

**Draft**  
**Little Hoover: The Office of Higher Education and Financial Aid**  
**Hearing: January 26, 2005**

**What were the reasons for establishing the entities proposed for reorganization and how has this public need changed?**

The entities proposed for reorganization and/or elimination:

(A) California Postsecondary Education Commission (CPEC)

CPEC, created in 1974, advises the Governor and Legislature on higher education policy and fiscal issues. This independent commission, comprised primarily of and governed by a majority of lay representatives, is granted broad authority to gather, analyze and disseminate data, and provide analyses and potential applications of data to policy issues.

(B) California Student Aid Commission (CSAC)

CSAC, created in 1955, is the principal state agency responsible for administering financial aid programs for students attending public and private universities, colleges, and vocational schools in California

(C) Loan Advisory Council

The Loan Advisory Council reviews the activities and policies of the Federal Family Education Loan Program and advises CSAC of its findings and recommendations.

With these three higher education state agencies, members of the public are often confused as to which agency to contact for needed information or assistance.

The proposed Office of Higher Education and Financial Aid will review and recommend policies on student financial aid. It will administer financial programs, while continuing to provide information to students on preparing for college, including financing the cost of their education. This office will assume the functions of the California Postsecondary Education Commission and the California Student Aid Commission.

**Which functions will be eliminated by the reorganization, and which functions will be performed differently as a result of the reorganization?**

Specifics are unknown. The duplicative advising activities of the Loan Advisory Council will be eliminated with the reorganization.

**For each board or commission proposed for absorption into your agency, please describe the structure, process, number and type of positions that will fulfill these functions.**

According to the Governor's Reorganization Plan 1, the Office of Higher Education and Financial Aid will be governed by its executive officer, who shall be appointed by the Governor and confirmed by the Senate.

Further specifics are unknown at this time.

**What savings (if any) will be captured as a result of the reorganization? What will be done with those savings and how will they be accounted for in the budget?**

Unknown

**For boards or commissions that are proposed for elimination. Who are the appointing authorities, what are the qualifications for membership and the terms of office?**

The California Postsecondary Education Commission is a 16 member commission consisting of one representative of UC Regents; one representative of CSU Trustees; one representative of CCC BOG; one representative of the independent colleges to be appointed by the Governor (3-year term); the Chair or designee of the Council for Private Postsecondary and Vocational Education (now defunct); the President of State Board of Education or designee from SBE membership; nine representatives from the general public (6-year term) appointed accordingly: three by Governor; three by Senate Rules Committee and three by Speaker of the Assembly; and two postsecondary students appointed by the Governor (2-year terms).

The California Student Aid Commission consists of 15 appointed members: eleven of the appointed by the Governor and representing segments of the State's higher education community, students, and the general public and two members appointed by the Speaker of the Assembly and the Chair of the Senate Rules Committee.

The Loan Advisory Council is a 17-member council selected by the Student Aid Commission from a list of candidates submitted by participants and administrators in the student financial aid system. In addition to the members appointed to the Loan Advisory Council by the Commission, the United States Education Department may appoint one nonvoting representative who serves as liaison between the Department and the Council.

**For boards or commissions that are created by the reorganization, who are the appointing authorities, what are the qualifications for membership, the terms of office and the compensation?**

The Executive Officer will be appointed by the Governor and approved by the Senate.

Other specifics are unknown at this time.

**How will the new organization guard against special interests inappropriately influencing decision-makers?**

Unknown

**How will the public be better served by reorganizing these boards or commissions and how will this improvement be measured and reported?**

The creation of the Office of Higher Education and Financial Aid will align critical higher education policy and planning functions in the state so that policy makers and those charged with implementing programs have immediate access to critical information. The students will have access to a consolidated system that provides them with a full range of services they need.

Accountability factors are unknown at this time.