

Action /Information Item

Joint CSAC / EDFUND Workshop

Update on the 2006-07 State Budget

This item provides a summary of the California Student Aid Commission's (Commission) 2006-07 budget that was signed by Governor Schwarzenegger on June 30, 2006. Listed below are the highlights.

State Operations:

- The Commission's entire support budget of \$15.3 million continues to be funded through the Student Loan Operating Fund (SLOF).
- The support budget includes \$1.569 million and 2.5 two year limited-term positions to support the GDS enhancements and \$276,000 in one-time funding to support the production and administration of the Student Expenses and Resources Survey (SEARS).
- \$30,000 for one-half position to implement a new State Facilities Nursing Grant Program

Programs:

- The Commission's budget include the following program changes:
 - ❖ 100 new loan assumption warrants for National Guard APLE Program
 - ❖ 40 new loan assumption warrants for a newly established State Facilities Nursing Grant Program
 - ❖ 100 new loan assumption warrants for State Nursing APLE
 - ❖ Reduction of APLE loan assumption warrants from 8,000 to 7,400. The reduction of 600 warrants will be set aside exclusively for students participating in the Science and Math Teacher Initiative contingent upon legislation.
- The maximum award for new Cal Grant recipients attending private institutions has been restored from \$8,322 to \$9,708.

The budget for Cal Grants and Specialized Programs is over \$887 million. The on-going support budget for 2006-07, excluding the Loan Program and one-time expenses, is \$11.9 million, which is 1.3% of the Program Budget.

Recommended Action: For information only. No action is required.

Responsible Staff: Robert Illa, Fiscal Manager
Management Services Division

Janet McDuffie, Chief
Management Services Division

CALIFORNIA STUDENT AID COMMISSION
2006-07 PROGRAM BUDGET (LOCAL ASSISTANCE)
(\$ in millions)

Tab 1.A

PROGRAM	2005-06 Budget	2006-07	
		Adjustments	Budget Act
Cal Grants			
Entitlement	\$645.0	\$39.9	\$684.9
Competitive	115.5	(1.4)	114.0
Cal Grant C	9.2	0.5	9.7
Cal Grant A (Pre SB 1644)	2.7	(2.0)	0.7
Cal Grant B (Pre SB 1644)	2.1	(0.3)	1.8
Subtotal Cal Grants	\$774.5	\$36.6	\$811.1
Other Programs			
APPLE	40.9	6.8	47.7
CAL SOAP	8.6	-	8.6
Chafee Foster Youth	8.0	5.7	13.7
BYRD	5.7	-	5.7
Grad APPLE	0.4	-	0.4
Child Development	0.3	-	0.3
Law Enforcement	\$0.1	-	\$0.1
National Guard APPLE State Facilities Nursing Grant Program State Nursing APPLE (no funding needed until 2007-08)	-	-	-
Subtotal Other Programs	\$64.0	\$12.5	\$76.5
TOTAL	\$838.6	\$49.1	\$887.7

FUNDING SOURCES	2005-06 Budget	2006-07	
		Adjustments	Budget Act
Cal Grants			
General Fund	\$711.0	\$87.6	\$798.6
Reimbursement from Operating Fund	\$51.0	(\$51.0)	\$0.0
Federal Trust Fund	\$12.6	-	\$12.6
Reimbursement	-	-	-
Other Programs			
General Fund	\$41.4	\$6.8	\$48.2
Reimbursement from Operating Fund	\$8.6	-	\$8.6
Federal Trust Fund	-	-	-
Reimbursement	\$14.0	\$5.7	\$19.7
All Programs			
General Fund	\$752.4	\$94.4	\$846.8
Reimbursement from Operating Fund	\$59.6	(\$51.0)	\$8.6
Federal Trust Fund	\$12.6	-	\$12.6
Reimbursement	\$14.0	\$5.7	\$19.7

**California Student Aid
Commission
FY 2006-07 Operations Budget
(\$ in thousands)**

	2005-06 Budget	2006-07	
		Adjustments	Budget Act
Personal Services	\$ 8,847	\$ 282	\$ 9,129
Operating Expenses	\$ 4,858	\$ 1,558	\$ 6,416
TOTAL	\$ 13,705	\$ 1,840	\$ 15,545
Funding Sources:			
General Fund	\$ -	\$ -	\$ -
Student Loan Operating Fund	\$ 13,439	\$ 1,840	\$ 15,279
Reimbursements (Child Development & Chafee)	\$ 266	\$ -	\$ 266
	\$ 13,705	\$ 1,840	\$ 15,545

	2005-06 Budget	2006-07 Adjustments	2006-07 Budget Act
Authorized Positions			
Permanent	128.8	0.5	129.3
Temporary Help	5.7	2.5	8.2
TOTAL	134.5	3.0	137.5

Major Adjustments:

Grant Delivery System

- 1) \$1,569,000 increase and 2.5 two year limited-term positions to modify the Grant Delivery System by developing real-time processing capability.

Student Expenses and Resources Survey (SEARS)

- 1) \$276,000 increase to produce and administer 2006/07 SEARS for all five segments of higher education.

Savings from Migration of Servers:

- 1) (-\$199,000) decrease to reflect savings related to the migration of the web and database servers from the State's data center at the Department of Technology Services to EdFund Data Center.

State Facilities Nursing Assumption Program of Loans for Education:

- 1) \$30,000 increase for 0.5 position to support the administration of the new State Facilities Nursing APLE Program.

**California Student Aid Commission
Program Changes in 2006-07**

Program	State Operations	Awards	Description
National Guard APLE Awards		100 new loan assumption warrants	National Guard APLE Program is designed to enhance recruitment and retention incentives for guardsmen.
State Facilities Nursing Grant Program	\$30k for .5 of a position	40 new loan assumption warrants	State Facilities Nursing Grant Program is a newly established program to encourage individuals to become nurses and practice in state-run facilities.
State Nursing APLE (SNAPLE)		100 new loan assumption warrants	SNAPLE is designed to encourage students to obtain their degree and serve as nursing faculty in a registered nursing program at an accredited California college or university.
APLE		Reduced loan assumption warrants by 600	Governor reduced the number of loan assumption warrants from 8,00 to 7,400 and set aside the 600 reduced warrants for authorization in subsequent legislation that would specify their use exclusively for students participating in the Science and Math Teacher Initiative