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Assembly California Legislature



RICHARD S. GORDON
ASSEMBLYMAN, TWENTY-FOURTH DISTRICT

CHAIR
COMMITTEE ON BUSINESS,
PROFESSIONS AND CONSUMER
PROTECTION

COMMITTEES
BUDGET
LOCAL GOVERNMENT
REVENUE & TAXATION

SUBCOMMITTEES
BUDGET SUBCOMMITTEE #3 ON
RESOURCES AND TRANSPORTATION

June 17, 2013

California Student Aid Commission
PO Box 419026
Rancho Cordova, CA 95741-9026

Dear Chair McDowell and Commissioners:

At your June 21st meeting, you will be voting on the 2013-14 Cal Grant eligibility status of Menlo College, a small, accredited, private school in my district. Menlo College is appealing for a correction to its 3-year Cohort Default Rate (CDR) due to an error made by a loan servicer that included a student in the wrong cohort. As a result, Menlo College's 2009 3-year CDR was incorrectly reported to the California Student Aid Commission as 15.6%. The guarantor has corrected the error so that Menlo College's 2009 3-year CDR should be 15.15%. However, because California requires that an institution's 3-year CDR rate is below 15.5%, the error has resulted in Menlo College's ineligibility to receive Cal Grant aid beginning June 30, 2013.

The Commission received a letter from the Under Secretary of the U.S. Department of Education Martha Kanter dated April 23, 2013 regarding this issue. The Under Secretary acknowledged that the 2009 Official 3-year CDR for Menlo College would have likely been below the 15.5% Cal Grant Program requirement. The Under Secretary also recognized that Cal Grant Program eligibility is an issue of state law and remains for the State of California to resolve. This is why Menlo College is appealing to the Commission.

Menlo College has met the CDR threshold all along and unfortunately became ineligible due to an error. An error which Menlo College should have caught in a timely manner; however, it is within the Commission's authority to grant the appeal and provide Cal Grant funds to the students of Menlo College. Please do not deny these students who rely on Cal Grants the ability to continue their higher education.

I along with Menlo College appeal on behalf of 98 low-to-moderate income students who will lose their opportunity to continue at Menlo College if the CDR that was reported in error stands. Further, absent the ability to receive Cal Grant funds, Menlo College will be unable to accept new Cal Grant dependent students.

Therefore, I respectfully request the California Student Aid Commission to grant the appeal of Menlo College for a correction of its 3-year Cohort Default Rate so that it can continue to provide degrees to low-to-moderate income students and make their college financially accessible to all Californians. Your help in this urgent matter is greatly appreciated.

Thank you for your consideration.

Sincerely,

RICHARD S. GORDON
Assemblymember, 24th District