

Item 7

(Action Item)

Consideration of Budget Change Proposals (BCPs) for Fiscal Year 2024-25

SUMMARY:

The purpose of this section is for the California Student Aid Commission's (Commission) consideration of Budget Change Proposals (BCPs) for inclusion of the Governor's Budget deliberation process for the fiscal year 2024-25.

RECOMMENDATION:

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

BACKGROUND:

A BCP is a proposal to change the current 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, supported by the Legislature and ultimately included in the final State Budget Act.

DESCRIPTION OF PROPOSED FISCAL YEAR (FY) 2024-25 BCP:

Addressing Critical Infrastructure to Support and Administer the Expansion of Financial Aid programs

In the past several years, the Governor and the Legislature have made historic new investments in numerous higher education initiatives that serve California's economically disadvantaged students by providing more resources to overcome the financial obstacles they face in achieving their academic goals and successful graduation from college. The number of high school and college students the Commission serves and the financial aid it is responsible for awarding has grown exponentially in recent years, while its staffing levels have not kept pace. This request addresses critical areas in our infrastructure where additional resources are needed in support of a growing responsibility and programs.

The Governor and the Legislature have entrusted the Commission to effectively administer new and expanded state financial aid programs, including the Dreamer

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Service Incentive Grant, the Golden State Teachers Grant Program, and the Learning-Aligned Employment Program among others. The significant growth in funding and participation in these Specialized Programs necessitates additional staff resources for continued administration, oversight and stakeholder support for expanded programs.

The expansion of programs has increased the Commission's communications with students during the various phases of their program participation. Students receive communications during the pre-application, application, awarding, tracking and renewal stages. As modes of communication continue to change, it is essential for Commission staff to regularly assess the effectiveness of the forms, letters, emails, and text messages sent to students. To ensure communications are effective and drive students to take appropriate actions, when necessary, a staff resource is being requested to annually coordinate, assess, update, and determine the distribution mode for the various forms of student communications. This staff resource will be responsible for overseeing and evaluating the student communication process.

The number of enacted and proposed policy changes in financial aid at the federal and state level, requires greater capacity in its Public Affairs and Media unit to ensure that the agency is tracking any relevant programmatic and policy issues and conveying critical updates to stakeholders. As the number of programs administered by the Commission has grown, so has the number of stakeholders that must be consulted as the Commission brings these opportunities to students, as well as the areas where the benefits to students would be greater if the Commission better partners with external stakeholders. One staff resource is needed to support the Commission's ability to keep key stakeholders apprised of these and other relevant policy changes, as well as support the stakeholder engagement that will be essential to the success of such programs the Governor and Legislature have entrusted the Commission to administer.

In the 2023-24 State Budget, the Commission was provided resources to further develop and enhance the Commission's Information Technology, Cybersecurity and Data Privacy Programs. Those resources included two technical level staff, security software and expert level consultants to assist in identifying cybersecurity gaps. The staffing request in the 2024-25 BCP addresses the next phase of this ongoing effort to provide experienced leadership to facilitate the maturation of the Commission's Cybersecurity Team.

Any growth by the Commission's divisions has a subsequent impact to the department's administrative needs. The additional statutory workload has a direct impact to the Labor Relations and Equal Employment Opportunity (EEO) functions and Budgeting areas. Two staff resources are being requested in these areas to perform budget oversight for new statutory changes as well as provide Labor Relations, EEO, training, upward mobility and succession planning where the department has determined there is an unmet need.

This proposal requests 5.5 full-time permanent positions equaling \$885,000 from the General Fund to support the expansion of Commission's Specialized financial aid

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programs, student communications, internal cybersecurity program, and addresses administrative needs.

RESPONSIBLE PERSON(S):

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