

STATE OF CALIFORNIA

**CALIFORNIA COMMUNITY COLLEGES
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**To: Chief Business Officers
Chief Student Services Officers
Chief Financial Aid Officers**

From: Linda Michalowski, Vice Chancellor for Student Services and Special Programs

Date: April 16, 2008

Subject: Carry-over Authority for Unspent 2007-08 Board Financial Assistance Programs - Student Financial Aid Administrative Allowance (BFAP-SFAA) Funds

Over the last two months the Chancellor's Office SFA Program Unit staff, with input from the Financial Aid Regional Representatives, has been discussing whether to permit the carry-over of unspent 2007-08 BFAP SFAA funds into 2008-09. A disproportionate proposed reduction to BFAP SFAA funding of more than 14.2% for 2008-09 has made carry-over an important consideration for the BFAP SFAA categorical funding. In addition, an important factor weighed particularly heavily on this decision, namely, the concentration of nearly 90% of all BFAP-SFAA dollars being spent on compensation and employment related expenses.

The above considerations have lead to the decision to authorize districts to carry over up to seven percent (7%) of unspent 2007-08 BFAP-SFAA funds and to allow expenditure of those balances through September 30, 2008. In allowing for this 7% carry forward authority we have given districts the flexibility to manage the proposed fourteen Percent reduction over a period of two fiscal years hopefully mitigating the negative impact.

It is important to note that we are authorizing this carry-over policy as an emergency measure applicable only to the current fiscal situation for BFAP SFAA funding. Similar authority cannot be granted for the other student services categorical programs, either because the size of the potential cuts do not justify the administrative workload associated with making such a change (EOPS, CARE, DSP&S and Matriculation) or because our funding source involves maintenance of effort or match requirements that would not allow a shift of funds into the new year (CalWORKs and FKCE).

Please also note that the system remains opposed to the proposed cuts to all of these programs and will continue to advocate for their full funding.

Implementation details: Districts will soon receive specific information from the Chancellor's Office SFA Programs Unit staff responsible for the BFAP SFAA funding, regarding implementation details for spending and reporting funds under this carry-over authorization.

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