

Action /Information Item

Fiscal Policy and Long-Range Planning Committee

Preliminary 2007-08 Budget Change Proposals

The enclosure provides a summary of the Commission's preliminary list of 2007-08 Budget Change Proposals (BCP). These proposals reflect critical priorities within the Commission. All BCPs approved by the Commission must be submitted to the Department of Finance no later than September 13, 2006.

Recommended Action: The Committee direct staff to move forward and bring these 2007-08 BCPs to the September Commission Meeting for review and approval prior to submission to the Department of Finance.

Responsible Staff: Robert Illa, Fiscal Officer
Management Services Division

CALIFORNIA STUDENT AID COMMISSION
2007-08 Preliminary Budget Change Proposals (BCP)
(\$ in thousands)

Tab 1.a

BCP #	Summary of Request	Expense Detail	Number of Positions Requested	Total Cost Estimate
<u>STATE OPERATIONS</u>				
01	ITS Division - Enhancements to the Grant Delivery System			
	The Information Technology Division is requesting \$1,411,000 in funding and three positions for Phase 2 to enhance the Grant Delivery System. Of this funding, \$1,049,000 is one-time (hardware, software, systems maintenance augmentation, training, IVNV independent oversight, vendor costs), and \$362,000 is ongoing. This enhancement will offer web-services capability to provide transactions and data querying between financial aid institutions. The Grant Delivery System will also provide the Service Oriented Architecture (SOA) for future services to other trusted partners.	Personal Services Operating Expenses	\$362 \$1,049	3.0 \$1,411
Subtotal ITS:			3.0	\$1,411
02	Management Services Division - Strengthen Program Compliance Review Efforts			
	The Program Compliance Office is requesting \$355,000 and four positions; three Associate Management Auditors (AMA) and one Associate Governmental Program Analyst (AGPA). Two of the AMA positions will help increase efforts in the number of audits performed on institutions participating in the Cal Grant Programs, Specialized Programs, and Cal SOAP, and decrease the audit cycle from the current once every 8.7 years to once every 6.2 years. The other two positions will focus their efforts on verifying payment reconciliation from institutions and conducting additional reviews concerning the school verification requirements pursuant to Assembly Bill 840, which requires that participating institutions verify that 10% of the transfer entitlement students meet the requirement that they graduated from a California High School and were a California resident at the time of graduation.	Personal Services Operating Expenses	\$305 \$50	4.0 \$355
Subtotal MSD:			4.0	\$355
03	Internal Audits - Strengthen Internal Audits Review Efforts			
	The Internal Audits Office is requesting \$173,000 and two Associate Management Auditor positions. These positions will provide the CSAC Internal Audit team the appropriate staffing level to identify key areas of potential high risk and check for statutory compliance.	Personal Services Operating Expenses	\$153 \$20	2.0 \$173
Subtotal Internal Audits:			2.0	\$173
TOTAL STATE OPERATIONS			9.0	\$1,939

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<u>PROGRAMS - LOCAL ASSISTANCE</u>				
04	Outreach & Public Relations - Baseline Adjustment to Cal-SOAP			
	There has not been an increase to Cal-SOAP since Fiscal Year 2001/02. Therefore, CSAC staff is proposing a cost of living increase in funding to the Cal-SOAP program. The actual costs for this proposal has not been determined. If the Department of Finance's California Consumer Price Index is used, a projected 2.9% cost of living adjustment increase to the Cal-SOAP program's funding would be requested, which amounts to \$248,000. These additional funds will provide consistent resources to ensure the flow of information regarding post-secondary education and financial aid, while simultaneously raising the achievement levels of low-income, elementary and secondary school students in geographic regions with documented low-eligibility or college participation rates, and students who are first in their families to attend college.	Personal Services Operating Expenses Local Assistance	\$0 \$0 \$248	0.0 \$248
Subtotal Outreach & Public Relations:			0.0	\$248
TOTAL PROGRAMS-LOCAL ASSISTANCE			0.0	\$248
TOTAL STATE OPERATIONS AND LOCAL ASSISTANCE			9.0	\$2,187
Total Authorized Positions per the 2006-07 Budget:			135.0	
Total Proposed 2007-08 Positions with Preliminary BCP Requests:			144.0	