

# Exhibit 4

## Information/Action Item

Consideration of the appropriate graduation rate reported by the United States Department of Education that the Commission should use when certifying graduation rates for purposes of Education Code section 69432.7(1)(3)

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Institutions that participate in the Cal Grant Program are required to meet certain statutory thresholds each award year in order to receive Cal Grant funds for their students.

Education Code section 69432.7(l) requires the Commission to certify, by October 1<sup>st</sup>, the latest three-year cohort default rate and graduation rate most recently published by the United State Department of Education (USED) for every Cal Grant participating institution. Those institutions that have a three-year cohort default rate that equals or exceeds 15.5% and/or a graduation rate of 30% or less are not eligible to participate in the Cal Grant Program for the applicable award year.

USED publishes the three-year cohort default rates in late September, just prior to the Commission's certification. The graduation rate, however, has a different publication cycle. Currently, the latest, most recently published graduation data available from the USED Integrated Postsecondary Education Data System (IPEDS) Data Center is the 2011 graduation rate. Assuming that no further graduation data is released prior to October 1, 2013, the 2011 graduation rate will be used for the 2014-15 academic year certification.

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