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

10834 International Drive  
Rancho Cordova, CA 95670

**MINUTES  
August 7, 2008**

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A meeting of the Grant Advisory Committee was held on Thursday, August 7, 2008, in Conference Room A at the CSAC South Building.

**ADVISORY COMMITTEE MEMBERS:**

Mary Lindsey, Chair, PI  
Sharon Bowles, Vice Chair, K-12  
Kate Jeffery, UC  
Chris Shultz, UC (Alternate)  
Susan Gutierrez, CSU  
Lisa Douglass, AICCU  
Catherine Graham, AICCU  
Frederick Holland, PI  
Sally Pace, K-12  
Coleetta McElroy, CASFAA  
Richard Quintana, CCC (Alternate)

**STAFF:**

John Bays, Chief, Information Technology  
Janet McDuffie, Chief, Federal Policy & Programs  
Catalina Mistler, Chief, PASD  
Steve Caldwell, Manager, PASD  
Bryan Dickason, Manager, Cal Grant Operations  
Thea Pot-Van Atta, Manager, Student Support  
Services  
Charles Wood, Program Compliance  
Joe Lopez, Manager, Specialized Programs  
Gloria Falcon, Manager, PPD  
Clarita Cortez, PPD  
Suzan Donald, PPD  
Tae Kang, PPD  
Lori Nezhura, Governmental Relations  
Patsy Chavez, PPD

**MEMBERS OF THE PUBLIC:**

Tina Miller, PI

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<sup>th</sup> grade  
PASD Program Administration and Services Division  
PI Proprietary Institution  
PPD Program Policy and Development Branch  
UC University of California

1 Roll Call was taken, a quorum was recognized, and Chair Lindsey called the meeting to  
2 order.

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

4 Chair Lindsey spoke about the best use of time during GAC Meetings. Chair Lindsey  
5 requested that once a person has spoken on a topic, they write down their additional comments  
6 and hold their responses or comments until everyone has spoken and hold their hands up with  
7 fingers raised indicating their second or third comments. Chair Lindsey also requested that  
8 everyone summarize their comments and not reiterate what others are saying to make the best  
9 use of time and move forward during meetings.

10 Motion sheets were discussed and members were reminded to use the green forms  
11 when a motion is made. The maker of the motion is responsible for writing out the motion for  
12 the record. Member Bowles will be the keeper of the forms until the meeting ends to ensure  
13 accountability for the motions.

14 Chair Lindsey acknowledged that Commissioner Dan Friedlander resigned and he was  
15 replaced by Commissioner Barry Keene, who was a former Senator and has already begun his  
16 service on the Commission.

17 The At-Risk Institutions issue was addressed at the last Commission meeting, but was  
18 tabled for further follow-up work on the separate account issue, and that all the institutions had  
19 not yet been contacted. Also, the Interest-Bearing Account issue is pending.

20 Commissioners again requested GAC to consider adding additional high school  
21 representatives to GAC. Chair Lindsey gave her input received from Vice Chair Bowles and  
22 Member Pace. The Commissioners conceded after some discussion.

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

24 Janet McDuffie, Chief of the Federal Policy and Programs Division, provided the  
25 Executive Director’s Report in the absence of Diana Fuentes-Michel, Executive Director. The  
26 Commission is still awaiting the passing of the State budget. Currently, the Commission is

1 anticipating a potential \$1.6 million reduction. Chief McDuffie explained that due to the potential  
2 sale of EdFund and this reduction, several staff were placed on the State Restriction of  
3 Appointment List (SROA). These experienced staff were given notice of potential layoff and the  
4 increased opportunity to apply for positions with transfer to other State agencies. The  
5 Commission was affected by the need to absorb EdFund civil service staff and going through  
6 several layoff plans as required by the Department of Personnel Administration. This resulted in  
7 a reduction of experienced staff in critical areas throughout the Commission. Although  
8 Commission staff is working hard to meet workload expectations, this reduction will require  
9 changes in terms of how Commission staff communicate and provide customer and stakeholder  
10 services. The pending sale of EdFund has also affected the Commission's move to a new  
11 facility. Commission staff had to make all space as usable as possible, so the Commission no  
12 longer has a meeting location that is large enough for GAC meetings.

13 Staff has completed the high school graduation date project. Commission staff can now  
14 collect the data without having to go through the institutions to validate high school graduation.

15 Funding for the Cal-SOAP and Cash for College programs is being placed on the  
16 application for the Federal Challenge Access Grant, which has already been transmitted to the  
17 United States Department of Education (USED). Commission staff are awaiting the award  
18 funds, which are expected later in August. There are still issues with the gap funding within the  
19 Cal-SOAP programs. The Commissioners requested support from segmental representatives.  
20 Responses were received and Commission staff is compiling the responses.

### 21 **TAB 3 – COMMISSION STAFF LIAISON REPORT**

22 Catalina Mistler, Chief of the Program Administration and Services Division, indicated  
23 that due to the reductions being faced by the Commission, GAC will have to begin thinking of  
24 how and where future meetings will be held.

1 The Governor's proposed budget includes the elimination of the competitive Cal Grant  
2 program awards. The Commission sent postcards notifying students who met the March 2<sup>nd</sup>  
3 deadline to check the CSAC Web site and Web Grants for Cal Grant confirmation.

4 Staff is currently processing G-6 forms for the Transfer Entitlement Program.  
5 Commission staff sent over 20,000 G-6 forms, and approximately 8,000 have been completed.  
6 Staff is keying those into the system to confirm the Transfer Entitlement E-2 awards. For the  
7 2008-09 award year, we offered 11.7 percent more High School Entitlement awards than in  
8 2007-08.

9 Cal Grant C Supplements have been received, but will not be keyed into the system until  
10 after competitive awards are keyed into the system. Staff is working to identify ways to key  
11 them into the system so they can be processed as soon as the budget is passed.

12 An Operations Memo, GOM #2008-13, was distributed to explain the status of awards.  
13 In addition, a Special Alert, GSA 2008-22, was released with notification of the change in the  
14 Call Center's hours from 8:00 am-5:00 pm to 1:00 pm-5:00 pm. This is a direct result of the  
15 budget reductions. The Commission had to layoff approximately 15 student assistants who  
16 answered phones in the Call Center. In addition, the Call Center's e-mail volume has increased  
17 with the reduction of the Call Center's hours. Commission staff filled about eight of eleven  
18 vacancies in the program area. However, these new staff will require training since they are all  
19 new to State Civil Service.

20 Member Douglass asked if it was possible to have students volunteer in the Call Center.  
21 Member Bowles added the possibility of giving students work experience credits to entice them.  
22 Chief McDuffie indicated that was being considered; however, research is being done regarding  
23 the liability insurance associated to having volunteers work at the Commission.

24 The Real-Time database project is underway and is anticipated to be tested and  
25 launched in the winter term.

1           The Commission received the award notification from the federal government for the  
2 Chafee Program, which is administered by the Commission for the California Department of  
3 Social Services. The award is a little less than the 2007-08 allocation. The Commission is  
4 hopeful that the State funding appropriation portion does not get eliminated or reduced in the  
5 final budget. Staff is currently working on sending award notifications to potential Chafee  
6 recipients. Once the budget is signed, payments can be processed. A Special Alert, GSA  
7 2008-24, was recently released informing schools of the status of the Chafee Program awards.

8           In WebGrants, approximately 71,000 students have been offered a Cal Grant  
9 Entitlement award. In order to be awarded, each student's high school graduation must be  
10 certified, either by high school certification, college certification or self-certification. To date,  
11 only about 8,900 have been certified. Approximately 4,000 students do not need to be certified  
12 since they were awarded based on a GED score. Students that have not been certified will be  
13 placed on hold and will be unable to receive their award. Bryan Dickason, Manager of Cal  
14 Grant Operations, reported that in early June, schools were notified that they could either go  
15 into WebGrants to verify the students that graduated, or that students can self-certify using a  
16 downloadable form. Commission staff will send students an e-mail giving them instructions on  
17 how to certify their high school graduation by self-certification via WebGrants.

18           Member Graham asked, with budget cuts and with a possible reduction in training staff,  
19 if Commission staff will provide training at CASFAA where schools can receive needed  
20 information and updates. Chief Mistler relayed that all Commission trainers transferred to other  
21 agencies with the exception of Manager Dickason. The Commission recognizes the importance  
22 of supplying information to institutions and we are researching how this can be done in a  
23 different setting due to the changes the Commission is facing. For example, one school  
24 requested and received on-site training for their staff at the Commission. Manager Dickason  
25 has committed to providing training at CCCSFAAA and CASFAA. Member Graham agreed to  
26 send information on using a videoconferencing application called Wimba.

1 Lori Nezhura, Governmental Relations, reported that Assembly Bill 2260 was signed into  
2 law. Effective January 1, 2009, the Commission will be able to offer Cal Grant B awards based  
3 on college GPAs.

4 **TAB 4 – APPROVAL OF MINUTES FOR MARCH 14, 2008, AND MAY 15, 2008**

5 On **MOTION** by Member Pace, **SECONDED** by Member Bowles and **CARRIED**, the  
6 GAC approved the minutes of the March 14, 2008 GAC Meeting, as amended.

7 The May 15, 2008 Minutes were discussed. Research is pending regarding page 7, Tab  
8 Item 7, the Commission's directive to add additional K-12 members. This topic was discussed  
9 but was inadvertently omitted from the minutes. Program Policy and Development staff will  
10 review the transcripts and make the necessary corrections.

11 **TAB 5 – REVIEW OF ACTION ITEMS FROM THE MAY 15, 2008 MEETING**

12 Gloria Falcon, Manager of the Program Policy and Development Branch, summarized  
13 the Action Items from the May 15, 2008 Meeting.

14 Item 1 - Action Item charts are now included with minutes.

15 Item 2 – A correction was made to Member Bonnel's last name.

16 Item 3 – All GAC attendees are now listed on the cover page of the minutes, as well as  
17 workgroup and meeting notices.

18 Item 4 – Member Holland contacted schools regarding payment periods and would  
19 present his findings.

20 Item 5 – Member Kulju was not present to share his discussions with the Department of  
21 Finance regarding the Cal Grant Account Maintenance and Annual Interest issues.

22 Item 6 – Manager Falcon contacted six at-risk institutions and would present her  
23 findings.

24 Item 7 – GAC members were sent a link to the Web site containing the Power Point  
25 presentation shown at CASFAA.

1 Item 8 – Chief Mistler began this action item, but it is still pending. Chief Mistler would  
2 discuss this when the agenda topic arises later this meeting.

3 Item 9 – It was recommended that eligibility requirements are taken to on-site visits.  
4 This item is pending since there was no recollection of this action item’s purpose.

5 Item 10 – Member Holland completed his action item. A design class at Member  
6 Holland’s institution developed three different examples of Cal Grant letters as a project. These  
7 samples will be shared at the next GAC Meeting as an agenda item.

8 Item 11 – There was a recommendation to hold a teleconference meeting in July 2008  
9 regarding the CASFAA Power Point presentation in relation to similarities and differences. This  
10 issue is an agenda item for this meeting. The teleconference did not take place due to  
11 scheduling conflicts.

12 Item 12 – The CASFAA Power Point was shared with GAC Members.

13 Item 13 – In order to receive more student representation at GAC Meetings, the  
14 Commission will add a request, in the nomination letter to appointing authorities, that they also  
15 submit the names and contact information for two student alternates.

## 16 **TAB 6 – WORKGROUP UPDATES AND RECOMMENDATIONS**

### 17 **Tab 6.a – Cal Grant Account Maintenance and Annual Interest Calculation**

18 Member Graham reported on the Workgroup discussion regarding the Cal Grant  
19 Account Maintenance and Annual Interest Calculation. With the absence of Member Kulju, no  
20 information was available regarding his conversations with his finance staff and Department of  
21 Finance staff. Chief McDuffie gave an update on this issue. Conversation regarding this issue  
22 is being deferred due to unresolved questions and pending legal review. Once a decision is  
23 made by legal staff, GAC members can discuss this issue further.

### 24 **Tab 6.b – Payment Periods for Non-Traditional Based Programs**

25 The Committee discussed Payment Periods for Non-Traditional Based Programs.  
26 Member Holland and Tae Kang, Staff Member of the Program Policy and Development Branch,

1 provided information and examples of how payments could be processed by non-traditional  
2 based programs. One example suggested moving to a Pell Grant-type payment system.  
3 Another option presented by Staff Member Kang was to look at different payment periods for  
4 non-term based programs. This information will be shared with Member Bonnel, since he was  
5 not present, along with other institutions and will be discussed during the October GAC Meeting.  
6 This workgroup is not yet concluded.

### 7 **Tab 6.c – Student Expense and Resources Survey (SEARS) Information**

8 On **MOTION** by Member Jeffery, **SECONDED** by Member Graham and **CARRIED**, the  
9 GAC approved the following motion: *GAC Recommends: 1) The deadline for campuses to  
10 submit the student expense budget data to be used in CSAC’s preliminary Cal Grant awards be  
11 moved from December to February 15<sup>th</sup>. If campuses do not submit updated data by February  
12 15<sup>th</sup>, CSAC will use the campus’ prior year information, and 2) To be able to use the updated  
13 information, CSAC will begin making Cal Grant awards around March 1<sup>st</sup>, or as soon as CSAC  
14 has input the expense budget information.*

15 The purpose and State’s interest in SEARS was discussed and resulted in a two-fold  
16 purpose. One is to provide data that is not available from other sources, especially for  
17 undergraduate resources, and could include graduate resources and expense data. This helps  
18 policy makers in making educated decisions about State financial aid and other issues related to  
19 the access and affordability to postsecondary education in California. The other purpose  
20 assists individual campuses to establish defensible expense budgets by promoting a  
21 standardized methodology. The SEARS survey will maintain status quo. This workgroup is  
22 concluded.

### 23 **TAB 7 – CONSIDERATION OF AT-RISK INSTITUTIONS REIMBURSEMENT** 24 **PROGRAM**

25 Manager Falcon reported that last Fall, Commissioners directed CSAC staff to develop  
26 criteria to identify at-risk institutions and seek a similar criteria used by the USED, in addition to

1 reviewing how CSAC is defining at-risk institutions as compared to how USED identifies these  
2 schools as being financially unstable or administratively incapable. To determine at-risk  
3 institutions, Commission staff met with USED staff, along with accrediting agency  
4 representatives and other governmental officials. In addition to reviewing USED's report that  
5 identifies at-risk institutions, Commission staff has been attending meetings with USED where  
6 they are able to receive information that an institution is at risk prior to that school appearing on  
7 the at-risk report.

8         The Commission has considered putting these at-risk institutions in a reimbursement-  
9 only program. Institutions found at risk will receive a letter from the Commission informing them  
10 that they will be placed in this category. In addition, at-risk institutions will be notified 30 days  
11 before payments are halted by the Commission. At that time, the institution will have the  
12 opportunity to state their case and appeal the Commission's decision.

13         Another option agreed to by GAC members was that the Commission would release Cal  
14 Grant funds to institutions that are at-risk, after the institution has verified a student's eligibility  
15 and has posted the requested payment onto WebGrants. The Commission will then approve  
16 the disbursement of Cal Grant funds to the institution. The institution will be required to submit  
17 documentation within two weeks of disbursement and verify that each of those students have  
18 actually been disbursed the Cal Grant award. In addition, these institutions must maintain a  
19 separate account for Cal Grant funds.

20         At the time Commission staff identified at-risk institutions, six were identified. Of the six,  
21 three are no longer in this category, and one is no longer a Title IV school, which means they  
22 are no longer Cal Grant qualified. Currently there are two at-risk institutions, both of which have  
23 separate accounts.

1           **TAB 8 – REVIEW OF CAL GRANT PROCESSES FOR POTENTIAL AREAS OF**  
2           **DUPLICATON OF EFFORT**

3           At a recent Commission Meeting, CASFAA and CCCSFAAA prepared a presentation for  
4 the Commissioners that identified similarities and differences in administering Federal and State  
5 programs. Commission Chair Galligani directed Commission staff to work with GAC members  
6 to identify similarities and differences. The presentation was viewed and it was discussed, in  
7 summary, that institutions and Commission staff collect GPA and graduation verification,  
8 California residency, income and asset information, and make award notifications. Manager  
9 Dickason added that the Real-Time Committee is creating a web service to allow campuses  
10 access to the GPA database. Several members commented that it would be beneficial if the  
11 information was on a central database so all schools could find students' information rather than  
12 require the student to submit information to several schools if a student were to apply to more  
13 than one school. Members Jeffrey and Graham suggested listing the Cal Grant eligibility  
14 requirements and identifying which areas are collected solely by the institution or by the  
15 Commission, and which areas are collected by both the institutions and the Commission. Chair  
16 Lindsey suggested we begin looking at duplication by first gathering information to see what  
17 segments are doing and where there are duplicative efforts. A workgroup was formed and  
18 Member Gutierrez and Chair Lindsey will gather information, submit their findings to Chief  
19 Mistler so Commission staff can review and provide input, then distribute to GAC members,  
20 without any discussion amongst members.

21           **TAB 9 – CONSIDERATION OF FUTURE MEETING TOPICS**

22           Chief Mistler suggested that we include, as an agenda item, "Consideration of Future  
23 Meeting Topics", at every GAC Meeting. This topic can help to generate issues for discussion  
24 at future GAC Meetings.

25           At the next GAC Meeting, the following topics will be discussed: Member Holland's  
26 letters created by students at his institution; the new GI Bill for Cal Grant awards for veterans

