

**Appendix A**  
**Proposed Regulatory Order**

**Cal Grant Program Appeal Process and Appeal Criteria Regulation**

**Title 5. Education, Division 4. California Student Aid Commission,**  
**Chapter 1. California Student Aid Commission**

Adopt new article 4.5. Cal Grant Program Appeal Process and Appeal Criteria, sections 30045, 30046, 30047, 30048, and 30049, California Code of Regulations to read as follows:

(Note: The entire text set forth below is new language in “normal type” proposed to be added to the California Code of Regulations.)

**Article 4.5. Cal Grant Program Appeal Process and Appeal Criteria**

**§ 30045. Purpose and Applicability**

This regulation establishes a Commission appeal process and appeal criteria for institutions participating in the Cal Grant Program in accordance with Education Code Section 69432.7(l)(3)(l)(iv)(l) and (ll).

Note: Authority cited: Section 69432.7, Education Code. Reference: Section 69432.7, Education Code.

**§ 30046. Definitions**

For purposes of this Article, the following definitions apply:

- (a) **“Commission Certification”** means the commission’s annual certification of an institution’s latest three-year cohort default rate and graduation rate for the purposes of certifying an institution’s eligibility to participate in the Cal Grant Program in accordance with Education Code Section 69432.7(l)(3)(A).
  
- (b) **“Three-Year Cohort Default Rate”** means an institution’s average rate in which federal student loan borrowers enter repayment over a three-year period and default, as reported annually by the United States Department of Education.

(c) **“Graduation Rate”** means the percentage of full-time, first-time degree or certificate-seeking undergraduate students who graduate within 150 percent of the time expected to complete degree requirements, as most recently reported by the United States Department of Education in accordance with Education Code Section 69432.7(l)(3)(A).

(d) **“Overall Graduation Rate”** means the percentage of degree or certificate-seeking undergraduate students who graduate within 150 percent of the time expected to complete degree requirements, as reported and certified by the institution.

Note: Authority cited: Section 69432.7, Education Code. Reference: Section 69432.7, Education Code.

### **§ 30047. Appeal Eligibility**

Only a qualifying institution which receives notification of loss of eligibility to participate in the Cal Grant Program for an upcoming academic year in accordance with Education Code Section 69432.7(l)(3) may file an appeal under this Article. Pursuant to Education Code Section 69432.7(l)(3)(l)(iv)(II), the Commission may only grant an appeal by an institution for an academic year if the institution has a cohort size of 20 individuals or less and the cohort performance is not representative of overall institutional performance.

Note: Authority cited: Section 69432.7, Education Code. Reference: Section 69432.7, Education Code.

### **§ 30048. Appeal Filing**

A qualifying institution which meets the Appeal Eligibility conditions of Section 30047 of this Article, may file an appeal. An institution shall have 30 calendar days after notification of loss of eligibility to submit an appeal to the Commission.

Appealing institutions shall submit the following information to the Commission:

(a) **Appeal Certification Form** (Appendix A) which certifies the following:

1. The institution remains eligible for federal Title IV programs.
2. The institution’s cohort of students entering repayment used to calculate the Three-year Cohort Default Rate has 20 students or less (if applicable).
3. The institution’s cohort of first-time, full-time students used to calculate the Graduation Rate has 20 students or less (if applicable).
4. The institution’s Overall Graduation Rate is above 30 percent (if applicable).

5. The number of students on the institution's roster for the current academic year.
6. The number of students that have received payment on the institution's roster for the current academic year.
7. The institution understands the Commission will base its appeal decision on the provisions of this article.

**(b) Formal Letter of Appeal** on school letterhead and submitted by the Chief Executive Officer of the institution which includes the following:

1. Explanation of the basis of the appeal
2. Evidence and documentation to support the appeal
3. Description of why the institution's cohort of 20 or less is not representative of overall performance.
4. Description of the actions the institution has taken to improve their Three-year Cohort Default Rate and/or Graduation Rate.
5. Signature of the official who executed the Intuitional Participation Agreement with the Commission

Note: Authority cited: Section 69432.7, Education Code. Reference: Section 69432.7, Education Code.

### **§ 30049. Commission Review**

(a)(1) Commission staff will complete a preliminary review of a submitted Appeal Certification Form and Formal Letter of Appeal to verify the institution meets appeal eligibility and filing requirements and determine if the appeal warrants Commission review.

(2)(A) Commission staff will determine whether the institution's cohort size – used to calculate either the institution's Three-year Cohort Default Rate or the institution's Graduation Rate – is 20 students or less. Staff will make an independent ministerial determination of the cohort size for an appeal submitted pursuant to this article.

(B) For institutions meeting the numeric threshold specified in paragraph (A), Commission staff may consider the criteria outlined in subdivisions (c) and (d) to determine whether the cohort's performance is not representative of the institution's overall performance and provide a recommendation to the Commission as to whether the Commission should approve or deny the appeal.

(3) Commission staff will notify an appealing institution once staff's preliminary review is complete. If staff determines the appeal meets the criteria to be presented to the Commission, a representative of the appealing institution may attend the public Commission meeting to present the appeal.

(b) An institution whose appeal is granted will regain Cal Grant eligibility for the upcoming academic year. Denied appeal requests of the Commission are final.

(c) For an institution that fails to meet Three-year Cohort Default Rate standards, and Commission staff verify the cohort size is 20 individuals or less, the Commission will consider the following in determining whether the cohort performance is not representative of the institution's overall performance:

(1) The institution's record of meeting Three-year Cohort Default Rate standards in the last five years; and

(2) The institution's actions taken to improve their Three-year Cohort Default Rate.

(d) For an institution that fails to meet Graduation Rate standards, and Commission staff have verified its cohort size is 20 individuals or less, the Commission will consider the following in determining if the cohort performance is not representative of the institution's overall performance:

(1) Whether the institution's Overall Graduation Rate is over 30 percent; and

(2) The institution's actions taken to improve their Graduation Rate.

Note: Authority cited: Section 69432.7, Education Code. Reference: Section 69432.7, Education Code.

## Appendix A

### CSAC APPEAL CERTIFICATION FORM



**Purpose:** The purpose of this form is to certify institutions, who have lost eligibility during the certification process, and wish to appeal with the commission in accordance with California Education Code 69432.7. Use this form to determine if your institution is qualified to appeal based on your cohort default rate and/or graduation rate.

**Instructions:** Please make sure all fields are completed. If qualified, send this form with a formal letter of request to appeal along with supporting documents. If you select NO at any point, your institution is not qualified to appeal. If you determine your institution is not qualified based on this form, no further action is required.

Institution Name: \_\_\_\_\_

OPE ID: \_\_\_\_\_

Contact: \_\_\_\_\_ Email: \_\_\_\_\_

Phone: \_\_\_\_\_

**Please certify and complete the following:**

1. My institution remains eligible for Title IV programs:  Yes /  No
2. My institution's cohort in question is 20 students or less for academic year XXXX:  Yes /  No
3. My overall institution Grad Rate for academic year XXXX is above 30%  Yes /  No /  N/A
4. The number of students that are listed on your roster for the current academic year: \_\_\_\_\_
5. The number of students that have received payment on your roster for the current academic year: \_\_\_\_\_

6. Attach a formal letter of appeal on school letterhead and include supporting documentation that you will use for your appeal.

I understand the commission is bound by the California Education Code 69432.7 and related regulations and is not permitted to make any exceptions for any reason for institutions that do not meet the statutory criteria for granting an appeal.     Yes /  No

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

(Should be signed by the official who signed the Institutional Participation Agreement)