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Action/Information Item

Joint California Student Aid Commission and EDFUND Board of Directors Workshop

Consideration of Governor's May Revision Proposal to Sell EDFUND, and the Subsequent Detangling of CSAC from EDFUND

The Governor, in the May Revision to the 2007-08 Budget, proposed to sell EDFUND in order to generate approximately $1 billion in one-time revenue to the State. The May Revision included the following statements:

- The student loan guarantee business is not a core mission or competency of State government.
- EDFUND is an inherently valuable asset because the student loan guarantee business is a fundamentally attractive financial venture.
- Selling this non-governmental entity to a private company could produce a significant one-time financial benefit to the state without adversely affecting students.
- Potential buyers of EDFUND will be attracted to the opportunity of acquiring EDFUND's substantial loan guarantee portfolio and brand name.

An oral update will be provided by staff.