

Action/Information Item

California Student Aid Commission

Consideration of Approval of Regulations Amending the Grace Period for Submission of Grade Point Averages after Cal Grant Application Deadline

At the special Commission teleconference meeting, held on August 21, 2006, the Commission approved the finding of an emergency and proposed regulations regarding 2006/2007 Cal Grant applicants whose Grade Point Averages (GPA) were not submitted to the Commission by the final filing deadline. The Commission also authorized staff to make any minor technical changes to the draft of the proposed emergency regulation amendment that was required as part of the approval process.

Changes were incorporated by CSAC Staff, following which the Office of the Administrative Law (OAL) only approved subsection (c) (4) of the proposed regulation on a 120-day emergency basis on October 10, 2006. This emergency subsection extended the grace period for those applicants from the 2006-2007 award year, who had submitted a FAFSA by the March 2, 2006 deadline, and for whom the Commission did not receive a grade point average by the March 2, 2006 deadline. These applicants were subsequently processed and 118 were awarded Cal Grant awards. OAL required the rest of the amendments as suggested by the DOF and incorporated by Commission staff to proceed on a regular rulemaking process.

On November 22, 2006, CSAC staff delivered a Notice of the Proposed Regulation and other required documents to the OAL to commence the regular rulemaking process. On December 1, 2006, OAL approved the notice and published the notice in the California Regulatory Notice Register, which began the 45-day public comment period. The 45-day public comment period ended on January 15, 2007. The public comment period was subsequently extended to March 12, 2007 as part of a procedural instruction by the OAL.

CSAC staff did not receive any public comments and did not receive a request for public hearing with regard to the proposed amendments.

If the proposed regulations are adopted by the Commission and submitted to OAL, OAL has 30 working days to review the package and approve or disapprove the regulations. If they are approved, OAL submits the regulations to the Secretary of State for filing and the regulations normally become effective 30 days after filing, unless the Commission requests that the regulations take effect on an earlier date. Staff recommends that the

Commission request that the regulations take effect upon filing with the Secretary of State so that the Commission can proceed with the appeal process for the 2007-2008 academic year.

The text of the Proposed Regulations, the Final Statement of Reasons and the Initial Statement of Reasons are enclosed.

Recommended Action: Adopt the proposed regulations and accompanying documents, request that the effective date of the regulations be the date of filing, and authorize staff to complete the necessary documents and to take the necessary steps to complete the regulatory process

Responsible Staff: Catalina Mistler, Division Chief
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**Amendment to
California Code of Regulations
Title 5
Division 4
Chapter 1**

PROPOSED TEXT

Text proposed to be added to the California Code of Regulations is displayed in underline type.

Text proposed to be deleted is displayed in ~~strikeout~~ type.

Subsequent changes to proposed Text is displayed in ~~double-strikeout~~ type.

Section 30023. In Lieu Test Scores; Grace Period.

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(c) The Commission may, on a case-by-case basis, accept the submission of grade point average(s) from an applicant or reporting institutions after the March 2 or September 2 established deadline if, in the opinion of the Executive Director, circumstances beyond the control of the applicant delayed or prevented the timely submission of the grade point average(s) by the applicant or reporting institution(s) by the March 2 or September 2 established deadline. ~~In such cases, any request to the Executive Director to accept grade point average(s) after the established deadline shall be received by the Commission no later than twenty (20) days after the established deadline and the computed grade point average(s) shall be included with the request.~~

(1) Such circumstances must be shown by a certification: (i) from the reporting institution of the circumstances beyond the control of the applicant that delayed or prevented the timely submission of the grade point average by the reporting institution by the March 2 or September 2 deadline; (ii) from the applicant or reporting institution with proof that the grade point average was originally mailed by the applicant or reporting institution before the deadline; or (iii) from the applicant with a written description, under penalty of perjury, of the facts showing that circumstances beyond the control of the applicant delayed or prevented the timely submission of the grade point average.

(2) In the case of an application for an entitlement award, any request to accept grade point average(s) after the March 2 deadline shall be received by the Commission no later than May 16 (seventy-five (75) days after the March 2 deadline) and the computed grade point average(s) and certification specified in subsection (1) shall be included with the request. No later than April 16 (forty-five (45) days after the March 2 deadline), the Commission shall inform students who are potentially eligible for entitlement awards based on application information the Commission has received, that their grade point average(s) had not been received by the Commission by the March 2 deadline, and shall notify

them that they have until May 16 (75 days from the March 2 deadline) to request the Commission to accept their late grade point average(s) on the conditions specified above, including the submission of the certification specified in subsection (1).

(3) In the case of an application for a competitive grant award, any request to the Executive Director to accept grade point average(s) after the March 2 or September 2 deadline shall be received by the Commission no later than March 22 or September 22 (twenty (20) days after the March 2 or September 2 deadline) and the computed grade point average(s) and the certification specified in subsection (1) shall be included with the request.

~~(4) Notwithstanding the grace periods established above, for entitlement applicants for the 2006-07 award year who submitted a FAFSA by the March 2, 2006 deadline and for whom the Commission did not receive a grade point average by the March 2, 2006 filing deadline but for whom the Commission received by no later than August 31, 2006 a request for late submission of the grade point average, along with a certification from their reporting institution stating that the circumstances which prevented or delayed the timely submission of grade point average to the Commission was beyond the control of the applicant, the Commission shall review such requests. The Commission may make awards to such applicants if it finds that in each such case circumstances beyond the control of the applicants prevented or delayed the timely submission of the grade point average.~~

(5) (4) Pursuant to Government Code 6707, in such cases where the March 22 or September 22 deadline to request late submittal of grade point average(s) on behalf of competitive applicants or the May 16 deadline to request late submittal of grade point average(s) on behalf of entitlement applicants falls upon a Saturday, Sunday, or state holiday, the request for late submittal must be postmarked or received by the Commission by the following business day.

* * *

Authority cited: Sections 69432.9(c) and 69433.7, Education Code.

Reference: Section 69432.9(c), Education Code.

CALIFORNIA STUDENT AID COMMISSION
P.O. Box 419026
Rancho Cordova, CA 95741-9026

AMENDMENT TO TITLE 5, CA CODE OF REGULATIONS, §30023(c), REGARDING GRACE PERIOD FOR SUBMISSION OF GRADE POINT AVERAGES AFTER CAL GRANT APPLICATION DEADLINE (EDUCATION CODE 69432.9)

FINAL STATEMENT OF REASONS

There are no modifications to the information contained in the Initial Statement of Reasons except for the following sufficiently related modifications to the proposed regulation section 30023 (c), which was not the subject of a regulatory hearing.

Subsection (c)(4) of Section 30023 – The Commission proposed to add subsection (c)(4) to extend the grace period for those applicants from the 2006-2007 award year who had submitted a FAFSA by March 2, 2006 deadline and for whom the Commission did not receive a grade point average by the March 2, 2006 deadline. For these specific applicants the proposed amendment would extend the grace period for requests to August 31, 2006, provided that the reporting institutions certified that the circumstances which prevented or delayed the timely submission of grade point average were beyond the control of the applicants. The Commission will review requests received during this period and make an entitlement award to each such applicant who is otherwise eligible if the Commission finds that the circumstances that prevented the timely submission of the GPA were beyond the applicant’s control.

The proposed amendment is to remove **subsection (c)(4) of Section 30023** as this section was approved on an emergency basis for 120- days and the emergency section has been allowed to lapse by operation of law. The emergency regulation however allowed the Commission to process students who were impacted and grant 118 of them Cal Grant Awards for the 2006/2007 award year. This subsection does not impact other subsections being enacted by this amendment.

SUMMARY AND RESPONSE TO ORAL AND WRITTEN COMMENTS

There were no oral or written comments received.

DETERMINATION OF MANDATE

These regulations do not impose a mandate on local agencies or school districts as indicated in the Initial Statement of Reasons.

ALTERNATIVES CONSIDERED

CSAC is not aware of any reasonable alternative that would be more effective in carrying out the purpose for which the adoption of this regulation is proposed, or would be as effective as and less burdensome to affected private persons than the proposed action.

Business Impact

CSAC has made an initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The proposal would impose no costs upon business. The proposal does not affect small businesses as defined by section 11342.610

Efforts to Avoid Unnecessary Duplication with Federal Regulations

The proposed regulatory action does not duplicate or conflict with federal regulations because there are no federal regulations contained within the Code of Federal Regulations that address this issue.

**CALIFORNIA STUDENT AID COMMISSION
P.O. Box 419026
Rancho Cordova, CA 95741-9026**

**AMENDMENT TO TITLE 5, CA CODE OF REGULATIONS, §30023(c), REGARDING GRACE
PERIOD FOR SUBMISSION OF GRADE POINT AVERAGES AFTER CAL GRANT
APPLICATION DEADLINE
(EDUCATION CODE 69432.9)**

INITIAL STATEMENT OF REASONS

Introduction

The California Student Aid Commission (Commission) proposes to amend Title 5 of California Code of Regulations, Section 30023, subdivision (c). This subdivision governs the grace period for schools to request that the Commission accept grade point averages (GPAs) submitted after the established Cal Grant application deadlines. The purpose of the proposed amendment is to eliminate an unnecessarily restrictive grace period for late submission of the applicants' GPA, and accomplish the Legislative intent of the Cal Grant entitlement program of providing state aid to all eligible applicants.

The Commission administers the Cal Grant Program pursuant to Education Code Section 69430 et seq. The Cal Grant Program includes two types of awards. Entitlement awards are made to all students who meet specified academic and financial need requirements, regardless of the number of applicants. In addition, a limited number of competitive awards are made by selection of the most qualified applicants. Applications for awards must be submitted by a specified deadline each year. (Ed. Code §§ 69434(b) (1), 69435.3(a) (1), 69436(b) (1), 69437(b) (1).) Education Code Section 69432.9, subdivision (c), specifies that a grade point average (GPA) must be submitted by Cal Grant A and B applicants, and requires the Commission to adopt regulations that establish a "grace period" for the receipt of GPAs.

Pursuant to the authority provided in Education Code Section 69432.9, subdivision (c), the Commission adopted California Code of Regulations, Title 5, §30023(c), to establish a 20-day grace period following the Cal Grant application deadline in which educational institutions could request that the Commission accept a late submission of an applicant's GPA. The regulation specifies that the Commission will accept, on a case-by-case basis, the submission of an applicant's GPA from the educational institution after the established application deadline if, in the Executive Director's opinion, circumstances beyond the control of the applicant prevented or delayed the timely submission of the GPA, and if such request for late submission of the GPAs is received no later than twenty (20) days after the established deadline.

Specific Purpose and Factual Basis/Rationale

The proposed regulatory amendments implement, interpret, and make specific provisions of Education Code section 69432.9 regarding the grace period for submission of GPAs after the Cal Grant application deadline.

The specific purpose of each proposed adoption, and the rationale for the determination that each adoption is reasonably necessary to carry out the purpose for which it is proposed, is as follows:

Subsection (c) of Section 30023 - The proposed amendment would clarify that requests for late submission of GPAs may be submitted by applicants as well as from educational institutions. Since

the applicant is the intended beneficiary of the Cal Grant program, it is inconsistent with the purpose of the program to restrict the applicant's ability to make a request directly to the Commission and instead to make him dependent upon his school to make a request on his behalf. The proposed amendment also clarifies the dates by which Cal Grant applications are due, consistent with Education Code Sections 69434(b)(1) (March 2 for Cal Grant A), 69435.3(a)(2) (March 2 for Cal Grant B), 69436(b)(1) (March 2 for Transfer Entitlement), 69437(b) (March 2 and September 2 for Competitive Cal Grant A and B), by substituting specific calendar dates for the term "established deadline." This amendment is proposed for purposes of clarity.

The proposed amendment would also delete current provisions establishing the 20-day grace period for all applicants, which are being replaced by the proposed provisions establishing different grace periods for entitlement and competitive award applicants in subsections (c)(2) and (c)(3), respectively.

Subsection (c)(1) of Section 30023 – The Commission proposes to add subsection (c)(1) to clarify the information necessary to demonstrate, as required by subsection (c), that the applicant's GPA was not submitted by the application deadline due to circumstances beyond the control of the applicant. Such information must include a certification from the reporting institution or the applicant. The alternative forms of certification permitted include certification by the reporting institution that the circumstances that delayed or prevented a timely submission of the GPA by the March 2 or September 2 deadline was beyond the control of the applicant, proof submitted by the applicant or the reporting institution that the GPA was originally mailed by the applicant or the institution before the deadline, or a statement by the applicant, under penalty of perjury, of facts showing that there were circumstances beyond the control of the applicant that prevented a timely submission of the GPA.

Subsection (c) (2) of Section 30023 – The Commission proposes to add subsection (c) (2) to establish a grace period of 75 days for receipt of requests for late submissions of GPAs of entitlement award applicants. Extending the grace period for entitlement award applicants assures an opportunity for all qualified applicants to be considered, consistent with the purpose of the Cal Grant entitlement program to assure financial assistance to all qualified applicants. The proposed amendment specifies that the request to accept the GPA for entitlement award applicants after the March 2 deadline must be received by the Commission no later than May 16 (seventy-five (75) days after the March 2 deadline). The proposed amendment specifies that the request must include the GPA together with the certification specified in proposed subsection (c) (1). Furthermore, this proposed subsection will require the Commission to inform applicants who are potentially eligible for entitlements awards that they have until May 16 to request the Commission to accept their GPAs. This notification from the Commission must be sent to the students no later than April 16, forty-five (45) days after the March 2 deadline. The notice will assure that applicants are able to take advantage of the extended grace period.

Subsection (c)(3) of Section 30023 – The Commission proposes to add subsection (c)(3) to clarify that the grace period for applicants for a competitive award to request the Commission to accept late submission of GPAs will be twenty (20) days from the March 2 or September 2 application deadline. Because a limited number of competitive awards are made only to the most qualified applicants, retaining the 20-day grace period allows the pool of applicants to be fixed at a specific point in time and the selection of applicants from that pool to be made on a timely basis. The proposed amendment also specifies that the GPA and the certification specified in subsection (c)

(1) must be included with the request. This amendment clarifies the content of the request.

Subsection (c)(4) of Section 30023 – The Commission proposes to add subsection (c)(4) to extend the grace period for those applicants from the 2006-2007 award year who had submitted a FAFSA by March 2, 2006 deadline and for whom the Commission did not receive a grade point average by the March 2, 2006 deadline. For these specific applicants the proposed amendment would extend the grace period for requests to August 31, 2006, provided that the reporting institutions certified that the circumstances which prevented or delayed the timely submission of grade point average were beyond the control of the applicants. The Commission will review requests received during this period and make an entitlement award to each such applicant who is otherwise eligible if the Commission finds that the circumstances that prevented the timely submission of the GPA were beyond the applicant's control.

Subsection (c) (5) of Section 30023 – The Commission proposes to add subsection (c)(5) to clarify the circumstances under which deadlines established by the regulation are extended by operation of Government Code Section 6707. This proposed amendment is for purposes of clarity.

Business Impact

CSAC has made an initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The proposal would impose no costs upon business. The proposal does not affect small businesses as defined by section 11342.610

Consideration of Alternatives

CSAC is not aware of any reasonable alternative that would be more effective in carrying out the purpose for which the adoption of this regulation is proposed, or would be as effective as and less burdensome to affected private persons than the proposed action.

Efforts to Avoid Unnecessary Duplication with Federal Regulations

The proposed regulatory action does not duplicate or conflict with federal regulations because there are no federal regulations contained within the Code of Federal Regulations that address this issue.