

# Item 11

(Action Item)

## Consideration of Budget Change Proposals (BCPs) for Fiscal Year 2022-23

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### SUMMARY:

The purpose of this section is for the Commission's consideration of Budget Change Proposals (BCPs) for inclusion of the Governor's Budget deliberation process.

### RECOMMENDATION:

The Commission is committed to ensuring its programs run reliably and efficiently and is proposing the two following BCPs be approved as outlined below.

### BACKGROUND:

A BCP is a proposal to change the level of service (increases, decreases, or shifts) or funding sources (new funds or utilizing different fund sources for the same purpose) for activities authorized by the Legislature, or to propose new program activities not currently authorized. Many factors determine whether a BCP ultimately will be approved for inclusion in the Governor's Budget, recommended by the Legislative Analyst and legislative staff, or included in the budget that the Legislature enacts.

### DESCRIPTION OF PROPOSED FISCAL YEAR (FY) 2022-23 BCPs:

The order in which these are presented are not reflective of the Commission's order of importance to which these proposals move forward.

#### 1) Workload resources and infrastructure support to administer the expansion of financial aid programs including the financial aid completion requirement

The Budget Act of 2021 included significant statutory changes to the Cal Grant program including the Community College Entitlement Program, Cal Grant Access award availability for Foster Youth and alterations to the existing Competitive Award Program. The Budget Act additionally expanded the Golden State Teachers Grant Program appropriation from \$15,000,000 in its first year of FY 2020-21 to \$500,000,000 in FY 2021-22. Lastly, the Budget Act added two brand new programs for the Learning-Aligned Employment Program and the Golden State Education and Training Grant Program while also pushing back the implementation of the Financial Aid completion requirement for all high school students to the 2022-23 academic year. The Commission is also preparing for the Free Application for Federal Student Aid (FAFSA) simplification scheduled for October 1, 2023.

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The financial aid landscape in California will be undergoing dramatic changes over the next two years initiated by the Budget Act of 2021, the financial aid completion requirement and the FAFSA Simplification Act. The expansion and changes to the Commission's financial aid Programs will greatly increase the workload of current CSAC staff. To guarantee the Commission has the proper staffing levels and financial resources to continue serving the students, high schools, colleges, and other education partners for all of the financial aid programs under its administration, this BCP is requesting funding from the General Fund and position authority to hire full-time permanent state civil service positions. CSAC has identified the necessary position and funding needs to meet workload impacts throughout the organization.

The Commission is requesting ongoing full-time permanent positions equaling \$3,772,165, one-time funding for consulting services equaling \$750,000, and an increase to the Cash for College program equaling \$500,000 ongoing from the General Fund to not only implement all of the changes to the financial aid grant programs in the specified timeframes, but to also build a strong staffing infrastructure to sustain the programs into the future and remain nimble to respond to other financial aid initiatives.

***Total funding request in FY 2022-23 is \$5,022,165 with permanent ongoing funding starting in FY 2023-24 of \$4,272,165.***

## **2) Implement a Customer Relations Management System**

The Commission's Customer Service staff communicate with thousands of students and other stakeholders annually through phone calls, emails, Mail Chimp, system automated messages, training, outreach events, operations bulletins, and various forms of correspondence. These communications are not all maintained in a centralized system which makes it difficult to track correspondence quickly and respond to inquiries in a timely manner. To better serve students and institutional partners, the Commission is seeking to implement a Customer Relations Management System which will allow Commission staff to improve customer relationships, help to stay connected to students, financial aid administrators, high school counselors, community partners, streamline the communication processes, and improve our services.

The Commission is undergoing a significant digital transformation to improve usability of its systems, the efficiency of its processes, and the ability to provide customers 24/7 access to its services. Development of the Grant Delivery System Modernization (GDSM) is a foundational milestone for the Commission in transforming the core digital platform for serving students and institutions. The next step is to expand on our existing "Service Now" platform to offer a full suite of business capabilities through a CRM that would allow the Commission to serve students, parents, institutions, and educators while complementing other Commission technologies.

To identify the resources and objectives necessary to implement an effective CRM, the Commission released a Request for Information (RFI) in the Summer of 2021. The RFI responses assisted the Commission with understanding the relevant capabilities of a

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CRM solution, the methods in which the CRM solution would complement other Commission technologies, particularly GDS, and the one-time and recurring costs of CRM solutions. Learnings from the RFI were used to support investment in the overall digital transformation strategy and identify viable technology options for meeting the needs of the department.

The Commission is requesting funding and position authority for two full-time permanent CRM Administrators. CRM Administrators are responsible for bridging the gap between a CRM system and users. CRM Administrators must interact with various units within the Commission and must understand a range of applications (marketing services, inventory, program cycles, outreach, and more). The CRM Administrators must be able to educate users on how to correctly enter relevant data into the system and verify and reconcile data that is entered.

Additionally, the Commission is requesting one-time funding to support two-year contracts with two Information Technology consultants with CRM experience to support the integration of the software with the existing Commission system, as well as ongoing funding for the CRM software licensing.

***Total funding in FY 2022-23 is \$2,025,403, with permanent ongoing funding starting in FY 2023-24 of \$625,403.***

### **RESPONSIBLE PERSON(S):**

Lilly Myers, Deputy Director  
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Tae Kang, Deputy Director  
Program and Administrative Services Division

Jake Brymner, Director  
Government and External Relations.