

## **CA Student Loan & Debt Service Review Workgroup**

July 7, 2021

10am – 1pm PST

### **Workgroup Attendees**

Dr. Lande Ajose  
Office of Governor Gavin Newsom

Dr. Sandy Baum\*  
Urban Institute

Catalina Cifuentes  
California Student Aid Commission

Dr. Jamillah Moore\*  
California Student Aid Commission

Hal Geiogue  
Scholarshare Investment Board

Samantha Seng  
Legislative Manager & Policy Advisor at  
Next Gen California

\*Member of the Public

### **Facilitators, Presenters, and Support**

Marlene Garcia  
California Student Aid Commission

Patrick Perry  
California Student Aid Commission

Jake Brymner  
California Student Aid Commission

Daniela Rodriguez  
California Student Aid Commission

Martha Snyder  
HCM Strategists

Elizabeth Salinas  
HCM Strategists

Katie Lynne Morton  
HCM Strategists

Teresita Martinez  
HCM Strategists

Welcome

*Patrick Perry, CSAC*

- Meeting objectives
- Meeting agenda
- Housekeeping announcements

Summative Overview of Draft Interventions to Date & Public Comment Received

*Elizabeth Salinas, HCM Strategists*

- Review of policy intervention buckets, potential overlap of interventions, and public comment documents found [here](#).
- Policy intervention buckets: organized the intervention by several domains: the different types of interventions & the target populations for the interventions.
- Potential overlap: potential overlap between the interventions in achieving the same goal or interacting with one another.
- Public comment: synthesis of public comment and feedback. Outlined based on intervention and provides information on the relevant intervention, a brief overview, specific feedback, and questions elevated.

Workgroup Discussion: Policy Interventions and Recommendations

*Martha Snyder, HCM Strategists, and Patrick Perry, CSAC*

- Reviewing Interventions Presented to Date
  - Are there any interventions that raise concerns?
  - Are there any interventions that should be prioritized as a recommendation of the workgroup? (i.e. leading recommendation(s)?)
  - Are there interventions that can be grouped together or incorporated as a component of a broader/leading recommendation?
  - What additional information is needed to understand feasibility of specific interventions?
- Hal Geigouge: How are we going to present the intervention? I don't want to lose sight of the intervention, which was a limited charge. There are other matters that need to be brought up. We can frame it as, "these are the questions you asked, here are the answers, and here are additional things to consider." Add the interventions that are not priority into an "in addition" section.
- Catalina Cifuentes: I have nothing in terms of concerns, but the last point, "what additional information is needed to understand," is to look for stuff that we want to measure effectiveness when we are ranking and prioritizing. We want to look for stuff that we want to measure effectiveness. Whatever we go with, how are we going to show that it had an impact?

- Dr. Lande AJose: Measurability is essential to measure impact. It's good that we grouped the interventions to see which ones are related--we want them to appear impactful, not a laundry list. We want them to appear strategic in terms of how we are going to advance with these things. Nuance about how interventions are going to be done. We need room to dig into a much clearer sense of the specifics. That will help us get good recommendations. Interventions also need to be framed as content and not as advocacy. Think about the intention of what we want to do, if there is legislation, great let's do it. It should be coming off as a deep piece of content work that people can use to advance our efforts in student loans.
- Martha Snyder: Are there a set of interventions that we should be prioritizing (i.e. leading recommendations)? Are there still pieces of information that we need to add/seek to further formalize interventions to make them implementational and measurable? Is there a set of key interventions that the workgroup would like to anchor into?
- Patrick Perry: Based on the public comments, there was a lot of reference to the New York model and building that ecosystem as the alpha recommendation. A lot of focus on legal services provided to students and borrowers as well. And, what type of curriculum or messaging should we give students at these three phases--we have venues for that at CSAC, but what is the coordinated message? And who owns that?
- Dr. Lande AJose: Comment on the messaging. Reading the communications and outreach, we have discrete features, but it wasn't clear if what we are really saying is that many of these pieces will fit into a campaign. Will the campaign be anchored around increasing public awareness, certain messages that we want to advance? Are these discrete steps, or are these interventions part of a bigger effort? We should think about these while writing the report.
- Patrick Perry: We would want all of the messaging coordinated and passed through entities that are going to touch the messaging and students. It seems like an intentionally logical place is what we are going to build out at the new Ombudsman office? What are the new set of duties for that entity?
- Dr. Sandy Baum: We need framing. Frame them as "How do we help students to manage their debt?" We are looking at these problems, and these are the related ways that can help students relieve the burden of their debt.
- Martha Snyder: The framing you offered brings to Hal's point, the charge is to research and make recommendations around "implementable strategies and concepts that borrowers are able to access the most financially beneficial loan programs, most affordable repayment plans, and any available debt service forgiveness programs." Are there recommendations that are to the core of this, or to Hal's point, are there interventions that are not core to achieving the specific charge.

- Patrick Perry: We have a lot of recommendations that deal with the BPPE and FTB . We should loop in with them to let them know about the recommendations that are impacting them to gather their feedback on these specific recommendations.
- Samantha Seng: The way we are structured in California there can be exploration between all the agencies that are involved with this. CSAC has a role. And there are shared responsibilities for students attached for repayment DFPI, BPPE, and DOJ, for those hard cases. Definitely worth exploring with shared responsibility or what kind of information gathering between all of them would look like.
- Patrick Perry: Do we know if the DFPI Ombudsman office has someone running it yet?
- Samantha Seng: DFPI just started the official posting on July 1st.
- Patrick Perry: Do we know how much of the work plan is on top of that office or entity? Has it been laid out by legislation or is it still open?
- Samantha Seng: I don't want to speak for the department, but AB 376 that was passed has some parameters. My interpretation of the law, coordinating, taking in the complaints, liaisons to other departments, such as BPPE. AB 376 lays out some parameters for their work. They are looking to be more proactive in helping borrowers with their situation, it's just a matter of setting up shop right now.
- Marlene Garcia: Terrific job done organizing. The matrix that outlines the different audiences and interventions is a focused way to look at the major themes. Most of the interventions have to deal with information, and this information is not readily available in institutions that deliver education. It strikes me that there needs to be a concerted effort to pull together financial literacy so that people know if they are a certain class of borrowers dealing with a different process of debt. Even the nuanced message of not taking out loans--not a nuanced method because students need debt. One of the core challenges and opportunities, rethink this, discrete information targeted at different borrower types. I am looking forward to the framing and implementing them in a way that makes sense with California. What recommendations do you have about actual implementation? What aspects of communication challenge do they have responsibilities for, going down to the institutions?
- Martha Snyder: It seems like the general interventions sit well with folks but there is a framing component to it that we need to explore and refine. We could spend some time discussing the framing. There seems to be one very big recommendation: central hub. We started to identify additional information that we need for that. But, we want to make sure that we get all the remaining questions and concerns on the table so that we can do our homework and bring solutions to our next meetings.
- Patrick Perry: What are the alpha metrics of all this? How are we going to measure all of this? For example, our average loan decreased? For certain groups? We can put it on a dashboard to measure ourselves against.

- Dr. Lande Ajose: I want to make sure that we are thoughtful about adding more responsibilities to entities that have already had challenges. And, whether or not this will impede our ability to think about the measurement issues of if we need to have a different approach around some of that.
- Patrick Perry: There are a set of metrics that you are driving for. Are we actually reducing the amount of student loans, default? Maximizing the number of Cal grant, Pell grant recipients.
- Dr. Lande Ajose: And of course desegregated the data by race/ethnicity to understand for whom are we most impacting as we think about reducing student loans. At least with Cal-SOAP, process oriented we wouldn't want to identify this as a measure of impact.
- Patrick Perry: Another crosstab is income-level and geography.
- Catalina Cifuentes: Do we have a baseline? I know we have general research, but do we have specific research on region and county on total student debt?
- Patrick Perry: Data was given at the beginning. Maybe we can use these as a baseline. National sources of this. Potentially have a tracking system. Scaling scope for California is pretty big. We haven't gotten into the true feasibility of the policy recommendations. Did the FAFSA for all make it through the budget process?
- Jake Brymner: Yes, with implementation scheduled for next academic year, Fall of 2022-23.
- Martha Snyder: We can look at the state hub or hub triage model and see the different levels of tiers of services or add a little bit more to. Is this something that builds overtime and we would start with the most urgent needs first?
- Dr. Sandy Baum: As we describe individual interventions, can we be really clear about how we think this particular intervention innovation is going to help students, and what problems are we trying to solve. It is more important to think about how this is going to help students rather than how we are going to implement it.
- Patrick Perry: There are two other dimensions added to the matrix, how is this going to help students and how are you going to measure it?
- Martha Snyder: We turn to the broader framing of the report. Shared out a draft outline of what the report and structure of the report can look like. Want to emphasize that this is a very rough draft. We want the feedback of the workgroup before we proceed.
- Dr. Sandy Baum: As we listen to people talking and making suggestions, there have been things raised that we haven't followed up on. Would it be helpful to point to things that are brought up but don't fall under our scope? And how we made our decisions?
- Dr. Lande Ajose: If we have an explicit rationale for not including interventions, then we should note that. Provide our rationale for interventions that we include and don't include.

- Dr. Sandy Baum: Some people are hoping that we come up with ways that we reduce the amount that students have to pay. We have not gone in the direction of state relieving debt, just some recommendations on how students can navigate the system better. Explain the position of not covering some of the issues that have been brought up.
- Patrick Perry: The most explicit thing is student debt forgiveness, some people might say “why aren’t you recommending that we do that or the federal government to do that?”
- Dr. Lande Ajose: That is a framework issue that we need to be addressing upfront in the report so that we don’t have to go through it item by item. We need to make sure that there is a unifying framework and that we are being explicit about this. As well as what the charge is and how we are meeting this charge and what is the framework we are using to meet the charge. This would determine what is being included and excluded. This report would have a lot of resonance in the state and nation, it’s most important that it be actionable for the state so that we come forward for strategic priorities once the report is complete. I want to be mindful of the various audiences but we also want it to be doable so that the State can implement it.

#### Public Comment

*Katie Lynne Morton*

- Tiffany Konyen, Bay Area Debtors Union
- Kristin McGuire, Young Invincibles
- Cody Hounanian, Student Debt Crisis
- Brendan Rooks, Student Debt Crisis
- Chuck Bell, Programs Director for Consumer Reports

#### Closing Announcements

*Patrick Perry, CSAC*

- Upcoming meeting schedule