conference Room A at the CSAC South Building.

ADVISORY COMMITTEE MEMBERS:

Mary Lindsey, Chair, PI
Daniel Friedlander, Commission Liaison
(Alternate)
Kate Jeffery, UC
Lora Jo Bossio, UC
Marco De La Garza, CCC
Timothy Bonnel, CCC
Dean Kulju, CSU
Julia Ibanez, CSU (Alternate)
Lisa Douglass, AICCU
Catherine Graham, AICCU
Ricardo Tejada, AICCU
Frederick Holland, PI
Louise McClain, K-12 (Alternate)
Sally Pace, K-12
Coleetta McElroy, CASFAA

John Bays, Chief, Information Technology
Janet McDuffie, Chief, Federal Policy & Programs
Catalina Mistler, Chief, PASD
Steve Caldwell, Manager, Program Administration
Bryan Dickason, Manager, Cal Grant Operations
Gloria Falcon, Manager, PPD
Cheryl Lenz, Acting Manager, Communication &
Public Affairs
Thea Pot-Van Atta, Manager, Student Support
Services
Ruben Romero, Manager, Research & Policy
Analysis
Renee Alexander, PASD Liaison
Clarita Cortez, PPD
Suzan Donald, PPD
Tae Kang, PPD
Lori Nezhura, Governmental Relations
Mona Stolz, PPD

STAFF:

AICCU	Association of Independent California Colleges and Universities
CASFAA	California Association of Student Financial Aid Administrators
CCC	California Community College
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 A quorum was recognized and Chairperson Lindsey called the meeting to order.

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

3 Chairperson Lindsey discussed the number of new Commissioners and indicated that
4 the Commission has a new Chair – Dennis Galligani. She also recognized the presence and
5 participation of Commissioner Friedlander. She discussed recent changes in the Commission’s
6 staffing, the Commission’s moving plans, and the fact that staff’s highest priority will be
7 delivering grants to students. Chair Lindsey recognized the Commission staff’s hard work and
8 dedication. She also summarized the decision made at the last meeting to hold one-day
9 meetings rather than two days as has been past practice. Decisions were yet to be made on
10 August or October meetings. During discussions at the last meeting related to the Competitive
11 program, GAC recommended that CSAC staff run the Competitive awards and select the
12 students who would potentially benefit from Cal Grant C. Staff would send Cal Grant C
13 Supplement forms to these students in case the Competitive program lost its funding. Member
14 Graham discussed the importance of regularly scheduled GAC meetings. Several members
15 discussed potential alternate locations. Staff indicated that the location and resources are
16 potential issues related to the workload involved in planning and carrying out GAC meetings.
17 Typical meetings take in excess of 200 hours to plan and administer. Staff will continue to seek
18 guidance, but will need to consider new ways of gathering input. Committee member McClain
19 reiterated her support for continued GAC meetings as did Commission Liaison Friedlander.
20 Member Jeffrey leads the SEARS workgroup. SEARS needs to be discussed in August.

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

22 Janet McDuffie, Chief, Federal Policy and Programs Division provided a summary of the
23 Governor’s May revision to the January budget as it affects the Commission. The Governor
24 postponed the sale of EDFUND until the 2009-10 state fiscal year. Several reasons were cited
25 for the postponement including; 1) changes at the federal level, 2) changes in the credit industry
26 that affect the student loan programs; and 3) the withdrawal of Bear Stearns as the sale-side

1 advisor (due to the buyout by JP Morgan Chase). The indication is that the Civil Service
2 positions assigned to EDFUND will remain with EDFUND at this point. Commission management
3 will communicate to staff who received layoff notices as necessary. The State Restriction of
4 Employment List gives employees with layoff notices enhanced priority for consideration for
5 other civil service opportunities.

6 The Commission is still subject to the 10 percent Governor's budget reduction in the
7 current year which represents a \$1.6 million reduction to our administrative budget. We
8 continue to evaluate the impact of the reductions on staff and our customers and service levels.
9 The \$1.8 million that had been budgeted for the transition due to the sale has now been
10 redirected to cover the Commission's move costs. The Commission's lease of the
11 headquarters building expires at the end of August, 2008. The South Building (10834
12 International Drive) is available to Commission staff through April 2009.

13 The May Revision upholds the January Budget proposal to eliminate funding for the Cal
14 Grant Competitive A and B awards. Renewals would continue to be funded, but no new awards
15 would be issued. The Legislature will have to consider the implications and decide whether or
16 not to restore the program's funding into the budget.

17 There is also a change in the funding source for our Cal Grant programs. An amount
18 equal to the funding provided for students who qualify for the Temporary Assistance for Needy
19 Families (TANF) program would be provided from the TANF block grant (through the
20 Department of Social Services) as maintenance of effort funding to satisfy federal requirement.

21 The federal College Access Challenge Grant will be used (\$330,000) to fund the Cash
22 for College program and funding will be provided to support the Cal SOAP program (\$7.4 million
23 with \$1 million set aside for career-technical education awareness) as well.

24 **TAB 3 – COMMISSION STAFF LIAISON REPORT**

25 Catalina Mistler, Chief of the Program and School Services Division indicated that the
26 Commission has offered 66,389 Cal Grant Entitlement awards which is approximately 12

1 percent higher than last year. Commission staff is processing appeals for students who did not
2 get their GPA in by March 2, due to circumstances beyond their control. Commission staff is
3 running the Cal Grant Transfer Entitlement award process and there have been 21,000 offers
4 which is approximately 32 percent ahead of last year. Each potentially eligible applicant will
5 receive a Transfer Entitlement Verification Form (G-6) which the student will need to complete
6 and return to the Commission for processing to determine final program eligibility. John Bays,
7 Chief of the Commission's Information Technology Division indicated that the Commission was
8 running the Competitive award process as well. The Commission will send postcards to the
9 Competitive students and work with segmental representatives to develop the postcard.

10 The Commission has awarded approximately 3,200 students in the Chafee program and
11 continues to make awards to eligible students. Commission staff is working with the
12 Department of Social Services to seek additional funding for Chafee awards. Staff is creating a
13 roster that will allow the Commission to identify which students are actually still eligible for
14 Chafee so we can send funds directly to the school of attendance.

15 The SNAPLE program includes SNAPLE NF for nursing faculty (instructors) and
16 SNAPLE NSF for nurses who choose to work in state facilities. Commission staff must award
17 the SNAPLE allocations (100 for each program) by June 30, 2008. Commission staff has been
18 working with the Labor and Workforce Development Agency to help advertise for the programs
19 as well as the Board of Registered Nurses. Staff is requesting GAC members' assistance in
20 getting the word out about the SNAPLE NF and SNAPLE NSF programs.

21 The APLE program allocations for 2007-08 were reduced by 600 bringing the total
22 available for 2006-07 and 2007-08 to 7,200 allocations. The UC has exceeded their allocation
23 goal and the CSU is working on generating approximately 4,000 applications (Member Kulju).
24 The Committee discussed the process and the need to utilize the allocated awards.

1 **TAB 4 – APPROVAL OF MINUTES**

2 On **MOTION** by Member Bonnel, **SECONDED** by Member Pace and **CARRIED**, the
3 GAC approved the minutes of the February 21, 2008 GAC teleconference meeting, as
4 amended.

5 After some discussion, the Chair suggested that action on the minutes of the March 14,
6 2008, meeting be postponed to allow staff to add some detail related to the committee’s
7 discussion about the internal audit conducted by the Department of Finance on Cal Grant
8 program eligibility for new awards and potential communication to the financial aid community.

9 **TAB 5 – WORKGROUP UPDATES AND RECOMMENDATIONS**

10 Member Holland provided an update from the Nontraditional-Based schools workgroup.
11 He will contact three or four schools to get actual student scenarios which he will provide to
12 Commission staff. Chair Lindsey and Member Holland indicated that the goal would be to
13 optimize student financial assistance (and working to replicate the federal model).

14 Members Kulju and Graham provided an update from the Account Maintenance and
15 Annual Interest Calculation workgroup. Member Kulju was to work, through his segment, with
16 the Department of Finance (DOF) to clarify the methodology used to calculate average daily
17 balances and whether or not the methodology is consistent with the DOF decision. The CSU’s
18 finance staff is planning to discuss the issue with the DOF staff. Member Kulju will report his
19 findings to Commission staff. If the CSU's updated information requires a change in the current
20 policy related to interest-bearing accounts, Commission staff will communicate the change to
21 the field.

22 **TAB 6 – CONSIDERATION OF AT-RISK INSTITUTIONS REIMBURSEMENT**
23 **PROGRAM**

24 Gloria Falcon, Manager of Program and Policy Development, briefly summarized the
25 changes that were discussed during the morning workgroup meeting. After some discussion by
26 the Committee related to at-risk institution, appeals, and the communications that would be sent

1 to schools as warnings. The Committee would like to see warning letters go out to the schools
2 prior to discontinuing Cal Grant advances. Staff indicated that they would send an Operations
3 Memo summarizing the Commission's action (pending approval by the Commissioners in June)
4 and the process staff would use to carry out the Commission's direction. The Operations Memo
5 would also explain the appeals process. PASD Division Chief Mistler agreed to contact the six
6 identified at-risk institutions to determine whether or not they have separate accounts for Cal
7 Grant funds.

8 On **MOTION** by Member Graham, **SECONDED** by Member De La Garza and
9 **CARRIED**, the GAC approved the following motion: *Option 1 – Under this method, the*
10 *Commission would release Cal Grant funds to the institution after the institution has verified a*
11 *student's eligibility and has posted the requested payment to WebGrants. Under this option; 1)*
12 *The institution must maintain Cal Grant funds in a separate bank account, 2) The Commission*
13 *must verify eligibility and post payments (reimbursement) to WebGrants for eligible students; 3)*
14 *the Commission will approve disbursement of Cal Grant funds to the institution; and 4) the*
15 *institution must submit documentation within two weeks of disbursement that each student*
16 *received Cal Grant funds.*

17 **TAB 7 – CONSIDERATION OF COMMISSIONER'S DIRECTIVES: ADMINISTRATION**
18 **OF CAL GRANT PROGRAM AND ADDING ADDITIONAL POSITIONS TO THE**
19 **GRANT ADVISORY COMMITTEE**

20 Member Bonnel agreed to send all GAC members a link to the website containing the
21 Power Point presentation shown at CASFAA. Committee members were reminded to be careful
22 not to discuss the Power Point with other members to avoid Bagley-Keene violations.

23 PASD Division Chief Mistler agreed to visit local campuses for each segment to learn
24 more about what they do on campus and how to reduce duplicative workload. Member Jeffery
25 recommended bringing a list of all eligibility requirements to site visits. Member Holland offered
26 to help redesign a few of the Cal Grant letters – potentially through a design class on campus.

1 Chair Lindsey recommended a 2-3 hour teleconference in July to discuss the CASFAA
2 Power Point presentation and to help define the scope for the CSAC Power Point regarding
3 processing similarities and differences. Staff would share the Power Point presentation with
4 members for comment.

5 Concerned about High School representation, the Commission requested that additional
6 K-12 School Representatives be added to GAC. Member Pace and Alternate Member McClain
7 indicated that, although the information gained at GAC is valuable, they felt additional positions
8 would not be practical since topics discussed at GAC are generally geared toward college
9 students. It was expressed that student representation is critical at GAC Meetings. To increase
10 attendance from student representatives, it was recommended that student appointees have
11 two alternates each to ensure student representation at GAC Meetings.

12 **TAB 8 – REVIEW OF ACTION ITEMS FROM MARCH 14, 2008 MEETING**

13 Commission staff agreed to contact GAC members to discuss the next meeting date,
14 location and potential for a teleconference meeting. Members offered various locations to
15 assist. The Committee Chair had hoped to discuss how the GAC Chair and Vice Chair will work
16 with Commission staff. This issue was deferred to a future meeting.

17 Commission staff is working on developing a survey to gather information related to
18 SEARS and whether or not the SEARS is providing information needed by schools and
19 Commission staff. Commission staff also responded to questions related to the timing of the
20 Cal Grant Entitlement awards. Commission discussions related to the implementation of the
21 Entitlement program indicated that the Commissioners were informed that the Entitlement
22 awards could potentially be made as early as January. Discussion related to the roles and
23 responsibilities of GAC members would be postponed – potentially a subject for the October
24 planning meeting.

25 Member McClain initiated a discussion on the Cal Grant award letter and the non-user
26 friendly aspects of its appearance and content. Staff agreed, and would like to continue to work

1 on this issue. There have been questions as to whether or not the letter needs to go out and
2 whether or not school efforts duplicate the Commission's letter. Information Technology Chief
3 John Bays responded indicating that the Commission is tied to the IBM Mainframe processing
4 system which is not flexible. Additionally, the total number of letters that are sent, over 100
5 different system-generated letters and the limited fonts and formatting available, make it difficult
6 to improve aesthetics.

7 Member Graham announced exciting news. Student member Ricardo Tejada received a
8 major scholarship and will be attending England's Cambridge University in 2009 to earn a
9 Master's Degree in Urban Planning, Regeneration and Growth.

10 There being no further business, the meeting of the Grant Advisory Committee
11 was adjourned at 5:30 p.m.

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18 MARY LINDSEY
19 GRANT ADVISORY COMMITTEE CHAIR
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