

California Student Aid Commission  
Legislative, Audit and Budget Committee

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## Item 6

### (Information Item)

#### Update on the Commission's 2020-21 Fiscal Year Operations Budget

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**SUMMARY:**

This item provides an update on the 2020-21 fiscal year (FY) state operations budget by itemizing the State Budget appropriation to the expenditures and encumbrances that occurred from July 1, 2020, through June 30, 2021. Additionally, this item compares FY 2019-20 to FY 2020-21 state operations spending.

**RECOMMENDATION:**

This is an information item; no action is required.

**BACKGROUND:**

The total 2020-21 state operations budget appropriation was \$21,653,000. This includes \$13,763,000 for personal services and \$7,890,000 for operating expenses and equipment (OE&E). Personal services include objects of expenditures such as the payment of salaries and wages to CSAC employees, employee benefits, employee lump sum payouts, and insurance premiums for workers' compensation. OE&E includes objects of expenditure such as information technology, communication, employee training, contracting services, and office equipment. The 2020-21 total state operations budget appropriation also included \$858,000 in reimbursement authority, which allows CSAC to recoup funds from other State departments for services we perform.

The 2020-21 state operations budget appropriation decreased by \$3,842,869 or 15.07% from the 2019-20 state operations budget appropriation. This decrease was primarily due to the removal of the 2019-20 one-time local assistance administrative "carve out" allotments from our 2020-21 state operations base budget appropriation. The 2020-21 state operations budget appropriation did not include any funds from administrative "carve out" allotments.

In 2020-21 CSAC received one-time funds of \$250,000 to facilitate the Student Loan Debt Workgroup and report on its findings, proposed solutions and recommendations put forth by the workgroup. Additionally, the Grant Delivery System Modernization (GDSM) project received a one-time appropriation in the amount of \$5,282,000 for the initiation of the maintenance and operation phase.

CSAC expended \$16,384,804 and encumbered \$5,885,461 totaling \$22,270,265 in 2020-21. CSAC received \$675,000 in reimbursement funds thereby reducing our total committed

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spending to \$21,595,265 against the 2020-21 state operations budget appropriation of \$21,653,000. This equated to committing 99.7% of the appropriation leaving \$57,735 to be liquidated and reverted back to the State General Fund.

In 2020-21 CSAC received an increase of 11 full-time permanent positions (PY) from the prior year growing the position authority to 137.5 PY. CSAC experienced about a 15% vacancy rate in 2020-21. The average number of filled positions were 117.5 PY and 20 PY were vacant positions at any given time.

The FY 2021-22 State Budget provides an increase from FY 2020-21 to CSAC's state operations appropriation by \$12,421,000. The FY 2021-22 state operations appropriation is currently \$34,074,000. This increase is primarily due to additional one-time local assistance fund "carve out" allotments, whereby a percentage of local assistance funds from certain CSAC programs can be used for administration and outreach purposes. These programs include:

- Golden State Teacher Grant Program - \$7,500,000
- Learning-Aligned Employment Program - \$1,000,000
- Golden State Education and Training Grant Program - \$5,000,000

Although components of the 2021-22 state operations appropriation are decreased due to an ongoing 5 percent budget deduction implemented by the Department of Finance and a reduced Grant Delivery System Modernization allotment, the overall appropriation increased in 2021-22. The 2021-22 State Budget did not include additional position authority for CSAC.

The attached document reports on the year-over-year appropriation, spending, and position authority; the 2020-21 total committed funds by program; 2020-21 total committed funds by spending category; and the 2021-22 financial outlook for state operations.

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

Lilly Myers, Deputy Director  
Fiscal and Administrative Services Division

Sandy Melching, Budget Officer  
Fiscal and Administrative Services Division

### **ATTACHMENT(S):**

2020-21 State Operations Budget Year-End Overview