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

10811 International Drive
Rancho Cordova, CA 95670

**MINUTES
October 19, 2007**

A meeting of the Grant Advisory Committee was held on Friday, October 19, 2007, in the California Room at CSAC Headquarters.

ADVISORY COMMITTEE MEMBERS:

Mary Lindsey, Chair, PI
Sharon Bowles, Vice Chair, HS
Louise McClain, Commission Liaison
Timothy Bonnel, CCC
Lora Jo Bossio, UC
Marco De La Garza, CCC
Lynn Fox, AICCU Alternate
Noelia Gonzales, CASFAA
Catherine Graham, AICCU Alternate
Susan Gutierrez, CSU
Frederick Holland, PI
Sally Pace, K-12
Mary Robinson, CSU
Ricardo Tejada, AICCU Student

STAFF:

Diana Fuentes-Michel, Executive Director
Catalina Mistler, Chief, PASD
John Bays, Chief, Information Technology
Steve Caldwell, Chief, GRPA
Bryan Dickason, Manager, Cal Grant Operations
Gloria Falcon, Manager, PPD
Bob Illa, Manager, Fiscal and Administrative Services
Melissa Jakobosky, Cal Grant Operations
Yvette Johnson, Manager, School Support Services
Yvonne Stewart-Buchen, GRPA
Karen Henderson, Research & Policy Analysis
Joseph Lopez, Manager, Business Systems Integration
Lori Nezhura, PPD
Mona Stolz, PPD

ALSO PRESENT:

Lorena Hernandez, Commissioner

GRPA (Governmental Relations and Public Affairs Division)
PASD (Program Administration and Services Division)
PPD (Program Policy and Development)

1 Roll Call was taken and quorum was recognized.

2 Chairperson Lindsey began the meeting with the announcement that Commissioner
3 McClain's term on the Commission will be ending in December and acknowledged her
4 contributions as liaison to the GAC. Chairperson Lindsey presented Commissioner McClain with
5 a certificate of appreciation.

6 Chairperson Lindsey also announced Member Robinson's retirement and acknowledged
7 her contributions to CSAC as a GAC Member. A certificate of appreciation was presented to
8 her at the end of the meeting. Steve Caldwell spoke of his appreciation for all of Member
9 Robinson's input and work while serving as a GAC Representative.

10 **TAB 4 – COMMITTEE CHAIR'S REPORT**

11 Chairperson Lindsey reported on the Commission's actions on GAC's recommendations
12 regarding residency as it pertains to the Institutional Participation Agreement, which includes
13 public segments using their own methodology while nonpublics use the criteria set in Education
14 Code as used by community colleges in addition to using either the first date of instruction or the
15 date set by the Commission to establish a residency date.

16 The Commission approved an exception allowing students to keep their Cal Grant in
17 cases related to segments use of differing methodologies to determine residency: when a
18 student receives a Cal Grant payment at one institution, but transfers to a different segment in
19 which the student would no longer be a California resident, he or she may keep their Cal Grant.

20 The Commission also approved the recommendation that CSAC be the central
21 repository for high school graduation verification confirmation.

22 The Commission approved GAC's recommendation to allow all segments to commingle
23 Cal Grant funds.

24 **TAB 4 – EXECUTIVE DIRECTOR'S REPORT**

25 Diana Fuentes-Michel began her report by acknowledging Commissioner McClain's
26

1 contributions to CSAC and thanking Member Robinson for her service to California students,
2 California State University and CSAC.

3 Executive Director Fuentes-Michel continued with information about the new
4 Commission committee structure, which includes Personnel Evaluation and Nomination, Audit,
5 Program Planning and Budget, and Governance and Monitoring, which will operate in an
6 oversight capacity.

7 Information was provided regarding the transition and potential move of CSAC
8 operations. The Commission leases will be ending this summer for the CSAC Headquarters
9 and CSAC South buildings and consideration is being given whether to co-locate with EdFund
10 or its successor in conjunction with the sale of EdFund or to separate the locations.

11 Executive Director Fuentes-Michel indicated that the transition and potential move may
12 affect the timing of Phase II of the Real Time Data Base, which brought up a question from
13 Member Bossio related to the ability to access and manipulate the data. John Bays responded
14 by saying that a separate, future project, Data Warehouse, will provide that kind of information
15 as opposed to the operational database.

16 Appointments to CSAC were discussed, including the anticipation of a new K-12
17 appointment, Commissioner Perez' reappointment, and a replacement for Commissioner Dyke.

18 State budget issues were addressed and Executive Director Fuentes-Michel clarified
19 that the upcoming budget year is going to be difficult and that Finance has directed CSAC to
20 work with GAC and the institutions on the issues related to interest.

21 **TAB 6 – ENHANCING GAC MEMBER PARTICIPATION**

22 This discussion commenced with introductions by all present at the meeting and
23 included individuals relaying their experience in or exposure to the field of financial aid and how
24 long various individuals have been members of GAC.

1 Chairperson Lindsey then directed the discussion to explore ideas about making GAC
2 Members, especially new GAC members, feel more comfortable and able to engage in
3 participating in meetings. The following list includes the suggestions made by GAC members:

- 4 ■ Orientation for new members:
 - 5 ■ Access to minutes from prior meetings
 - 6 ■ Uniform Policies & Procedures
 - 7 ■ A contact within/by segment
 - 8 ■ Meeting etiquette/protocol/order: recording/transcriptions, speaking out
 - 9 ■ Identification of GAC meetings as public meetings
 - 10 ■ Definition of Grant Advisory Committee and Workgroups
- 11 ■ Glossary of terms/acronyms
- 12 ■ List of member expectations
- 13 ■ Summary-style of meeting minutes
- 14 ■ Receipt of agenda materials at least 10 days in advance of meeting
- 15 ■ Arrange seating for new members next to experienced members
- 16 ■ Include some background/historical content for agenda items
- 17 ■ Incorporate Robert's Rules of Order
- 18 ■ Mentoring program
- 19 ■ Expectation/role of Chair and Vice Chair

21 **TAB 7 – ELECTION OF NEW CHAIR AND VICE CHAIR**

22 The nomination of Mary Lindsey for GAC Chair was moved by Member Bossio and
23 seconded by Member Gutierrez. Chairperson Lindsey accepted the nomination and no other
24 members were nominated. Member Bossio moved by acclamation that Mary Lindsey be elected
25 as Chair of GAC for one year. Member Gutierrez seconded the motion and it was carried with
26 no abstentions.

1 The nomination of Sharon Bowles for GAC Vice Chair was moved by Member Gutierrez
2 and seconded by Member Pace. Vice Chairperson Bowles accepted the nomination and no
3 other members were nominated. Member Gutierrez moved by acclamation that Sharon Bowles
4 be elected as Vice Chair. Member Pace seconded the motion and it was carried with no
5 abstentions.

6 **TAB 8 – CAL GRANT PROGRAM DATA AND REPORTS**

7 **TAB 8.a – 2008-09 INCOME AND ASSET CEILINGS UPDATE**

8 Karen Henderson specified that the 2008-09 income and asset ceilings were increased
9 by 4.42% as provided by Department of Finance.

10 Member Bonnel brought up a question regarding the fact that the ceilings are the same
11 for single/no dependents and married/no dependents for Cal Grant A as well as Cal Grant B.

12 Ms. Henderson indicated that the ceilings are set in statute by the Legislature and
13 reiterated that the ceilings are the same for both groups.

14 **TAB 8.b – REVIEW OF PROPOSED 2008-09 SELECTION CRITERIA**

15 Chairperson Lindsey requested a motion to adopt the selection criteria for 2008-2009 as
16 presented by staff. A motion was made by Member De La Garza, seconded by Member Bossio,
17 and carried with no abstentions.

18 **TAB 8.c – REVIEW PROPOSED 2008-09 STUDENT EXPENSE BUDGETS**

19 Ms. Henderson stated that CSAC is using the statewide average from the 2006-2007
20 Student Expenses and Resources Survey (SEARS) for all segments, with the exception of the
21 private career colleges due to the low 3.1% response rate.

22 Student expense budgets for private career colleges in 2008-2009 are based on 2003-
23 2004 data, adjusted for inflation to 2006-2007 and then adjusted again for 2008-2009.

24 Ms. Henderson pointed out some concerns regarding the costs reported by students for
25 their personal or miscellaneous expenses and noted that GAC might consider creating a
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1 workgroup to look at how student budgets are prepared since it has been approximately 15
2 years since it was last examined.

3 Chairperson Lindsey asked for a discussion and then a motion to recommend that the
4 Commission adopt the budgets for 2008-2009. She continued with asking GAC to consider
5 establishing a student expense budget workgroup for next year.

6 In order to approve this tab item, Member Robinson asked for some clarification
7 regarding the use of 2003-2004 data for private career colleges. Ms. Henderson responded by
8 indicating that a precedent was set in 1991-1992, when CSAC was no longer able to use the
9 Loan Reserve Fund to administer the survey, so the prior year's data was used after adjusting
10 for inflation.

11 Discussion regarding transportation ensued with members inquiring about why the
12 budget amount remains the same and in some instances decreases. Ms. Henderson explained
13 how the budgets are calculated and specified that amounts have to be rounded. Ms. Lindsey
14 further clarified that campuses may either use this budget as a starting point or as their actual
15 budget, depending on circumstances.

16 Member Bonnel moved to adopt the proposed Student Expense Budgets, the motion
17 was seconded by Member De La Garza and was carried with no abstentions.

18 **TAB 8.d – STUDENT EXPENSES AND RESOURCES SURVEY (SEARS) PROJECT**
19 **UPDATE**

20 Chairperson Lindsey requested that Ms. Henderson provide a brief update and directed
21 GAC Members to wait for a workgroup to engage in any big discussion on the issue.

22 Ms. Henderson proceeded with describing an outline of how the surveys were
23 administered among the various segments, including online, paper, in-class and a combination
24 thereof. The overall response rate was 26.9%, varying by segment: 54.2% at community
25 colleges, 35.2% at UC, 24.9% at CSU, 24.4% at ICCU, and 3.1% at private career colleges.

1 Since the return rate from private career colleges was significantly lower than in prior
2 years, Chairperson Lindsey proposed that she, Member Holland, and other representatives from
3 the segment meet outside of the SEARS process and consider options for improving the
4 response.

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

6 Chairperson Lindsey suggested that in addition to any calls for action, a brief update be
7 provided in order to designate workgroup topics for the upcoming year.

8 **TAB 9.a – PAYMENT PERIODS FOR NON-TRADITIONAL BASED SCHOOLS**

9 Mr. Dickason proceeded with outlining the workgroup discussion from the previous day
10 regarding payment period for non-traditional, non-term based institutions. The workgroup
11 concluded that there is a need to review the subject further and work on modeling the Cal Grant
12 payment calculation process after the Pell Grant model, but with the understanding that the Cal
13 Grant program has a limited time frame.

14 Representatives from institutions with non-standard terms will be contacted to schedule
15 a meeting, which is intended to take place during the CASFAA conference in December 2007,
16 and return to GAC with the results.

17 **TAB 9.b – SELECTION CRITERIA**

18 Member Robinson summarized the prior discussion by relating that during this second
19 meeting of the workgroup, members are considering recommending some structural or
20 procedural changes relative to the weight that is assigned to various aspects of the selection
21 criteria.

22 The workgroup brought forward the recommendation that the Commission notify
23 students who applied for, but were not awarded the September 2nd Community College
24 Competitive Grant, that they are eligible to apply for a Community College Transfer Entitlement
25 in the upcoming two years when transferring to a four-year institution, in addition to reminding
26 these students that they may qualify for a one-year delay Entitlement award.

1 Member Bonnel moved that the recommendation be forwarded to the Commission, the
2 motion was seconded by Member Gonzales and carried with no abstentions.

3 The workgroup also expressed interest in looking into what happens to the eligible non-
4 recipients with zero EFCs, including whether the EFCs for these individuals changed to a higher
5 amount after verification, if these particular students enrolled at a postsecondary institution, and
6 if there is a way to ascertain if these students were eligible for other financial aid and received it.

7 Of subsequent interest to the workgroup is research on the number of awarded Cal
8 Grants that are actually used or paid during the given award year and determining why the
9 approximately 20% of students do not utilize their awards.

10 Chairperson Lindsey and Member Robinson discussed the fact that these topics may not
11 fall within the scope of the current workgroups and would require forming a different workgroup,
12 similar to the previously used Data Analysis Workgroup.

13 Executive Director Fuentes-Michel pointed out that a new research manager will be in
14 place and could evaluate the best method for achieving the desired results of the research and
15 indicated that in November CSAC staff would get back to GAC regarding the proposed
16 workgroup priorities.

17 **10 – ANNUAL INTEREST CALCULATION DISCUSSION UPDATE**

18 Chief Mistler provided a brief history from 2005 which included a recommendation that
19 Cal Grant funds be held in interest-bearing accounts. At the September 6, 2007, Commission
20 meeting, GAC proposed further discussion to address the costs associated with maintaining
21 these accounts, after which staff drafted a survey to obtain data from institutions in order to
22 analyze the costs.

23 Discussion between Chairperson Lindsey and Mr. Illa ensued regarding the issue of
24 negative interest and between Member Bonnel and Mr. Illa regarding potential confusion of the
25 language around various types of accounts. Mr. Illa replied that expanding or altering the
26 questions would capture the required data. Members Bossio and De La Garza expressed the

1 preference that financial aid administrators be alerted to the survey, which resulted in prompting
2 CSAC staff to convene a workgroup, inviting participants to adjust the survey, do a beta test and
3 also have GAC members forward the survey to colleagues and other institutional professionals
4 in order to fine tune the questions.

5 **11 – IDENTIFYING AT-RISK INSTITUTIONS UPDATE**

6 Ms. Nezhura commenced with a brief background of the topic and then specified that
7 CSAC staff would be organizing a workgroup and inviting GAC members to explore options for
8 safeguarding Cal Grant funds held at at-risk institutions. Chairperson Lindsey asked if a
9 meeting date has been set and Ms. Nezhura replied that staff wanted to wait until the GAC
10 Meeting Calendar had been set before doing so. Executive Director Fuentes-Michel assured
11 Chairperson Lindsey that staff would communicate the timeline with her by March.

12 **12 – DETERMINE WORKGROUP TOPICS FOR UPCOMING YEAR AND SELECTION** 13 **OF WORKGROUPS**

14 GAC Members proposed incorporating four workgroups for the coming year:

- 15 ▪ Non-term based Institutions, with Frederick Holland as Chair
- 16 ▪ Cal Grant C with Marco de la Garza and Mary Lindsey as Co-Chairs
- 17 ▪ Selection Criteria, with Catherine Graham as Chair
- 18 ▪ Data Analysis, with Kate Jeffery as Chair, which also includes the sub-topics
 - 19 ○ SEARS
 - 20 ○ Student Expense Budgets
 - 21 ○ Take Rates

22 Member Holland moved to accept the four proposed workgroups, Member De La Garza
23 seconded the motion and the motion carried with no abstentions.

1 **13 – REVIEW 2008 GAC AND WORKGROUP MEETING SCHEDULE**

2 Chairperson Lindsey asked Ms. Falcon to present the meeting calendar draft to GAC.

3 The schedule includes four meeting dates: March 13-14, May 15-16, August 7-8, and October
4 9-10, all of which correlate with Commission meeting dates.

5 The two-day format has been proposed to include ample time for multiple workgroup
6 discussions on the first day of the meeting, and allows for flexibility in establishing meeting times
7 based on whether a whole day is required.

8 Member Holland indicated that he would not be able to attend the meetings in March.
9 Vice Chairperson Bowles said that she would not be able to attend in May, and Member Bossio
10 stated that she would not be able to attend in October.

11 Members then discussed the procedure for naming an alternate to attend the GAC
12 meeting as a proxy and it was understood that the representative of designating authority
13 provides the name and contact information of the alternate to the Chair and Commission’s
14 Executive Director, but that an approval by the Commission is not required. In addition, a
15 standing alternate may be named and placed on file in order to alleviate the need of notifying
16 the Chair and Commission of the alternate on a meeting-by-meeting basis. The GAC member
17 then need only alert staff that the alternate will be attending on his or her behalf. Both naming
18 an alternate and alerting staff to the alternate’s participation in a given meeting may be done
19 through e-mail to the GAC Chair and Commission’s Executive Director.

20 Member Holland moved to adopt the proposed meeting schedule, the motion was
21 seconded by Member Bossio, and carried with no abstentions.

22 Acting Member Graham requested a telephone meeting with the Chair and Vice Chair
23 and the new workgroup leaders to review protocol, and specifically the Bagley-Keene Open
24 Meeting Act. Chairperson Lindsey pointed out that CSAC Staff is ultimately responsible for the
25 workgroup oversight, so they should be included.

26 **14 – EDUCATIONAL LEVEL VERIFICATION OVERVIEW**

1 Time did not allow for discussion of this item.

2 **15 – BUDGET PRINCIPLES OVERVIEW**

3 Time did not allow for discussion of budget items and Chairperson Lindsey suggested it
4 possibly be added to the March agenda and definitely to next October's agenda.

5 **15.a – BUDGET SUMMARY**

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7 **15.b – TIMELINE**

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9 **15.c – CAL GRANT GUIDING PRINCIPLES**

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11 **15.d – BUDGET LETTER**

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13 **15.e – BUDGET LETTER**

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15 **16 – STATE AND FEDERAL LEGISLATIVE UPDATE**

16 Time did not allow for discussion of this item.

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18 Member Bonnel raised the issue that CSAC Staff was to provide data on the September
19 2007 Competitive Cal Grant awards at the meeting. Chief Mistler responded that the
20 information was not available for the meeting, but that it would be sent out electronically to GAC.

21 There being no further business, the meeting of the Grant Advisory Committee was
22 adjourned at 3:25 p.m.

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MARY LINDSEY
GRANT ADVISORY COMMITTEE CHAIR