

Action Item

California Student Aid Commission

Consideration of adoption of final regulations, sections 30730-30736, Title 5, California Code of Regulations, Division 4, Chapter 1, to interpret, implement and make specific sections 69999.10-69999.30 of the Education Code, implementing the California National Guard Education Assistance Award Program (CNG EAAP)

The California National Guard Education Assistance Award Program (CNG EAAP) is a state-funded, competitive incentive program jointly administered by the California Student Aid Commission (CSAC) and the Military Department. The CNG EAAP provides funding for active members of the National Guard, the State Military Reserve, or the Naval Militia who seek a certificate, degree, or diploma that he or she does not hold at the time of application.

Program participants can receive up to the amount of Cal Grant A award for attending the University of California or the California State University; up to the Cal Grant B award for attending a community college; up to the amount of the Cal Grant A award for a student attending the University of California for a recipient attending a nonpublic institution; or up to the amount of the Cal Grant A award plus \$500 for books and supplies for graduate studies. The number of awards issued shall be limited to the number authorized in the annual Budget Act, but in no event shall exceed 1,000 awards in any fiscal year.

The Commission adopted the CNG EAAP emergency regulations at its November 2009 meeting. Emergency regulations can be made permanent if the agency adopts the emergency regulations through the regular rulemaking process within the time period the emergency regulations are in effect. The CNG EAAP emergency regulations will expire on June 14, 2010.

Tab 3.a provides background on the CNG EAAP and the key events relating to the proposed regulations. Tabs 3.b – 3.c provide the Notice of Proposed Rulemaking, the text of the proposed CNG EAAP regulations and the forms which accompany the CNG EAAP regulations. Tab 3.d is the Final Statement of Reasons and Summary and Response to Comments Received.

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 take the necessary steps to complete the regulatory process.

CSAC Responsible Person(s): Catalina Mistler, Division Chief
Program Administration and Services Division

Gloria Falcon, Manager
Program Policy and Development

Clarita Cortez, Associate Financial Aid Analyst
Program Policy and Development

Kathy Spencer, Financial Aid Analyst Program
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National Guard Responsible Person(s): Brig. General Mary J. Kight
California National Guard

LTC Thor Iljana
California National Guard

CPT Bevin Stokesberry
California National Guard

**CALIFORNIA NATIONAL GUARD EDUCATION ASSISTANCE AWARD
PROGRAM (CNG EAAP)**

Program Description

The California National Guard Education Assistance Award Program (CNG EAAP) is a state-funded, competitive incentive program jointly administered by the California Student Aid Commission (Commission) and the Military Department.

The CNG EAAP provides funding for active members of the National Guard, the State Military Reserve, or the Naval Militia who seek a certificate, degree, or diploma that he or she does not hold at the time of application.

Program participants can receive up to the amount of Cal Grant A award for attending the University of California or the California State University, up to the Cal Grant B award for attending a community college, up to the Cal Grant A amount for a student attending the University of California for a recipient attending a nonpublic institution, or up to the Cal Grant A award plus \$500 for books and supplies for graduate studies. The number of awards issued shall be limited to the number authorized in the annual California Budget Act, but in no event shall exceed 1,000 awards in any fiscal year.

Background

The California National Guard performs an essential public purpose in protecting the health, safety, and property of California's citizens, and in order to fulfill its objectives, it is necessary for the California National Guard to have sufficient human resources to deal with a natural or human-caused disasters and emergencies. It is the intent of Legislature to provide an inducement to members of the California National Guard to maintain the required strength in the California National Guard.

Assembly Bill 12 was signed by the Governor and chaptered into law on July 28, 2009. It established the California National Guard Education Assistance Award Program (CNG EAAP) to be jointly administered by the Office of The Adjutant General and the Commission. Commission staff in consultation with the Military Department pursued the adoption of emergency regulations to implement the program and make awards for the winter and spring terms of the 2009-10 academic year. The emergency regulations were approved and filed with the Secretary of State on December 16, 2009 and will expire on June 14, 2010. Emergency regulations can become permanent if the Commission adopts the emergency regulations through the regular rulemaking process.

The program requires participants to meet all of the eligibility criteria included in section 69999.16 of the Education Code prior to selection into the program. Applicants are required:

1. To be California residents;
2. To be an active member of, who has served two years in, the California National Guard, the State Military Reserve, or the Naval Militia;
3. To be accepted or registered at, or enrolled in a qualifying institution;

Tab 3.a

4. To submit a CNG EAAP application and agree to use the award to obtain a certificate, degree, or diploma that the applicant does not hold at the time the applicant applies for the award;
5. To agree to enroll in at least three academic units per semester or the equivalent; and
6. To submit a Free Application for Federal Student Aid (FAFSA) to the United States Department of Education.

The Adjutant General shall select recipients and the Commission is responsible for issuing awards. Costs incurred by the Commission for issuing and processing awards shall be reimbursed through an interagency agreement (IAA) from appropriations in the annual California Budget Act to the Military Department. The Commission approved the IAA on February 25, 2010.

Commission staff has drafted regulations to amend Title 5, Division 4, Chapter 1, of the California Code of Regulations, sections 30730-30736 to implement, interpret, and make specific the elements of the CNG EAAP. The California Military Department and the Department of Finance (DOF) were consulted on the amendments and modifications to the proposed regulations.

Commission staff began meeting with the California Military Department on August 18, 2009, to discuss the regulation process and program requirements. Commission staff continued to meet twice a week with the Military Department in the further development of the proposed text for the regulations and program requirements.

On January 4, 2010, Commission staff delivered a notice of proposed regulations and other required documents to the DOF for any cost bearing measures. The Commission has obtained all required approvals and signatures from DOF.

On January 4, 2010, Commission staff delivered a notice of proposed rulemaking, text of regulations, and other required documents to the Office of Administrative Law (OAL) to begin the regular rulemaking process.

On January 15, 2010, OAL approved the notice of proposed rulemaking 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 March 1, 2010. The Commission made minor, clarifying modifications to the proposed regulations that were originally noticed to the public.

On March 8, 2010, Commission staff announced the beginning of the 15-day public comment period. The 15-day public comment period ended on March 23, 2010. No comments were submitted during the 15-day public comment period; therefore, no additional changes to the proposed regulations were required.

In prior years, Commission staff presented rulemaking documents to the Commission throughout the rulemaking process. Commissioners instructed Commission staff to only present rulemaking documents when they are ready for adoption.

OAL Regular Rulemaking Process

Emergency regulations can become permanent if the agency adopts the emergency regulations through the regular rulemaking process within the time period the emergency regulations are in effect. The CNG EAAP emergency regulations were adopted by the Commission and were approved and filed with the Secretary of State on December 16, 2009. The CNG EAAP emergency regulations will expire on June 14, 2010.

If the proposed regulations are adopted by the Commission and submitted to OAL, OAL has 30 working days to review the package for approval. If approved, OAL submits the regulations to the Secretary of State for filing. Regulations normally become effective 30 days after the filing, unless the Commission requests that the regulations take effect on an earlier date. Commission staff recommends that the Commission request that the regulations take effect upon filing so that the regulations can be effective prior to the expiration of the emergency regulations.

**CALIFORNIA STUDENT AID COMMISSION
P.O. Box 419029
Rancho Cordova, CA 95741-9029**

**AMENDMENT TO TITLE 5, CA CODE OF REGULATIONS REGARDING
CALIFORNIA NATIONAL GUARD EDUCATION ASSISTANCE AWARD PROGRAM
(CNG EAAP)
(EDUCATION CODE 69999.10 *et seq.*)**

NOTICE OF PROPOSED RULEMAKING

NATURE OF PROCEEDING

Notice is given that the California Student Aid Commission (Commission) is proposing to take the action described in the Informative Digest.

A public hearing regarding this proposal is currently not scheduled. However, any interested person or duly authorized representative may request, no later than 15 days before the close of the written comment period that a public hearing be scheduled.

Following the public hearing, if one is requested, or following the written comment period, if no public hearing is requested, the Commission, upon its own motion or at the instance of any interested party, may thereafter adopt the proposals substantially as described below or may modify the proposals if the modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days before its adoption from the persons designated in this Notice as contact persons and will be mailed to those persons who submit written comments related to this proposal, or who provide oral testimony if a public hearing is held, or who have requested notification of any changes to the proposal.

Notice is also given that any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the

California Student Aid Commission
Attention: Kathy Spencer
P. O. Box 419029
Rancho Cordova, CA 95741-9029

Comments may also be submitted by facsimile (FAX) at (916) 464-8240 or by e-mail to CNGRegsComment@csac.ca.gov. Comments must be submitted before 5:00 p.m. on March 1, 2010.

AUTHORITY AND REFERENCE

Pursuant to the authority vested by section 69999.22 of the Education Code, and to implement, interpret, or make specific sections 69999.10-69999.30 of the Education Code, the Commission is considering changes to Division 4 of Title 5 of the California Code of Regulations as follows: add sections 30730-30736 to implement, interpret, and make specific

sections 69999.10-69999.30 of the Education Code establishing the California National Guard Education Assistance Award Program (CNG EAAP).

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The California National Guard performs an essential public purpose in protecting the health, safety, and property of California's citizens, and in order to fulfill its objectives, it is necessary for the California National Guard to have sufficient human resources to deal with a natural or human-caused disasters and emergencies. It is the intent of Legislature to provide an inducement to members of the California National Guard to maintain the required strength in the California National Guard.

Assembly Bill 12 of the Fourth Extraordinary Session, the local government trailer bill to the 2009 Budget Act Amendments, was signed by the Governor and chaptered into law on July 28, 2009. It established the California National Guard Education Assistance Award Program (CNG EAAP) to be jointly administered by the Office of the Adjutant General and the Student Aid Commission (Commission). Commission staff in consultation with the Military Department pursued the adoption of emergency regulations to implement the program and make awards for the spring term of the 2009-10 academic year. The emergency regulations were approved by the Office of Administrative Law (OAL) and filed with the Secretary of the State's Office on December 16, 2009. These emergency regulations for the California National Guard Education Assistance Award Program (CNG EAAP) are approved only through June 14, 2010. As a result, the Commission has commenced the regular rulemaking process to make the emergency regulations permanent.

The program requires participants to meet all of the eligibility criteria included in section 69999.16 of the Education Code prior to selection into the program. Applicants are required:

1. To be California residents;
 2. To be an active member of, who has served two years in, the California National Guard, the State Military Reserve, or the Naval Militia;
 3. To be accepted or registered at, or enrolled in a qualifying institution;
 4. To submit a CNG EAAP application and agree to use the award to obtain a certificate, degree, or diploma that the applicant does not hold at the time the applicant applies for the award;
 5. To agree to enroll in at least three academic units per semester or the equivalent;
- and**
6. Required to submit a Free Application for Federal Student Aid (FAFSA) to the United States Department of Education.

The Adjutant General shall select recipients and the Commission is responsible for issuing awards. Costs incurred by the Commission for issuing and processing awards shall be reimbursed through an interagency agreement from appropriations in the annual Budget Act to the Military Department.

The proposed regulations would implement, interpret, and make specific the elements of CNG EAAP. Specifically, the proposal would:

1. Define terms used in the regulations;
2. Establish a deadline for application submission;
3. Establish the requirements for applications to participate in the program;
4. Establish the applicant priority;
5. Specify the process by which The Adjutant General will select program participants from among the eligible applicants;
6. Specify the process by which the Commission will determine the payment amount for new and renewal participants;
7. Specify the process by which the Commission will determine a program participants remaining program eligibility;
8. Specify the requirements for participant renewal of the award;
9. Specify the process by which a program participant may apply for an additional year of program eligibility; and
10. Specify the consequences of a program participant's failure to comply with applicable laws and regulations and establish the administrative appeal process for participants that are withdrawn from the program.

There are no comparable provisions of federal law related to this proposal.

OTHER STATUTORY REQUIREMENT

The Commission, in consultation with the Military Department, drafted emergency regulations for the CNG EAAP.

LOCAL MANDATE

This proposal does not impose a mandate on local agencies or school districts.

FISCAL IMPACT ESTIMATES

This proposal does not impose costs on any local agency or school district for which reimbursement would be required pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code. This proposal does not impose other nondiscretionary cost or savings on local agencies. This proposal does not result in any cost or savings in federal funding to the state.

COSTS OR SAVINGS TO STATE AGENCIES: None

EFFECT ON HOUSING COSTS: None

BUSINESS IMPACT/SMALL BUSINESSES

The Commission 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 California Government Code Section 11342.610. This proposal would not affect private sector or small business due to the population the program targets which is active members of the California National Guard, State Military Reserve, and Navel Militia.

ASSESSMENT REGARDING EFFECT ON JOBS/BUSINESSES

The Commission has determined that this regulatory proposal will not have any impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California.

COST IMPACT ON REPRESENTATIVE PERSON OR BUSINESS

The agency is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

BUSINESS REPORT

This regulatory proposal does not require a report.

ALTERNATIVES

The Commission must determine that no reasonable alternative considered by the agency, or that has otherwise been identified and brought to the agency’s attention, 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.

CONTACT PERSONS

Inquiries concerning the proposed adoption of this regulation and written comment may be directed to:

Clarita Cortez
California Student Aid Commission
P. O. Box 419029
Rancho Cordova, CA 95741-9029

Kathy Spencer
California Student Aid Commission
P.O. Box 419029
Rancho Cordova, CA 95741-9029

(916) 464-2946

(916) 464-3021

TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations and of the initial statement of reasons and all the information upon which the proposal is based may be obtained upon request from the California Student Aid Commission, P. O. Box 419029, Rancho Cordova, CA 95741-9029. These documents may also be viewed and downloaded from the Commission's website at www.csac.ca.gov.

INITIAL STATEMENT OF REASONS AND INFORMATION

The Commission has prepared an initial statement of reasons for the proposed action and has available all the information upon which the proposal is based.

AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named above.

You may obtain a copy of the final statement of reasons once it has been prepared, by making a written request to the contact person named above.

WEBSITE ACCESS

Materials regarding this proposal can be found at www.csac.ca.gov.

CALIFORNIA STUDENT AID COMMISSION
P.O. Box 419029
Rancho Cordova, CA 95741-9029

**AMENDMENT TO TITLE 5, DIVISION 4, CHAPTER 1, CA CODE OF REGULATIONS
REGARDING IMPLEMENTATION OF CALIFORNIA NATIONAL GUARD EDUCATION
ASSISTANCE AWARD PROGRAM (Education Code §§ 69999.10-69999.30)**

PROPOSED TEXT

Text as originally proposed to be added to the California Code of Regulations is displayed in underline type and text to be deleted is displayed in ~~strikeout~~ type.

Changes to the text of the proposed regulations (15-Day Public Comment Period) is displayed in double underline type for additions, and in ~~double strikeout~~ type for deletions.

Changes to the text of the proposed regulations appendix's (15 Day Public Comment Period) is displayed in double underline type for additions, and in ~~double strikeout~~ type for deletions.

Article 15. California National Guard Education Assistance Award Program

Section 30730. Definitions

“Academic Year” means:

- (a) two semesters or three quarters or their equivalent within a 12-month period. An academic year may include a summer quarter in those colleges which maintain a summer quarter comparable to either the fall, winter or spring quarters; or
- (b) a period of time usually eight or nine months during which a full-time student would normally be expected to complete the equivalent of two semesters, two trimesters, or three quarters of instruction.
- (c) July 1 to June 30 inclusive. The starting date of a session shall determine the academic year in which it is included.

“Active member” means a current member of the California National Guard, State Military Reserve, or the Naval Militia who meets military standards established by military regulations.

“Administrative appeal” means a formal request from the program participant to The Adjutant General requesting a change in withdrawal status based on an administrative error.

“Commission” means California Student Aid Commission.

“Cost of Attendance” means student budget at the qualifying institution for the participant that includes tuition, fees, housing, food, books, transportation and personal expenses for the year. It may also include an allowance for the rental or purchase of a computer, child care or other dependent care costs and additional expenses for students with disabilities not already covered.

“Disaster” means a fire, flood, storm, tidal wave, earthquake, terrorism, epidemic, or other similar public calamity that the Governor determines presents a threat to public safety. (California Government Code, Section 8680.3)

“Discretionary Summer Term” means a summer term for a program participant who is enrolled in a program that does not require summer term attendance in addition to all other terms.

“Eligible applicant” means a person who:

- (a) Is a California resident pursuant to Education Code Section 68017 for at least one year immediately preceding the residence determination date;
- (b) is an active member of, and has served two years in, the California National Guard, the State Military Reserve, or the Naval Militia that agrees to maintain active service throughout participation in program;
- (c) has been accepted or registered at, or enrolled in, a qualifying institution;
- (d) submits an application pursuant to Section 30731 and agrees to use the award to obtain a certificate, degree, or diploma that he or she does not hold at the time he or she applies for the award;
- (e) agrees to enroll in at least three academic units per semester, or the equivalent;
- (f) has submitted the Free Application for Federal Student Aid (FAFSA) to the United States Department of Education; and
- (g) has not previously participated in the program and been withdrawn for not complying with applicable laws and regulations.

“Enrollment status” means full-time or part-time status:

- (a) Part time, for purposes of program eligibility, is defined as less than 12 semester units, inclusive, or the equivalent.
 - (1) A participant enrolled for at least 9 semester units but less than 12 semester units or the equivalent is considered 3/4 time.
 - (2) A participant enrolled for at least 6 semester units but less than 9 semester units or their equivalent is considered 1/2 time.
 - (3) A participant enrolled for at least 3 semester units but less than 6 units or the equivalent is considered 1/4- time.
- (b) Full time, for purposes of program eligibility, is defined as 12 or more semester units or the equivalent.

“Excess Awards” means awards issued to eligible applicants after the deadline established by Section 30731 until all available awards are exhausted or the Adjutant General no longer has authority to make awards, which ever is earlier.

“Mandatory Summer Term” means a summer term for a program participant who is enrolled in a program that requires summer term attendance in addition to all other terms.

“Other natural causes” means a disease, or physical or mental condition involving inpatient care in a hospital or residential health care facility, or continuing treatment or continuing supervision by a health care provider, or family care and medical leave under Government Code section 12945.2 or the Family and Medical Leave Act of 1993.

“Program” means the California National Guard Education Assistance Award Program (CNG EAAP) established in Article 20.7 (commencing with Section 69999.10) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code and as set forth in this Article.

“Program Participants” means a person who has successfully met all of the requirements set forth in Education Code Sections 69999.16, who has been selected and certified by The Adjutant General, and who has accepted the award in terms of attending a qualifying institution to which that person has been admitted. The Adjutant General will send the program participant an acceptance letter informing the participant of acceptance into the program.

“Qualifying institution” means any of the following:

- (a) Any California private or independent postsecondary educational institution that participates in the Pell Grant program and in at least two of the following federal campus-based student aid programs:
 - (1) Federal Work-Study;
 - (2) Perkins Loan Program;
 - (3) Supplemental Educational Opportunity Grant Program.
- (b) Any nonprofit institution headquartered and operating in California that certifies to the Commission that 10 percent of the institution's operating budget, as demonstrated in an audited financial statement, is expended for the purposes of institutionally funded student financial aid in the form of grants, that demonstrates to the Commission that it has the administrative capacity to administer the funds, that is accredited by the Western Association of Schools and Colleges, and that meets any other state-required criteria adopted by regulation by the commission in consultation with the Department of Finance. A regionally accredited institution that was deemed qualified by the Commission to participate in the Cal Grant Program for the 2000-01 academic year shall retain its eligibility as long as it maintains its existing accreditation status.
- (c) Any California public postsecondary educational institution.
- (d) The institution has a signed an Institutional Participation Agreement with the Commission.

“Residence determination date” means:

- (a) If the governing board of a public institution has adopted by regulation or policy a residence determination date, that date shall be used for the CNG EAAP purposes; or
- (b) The first day of instruction of the term for the academic year in which the student is enrolled as a CNG EAAP program participant shall be the residence determination date for the CNG EAAP purposes; or
- (c) The date the Commission used to make the preliminary determination of California residency for purposes of offering a CNG EAAP shall be the residence determination date for the CNG EAAP purposes.

“Serious illness” means an illness involving inpatient care in a hospital or residential health care facility, or continuing treatment or continuing supervision by a health care provider, or family care and medical leave under Government Code section 12945.2 or the Family and Medical Leave Act of 1993.

Note: Authority cited: Section 69999.22, Education Code. Reference: Sections 69999.16, Education Code.

Section 30731. Application to Participate in the Program

- (a) Applications to participate in the program shall be submitted to the California Military Department by the January 22, 2010 deadline for the 2009-10 application year and each academic year thereafter by the June ~~4~~ 15 deadline. The applications shall include the following information regarding the applicant (Appendix A)
- (1) Social Security number;
 - (2) Last name, first name and middle initial;
 - (3) Grade;
 - (4) Address;
 - (5) Years of Service in the California National Guard, State Military Reserve, or Naval Militia;
 - (6) Date of birth;
 - (7) Phone number;
 - (8) Currently accepted, registered at, or enrolled in:
 - (A) Undergraduate;
 - (B) Graduate Studies; or
 - (C) Certificate; or / Diploma;
 - ~~(D) Diploma objective;~~
 - (9) E-mail Address;
 - (10) Identification of membership in specific eligible military unit under the California National Guard:
 - (A) Army National Guard;
 - (B) Air National Guard;
 - (C) State Military Reserve; or
 - (D) Naval Militia;
 - ~~(11) Unit;~~
 - ~~(12) Unit Identification Code (UIC) or Personnel Accounting Symbol (PAS);~~
 - ~~(13) Duty Military Occupational Specialty (DMOS) or Duty Air Force Specialty Code (DAFSC);~~
 - ~~(14) Primary Military Occupational Specialty (PMOS) or Primary Air Force Specialty Code (PAFSC);~~
 - ~~(15) Secondary Military Occupational Specialty (SMOS), Secondary Air Force Specialty Code (SAFSC);~~
 - ~~(16)~~ (11) representation the applicant has been accepted or registered at, or enrolled in, a qualifying institution, the enrollment status of each term, the name of qualifying institution in which applicant has been accepted or registered at, or enrolled in, the institution's eight-digit Federal school code, and housing plans;
 - ~~(17)~~ (12) Certification if the applicant has completed the FAFSA ~~Free Application for Federal Student Aid~~ for the application year;
 - ~~(18)~~ (13) The Applicant's award preference if eligible for both a Cal Grant Award and a CNG EAAP award;
 - ~~(19)~~ (14) The amount of funding the applicant will receive from the Federal Montgomery

GI Bill for the academic year;

~~(20)~~ (15) The amount of funding the applicant will receive from Federal Education Benefits program for veterans for the academic year;

~~(21)~~ (16) Gender;

~~(22)~~ (17) Ethnicity;

~~(23)~~ (18) The applicant's representations that he or she:

- (A) will submit the ~~Free Application for Federal Student Aid (FAFSA)~~ for the academic year he or she is applying for by the application deadline or, for applicants being considered for any excess awards, that the FAFSA will be completed for the academic year he or she is applying for prior to being accepted into the program;
- (B) agrees to use the award to obtain a certificate, degree, or diploma that he or she does not hold at the time he or she applies for the award;
- (C) agrees to maintain enrollment in at least three (3) academic units per semester, or the equivalent;
- (D) agrees to maintain a minimum of a 2.0 cumulative grade point average and enrollment in at a qualifying institution;
- (E) understands program participants shall not receive both a CNG EAAP award and any Cal Grant Award for the same academic year. A program participant who is also eligible for a Cal Grant Award must elect between an award under this program and any Cal Grant Award for the same academic year;
- (F) agrees to continue to be an active member of the California National Guard, State Military Reserve or the Naval Militia throughout the period that he or she participates in the program;
- (G) agrees to comply with all applicable laws and regulations applicable to the program; and
- (H) understands the funding appropriations are contingent upon approved California budget acts.

~~(24)~~ (19) The applicant shall sign the application under penalty of perjury, under the laws of the State of California that all statements contained in the application and any accompanying documents are true and correct, with full knowledge that all statements made in the application are subject to investigation. Any false or dishonest answer to any question may be grounds for denial to participate in the program and subject to prosecution under the Uniform Code of Military Justice. The applicant authorizes the Commission and the California Military Department to receive and release any student records, and any application information between qualifying institutions and appropriate public and private agencies. The applicant will provide documentation to verify all information provided, if requested.

- (b) The Commission will verify the applicant has submitted the FAFSA for the academic year he or she is applying for by the application deadline. If excess awards are made to applicants, the Commission will verify the applicant has submitted the FAFSA for the academic year he or she is applying for prior to being accepted into the program.

Note: Authority cited: Section 69999.22, Education Code. Reference: Sections 69999.16, 69999.18, Education Code.

Section 30732. Applicant Priority

- (a) The Adjutant General will annually identify the skills most needed by the California National Guard. ~~If The Adjutant General determines in any fiscal year that the number of awards authorized for the program is insufficient to make awards to all eligible applicants,~~ The Adjutant General shall select applicants for participation in the program by giving priority to applicants who possess or seek to possess the skills most needed by the California National Guard.
- (b) Pursuant to Military Department Regulations, The Adjutant General will appoint members to the board whose purpose is to recommend the best qualified service members to receive educational benefits from the California National Guard Education Assistance Award Program.
- (1) The objectives of the board process are to:
 - (A) Ensure that the California National Guard retains its most competent and capable service members who possess the desired knowledge, skills and attributes;
 - (B) Prioritize applicants on the basis of criteria as directed by The Adjutant General in ~~his~~ a letter of instruction to the board; and
 - (2) The board shall present for the approval by The Adjutant General, a prioritized listing of those applicants who qualify for an award.

Note: Authority cited: Section 69999.22 , Education Code. Reference: Section 69999.16, Education Code.

Section 30733. Selection by The Adjutant General

- (a) The Adjutant General will select from among eligible applicants who submitted an application by the deadline established by section 30731.
- (b) The Adjutant General will prioritize and certify the eligibility of applicants to the Commission.
- (c) The Adjutant General will notify applicants of their selection or non selection for an award.
- (d) If it is determined that a program participant is not able to utilize an award the next eligible applicant on the list may be given the award.
- (e) If the maximum awards authorized for the academic year are not exhausted after the selection process is completed, the California Military Department may continue to accept applications after the deadline established by section 30731 until all awards are exhausted or The Adjutant General no longer has authority to make awards, which ever is earlier. ~~Eligible applicants being considered for excess awards not meeting the deadline established by section 30731 must complete the FAFSA for the academic year he or she is applying for prior to being accepted into the program by the date of application to the program.~~

- (f) The Adjutant General shall obtain the following information regarding selected participants from the CNG EAAP application and submit it to the Commission:
- (1) Last name, first name and middle initial;
 - (2) Social Security number;
 - (3) Address and telephone number;
 - (4) Date of birth;
 - (5) Whether the program participant has been currently accepted to, registered, or enrolled in undergraduate, certificate/diploma, or graduate studies ;
 - (6) E-mail address;
 - (7) ~~the~~ Name of qualifying institution in which applicant has been accepted or registered at, or enrolled in, the enrollment status of each term, the institution's eight-digit Federal school code, and housing plans;
 - (8) Amount of Federal Montgomery GI Bill benefits the applicant will received for the academic year;
 - (9) Amount of Federal Educational Benefits Programs for Veterans the applicant will receive for the academic year;
 - (10) Gender;
 - (11) Ethnicity;
 - (12) The Applicant's award preference if eligible for both a Cal Grant Award and a CNG EAAP award.

Note: Authority cited: Section 69999.22, Education Code. Reference: Sections 69999.16, Education Code.

Section 30734. Payments

- (a) The Commission shall determine the payment amount for new and renewal participants each academic year. The Commission will request the following information from The Adjutant General, qualifying institution, and the program participant for the academic year:
- (1) If a renewal program participant, The Adjutant General shall certify to the Commission the program participant maintained program eligibility and a minimum of a 2.0 cumulative grade point average.
 - (2) the following information shall be provided by the qualifying institution:
 - (A) the participant's cost of attendance for each term ~~the academic year~~;
 - (B) Verification if the program participant maintained enrollment in at least 3 semester units or the equivalent each term in the prior academic year, if a renewal participant;
 - (C) Verification the program participant maintained a minimum of a 2.0 cumulative GPA, if a renewal participant;
 - (D) the participant's enrollment status per term for the current academic year;
 - (E) If the program participant is enrolled in graduate studies;
 - (F) If the program participant is enrolled in a program with a discretionary summer term or mandatory summer term.
 - (3) the following information shall be provided by the participant:
 - (A) The amount of educational benefits pursuant to the Federal Montgomery GI

- Bill the participant will receive for ~~each term the academic year~~;
- (B) The amount of any other federal educational benefits program for veterans the participant will receive for ~~each term the academic year~~;
- (C) The program participant's award preference if eligible for both a Cal Grant Award and a CNG EAAP award, if a renewal participant.
- (b) The maximum amount a new or renewal program participant may be awarded is as follows:
- (1) For program participants attending the University of California or the California State University, the Commission shall award, subject to the requirements of section 30731, up to the maximum amount of the Cal Grant A as adjusted in the annual budget act;
 - (A) For program participants attending the University of California, the maximum Cal Grant A award shall equal the mandatory systemwide fees for that segment;
 - (B) For program participants attending the California State University, the maximum Cal Grant A award shall equal the mandatory systemwide fees for that segment;
 - (2) For program participants attending a community college, the Commission shall award, subject to the terms of section 30731, up to the maximum amount of the Cal Grant B award as adjusted in the annual budget act;
 - (A) The maximum Cal Grant B award shall equal the amount of the access Award;
 - (B) The access amount shall be in an annual amount not to exceed one thousand five hundred fifty-one dollars (\$1551) or as adjusted in the annual budget act.
 - (3) For program participants attending a nonpublic institution, the Commission shall award subject to the terms of section 30731, up to the maximum amount of a Cal Grant A award for a student attending the University of California as adjusted in the annual budget act. The maximum amounts of a Cal Grant A award for a student attending a nonpublic institution equals the mandatory systemwide fees for a student attending the University of California; or
 - (4) For a program participant enrolled in graduate studies, the Commission shall award subject to the terms of section 30731, up to the maximum amount of a Cal Grant A award, plus five hundred dollars (\$500) for books and supplies as adjusted in the annual budget act;
 - (A) For program participants enrolled in graduate studies at the University of California, the maximum Cal Grant A award shall equal the mandatory systemwide fees for that segment;
 - (B) For program participants enrolled in graduate studies at a California State University, the maximum Cal Grant A award shall equal the mandatory systemwide fee for that segment;
 - (C) For program participants enrolled in graduate studies at a non public institution, the maximum amounts of a Cal Grant A award equals the mandatory systemwide fees for the University of California.
- (c) Payments shall be made per term to the qualifying institution, to be used for education related expenses. Each year, the Commission shall award either the maximum award amount or the remaining need, whichever is smaller using the following formula to determine the remaining need:

Cost of Attendance
 Minus Federal Montgomery GI Bill
 Minus Other Federal Benefits Programs for Veterans
 Equals Remaining Need

- (d) Whenever a program participant changes his or her choice of school, college or program, the program participant must notify the Commission of the change and the remaining need eligibility must be re-determined. Eligibility for additional funds will be contingent upon funds being available. Subject to such redetermination, a program participant may change his or her choice of college
- (1) prior to the time of actual enrollment; or
 - (2) at the conclusion of a quarter or semester, provided that any loss of tuition and fee payments shall be borne by the student.
- (e) A qualifying institution may submit a revised cost of attendance if changes make the participant eligible for additional funds. Eligibility for additional funds will be contingent upon funds being available.
- (f) Any credit generated on the program participant's account due to a payment made by the Commission may be refunded to the student.
- (g) Program participants will receive 400% eligibility. One hundred percent (100%) represents one year of full-time payment at a traditional term-based school (i.e. quarter or semester terms). Eligibility is used for each term the participant receives payment and the amount of usage is determined by the type of term and attendance status.
- (1) Eligibility used for full-time enrollment:
 - (A) 50% of eligibility will be used for each full-term payment at a semester or trimester term school; or
 - (B) 33.33% of eligibility will be used for each full-time term payment at a quarter term school;
 - (2) Eligibility is adjusted for part-time attendance. The following is a breakdown of eligibility based on term type:
 - (A) Semester or Trimester
 1. Three-quarter time 37.5%
 2. Half-time 25%
 3. Quarter-time 12.5%
 - (B) Quarter
 1. Three-quarter time 25%
 2. Half-time 16.67%
 3. Quarter-time 8.33%
 - (3) Awards are automatically renewed each year for program participants who:
 - (A) The Adjutant General certifies eligibility;
 - (B) satisfy enrollment in the minimum number of credits each term;
 - (C) maintain a minimum of a 2.0 cumulative grade point average;
 - and
 - (D) have remaining program eligibility.
- (h) Program participants who accelerate college attendance, may increase the amount of award proportional to the period of additional attendance resulting from attendance in classes that fulfill requirements or electives for graduation during discretionary summer terms, sessions, or quarters. Eligibility and receipt of additional funding for discretionary summer terms will be contingent upon funds being available. In the aggregate, the total

amount a student may receive can not exceed the maximum amount of program eligibility as a result of accelerating his or her progress to a degree by attending discretionary summer terms, ~~sessions, or quarters~~.

- (i) Program participants enrolled in institutions with a mandatory summer term, may increase the amount of award proportional to the period of additional attendance resulting from attendance in classes that fulfill requirements or electives for graduation. In the aggregate, the total amount a student may receive can not exceed the maximum amount of program eligibility.
- (j) (i) If the program participant is eligible for payment at the time of disbursement, but drops units applicable to the payment received for a term, the program participant remains eligible for the entire payment, unless a refund is due based on the school's refund policy. If a refund is due, schools are responsible for repaying the Commission and reporting an adjusted payment transaction.
- (k) If the program participant's tuition charges are reduced due to a drop in units, the qualifying institution shall submit an adjusted cost of attendance. The program participants remaining need will be re-determined and the award adjusted accordingly.

Note: Authority cited: Section 69999.22, Education Code. Reference: Sections 69999.16, 69999.18, 69999.20, Education Code.

Section 30735. Fifth Year Benefits

- (a) Program participants enrolled in a Commission approved undergraduate, mandatory five-year program may be eligible to renew their CNG EAAP benefits for an additional year (100% eligibility). A mandatory five year program is one for which attendance beyond four years is required to meet the program's degree requirements. The student's course of study must require every participant in that major to complete more than four years of study for graduation. Students must submit a Request for California National Guard Education Assistance Award Program Fifth-Year Benefits (Appendix B). Eligibility and receipt for an additional year will be contingent upon funds being available.

Note: Authority cited: Section 69999.22, Education Code. Reference: Sections 69999.18 Education Code.

Section 30736. Failure to Comply with Applicable Laws and Regulations

- (a) Except as otherwise specified in subsections (b)-(e), a program participant may be withdrawn from the program and the Commission shall not make any further payments if the program participant fails to meet the requirements for payment pursuant to the terms of the program, including:
- (1) failure to maintain enrollment in at least three academic units per semester or the equivalent at a qualifying institution;
 - (2) failure to maintain a minimum of a 2.0 cumulative grade point average while attending a qualifying institution;

- (3) loses status as a California resident;
 - (4) is in violation of the Commission regulations; or
 - (5) Failure to maintain active status in the California National Guard, State Military Reserve, or the Naval Militia.
- (b) If a program participant is unable to maintain enrollment in at least three academic units per semester or the equivalent due to serious illness, pregnancy, other natural causes, or is called to active military duty status, the program participant shall submit a written request for a leave of absence and upon The Adjutant General's approval, shall be excused from this requirement for a period not to exceed one calendar year, unless approved by The Adjutant General for a longer period of time. The Adjutant General may waive the written requirement due to state of emergency enacted or ordered by the Governor. The Commission shall make no further payments under the program until the applicable enrollment requirements specified have been satisfied.
- (c) If a disaster prevents a program participant from maintaining enrollment, in at least three academic units per semester or the equivalent the program participant shall submit a written request for a leave of absence and upon The Adjutant General's Office approval, shall be excused from this requirement for a period not to exceed one calendar year, unless approved by The Adjutant General for a longer period of time. In a severe case of a disaster, The Adjutant General may wave the requirement for program participants to individually send in written requests for a leave of absence due to state of emergency enacted or ordered by the Governor of California. The Adjutant General may excuse participants from the enrollment requirement for a period not to exceed one calendar year, unless approved for a longer period of time. The Commission shall make no further payments under the program until the applicable enrollment requirements specified have been satisfied.
- (d) If a program participant is unable to maintain enrollment in at least three academic units per semester or the equivalent due to reasons beyond the control of the program participant, the program participant shall submit a written request for a leave of absence and upon The Adjutant General's approval, shall be excused from this requirement for a period not to exceed one calendar year unless approved by The Adjutant General for a longer period of time. The Commission shall make no further payments under the program until the applicable enrollment requirements specified have been satisfied.
- (e) At any point in the program, The Adjutant General may submit a list of program participants who no longer satisfy the requirements of the program to the Commission. The Commission shall make no further payments under the program and the participant shall be withdrawn.
- (f) If a program participant is withdrawn, the individual may send in a written request for an administrative appeal to The Adjutant General that describes why he or she should be reinstated into the program along with supporting documentation, if applicable, showing that he or she has continually met program eligibility. If The Adjutant General determines the program participant should not have been withdrawn, the individual's program benefits shall be reinstated. The program participant will not be eligible for any benefits for awards years that are closed.

Note: Authority cited: Section 69999.22, Education Code. Reference: Sections 69999.16, 69999.18, Education Code.



CNG EAAP APPLICATION 2xxx-2xxx

California National Guard Education Assistance Award Program

TO BE COMPLETED BY THE APPLICANT (Print or Type)

1. Last Name		First Name		MI	2. Grade	3. Social Security Number *	
4. Mailing Address			City	State	ZIP Code	5. Years of Service in CNG / SMR / Naval Militia ____ Yrs	
6. Date of Birth (mm/dd/yyyy)	7. Phone Number		8. Currently accepted, registered, or enrolled in:			9. E-mail Address	
<input type="checkbox"/> Undergraduate <input type="checkbox"/> Certificate / Diploma <input type="checkbox"/> Graduate Studies							

10. I am an active member of the

Army National Guard
 Air National Guard
 State Military Reserve
 Naval Militia

11. Unit	12. UIC/PAS	13. Duty MOS/DAFSC	14. PMOS/PAFSC	15. SMOS/2AFSC
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16.11. I have been accepted to, registered at, or enrolled in, a qualifying institution for the:

_____ FALL 20XX-XX
 _____ WINTER 20XX-XX
 _____ SPRING 20XX-XX
 _____ SUMMER 20XX-XX
 (Enter QT for Quarter Time, HT for Half Time, TT for Three-Quarter Time, or FT for Full Time Enrollment)

Name of institution _____

8-digit school code _____

Housing Plans
 On Campus
 Off Campus
 With Parent

School code can be found at http://sandbox.csac.ca.gov/internet/Institution_Search.asp?mode=retrieve)

17.12. Have you submitted a 2XXX-2XXX Free Application for Federal Student Aid (FAFSA) to the U.S. Department of Education? (REQUIRED)

YES
 NO

18.13. If you are eligible for both CNG EAAP and Cal Grant Award, which award would you prefer?

CNG EAAP
 CAL GRANT

19.14. Amount of GI Bill benefits you will receive each academic year: \$ _____	20.15. Amount of benefits you will receive from other federal educational benefits for veterans for the academic year: \$ _____
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The following information is for California Student Aid Commission statistical reporting purposes only: (REQUIRED)

21.16. Gender <input type="checkbox"/> Male <input type="checkbox"/> Female	22.17. I describe myself as one of the following: <input type="checkbox"/> (1) African American <input type="checkbox"/> (5) Asian American <input type="checkbox"/> (2) Latino, Chicano <input type="checkbox"/> (6) Native American <input type="checkbox"/> (3) Filipino <input type="checkbox"/> (7) Caucasian <input type="checkbox"/> (4) Pacific Islander <input type="checkbox"/> (8) Other _____
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- BY MY SIGNATURE I UNDERSTAND AND AGREE THAT I:**
- must submit a ~~Free Application for Federal Student Aid (FAFSA)~~ for the academic year that ~~he or she is~~ ~~applying for~~ ~~by the application deadline~~ ~~or for applicants being considered for any excess awards~~ ~~** that the FAFSA will be completed for the academic year he or she is applying for prior to being accepted into the program;~~
 - will use the award to obtain a certificate, degree, or diploma that I do not hold at this time;
 - will maintain enrollment in at least three (3) academic units per semester, or the equivalent thereof;
 - will maintain at least a 2.0 cumulative grade point average (GPA) and enrollment in an eligible institution;
 - shall not receive both a CNG EAAP Award and any Cal Grant Award for the same academic year;
 - must elect between an award under the CNG EAAP and any Cal Grant Award for the same academic year;
 - will remain an active member in the California National Guard, State Military Reserve or the Naval Militia throughout the period I participate in the CNG EAAP;
 - will comply with all applicable laws and regulations applicable to the program; and
 - understand the funding appropriations are contingent upon approved California budget acts.

I declare under penalty of perjury, under the laws of the State of California that all statements contained in this application and any accompanying documents are true and correct, with full knowledge that all statements made in the application are subject to investigation. Any false or dishonest answer to any question may be grounds for denial to participate in the program and subject to prosecution under the Uniform Code of Military Justice. I authorize the California Student Aid Commission and the California Military Department to receive and release any student records and any application information between institutions and appropriate public and private agencies. I will provide documentation to verify all information provided, if requested.

Applicant's Signature _____ Date _____

G-162 * See Attached State of California Information Practices Act (IPA) of 1977 & Use of Your Social Security Number
 ** "Excess Awards" means awards issued to eligible applicants after the deadline established by Section 30731 until all available awards are exhausted or the Adjutant General no longer has authority to make awards, which ever is earlier.

State of California Information Practices Act (IPA) of 1977 & Use of Your Social Security Number

State as well as federal law protects the individual's right to privacy in information pertaining to oneself. The State of California IPA of 1977 requires that the following information be provided to applicants for financial aid who are asked to supply information about them. The principal purpose for requesting information on this form is to determine your eligibility for financial aid. Maintenance of this information is authorized by the Commission policy and the policies of the postsecondary institutions to which you are applying for aid. Furnishing information requested on this form is mandatory. Failure to provide such information will delay and may even prevent your receipt of financial assistance. Information furnished on this form may be transmitted to the state and federal governments if required by law. Individuals have the right of access to records established from information furnished on this form as it pertains to them. The officials responsible for maintaining the information contained on this form is the Executive Director of the Commission and the financial aid administrators at the institutions to which you are applying for financial aid.

The Social Security Number is used to verify your identity under record-keeping systems established prior to January 1, 1975, pursuant to authority of the Commission, the California State University and the California Community Colleges contained in Title 5, California Administrative Code Section 41201, and authority of the Regents of the University of California under Article IX, Section 9 of the California Constitution.

The Commission and California public postsecondary education institutions, in compliance with federal statutes and the Equal Protection Clause of the California Constitution, do not discriminate on the basis of race, color, national origin, sex or handicap in any of their policies, procedures, or practices. Inquiries regarding these equal opportunity policies may be directed to the Commission and to the financial aid office of the school or college to which you are applying for aid.

Eligible Five-Year Programs

Biola University — Nursing, Music, Biological Science	ITT Oxnard — Business Administration, Criminal Justice, Data Communications System Technology, Digital Entertainment and Game Design, Electronics and Communication
Brooks Institute of Photography	Engineering Technology, Information Systems Security, Software Engineering Technology, Technical Project Management
California College of Arts and Crafts — Architecture	
California Institute of Technology — Engineering	
*	
California State University, Chico — Fine Arts, Interior Design, Nursing	ITT San Bernardino — Business Accounting Technology, Business Administration, Criminal Justice, Data Communication Systems Technology, Digital Entertainment and Game Design, Electronics and Communication
	Engineering Technology, Information Systems Security, Software Engineering Technology, Technical Project Management
California State University, Los Angeles — Nursing	
California State University, Long Beach — Health Science- Radiation Therapy	
California State University, Northridge — BM in Music. BS in Electrical Engineering, Computer Engineering, Civil Engineering, Construction Management Technology, Mechanical Engineering, Manufacturing Systems Engineering, Health Science, Radiological Science, Kinesiology	La Sierra University — Music Education
	Loma Linda University — Dental Hygiene, Dietetics, Nursing, Occupational Therapy, Physical Therapy
California State University, Pomona (Polytechnic) — Architecture	New School of Architecture & Design
California State University, San Bernardino — Nursing	Occidental College — Liberal Arts
California State University, San Jose — Biochemical Engineering, Fine Arts, Nursing, Occupational Therapy)
California State University, San Luis Obispo (Polytechnic) — Architecture, Landscape Architecture	Shasta Bible College — Bible and Theology Studies
California State University, Sonoma — Nursing	Southern California Institute of Architecture
Claremont McKenna College — Management Engineering	Trinity Life Bible College — Music Ministry, Ministerial Studies
DeVry University — Biomedical Engineering, Computer Information Systems, Electronic Engineering Technology	University of California, Berkeley — Engineering
Harvey Mudd College — Management Engineering	E
*	University of California, San Diego — Bio-Infomatics, Bio-Science, Computer Science, Engineering
ITT Anaheim — Business Accounting Technology, Business Administration, Criminal Justice, Data Communications System Technology, Digital Entertainment and Game Design, Electronics and Communications Engineering Technology, Information Systems Security, Software Engineering Technology, Technical Project Management	University of the Pacific — Engineering, Pharmacy
	University of San Diego — Engineering
	University of San Francisco — Architecture
	University of Southern California — Architecture
	Westwood College, All Locations — Business Management, Computer Information Systems, Criminal Justice, Interior Design, Management and Business Technology
	Woodbury University — Architecture

State of California Information Practices Act (IPA) of 1977 & Use of Your Social Security Number

State as well as federal law protects the individual's right to privacy in information pertaining to oneself. The State of California IPA of 1977 requires that the following information be provided to applicants for financial aid who are asked to supply information about them. The principal purpose for requesting information on this form is to determine your eligibility for financial aid. Maintenance of this information is authorized by the Commission policy and the policies of the postsecondary institutions to which you are applying for aid. Furnishing information requested on this form is mandatory. Failure to provide such information will delay and may even prevent your receipt of financial assistance. Information furnished on this form may be transmitted to the state and federal governments if required by law. Individuals have the right of access to records established from information furnished on this form as it pertains to them. The officials responsible for maintaining the information contained on this form is the Executive Director of the Commission and the financial aid administrators at the institutions to which you are applying for financial aid.

The Social Security Number is used to verify your identity under record-keeping systems established prior to January 1, 1975, pursuant to authority of the Commission, the California State University and the California Community Colleges contained in Title 5, California Administrative Code Section 41201, and authority of the Regents of the University of California under Article IX, Section 9 of the California Constitution.

The Commission and California public postsecondary education institutions, in compliance with federal statutes and the Equal Protection Clause of the California Constitution, do not discriminate on the basis of race, color, national origin, sex or handicap in any of their policies, procedures, or practices. Inquiries regarding these equal opportunity policies may be directed to the Commission and to the financial aid office of the school or college to which you are applying for aid.

FINAL STATEMENT OF REASONS And SUMMARY AND RESPONSE TO COMMENTS RECEIVED

UPDATE OF INITIAL STATEMENT OF REASONS

SECTION 30730: Amendments that were made to this section were not included in the proposed regulation that was originally noticed to the public, but were made by the California Student Aid Commission (Commission) prior to the 15-day public comment period. These modifications are sufficiently related to the original text so that the public was adequately placed on notice that this change could result, as required by Government Code section 11346.8(c). The purpose of these additions to this section is to ensure clarity.

Amendments to the definitions section for “Discretionary Summer Term”, “Excess Awards” and “Mandatory Summer Term” were added for clarity as the phrases are used throughout the text of the proposed regulations.

SECTION 30731: Minor modifications and amendments that were made to this section were not included in the proposed regulation that was originally noticed to the public, but were made by the Commission prior to the 15-day public comment period. These modifications are sufficiently related to the original text so that the public was adequately placed on notice that this change could result, as required by Government Code section 11346.8(c).

In subsection (a) the request to change the annual application deadline date for new applicants was changed from June 1 to June 15. The purpose of this change is to allow additional time for the California National Guard to provide education and outreach to service members to apply to the program and for completion of the required documents.

Minor modification were made in subsection (a)(8)(B), (a)(8)(C), and (a)(8)(D). The purpose of these changes was to allow for consistency with the format of the proposed regulations and application format.

In subsections (a)(11), (a)(12), (a)(13), (a)(14), and (a)(15), the request for specific information fields was removed. The purpose for this minor modification is to eliminate the duplicative validation of service member data by the Military Department.

In newly renumbered subsection (a)(12) minor modification was made to include the acronym for the Free Application for Federal Student Aid. The purpose of this minor modification was consistency since the acronym was defined earlier in section 30730 with the definition of “Eligible applicant” subsection (f) and the acronym is used throughout the proposed regulations. The purpose of this change was for consistency and formatting.

In newly renumbered subsection (a)(18) a minor modification was made to remove the words that from which the acronym is formed. The purpose of this modification is for consistency. Additionally, a minor amendment was made to the newly renumbered subsection (a)(18) that clarifies applicants being considered for excess awards do not need to complete the submission of the FASFA by the application deadline. This amendment is necessary to follow the original intent of the program, to allow applicants to be considered for excess awards providing both the FASFA and application are submitted prior to being accepted to the program.

Minor amendment was made to section 30731(b) to provide clarity regarding the verification of the submission of the FASFA. This amendment was made for consistency with section 30731(a)(18) and is necessary to follow the original intent of the program to allow the California Military Department to continue to accept applications after the deadline without restricting program participation to applicants who submit a FAFSA by the date of application to the program.

SECTION 30732: Amendment and minor modifications that were made to this section were not included in the proposed regulation that was originally noticed to the public, but was made prior to the 15-day public comment period. This amendment is sufficiently related to the original text so that the public was adequately placed on notice that this change could result, as required by Government Code section 11346.8(c).

Amendment was made to subsection (a). California Education Code section 69999.16(f) limits the number of awards authorized in the annual Budget Act. The Adjutant General will prioritize all eligible applicants who apply for the program. The purpose for this amendment was for clarity and consistency with statute

Minor modifications were made to section 30732(b). (b)(1)(A) and (b)(1)(B). These minor modifications are grammatical in nature and inclusion of non-gender identifying when referring to The Adjutant General.

SECTION 30733: Minor modifications that were made to this section were not included in the proposed regulation that was originally noticed to the public, but were made by the Commission prior to the 15-day public comment period. These modifications are sufficiently related to the original text so that the public was adequately placed on notice that this change could result, as required by Government Code section 11346.8(c).

Section 30733 outlines the selection of eligible applicants by The Adjutant General. Modification was made to subsection (a). The purpose of the modification is for clarity. The Adjutant General will not make selections on the application deadline but will select from among eligible applicants who submit an application by the application deadline.

Modification was made to subsection (e). This modification was made for consistency with section 30731(a)(18) and section 30731(b). In keeping with the intent of the program, subsection (e) was modified to clarify the receipt of applications will continue after the priority deadline and that both the application and FAFSA must be complete prior to being accepted into the program.

Modification was made to subsection(f)(7). This is a formatting change.

SECTION 30734: Minor modifications and amendments that were made to this section were not included in the proposed regulation that was originally noticed to the public, but were made by the Commission prior to the 15-day public comment period. These modifications are sufficiently related to the original text so that the public was adequately placed on notice that this change could result, as required by Government Code section 11346.8(c).

Minor modifications were made in subsections (a)(2)(A), (a)(3)(A), and (a)(3)(B) changing the specific time frame of reporting information by the institutions and program participant's. This modification was made to accommodate the payment process to ensure accurate award payments.

Minor modification was made to subsection (a)(2)(E). The purpose of this minor modification was formatting and grammatical in nature.

Minor amendments were made in subsections (a)(2)(F), (h) and (j). Amendments were made to distinguish between discretionary summer term and mandatory summer term. This distinction is needed to allow for correct budgetary projections and accurate award amounts.

LOCAL MANDATE DETERMINATION

The proposed regulations do not impose any mandate on local agencies or school districts.

ALTERNATIVES DETERMINATION

The California Student Aid Commission has determined that no alternative would be more effective in carrying out the purpose for which the regulation is proposed or would be as effective as and less burdensome to affected private persons than the proposed regulation.

COMMENTS RECEIVED DURING THE INITIAL NOTICE PERIOD OF JANUARY 15, 2010 THROUGH MARCH 1, 2010.

The originally proposed text was made available for public comment for at least 45 days from January 15, 2010 through March 1, 2010. There were no comments received during the 45-day public comment period.

COMMENTS RECEIVED DURING THE PERIOD THE MODIFIED TEXT WAS AVAILABLE TO THE PUBLIC

The modified text was made available to the public from March 8, 2010 through March 23, 2010. There were no comments received during the 15-day public comment period.

ECONOMIC IMPACT ON SMALL BUSINESS

Proposed regulation does not economically impact small businesses.