

Information Item

LOAN ADVISORY COUNCIL

Executive Director's Report

Enclosed is a written report from the Executive Director of the California Student Aid Commission.

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Executive Director

CALIFORNIA STUDENT AID COMMISSION

Executive Director's Report For November 2007

Submitted 10/30/07

2007-08 State Budget

- The Governor and Legislature preserved the State's commitment to the Cal Grant program. The Commission's overall General Fund budget increased by \$70.1 million, or 8.7 percent above the previous fiscal year primarily due to the students fee increases at the University of California and California State University. This year, the Commission will provide Cal Grant awards to more than a quarter of a million students.
- New resources in the State Budget include positions to implement Phase II of the Grant Delivery System Service-Oriented Enhancements. These funds will allow the Commission to provide real-time access to Cal Grant eligibility information.
- The 2007-08 Budget shifts the cost of the Commission's state operations and financial aid awareness programs from the Student Loan Operating Fund to the General Fund as a result of the proposed sale of EDFUND. Senate Bill 89, which authorizes the process for the proposed sale of EDFUND, and Senate Bill 91, which repeals existing law governing the auxiliary (EDFUND) organization, were signed by the Governor on August 24, 2007.

Transition

- During this transition period, the Commission and EDFUND are committed to continuing the same level of service to students, customers and stakeholders. To that end, the new Operating Agreement became effective July 1, 2007. The Operating Agreement supports the various synergies between CSAC and EDFUND in order to continue the same level of service.
- Pursuant to Senate Bill 89, the Director of Finance in consultation with the State Treasurer's Office is requesting qualifications from firms or individuals who are interested in acting as advisor to the Director of Finance in determining how to maximize the value of EDFUND, the Commission's non-profit public benefit corporation and related State and Commission assets with the Federal Family Education Loan Program. It is anticipated that the firm or individual chosen will advise the Director of Finance as to the best course of action to achieve the maximum value and to subsequently represent the Director of Finance in any sale of assets and liabilities or alternative transaction determined to be the best course of action to achieve maximum value.

Loan Program State Regulation Repeal

- Further discussions with Department of Finance regarding the repeal of Section 30904 of the California Code of Regulations, which administratively cancels a loan guarantee that is in non-disbursement status on the Commission's database for more than 150 days, has been delayed pending the sale of EDFUND.

Cash For College

- Governor Schwarzenegger signed Assembly Bill 1540, the Cash for College program, legislation authored by Assembly Majority Leader Karen Bass and sponsored by the L.A. Area Chamber of Commerce to establish the program in state statute. This bill established the Cash for College Program in statute to be administered by the Commission in partnership with private businesses and industry, local community and educational institutions.
- California Cash for College was recently awarded a \$1.25 million two-year scholarship grant from the College Access Foundation of California. Since 2005, the Foundation provided nearly \$1 million in scholarships and scholarship program support funding. The recent award increases the number of scholarships offered for the 2008 Cash for College workshop series to a total of 500 in all. In 2009, the Foundation will provide a baseline of \$300,000 in scholarships and has agreed to match private foundation funding, dollar for dollar, for an additional \$150,000 in scholarships. We're very fortunate to have such an excellent partnership that encourages students to apply for Cal Grants and other financial aid.
- In partnership with the California Student Aid Commission and the Cash for College Program, the John Burton Foundation for Children Without Homes, a non-profit organization dedicated to improving the lives of foster youth and homeless children in California, has graciously donated gift cards to first-year Chafee recipients.

State Nursing Assumption Programs of Loans for Education (SNAPLE)

- The Commission conducted a Stakeholders Meeting October 26, 2007 with members of the nursing and financial aid community to discuss new regulations related to changes to the SNAPLE Nursing Faculty (NF) and SNAPLE Nurses in State Facilities (NSF).

Commission Standing Committee Structure

- The Commission reorganized the structure of its Committees in conjunction with its new Governance Policies. The Committees are Audit; Governance and Monitoring; Programs, Planning and Budget; and Personnel, Evaluation and Nominations.