

Action/Information Item

Fiscal Policy and Long-Range Planning Committee

Approval of August 21, 2006 and September 25, 2006 Minutes

Recommended Action:

The Committee is asked to approve the minutes of the August 21, 2006 and September 25, 2006 meetings.

**CALIFORNIA STUDENT AID COMMISSION
FISCAL POLICY AND LONG-RANGE PLANNING COMMITTEE
TELECONFERENCE MEETING**

**MINUTES
AUGUST 21, 2006**

A teleconference meeting of the California Student Aid Commission's Fiscal Policy and Long-Range Planning (Fiscal) Committee was held on Monday, August 21, 2006 at various locations listed on the Notice of Teleconference Meeting dated August 10, 2006.

Committee Chair Josefina Baltodano called the meeting to order at 1:30 p.m.

Fiscal Committee Members Present:

Josefina Baltodano, Committee Chair
Daniel Friedlander
Alice Perez

PUBLIC COMMENT

Committee Chair Baltodano asked for public comment. Sonia Ramos, San Jose Cal-SOAP Consortium Project Director, stated that she was available to answer questions and offer information regarding the 2007-08 Budget Change Proposals agenda item.

Hearing no other public comments, Committee Chair Baltodano proceeded with the meeting.

AGENDA ITEM 1 – PRELIMINARY 2007-08 BUDGET CHANGE PROPOSALS

Janet McDuffie, Management Services Division Chief, stated that the Budget Change Proposals (BCPs) requested are the most critical priorities currently within the Commission. Ms. McDuffie stated that staff is very conscious of how funding is spent and is only bringing forward those BCPs that are critical in nature. Ms. McDuffie explained that the funding source will be discussed at a later time.

Bob Illa, Fiscal & Administrative Services Manager, reported on the Commission's preliminary list of 2007-08 BCPs and the process for determining the estimated costs.

1. \$1,411,000 in funding and three positions for Phase 2 to enhance the Grant Delivery System.
2. \$355,000 and four positions to help increase efforts in the number of audits performed on institution's participating in the Commission's programs.
3. \$173,000 and two positions to provide the CSAC Internal Audit team the appropriate staffing levels to identify key areas of potential high risk and check for statutory compliance.

4. An estimated total cost of \$248,000 to provide additional funds to the Cal-SOAP program. The actual costs for this proposal have not been determined.

On **MOTION** by Commissioner Friedlander, **SECONDED** and **CARRIED**, the Committee **APPROVED** by Roll Call Vote to direct staff to move forward and bring the 2007-08 BCPs to the September Commission Meeting for review and approval prior to the submission to the Department of Finance no later than September 13, 2006.

AGENDA ITEM 2 – PLANNING FOR COMMISSION’S PERFORMANCE REVIEW OF EDFUND

Ms. McDuffie explained that the California Education Code requires regular performance reviews of EDFUND. The most recent performance review completed was issued in June 2005. CSAC staff and President Kipp reached mutual agreement that the beginning phase of the performance review would start in spring 2007.

AGENDA ITEM 3 – CONSIDERATION OF EDFUND DRAFT POLICIES IN RESPONSE TO THE BUREAU OF STATE AUDITS (BSA) REPORT

Ms. McDuffie explained that policies were drafted as a result of the BSA report. She noted that the policies were approved at the EDFUND Board meeting on August 18, 2006. David Reid, EDFUND’s General Counsel, described each policy and the various changes.

Mr. Reid presented the Employee-Wide Events Spending Policy 27. He explained that the Board of Director’s retreat is not included within this policy and would be addressed by a change in the EDFUND Bylaws.

Commissioner Friedlander expressed concerns with not providing a specific dollar amount in the policy. Mr. Reid indicated that he avoided specific dollar amounts because over time they may not be applicable.

Mr. Reid and Cathy Reynolds, Assistant General Counsel of EDFUND, presented the remaining policies. Upon request by Commissioner Friedlander, Ms. McDuffie explained that while CSAC staff had limited time to review the policies, it appears that EDFUND staff attempted to incorporate BSA recommendations and comments into the policies.

On **MOTION** by Commissioner Friedlander, **SECONDED** and **CARRIED**, the Committee **APPROVED** by Roll Call Vote to recommend approval of the following EDFUND policies:

1. Employee-Wide Events Spending Policy #27
2. Travel Policy #26
3. Procurement/Contracts Policy #18
4. Signature Authorization Policy #21

Ms. McDuffie explained that the policies will be brought to the Commission for review and approval and requested that Mr. Reid be available to present the policies.

AGENDA ITEM 4 – STATUS REPORT ON THE NEW OPERATING AGREEMENT BETWEEN THE CALIFORNIA STUDENT AID COMMISSION AND EDFUND

Ms. McDuffie provided an Operating Agreement status update indicating that the Commission approved an amendment/extension. Ms. McDuffie stated that CSAC and EDFUND staffs are reviewing the report deliverable section of the Operating Agreement to update reports and identify those that may no longer be needed.

PUBLIC COMMENT

Ms. Ramos explained that the Cal-SOAP project directors are working with CSAC staff to provide information regarding various adjustments and wanted the Committee to be aware that they are willing to provide recommendations to ensure that that the BCPs related to Cal-SOAP are accurate.

Committee Chair Baltodano thanked Ms. Ramos.

ADJOURNED TO CLOSED SESSION 2:40 PM

Pursuant to California Education Code, Section 69525(g)(3) the Commission's Fiscal Policy and Long-Range Planning Committee convened to CLOSED SESSION to discuss and consider taking action on proprietary matters.

RECONVENE TO OPEN SESSION 2:55 PM

Committee Chair Baltodano reported that there was nothing to report. Catherine Brown, Legal Counsel, stated for the record that the August 21, 2006 "Notice of Teleconference Meeting" listed two codes for the authority of the closed session. Ms. Brown clarified that the closed session convened pursuant to Education Code, Section 69525(g)(3) and not Government Code.

The meeting adjourned at approximately 2:58 p.m.

Daniel Friedlander, Vice Chair

**CALIFORNIA STUDENT AID COMMISSION
FISCAL POLICY AND LONG-RANGE PLANNING COMMITTEE
TELECONFERENCE MEETING**

**MINUTES
SEPTEMBER 25, 2006**

A teleconference meeting of the California Student Aid Commission's Fiscal Policy and Long-Range Planning (Fiscal) Committee was held on Monday, September 25, 2006 at various locations listed on the Notice of Teleconference Meeting dated September 15, 2006.

Committee Chair Josefina Baltodano called the meeting to order at 9:04 a.m.

Fiscal Committee Members Present:

Josefina Baltodano, Committee Chair
Daniel Friedlander, Committee Vice Chair
Alice Perez

**AGENDA ITEM 1 – CONSIDERATION OF APPROVAL OF A CONTRACT WITH COMSYS
FOR SERVICES RELATING TO IMPLEMENTATION OF PHASE I OF
THE GRANT DELIVERY SYSTEM SERVICE ORIENTED
ENHANCEMENTS**

Ms. Janet McDuffie, Chief of Management Services, reported that the COMSYS contract is needed in order for the Commission's Information Technology Services (ITS) to begin working on the real-time enhancement of the Grant Delivery System (GDS). She explained that the Commission adopted a resolution in March 1999 that gives the Executive Director the authority to enter into contracts up to \$100,000, and in the event of an emergency, the Executive Director can enter into contracts over \$100,000 if she notifies the Commission simultaneously.

Ms. McDuffie indicated that Executive Director Diana Fuentes-Michel contacted Commission Chair Fousekis who requested that the Fiscal Policy and Long-Range Planning (Fiscal) Committee consider the contract first to ensure agreement prior to the emergency approval. She explained that Commission staff would then bring the contract to the Full Commission for ratification at its next meeting.

Mr. John Bays, Chief of Information Technology Services (ITS), explained that the purpose of the contract is to provide the Commission with the capability to continue operating on a day-to-day basis while working on the real-time database project. He added that the project was approved as part of the Feasibility Study Report (FSR) and Budget Change Proposal (BCP) and the funding has already been allocated. Mr. Bays indicated that the \$432,000 contract amount is part of the total \$1.5 million approved in the budget.

Mr. Merl Ward, Manager of ITS Project Management, indicated that the Commission received four proposals, totaling approximately 27 proposed contractors. Mr. Ward also noted that

Commission staff conducted an evaluation process, reviewed resumes and conducted face-to-face interviews with approximately eight consultants.

On **MOTION** by Commissioner Friedlander, **SECONDED** and **CARRIED**, the Committee **APPROVED** by Roll Call Vote the recommendation that the Commission Chair authorize the Executive Director to enter into the contract with COMSYS for \$432,000 on an emergency basis and the recommendation that the Commission ratify the COMSYS contract at its next meeting.

The meeting adjourned at approximately 9:12 a.m.

Daniel Friedlander, Vice Chair