



Education Agenda Page 64

Student Aid Commission

Contingency Language for Federal Challenge Grant

June 4, 2013
Page 1

- Governor and Senate.** No proposal.
- Assembly.** Adopted budget bill language (BBL) specifying that the Special Fund for Economic Uncertainties would backfill the Cash for College and Cal-SOAP outreach programs if federal Challenge Grant funds are not available. Potential cost is up to \$7.8 million state General Fund annually.
- LAO Compromise.** Modify Assembly BBL to authorize a one-time backfill if the state loses the federal grant for these programs. Require CSAC to submit data on the cost-effectiveness of these programs by October 30, 2013. This would preserve the programs' infrastructure for one year while collecting data that would help inform the Legislature's decision regarding funding the program in 2014-15.



Education Agenda Page 64

Student Aid Commission

Contingency Language for Federal Challenge Grant *(Continued)*

June 4, 2013
Page 2

LAO Compromise BBL

Modify Assembly Provision:

4. If by September 30, 2013, federal authority to award College Access Challenge Grant funds is not received, effective October 1, 2013, ~~an augmentation is authorized~~ *the Director of Finance shall authorize an augmentation* from the Special Fund for Economic Uncertainties (established pursuant to Section 16418 of the Government Code), *of the amounts that otherwise would have been provided from the College Access Challenge Grant* for the California Student Opportunity and Access Program (Cal-SOAP); and the Cash for College Program. Funding ~~cannot~~ *shall not* exceed ~~\$259,000~~ *\$7,332,000* for Schedule (1) of Item 6980-001-0001 and ~~\$7,549,000~~ *for* Schedule (1) of Item 6980-101-0001 ~~by \$7,549,000~~ *combined*. *The commission shall spend no more on Cal-SOAP or the Cash for College Program in 2013-14 than it spent on each program in 2012-13. Within 30 days of providing the augmentation, the Director of Finance shall provide written notice to the Chairperson of the Joint Legislative Budget Committee. By March 1, 2014, the commission shall report to the Department of Finance and the Joint Legislative Budget Committee on the outcomes and cost-effectiveness of the Cash for College and Cal-SOAP programs.*