

**Action/Information Item**

***California Student Aid Commission***

**Update on 2010-11 State Budget Issues Relating to Commission Programs  
and Operations**

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The May Revision to the Governor's proposed 2010-11 Budget was released May 14, 2010. The major changes affecting the Commission's budget are noted below and a detailed chart of the Commission's programs is provided in Tab 4.a.

Cal Grant Program

- \$45,517,000 increase in General Funds to restore the new Cal Grant Competitive awards.
- \$10,027,000 increase in General Funds to reflect revised Cal Grant Program estimates.
- Removed from consideration: the proposed \$79 million General Fund "trigger" reductions to the Cal Grant Program for decoupling the fee increases at UC and CSU and freezing the income eligibility.
- Cal Grant Program funding shifts:
  - \$75 million from the Student Loan Operating Fund.
  - \$10.3 million increase in Temporary Assistance for Needy Families (TANF) resulting in a total of \$28.6 million of TANF funds being used for the Cal Grant Program.
- \$11.1 million increase in General Funds to reflect revised estimates for the Cal Grant Program recognizing a total increase of \$51 million needed for 2009-10 awards.

Other Programs

- \$547,000 increase in General Funds to reflect revised APLE Program estimates.
- \$133,000 increase in Challenge Grant funds to publish and distribute Cash for College Program outreach materials.

- Fund shift: \$7.3 million increase in Challenge Grant funding to offset General Fund costs of financial aid programs.

State Operations

- \$1.2 million increase in General Funds for 9 new positions and operational expenses for the reestablishment of mailroom, printing, information technology, and other shared services currently provided by EdFund upon the sale of the state’s student loan program assets.
  - The \$1.2 million includes \$676,000 in new funding and the reappropriation of \$550,000 in prior year funds currently set-aside for any expenses that may be necessary or convenient for the Commission to assume activities currently provided by EdFund, to further the intent of the sale, or other authorized transaction of EdFund pursuant to SB 89.
  - These funds shall not be expended unless first approved in writing by the Department of Finance.
  - The chart below is a summary of the Commission’s 2010-11 Budget Change Proposal (BCP) for the Detangling of EdFund and the funding included in the May Revision. Additional detail is provided in Tabs 4.b and 4.c

Item	BCP Request	May Revise
Salary and Wages*	\$ 1,633,000	\$ 597,179
Standard Complement	\$ 173,000	\$ 49,500
Equipment and Other Operational Expenses	\$ 2,764,560	\$ 579,519
<b>Total</b>	<b>\$ 4,570,560</b>	<b>\$ 1,226,198</b>

\* 23 positions requested; 9 included in May Revise

- The major items requested in the BCP but not funded in the May Revise are:
  - Imaging system and corresponding staff
  - Fund Your Future Publications
  - Training staff and corresponding costs
  - Security system
  - New Facility other then business operations space (no boardroom and associated costs)
  - Misc IT equipment and other costs

- Employee Compensation Changes
  - A 5 % reduction in all salaries.
  - An additional 5% reduction in all salaries in exchange for a 1 day/month personal leave.
  - A 5% increase in all employees' monthly pension contribution to CalPERS.
  - 5% departmental salary savings by reducing size of State workforce.

**Responsible Person:** Janet McDuffie, Chief  
Administration and External Affairs Division

**CALIFORNIA STUDENT AID COMMISSION  
2010-11 PROGRAM (LOCAL ASSISTANCE) BUDGET  
Per Governor's Proposed Budget  
(\$ in millions)**

PROGRAM	2009-10 Budget *	2010-11					
		CSAC Projections	Subtotal	Governor's January Adjustments	Subtotal	Governor's May Revise Adjustments	Total
<b>Cal Grants</b>							
Entitlement	\$894.6	\$126.3	\$1,020.9	\$0.0	\$1,020.9	\$10.0	\$1,030.9
Competitive	\$113.5	(\$5.5)	\$108.0	(\$45.5)	\$62.5	\$45.5	\$108.0
Cal Grant C	\$8.4	(\$0.1)	\$8.3	\$0.0	\$8.3	\$0.0	\$8.3
Cal Grant A (Pre SB 1644)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Cal Grant B (Pre SB 1644)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Subtotal Cal Grants</b>	<b>\$1,016.5</b>	<b>\$120.7</b>	<b>\$1,137.2</b>	<b>(\$45.5)</b>	<b>\$1,091.7</b>	<b>\$55.5</b>	<b>\$1,147.2</b>
<b>Other Programs</b>							
APLE	\$36.4	(\$0.5)	\$35.9	\$0.0	\$35.9	\$0.5	\$36.4
CAL-SOAP	\$7.3	\$0.0	\$7.3	\$0.0	\$7.3	\$0.0	\$7.3
Chafee Foster Youth	\$12.9	\$0.0	\$12.9	\$0.0	\$12.9	\$0.0	\$12.9
BYRD	\$5.7	\$0.0	\$5.7	\$0.0	\$5.7	\$0.0	\$5.7
Grad APLE	\$0.2	\$0.0	\$0.2	\$0.0	\$0.2	\$0.0	\$0.2
Child Development	\$0.3	\$0.0	\$0.3	\$0.0	\$0.3	\$0.0	\$0.3
Law Enforcement	\$0.1	\$0.0	\$0.1	\$0.0	\$0.1	\$0.0	\$0.1
National Guard APLE	\$0.3	\$0.0	\$0.3	\$0.0	\$0.3	\$0.0	\$0.3
SNAPLE - NF	\$0.3	\$0.0	\$0.3	\$0.0	\$0.3	\$0.0	\$0.3
SNAPLE - NSF	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
CNG EAAP	\$1.5	\$1.5	\$3.0	\$0.0	\$3.0	\$0.0	\$3.0
Cash for College	\$0.2	\$0.0	\$0.2	\$0.0	\$0.2	\$0.0	\$0.2
<b>Subtotal Other Programs</b>	<b>\$65.2</b>	<b>\$1.0</b>	<b>\$66.2</b>	<b>\$0.0</b>	<b>\$66.2</b>	<b>\$0.5</b>	<b>\$66.7</b>
<b>TOTAL LOCAL ASSISTANCE</b>	<b>\$1,081.7</b>	<b>\$121.7</b>	<b>\$1,203.4</b>	<b>(\$45.5)</b>	<b>\$1,157.9</b>	<b>\$56.0</b>	<b>\$1,213.9</b>

FUNDING SOURCES	2009-10 Budget *	CSAC Projections	Subtotal	Governor's Proposed Adjustments	Total	Governor's Proposed Adjustments	Total
<b>Cal Grants</b>							
General Fund	\$973.9	\$152.7	\$1,126.6	(\$63.8)	\$1,062.8	(\$74,954.9)	(\$73,892.1)
Student Loan Operating Fund	\$32.0	(\$32.0)	\$0.0	\$0.0	\$0.0	\$75,000.0	\$75,000.0
Federal Trust Fund	\$10.6	\$0.0	\$10.6	\$0.0	\$10.6	\$0.0	\$10.6
Reimbursement	\$0.0	\$0.0	\$0.0	\$18.3	\$18.3	\$10.4	\$28.7
<b>Other Programs</b>							
General Fund	\$37.3	(\$0.5)	\$36.8	\$0.0	\$36.8	(\$6.9)	\$29.9
Student Loan Operating Fund	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Federal Trust Fund	\$7.5	\$0.0	\$7.5	\$0.0	\$7.5	\$7.4	\$14.9
Reimbursement	\$20.4	\$1.5	\$21.9	\$0.0	\$21.9	\$0.0	\$21.9
<b>All Programs</b>							
General Fund	\$1,011.2	\$152.2	\$1,163.4	(\$63.8)	\$1,099.6	(\$74,961.8)	(\$73,862.2)
Student Loan Operating Fund	\$32.0	(\$32.0)	\$0.0	\$0.0	\$0.0	\$75,000.0	\$75,000.0
Federal Trust Fund	\$18.1	\$0.0	\$18.1	\$0.0	\$18.1	\$7.4	\$25.5
Reimbursement	\$20.4	\$1.5	\$21.9	\$18.3	\$40.2	\$10.4	\$50.6

\* 2009-10 Budget includes the revised projections assumed in the Governor's May Revision to the 2010-11 Budget.

**California Student Aid Commission  
2010-11 Budget Change Proposal: Detangling from EdFund  
Positions**

**Business Services/Mailroom**

<b>Positions</b>	<b>Purpose</b>	<b>BCP Request</b>	<b>May Revise</b>
Staff Services Manager I	Management	1	1
Business Service Officer II	Management	1	0
Associate Governmental Program	Imaging	1	0
Staff Services Analyst	Records Retention Coordinator	1	0
Printing Operations Assistant	Mail and Printing	2	2
Warehouse Worker	Receipt, storage, shipping of documents	1	1
Program Technician	Imaging	2	0
Office Assistant (General)	Assist in mail processing	1	1
<b>Business Services/Mailroom Totals</b>		<b>10</b>	<b>5</b>

**Technology Services**

<b>Positions</b>	<b>Purpose</b>	<b>BCP Request</b>	<b>May Revise</b>
<i>GDS Support Staff Needed:</i>			
Systems Software Specialist II (Technical)	Production DB servers, Linux Operating System Support, Storage Area Network/Backup and Firewall Support	1	0
Systems Software Specialist II (Technical)	1 - Database Administrator 1 - Web Server Operation Systems, Intrusion Detection, and Network DMZ	2	1
Staff Programmer Analyst (Specialist)	Maintain IVR, Printing and Intelligent Character Recognition coding	1	1
<i>Tier 1 Help Desk/Telephony</i>			
Staff Information System Analyst (Specialist)	Telephony, Helpdesk lead, and LAN support	1	0
Associate Information System Analyst (Specialist)	2 – Telephony/network 1 – Helpdesk Tier 1	3	1
Assistant Information System Analyst (Specialist)	Helpdesk Tier 1/Procurement Imaging software and hardware	1	1
<b>Technology Services Totals</b>		<b>9</b>	<b>4</b>

**Communication/Training/Outreach Services**

<b>Positions</b>	<b>Purpose</b>	<b>BCP Request</b>	<b>May Revise</b>
Associate Financial Aid Analyst	Training for college financial aid	4	0
<b>Communication/Training/Outreach Services Totals</b>		<b>4</b>	<b>0</b>

<b>Total Positions</b>		<b>23</b>	<b>9</b>
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**California Student Aid Commission  
2010-11 Budget Change Proposal: Detangling from EdFund  
Equipment and Other Operational Expenses**

	<b>BCP Request</b>	<b>May Revise</b>
<b>Items Included in the May Revise</b>		
Printing & Copying Equipment	\$142,000	\$142,000
Mailroom Equipment	\$24,780	\$24,780
Inventory Software System	\$25,000	\$25,000
Van and Courier Services	\$33,800	\$33,800
Web grants for Students	\$19,000	\$19,000
Help Desk Tier 1	\$2,000	\$2,000
GDS Back-up Recovery Software	\$19,000	\$19,000
New Facility	\$1,264,873	\$154,000
College Cash Box (* Fundd from Challenge Grant)	\$133,000	\$0
15% Contingency	\$0	\$159,939
<b>Subtotal</b>	<b>\$1,663,453</b>	<b>\$579,519</b>
<b>Items Not Included in the May Revise</b>		
Imaging System	\$335,857	\$0
Fund Your Future Publications	\$280,000	\$0
Training Travel & Site Costs	\$70,000	\$0
Security System and Video Surveillance	\$31,500	\$0
GDS Data Center Cost increases	\$54,000	\$0
Internet Access Cost Increases	\$13,000	\$0
IT Equipment (Servers & Switches)	\$70,000	\$0
Commission Boardroom & Meeting Room	\$246,750	\$0
<b>Subtotal</b>	<b>\$1,101,107</b>	<b>\$0</b>
<b>Total</b>	<b>\$2,764,560</b>	<b>\$579,519</b>