

# Item 4

## Action Item

### Consideration of reallocation of 2015-16 Cal-SOAP funding

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In late June 2015, the Commission received information about alleged improper expenditures at the Los Angeles Cal-SOAP Consortium (LA Cal-SOAP). In response to these allegations, in July 2015, the Commission commenced an audit of LA Cal-SOAP’s 2013-14 and 2014-15 Cal-SOAP contracts. A draft audit report for the 2013-14 contract only was issued on January 8, 2016.

Given the timing of the audit and the nature of the allegations, Commission staff did not issue an “Intent to Fund” letter to LA Cal-SOAP for the 2015-16 contract period which began July 1, 2015. Although the Commission and the LA Cal-SOAP were initially hopeful that a 2015-16 contract could be executed, one could not be reached. As a result, the LA Cal-SOAP programs have not been operational for the 2015-16 year and the LA Cal-SOAP has not expended any of the funds allocated to the region. The Long Beach Cal-SOAP Consortium (Long Beach Cal-SOAP) has offered to serve the Los Angeles high schools normally served by the LA Cal-SOAP because of the students’ need for financial aid services during the busy application period and the tutoring and other services previously provided by the LA Cal-SOAP. The Long Beach Cal-SOAP will provide services for the remaining 6 months of the contract period.

Led by the Project Director, Nicole Korgie-Jackson, the Long Beach Cal-SOAP has submitted the following 6-month budget proposal:

**Table 1**  
Long Beach Consortium Proposal

	Cal-SOAP	MCS	Cal-SOAP TOTAL
<b>Staffing</b>	\$130,000.00	\$20,000.00	\$150,000.00
Program Services Staff	\$20,000.00	-	\$20,000.00
Students	\$110,000.00	\$20,000.00	\$130,000.00
<b>Benefits</b>	\$10,400.00	\$1,600.00	\$12,000.00
Program Services Staff	\$1,600.00	-	\$1,600.00
Students	\$8,800.00	\$1,600.00	\$10,400.00
<b>Operating</b>	\$22,812.00	\$4,488.00	\$27,300.00
Indirect Costs	\$13,312.00	\$2,488.00	\$15,800.00
Administrative Mileage	\$5,000.00	-	\$5,000.00
Program Svcs Staff Mileage	\$2,500.00	-	\$2,500.00
Students Mileage	\$2,000.00	\$2,000.00	\$4,000.00
<b>Supplies</b>	\$6,500.00	\$5,000.00	\$11,500.00
Office Supplies	\$4,000.00	-	\$4,000.00
Printing & Duplication	\$2,500.00	\$5,000.00	\$7,500.00
<b>Program Services</b>	\$10,000.00	\$2,500.00	\$12,500.00
<b>TOTAL</b>	<b>\$179,712.00</b>	<b>\$33,588.00</b>	<b>\$213,300.00</b>

# California Student Aid Commission

Their service plan is as follows:

### Quarter 3: January 2016 – March 2016

Quarter 3 will focus solely on Financial Aid Services. The month of January will be dedicated to communication with high school sites, hiring staff, training staff, and planning service activities with sites. All mentioned items will be done in conjunction with the Los Angeles Cal-SOAP Interim Director and Governing Board Chair.

#### February 2016

- Cal Grant / MCS Info
- Cash for College
- FAFSA Assistance
- Financial Aid Info
- SAR Review

#### March 2016

- Cal Grant / MCS Info
- FAFSA Assistance
- Financial Aid Info
- SAR Review

### Quarter 4: April 2016 – June 2016

Services provided during this timeframe will be significantly dependent on the Q4 APP provided by the LA Cal-SOAP. Long Beach staff will continue to work with students assisted in Q3 will follow up concerns regarding financial aid, college admission, final college selection, and transition and enrollment. Additionally, staff plans to work in conjunction with newly hired LA Cal-SOAP staff as needed in the transition.

Reallocating the \$213,300 from LA Cal-SOAP to Long Beach Cal-SOAP would decrease the approved budget for LA Cal-SOAP, while increasing the budget for Long Beach Cal-SOAP for one year only. Table 2 below shows the adjustments to the respective budgets.

**Table 2a – Los Angeles Budget Decrease**

	Baseline	Career Technical Education	Total Baseline	MCS Outreach	Total Allocation
<b>Los Angeles Consortium</b>	\$580,866	\$66,667	\$647,533	\$45,000	\$692,533
<b>Services provided by Long Beach</b>	(\$179,712)	\$0	(\$179,712)	(\$33,588)	(\$213,300)
<b>Remaining Balance</b>	<b>\$401,154</b>	<b>\$66,667</b>	<b>\$467,821</b>	<b>\$11,412</b>	<b>\$479,233</b>

**Table 2b – Long Beach Budget Increase**

	Baseline	Career Technical Education	Total Baseline	MCS Outreach	Total Allocation
<b>Long Beach Consortium</b>	\$276,316	\$66,667	\$342,983	\$45,000	\$387,983
<b>Services provided by Long Beach</b>	\$179,712	\$0	\$179,712	\$33,588	\$213,300
<b>Amended Budget Total</b>	<b>\$456,028</b>	<b>\$66,667</b>	<b>\$522,695</b>	<b>\$78,588</b>	<b>\$601,283</b>

## California Student Aid Commission

The Long Beach Cal-SOAP is still required to meet the 1:1 matching component through in-kind contribution that can include costs with staffing program services, travel, supplies and providing space. The Long Beach Cal-SOAP project director will work with LA Cal-SOAP Board to connect with the Los Angeles partners to fulfill this requirement.

### **Staff Recommendation:**

From table 2A above, the remaining \$479,233 from the LA Cal-SOAP 2015-16 budget will go unused unless re-allocated for other purposes.

The following provide a few options on the re-allocation of the LA Cal-SOAP funds:

#### OPTION 1:

- a) Allocate an additional \$100,000 for enhancing the Cal SOAP database. With the \$233,468 that was approved in the June Commission meeting, IT & PASD can move forward to secure a contractor for \$333,468 for the database work.
- b) Divide the remaining \$379,233 equally to the other 13 projects. Each project would receive a \$29,171 budget increase.

#### OPTION 2:

- a) Allocate an additional \$100,000 for enhancing the Cal SOAP database. With the \$233,468 that was approved in the June Commission meeting, IT & PASD can move forward to secure a contractor for \$333,468 for the database work.
- b) Divide the remaining \$379,233 to the projects serving students with the most need, such as schools with a high percentage of students that are eligible for free and reduced lunch, and that have the capacity to meet the statutory and contractual requirements that would accompany a budget increase.

**Recommended Action:** Select option from above and direct CSAC staff to take appropriate action, including but not limited to, authorizing staff to enter into contracts and/or contract amendments needed to implement the selected option

**Responsible Person(s):** Catalina Mistler, Chief  
Program Administration and Services Division  
  
Tae Kang, Senior Manager  
Program Administration and Services Division