

**Action/Information Item**

***California Student Aid Commission***

**Consideration of Ratification of Department of Justice Contract Amendment**

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The Executive Director must obtain approval from the Commission prior to entering into a new contract or executing a contract amendment of over \$100,000. However, in the event an emergency approval is necessary for a contract of over \$100,000, the Executive Director may approve such contract with simultaneous notification to the Commission. Such emergency approval shall be ratified at the next regularly scheduled Commission meeting, and if not ratified, the contract shall be canceled.

The Commission has a contract in place with the Department of Justice (DOJ) for the period of July 1, 2006 through June 30, 2007 in the amount of \$95,000. Through this contract, DOJ provides legal advice to the Commission, its senior management staff, and program divisions on substantive Commission law issues and general government issues, including the Bagley-Keene Open Meeting Act, conflict of interest, and contracting issues. Additionally, DOJ provides counsel opinion on bond deals, participates in the process for adopting new program regulations, and attends meetings as requested.

Commission staff has been working with the Department of Personnel Administration (DPA) to re-establish an internal legal counsel position. However, this process has taken longer than anticipated. As a result, the contract with DOJ must be increased to ensure the Commission has continued legal advice.

Total costs to-date have already exceeded the contracted amount of \$95,000. Based on the costs incurred for the first six months of the contract, the average monthly cost for DOJ's legal services has been approximately \$22,000. As a result, DOJ recommends that the Commission amend the contract to increase the amount by \$155,000 for a total amount of \$250,000. The Executive Director has approved the amendment, notified the Commission of the need for the amendment, signed the contract amendment, and submitted it to the Department of General Services for approval. Commission staff requests that the Commission take action to ratify the amendment.

***Recommended Action:*** Ratify the Department of Justice contract amendment for \$155,000 for a total contract amount of \$250,000 for the period of July 1, 2006 through July 30, 2007.

***Responsible Staff:*** Robert Illa  
Fiscal Officer