

Action/Information Item

Fiscal Policy and Long-Range Planning Committee

Status Report on the New Operating Agreement between the California
Student Aid Commission and EDFUND

The Operating Agreement is the contract between the California Student Aid Commission (Commission) and its auxiliary, EDFUND. The Commission and EDFUND entered into the first Operating Agreement in 1998. The current Operating Agreement was signed in October 2002 and has been extended for the past three fiscal years with minor revisions and is set to expire on September 30, 2006. It is anticipated that an Operating Agreement Amendment/Extension will be approved by the Commission at its August 21, 2006 meeting.

Bureau of State Audits (BSA) reports include recommendations to revise the current Operating Agreement. Additionally, the most recent Commission Performance Review of EDFUND (June 2005) concluded that the current Operating Agreement is outdated and needs to be revised.

The Commission is in the process of contracting with a consultant to provide services to assist the Commission in delineating the roles and responsibilities of CSAC and EDFUND. It is anticipated that a new Operating Agreement will be developed after the roles and responsibilities have been defined.

To facilitate the development of a new Operating Agreement, the Commission directed CSAC and EDFUND staffs to identify areas of the Operating Agreement that do not depend on the roles and responsibilities to be defined. CSAC staff will provide an oral update on the progress.

Recommended Action: Information only.

Responsible Staff: Janet McDuffie
Chief, Management Services and
Acting Chief, Federal Policy &
Programs