



Fast Blast

From the California Student Aid Commission

Special Edition for August 24, 2007

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In support of the Commission's ongoing goal of providing California's financial aid community with proactive and current updates, we are providing this update on programs and projects. Please share this with any interested person who may not have received this newsletter.

Governor Signs 2007 Budget Act

Governor Schwarzenegger signed the 2007-08 state budget today. The Governor followed through with his promise to use his line-item veto authority to reduce spending by an additional \$703 million.

Under the new budget, Cal Grant award amounts remain at their current levels. However, funding for Cal-SOAP was reduced by \$2.2 million, leaving \$6.36 million to support Cal-SOAP activities.

The state budget includes \$15.3 million to shift the cost of the Commission's state operations from the Student Loan Operation Fund to the General Fund as a result of the pending sale of EDFUND. The budget also contains continued funding for the APLE loan assumption programs, and adds 100 awards for the State Nursing APLE programs. In addition, the Governor eliminated funding for the Commission's Public Interest Attorney Loan Repayment Program, which is authorized in law and has never been funded.

Here is a closer look at several Commission budget highlights. You will find the complete 2007 state budget summary at www.govbud.dof.ca.gov/pdf/Enacted/BudgetSummary/FullBudgetSummary.pdf.

Cal Grant Award Payments

With the passage of the state budget, we are busy processing nearly \$810 million in Cal Grant awards for 266,000 students. Our goal is for schools to receive checks within one week (within 14 days for those schools that do not receive payments electronically).

Cal-SOAP

The budget reduces funding for the California Student Opportunity and Access Program from \$8.6 million to \$6.36 million. The 29-year-old program, which provides college access and financial aid education for middle-grade, high school and community college students from disadvantaged backgrounds, had been slated to receive a larger 42 percent cut in the May Revise. The Commission and its Cal-SOAP partners plan to meet in mid-September to discuss the potential effects of this reduction on statewide operations.

EDFUND Sale Proposal

With the pending sale of EDFUND, the Commission, at its September meeting, will be considering staff budget proposals for additional resources to replace services provided by EDFUND. These include IT support, business and administrative services, and funds for our California Cash for College program and public awareness campaign. As of this year, our \$15.3 million operations budget is now part of the state's General Fund budget, and not paid for through the Student Loan Operating Fund. We will keep you posted.

Talk with us—The Commission appreciates any comments or feedback you may have regarding the *Fast Blast*. Please forward your comments to fastblast@csac.ca.gov. If this message reaches school staff who are not currently on the Commission's ListServ and wish to be added, they can log on to www.csac.ca.gov and click on Links and CSAC List Services.