

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

10811 International Drive  
Rancho Cordova, CA 95670

**MINUTES  
May 24, 2007**

<b>ADVISORY COMMITTEE MEMBERS</b>	<b>COMMISSION STAFF</b>
Mary Lindsey, Chair, PI	Catalina Mistler, Chief, Program Administration & Services Division
Kate Jeffery, UC	John Bays, Chief, Information Technology Division
Louise McClain, Commissioner	Tom Mays, Manager II, Public Affairs Branch
Ricardo Tejada, AICCU	Bryan Dickason, Manager, School Support Services Branch
Tim Bonnel, CCCCCO	Lori Nezhura, Staff, School Support Services Branch
Mary Robinson, CSU	Drew Schrepel, Staff, School Support Services Branch
Marco De La Garza, CCC	Tae Kang, Staff, Cal Grant Operations Branch
Noelia Gonzalez, CASFAA	Irene R. Klauer, Staff, School Support Services Branch
Susan Gutierrez, CSU	
Veronica Villalobos, AICCU	
Laura Cunha, PI	
Sharon Bowles, HS Counselor	
Catherine Graham, AICCU	
	<b>ALSO PRESENT</b>
	Lili Vidal
	Mindy Bergeron
	Craig Slaughter

**Tab 1: Housekeeping and Roll Call**

Mary Lindsey, Grant Advisory Committee (GAC) Chairperson, called the GAC meeting to order; roll call was taken and a quorum secured. Chair Lindsey acknowledged that GAC is not looking to take action during the meeting, but instead see what the California Student Aid Commission (CSAC) staff will be recommending for the major issues discussed at the work group.

**Tab 2: Staff Report**

Chair Lindsey asked staff to give to provide the following:

- 1) Provide overview of the current status of the three issues discussed at the work group
- 2) Next steps in the process

Bryan Dickason, Manager, School Support Services Branch, provided the following update:

1) High School Graduation Confirmation-

- a) CSAC to find a way to confirm graduation for entitlement students after graduation.
- b) CSAC to develop an electronic way to collect information from students, high schools, etc. online (part of vision).
- c) CSAC to monitor Cal Grant status of students and contact accordingly.
- d) Concerns with the "vision" approach are cost, programming time, and conflict with other Commission projects. Key is to have fall-back positions if initial plan cannot be implemented.
- e) Alternate option #1: CSAC to record if graduation certification received using a simple database.
- f) Alternate option #2: allow online certification by the student.
- g) Alternate option #3: have student self-certify high school graduation in paper form and forward form to CSAC.

Mr. Dickason to complete write-up on the current practice for high school graduation confirmation as well as what is being recommended and the back-up plans. Member Catherine Graham, Association of Independent California Colleges and Universities (AICCU) representative, noted that there seem to be confusion between 1) the time frame approved for implementation of the new IPA (July 1<sup>st</sup>) and 2) the high school graduation requirement approved by the Commission. Mr. Dickason agreed that the two issues were separate, but that discussion about them had occurred at the same meeting.

Mary Robinson, California State University (CSU) representative, commented that she'd forgotten that decisions had been made last September, but nothing had gone out to the institutions regarding the process (high school graduation certification) for 2007-08 and the form had not been brought before the Grant Advisory Committee (GAC) for review. Member Robinson expressed concern about copies of the self-certification form (G-8), shared by staff and a GAC colleague during the meeting, going back to early May (05/01 and 05/08). She explained that both versions, in her view, could use some improvement and in the 6-8 months CSAC has not sought advice from GAC.

Catalina Mistler, Chief, Program Administration & Services Division, informed that the one version of the G-8 was issued as a draft to California Association of Student Financial Aid Administrators (CASFAA) members. The version being presented at the GAC break-out session is the latest version with a greater level of formatting. Ms. Mistler indicated that CSAC was moving forward with an operations memo to institutions explaining how the form would work. She commented that a copy of the G-8 would be issued to GAC for review before the memo went out.

Tim Bonnel, California Community College Chancellor's Office (CCCCO) representative, expressed concern about having noted, in public testimony, the need to communicate changes to schools, since these changes would change processes in college financial aid offices. Getting schools something in late May early June time frame, he added, is really too late for the school's 2007-08 processing. Member Bonnel commented that there was some expectation, perhaps falsely by his system, that there would be recognition by the Commission that

implementation of a new process would dramatically delay payments to students, but it got reaffirmed at the Commission meeting and institutions are still waiting for guidance.

Member Bonnel commented that for the other issues being discussed now like interest-bearing accounts, there are components that will need to be put in place between now and December and formally communicated to the field. Ms. Mistler commented that a memo was issued in February or March advising the institutions that there would be a self-certification form sent out to students and that the form would have to go to the financial aid office. Member Bonnel commented that the institutions replied with a series of questions that had not been responded to. He asked for responses to the questions.

Noelia Gonzalez, California Association of Student Financial Aid Administrators (CASFAA) representative asked if schools, that already verify high school graduation, needed to collect the forms (G-8s) and if not, would there be instruction to the student telling them not to submit the form to a 4-year school. Ms. Mistler said yes; stating the form specifically indicates that if a CSU or UC student, then the form does not need to be submitted. The same, she added, applies to private institutions.

Chair Lindsey noted that if GAC members have questions, then campuses out in the financial aid community have questions so she asked staff to create a document that will address these questions and disseminate it as soon as possible.

## 2) California Residency-

The next issue to be discussed addressed California residency for initial Cal Grant recipients. Lori Nezhura, staff person for the School Support Services Branch, offered the following:

- a) There are three outstanding issues: 1) term definition, 2) the determination date, and 3) what constitutes conflicting information.
- b) It is recommended that the **term definition** used by the California Community Colleges (CCs), being the least restrictive, be used for public institutions. The student will be required to provide physical evidence of residency with the intent to make California home.
- c) **Residency determination** date to be the one used by the governing board of that institution. For institutions without governing boards, first day of instruction of the term in which the student is enrolled as a Cal Grant recipient shall be the residency determination date for Cal Grant purposes.
- d) Option 2 on the same issue offers that if the governing board of an institution has adopted, by regulation or policy, a residency date, that date shall be used for Cal Grant purposes, otherwise, September 20<sup>th</sup> shall be the residence determination for Cal Grant purposes.
- e) Once residency is determined and the award has been issued, the award becomes portable.
- f) **Conflicting information**, as recommended by GAC and considered by CSAC, may include "indicators on the ISIR, such as permanent mailing address, driver license state, student's state of residence, the date that that residence was attained."

Tae Kang, Staff, Grant Operations Branch, spoke on the matter of separate/commingled accounts. He provided the following information:

- a) Interest-bearing accounts were approved for the 2007-08 interim Institutional Participation Agreement (IPA).

- b) Outstanding issue continues to be no commingling for the non-public institutions.
- c) Establishing separate accounts came about in an effort to protect Cal Grant funds when an institution found itself in bankruptcy.
- d) Work group concluded that having a separate account for non-publics is not feasible due to administrative costs.
- e) It is believed that the number of schools filing bankruptcy, thereby putting state funds at risk, is small.
- f) Projected revenue from having an interest-bearing account seen as minimal.
- g) Group recommended establishing preventative measures to identify financially unstable schools. Recommendations included 1) having relationships with other bureaus, agencies (CA Department of Education) to set criteria, 2) draft annual survey to ask about institution's financial status, 3) collect audit reports from schools to identify financially unstable schools.

Mr. Kang explained to the group that all recommendations would be considered by CSAC.

Tom Mays, Manager, Public Affairs Branch, asked the members (GAC) if staff was on track with their understanding of the issues as presented in the break-out sessions. Member Bowles asked for input from the members, commenting that there has been concern that follow-through is not consistent and the end product is not necessarily reflective of what was discussed.

Mr. Mays explained that the next step is to take GAC recommendations, from the break-out sessions, to upper management for review and feedback. The biggest issues for CSAC, he added, have been the regulatory concerns; making sure that CSAC is legally compliant and yet, flexible (looking for the middle ground). Mr. Mays noted that CSAC will continue to look at the issues, presented today; address the associated mechanical processes, and report back to GAC.

Member Bonnel commented that he would hope that all the decisions are made in the context of what is best for the student, first, and then in the mutual interest of the agency and industry partners who help deliver the aid. As long as the collaborative dialogue continues, he added, will help alleviate any potential stumbling blocks.

Louise McClain, Commission representative, commented that it would be helpful to have upper management present at committee meetings, noting that this used to be done in the past. In this way, she added, red flags would be identified and going down the wrong path, on any given issue, could be avoided. Mr. Mays noted that it was a good point.

Member Robinson suggested that staff incorporate the break-out discussions to the issue papers prepared for the April 2007 Commission meeting since she found these papers very helpful. Concerns posed by upper management and other members of staff, she added, had not been made clear to GAC in the papers and now staff could vet them out with senior management and conclude, with GAC input. Commissioner McClain concurred with Member Robinson. Chair Lindsey expressed appreciation to Commissioner McClain's comment and noted that to be able to have clear communication on issues, by all parties, saves time and avoids the creation of a communication triangle. Mr. Mays agreed that he would take the original issue papers and modify them to reflect today's input from GAC.

Chair Lindsey asked about follow-through. CSAC staff agreed to contact Chair Lindsey with executive management feedback. Chair Lindsey asked GAC if June or July was a feasible date for the next meeting. Chair Lindsey asked staff to do follow-up and check calendar for next meeting.

### Tab 3: Report on Real-Time Database

John Bays, Chief, Information Technology, explained the following regarding the database:

1) CSAC currently underway with a project that is called the Service-Oriented Architecture Feasibility Study Report (FSR).

2) The study is in two phases:

Phase I:

- a) To restructure the existing database to be real-time as opposed to batch oriented. Phase I created to prepare CSAC for Phase II.
- b) Restructuring of database 80% complete.
- c) Batch processes still supported, but moving toward real-time.

Phase II:

- a) To create new service oriented architecture.
- b) This approach will provide web-services capability for schools to be able to automatically and transparently gain access to the data on the CSAC system using their existing systems.
- c) CSAC bringing new staff on board to identify the requirements.
- d) Working with financial aid management system vendors to adapt their systems to support these web services.
- e) Working at completing the request for quotation for vendors to be hired after the budget hearing has started or completed. Once the new fiscal year starts in July, staff will be hired.
- f) Creating an advisory group to deal with functional Phase II requirements and specifications. First meeting anticipated after the budget is signed.
- g) Charter currently being developed that will be issued to GAC for review and comment.
- h) May take two to three years, downstream, for schools to see the impact on schools.

Chair Lindsey asked if the ability to do the "just-in-time" draw down of funds, set to be in place in about a year, is part of Phase II? Mr. Bays said yes; responding to the question that those with web services capabilities may be able to do so in 2008-09.

Member Bonnel asked about the tools that may be provided, from CSAC, to schools that need it. He asked if this service was part of Phase II or III. Mr. Bays said the service may be contiguous with Phase II with the expectation that the vendors may be able to provide specific capabilities within their tools. Member Bonnel also asked how recommendations for the advisory group would be solicited. Mr. Bays said that had not been completely decided and asked for input from GAC.

Marco De La Garza, California Community Colleges (CCC) campus representative, commented that some schools need time to plan for change in software applications, with some currently using old, limited access information. Mr. Bays explained that CSAC will continue to support existing capabilities for an indeterminate time frame. Member De La Garza explained that if the schools know about what is coming, it may be feasible for them to be ready for the software upgrade.

Laura Cunha, Proprietary Institution (PI) representative, asked what would happen to a school if it had no financial aid software. Mr. Bays explained that Web Grants would continue to function the same, with automatic procedures created in Phase I folded into Web Grants function, which would then lead to real-time posting of payments and school changes.

Member Graham asked if CSAC could put a “communication protocol” with the end users and start forwarding information to their IT team for early preparation. Mr. Bays said yes; that a communication team already exists as part of the project plan. Member Graham expressed appreciation for the system upgrades, noting that she wanted to be ready.

Chair Lindsey asked if there was a list of the different systems used by institutions that participate in Cal Grants (e.g., Power Base, Data Tel). Mr. Bays said there was an old one from 2001, but didn’t believe that covered many of the changes, for example, with capabilities at the CSU’s. Member Bonnel explained that EdFund may have a list CSAC could start with for creating a current list. He also offered information on the 109 Community Colleges he serves.

Chair Lindsey thanked staff for going from meeting to summary of the issues discussed at the break-out sessions. Member Bonnel asked when the G-8s were going out to students. Ms. Mistler explained the policy memo may go out in one week followed by the G-8 to the students a week after the memo gets issued. Chair Lindsey explained that schools really need to know the time frames for issuing the G-8 because some students will begin to contact the offices.

Member Graham asked if GAC had a chance to provide input on the G-8 to make final comments. Ms. Mistler said no, but that the form could be sent via email. Member Bonnel commented that for those students originally intending to go to a school that didn’t require the G-8, but then changed their mind and went to one that did, they will be behind the 8-ball. He urged CSAC to have discussion with GAC and/or segmental offices before filtering off some of the students.

Ms. Mistler commented that staff had considered the “cross paths” phenomenon discussed by Member Bonnel where the most likely crossing will be between community colleges and state universities. Commissioner McClain and Member Bowles offered to call to arms the high school counselors, but Commissioner McClain commented that she hasn’t even seen her Cal Grant roster; she’ll be calling in her Cal Grant students.

The meeting adjourned at 3:59 p.m.

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Mary Lindsey, GAC Chair