

Action /Information Item***California Student Aid Commission*****Adjustments to the 2008-09 Cal-SOAP Project Funding Levels**

At its June 26-27, 2008 meeting, the Commission gave authorization to the Executive Director to sign contracts with Cal-SOAP projects in the same amounts as were received last year. The Commission's decision was based the Legislature's decision to reallocate \$500,000 of the \$1 million from the Federal College Access Challenge Grant (Challenge Grant) that had been designated for career technical education (CTE) to Cal-SOAP. The approved contract allocations must now be adjusted because of the change in uses of the funding provided in the 2008-09 budget.

While the total funding for Cal-SOAP from the Challenge Grant remains at \$7.349 million in the 2008-09 budget, \$1 million is dedicated for career technical education (CTE) and the resulting career opportunities as originally proposed by the Governor. This change results in a base funding level of \$6.349 million base funding for Cal-SOAP, which is \$186,671 less than the base funding the program received in the previous year.

CSAC staff requested input from the Cal-SOAP Project Directors on how the adjustment should be implemented. The funding proposal presented below allocates only the base amount of \$6.349 million. The additional \$1 million provided by the Challenge Grant and earmarked for CTE will be allocated separately after the required consultation with the State Department of Education and the Chancellor's Office of the California Community Colleges in determining the projects and activities for these funds.

The following funding proposal was developed by the Cal-SOAP Project Directors. Commission staff supports the proposed adjustment method. The proposal maintains the Commission policy of funding Cal-SOAP projects at a minimum of \$300,000. Project budget allocation reductions range from zero to 5 percent. As a reminder, Cal-SOAP consortia are required to obtain local resources to match their state allocations. The budget allocation reductions proposed below affect only the state funding allocation. However, local matching resources may also be affected as a result of local budget reductions, loss of contributing partners, or the state allocation reduction.

The funding proposal also reflects the Commission's decision to continue support of Cal-SOAP activities in the Solano region. The East Bay Cal-SOAP will expand its service area to cover the Solano region. While the area is listed separately in the table below, funds for the Solano region will be included in the East Bay allocation and the plan for services in the area will be included in the contract with East Bay.

| | 2007-08 Budget | Reduction Amount | 2008-09 Budget Allocation | Percent Reduction |
|--------------------|-------------------|---------------------|------------------------------|----------------------|
| Central Coast | 300,000 | 0 | 300,000 | 0% |
| Central Valley | 311,910 | 11,910 | 300,000 | 4% |
| East Bay | 500,546 | 16,052 | 484,494 | 3% |
| Greater Long Beach | 300,000 | 0 | 300,000 | 0% |
| Los Angeles | 631,550 | 27,000 | 604,550 | 4% |
| Merced | 306,119 | 6,119 | 300,000 | 2% |
| North Valley | 336,466 | 16,052 | 320,414 | 5% |
| North Coast | 377,897 | 16,052 | 361,845 | 4% |
| Sacramento | 344,155 | 16,051 | 328,104 | 5% |
| San Diego | 928,750 | 20,741 | 908,009 | 2% |
| San Francisco | 300,000 | 0 | 300,000 | 0% |
| So. San Joaquin | 308,538 | 8,538 | 300,000 | 3% |
| Santa Barbara | 477,625 | 16,052 | 461,573 | 3% |
| San Jose | 461,040 | 16,052 | 444,988 | 4% |
| South County | 351,075 | 16,052 | 335,023 | 5% |
| Solano | 131,250† | 0 | 300,000* | 0% |
| Totals | 6,366,921 | 186,671 | 6,349,000 | |

†Planning grant and fourth quarter funding for 2007-2008

*Solano funding will be included in East Bay's allocation

Staff notes that additional information recently received from the U.S. Department of Education indicates that the funding for the 2009-10 fiscal year will be available mid-August 2009. Based on this new information, the term of the 2008-09 Cal-SOAP contracts will be July 1, 2008 through August 13, 2009. The contracts will indicate that the federal funds can only be expended from August 14, 2008 through August 13, 2009. Any funds the projects received during the gap period of July 1 through August 13, 2008 will not be reimbursed by CSAC but can be counted towards the match requirements.

Recommendation: Authorize the Executive Director to execute contracts totaling \$6,349,000 with the Cal SOAP consortia for the 2008-09 award year at the allocation levels proposed by the Cal-SOAP Project Directors.

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