

# Exhibit 21

## Action Information Item

Consideration of adopting regulations to interpret and make specific section 69433.2 of the Education Code relating to the Cal Grant participating institution data reporting requirements (Rulemaking File Z2014-0630-01)

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### BACKGROUND

Education Code section 69433.2 requires Cal Grant participating institutions to report to the Commission certain information relating to their undergraduate programs and for the Commission to publish this data, along with other information useful to students and parents, on its website. Education Code section 69433.2 provides:

- (a) As a condition for its voluntary participation in the Cal Grant Program, each Cal Grant participating institution shall, beginning in 2012, annually report to the commission, and as further specified in the institutional participation agreement, both of the following for its undergraduate programs:
  - (1) Enrollment, persistence, and graduation data for all students, including aggregate information on Cal Grant recipients.
  - (2) The job placement rate and salary and wage information for each program that is either designed or advertised to lead to a particular type of job; or advertised or promoted with a claim regarding job placement.
- (b) Commencing the year after the commission begins to receive reports pursuant to subdivision (a), the commission shall provide both of the following on its Internet Web site:
  - (1) The information submitted by a Cal Grant participating institution pursuant to subdivision (a), which shall be made available in a searchable database.
  - (2) Other information and links that are useful to students and parents who are in the process of selecting a college or university. This information may include, but not be limited to, local occupational profiles available through the Employment Development Department's Labor Market Information Data Library.

In order to implement SB 70's reporting requirements, in 2013, the Commission adopted regulations interpreting section 69433.2. However, during that rulemaking process there were issues raised by stakeholders related primarily to the job placement reporting, as well as, some minor, technical concerns in the enrollment, persistence and graduation reporting. In order to address the issues raised, the Commission agreed to withdraw

certain provisions from the rulemaking and also committed to engaging in further consultation with stakeholders to see if a less burdensome reporting structure could be developed.

## **FURTHER CONSULTATION ON DATA REPORTING**

### Job Placement Rate and Salary and Wage Information Reporting

With respect to the job placement reporting, the Commission's Executive Director consulted with a representative of the Administration, who included the California Community College Chancellor's Office, among others, in the discussion. After the discussion with the Executive Director, the Administration representative brokered an agreement among the Administration, the Department of Finance and senior staff members of both houses of the Legislature on an acceptable job placement rate reporting process. The result was the decision to allow institutions to report their job placement rate and salary and wage information under either of two methodologies.

The first methodology is based upon the approach taken by the California Community College Chancellor's Office (CCCCO). The CCCCCO has created a data mart on the internet with data from the community colleges on student demographics, course characteristics, student services and outcomes. Among the data available is the College Wage Tracker which provides wage outcomes based on an eight-year cohort by program. The College Wage Tracker data mart collects wages of students who completed credit awards at a particular California Community College over a series of academic years using California Employment Development Department Unemployment Insurance wage data. The total annual median wages for students three years after completion of award are then calculated and categorized by college and type of award. The percentage of students for whom this data was available, or an "award to match rate", is also calculated. The proposed regulations would allow the California community colleges to utilize this extensive data as the job placement rate and salary and wage data for the community college. This will lessen the burden on the community colleges from having to create another reporting structure for participation in the Cal Grant program while still providing valuable information to the students on the types of wages earned by program.

The second methodology addresses institutions that are already legally required to report job placement rates and salary and wage data. Unless an exception applies, private postsecondary institutions operating in California are subject to the authority of the Bureau of Private Postsecondary Education (BPPE). BPPE institutions are required, by statute, to report job placement rate and salary and wage data. For the 2014-15 academic year, more than 50 Cal Grant participating institutions are subject to BPPE's reporting requirements. The proposed regulations will allow institutions subject to BPPE authority to report the same job placement and salary and wage data to the Commission to meet Cal Grant reporting requirements. This will lessen the reporting burden on the institutions and will allow students to receive consistent data from both the Commission's website and the institution's Student Performance Fact Sheet required by BPPE.

Between these two methodologies, most institutions that are subject to job placement reporting will be able to utilize reporting that they already compile for submission of this requirement. The notable exceptions are WASC-accredited institutions, such as those represented by the Association of Independent California Colleges and Universities

(AICCU), which do not report to BPPE and are not a public community college. These institutions may choose between either of the two proposed methodologies for reporting job placement rate and salary and wage data to the Commission. It should be noted that while the California Community Colleges utilize EDD data for its calculations, the regulations do not require EDD as a source of wage data. An institution may develop other reliable methods for collecting the wage data necessary for submission of upon which to base its use of that particular methodology. It should be noted that because the job placement rate and salary and wage information reporting is limited to certificate and associate degree programs that meet the definitions already established by regulation, AICCU institutions have limited programs that are subject to job placement reporting.

### Visiting Students

The proposed regulations also address an issue held over from the original regulations the Commission adopted in 2013 to implement the enrollment, persistence and graduation reporting. Institutions had expressed a concern that “visiting students” would be included in the enrollment, persistence and graduation data. Generally speaking, students attending an institution as a visiting student usually enroll in classes for no more than one academic year and do not complete a program at that institution. Requiring an institution to include visiting students in the enrollment data increases the number of students in attendance but, because these students do not continue for multiple academic years and do not graduate from the institution, it negatively impacts the persistence and graduation data of the institution visited because the students appear to be non-completers. The proposed regulations address this issue by excluding visiting students from the types of students captured by the enrollment, persistence and graduation reporting.

### **CURRENT RULEMAKING**

At its February 24, 2014 meeting, the Commission authorized staff to commence the rulemaking process for the adoption of regulations interpreting and making specific Education Code section 69433.2. Staff drafted the Initial Statement of reasons and the Notice of Proposed Rulemaking which were made available on the Commission’s website. (See exhibit 21.1 and 21.2) The 45-day public comment period commenced with the publication of the Commission’s Notice of Proposed Rulemaking in the California Regulatory Notice Register on July 11, 2014.

The closing of the public comment period was extended to coincide with the public hearing which was scheduled to be heard by the Strategic Policy & Planning (SPPC) Committee on August 27, 2014. No additional hearings were requested by any member of the public.

At the public hearing, the SPPC Committee heard oral testimony from three commenters whose comments are summarized below. No written comments were received in response to the proposed rulemaking.

- Veronica Villalobos, representing AICCU expressed support for the proposed amendment relating to visiting students and thanked the Commission for this proposed change.

- Chris Carter, representing the University of California Office of the President also expressed support for the proposed amendment relating to visiting students.
- Rhonda Mohr, representing the California Community College's Chancellor's Office requested that the Commission consider whether to exclude students enrolled in non-credit courses from section 30040 which identifies those students who are excluded from an institution's data for purposes of enrollment, persistence and graduation reporting.

In response to this comment, staff agreed to engage in further consultation on the issue of students enrolled solely in non-credit courses and make such an amendment, if necessary, in a future rulemaking.

Since there are no comments requesting changes to the current proposed text of the regulations, staff is recommending that the Commission adopt the regulations as drafted. Staff can thereafter finalize the rulemaking file and submit it to the Office of Administrative Law (OAL) for approval. Upon OAL approval, the regulations are filed with the Secretary of State.

**Recommendation:** Staff recommends that the Commission 1) adopt the proposed regulations and authorize staff to complete the regulatory process, including making any necessary changes, and 2) authorize staff to amend the 2012-16 Institutional Participation Agreement to include the language and substantive requirements of the adopted regulations.

**Responsible Person(s):** Keri Tippins  
General Counsel and Chief  
Legal & Audit Services Division

CALIFORNIA STUDENT AID COMMISSION  
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**AMENDMENT TO TITLE 5, DIVISION 4, CHAPTER 1  
CALIFORNIA CODE OF REGULATIONS**

**Cal Grant Program Participating Institution Data Reporting Requirements**

**INITIAL STATEMENT OF REASONS**

**INTRODUCTION**

On March 24, 2011, Senate Bill (SB) 70 (Chapter 7, Statutes of 2011) was signed by the Governor and chaptered into California law. Among other changes, SB 70 added section 69433.2 to the Education Code. Section 69433.2 was later amended by SB 1103 (Chapter 273, Statutes of 2012).

Education Code section 69433.2 requires Cal Grant participating institutions to report to the Commission certain information relating to their undergraduate programs and for the Commission to publish this data, along with other information useful to students and parents, on its website. Education Code section 69433.2 provides:

- (a) As a condition for its voluntary participation in the Cal Grant Program, each Cal Grant participating institution shall, beginning in 2012, annually report to the commission, and as further specified in the institutional participation agreement, both of the following for its undergraduate programs:
  - (1) Enrollment, persistence, and graduation data for all students, including aggregate information on Cal Grant recipients.
  - (2) The job placement rate and salary and wage information for each program that is either designed or advertised to lead to a particular type of job; or advertised or promoted with a claim regarding job placement.
- (b) Commencing the year after the commission begins to receive reports pursuant to subdivision (a), the commission shall provide both of the following on its Internet Web site:
  - (1) The information submitted by a Cal Grant participating institution pursuant to subdivision (a), which shall be made available in a searchable database.
  - (2) Other information and links that are useful to students and parents who are in the process of selecting a college or university. This information may include, but not be limited to, local occupational profiles available through the Employment Development Department's Labor Market Information Data Library.

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In order to implement SB 70's reporting requirements, in 2013, the Student Aid Commission (Commission) adopted regulations interpreting and making specific, among other sections, Education Code section 69433.2. As part of that process, the Commission received comments from stakeholders and other members of the public expressing concerns over certain aspects of the proposed reporting process. To address these concerns, the Commission agreed to consider some changes to the enrollment, persistence and graduation reporting and agreed to delete certain provisions relating to the job placement and salary and wage reporting while further consultation was held.

After further consultation, the Commission is now proposing amendments to the regulations. With respect to the enrollment, persistence and graduation reporting, institutions expressed a concern that "visiting students" would be included in the enrollment, persistence and graduation data. Generally speaking, students attending an institution as a visiting student usually enroll in classes for no more than one academic year and do not complete a program at that institution. Requiring an institution to include visiting students in the enrollment data increases the number of students in attendance but, because these students do not continue for multiple academic years and do not graduate from the institution, it negatively impacts the persistence and graduation data of the institution visited. The proposed regulations address this issue by excluding visiting students from the types of students captured by the enrollment, persistence and graduation reporting.

As for the job placement rate and wage and salary reporting, currently, many postsecondary institutions in California report data on their vocational education certificates and degrees either voluntarily or by statutory mandate. Many of these schools are also Cal Grant participating institutions. To lessen the burden for institutions that are already reporting this type of data but are also subject to reporting to the Commission, the Commission is proposing two different methodologies that an institution may choose from when reporting a job placement rate and salary and wage data.

The first of these methodologies addresses institutions that are already legally required to report job placement rates and salary and wage data. Unless an exception applies, private postsecondary institutions operating in California are subject to the authority of the Bureau of Private Postsecondary Education (BPPE). BPPE institutions are required, by statute, to report job placement rate and salary and wage data. (See Article 16 (commencing with section 94928) of Chapter 8 of Part 59 of Division 10 of Title 3 of the Education Code.) For the 2014-15 academic year, more than 50 Cal Grant participating institutions are subject to BPPE's reporting requirements. The Commission's proposed regulations will allow institutions subject to BPPE authority to report the same job placement and salary and wage data to the Commission to meet Cal Grant reporting requirements. Not only will this lessen the reporting burden on the institutions, but it will allow students to receive consistent data from both the Commission's website and the institution.

The second methodology being proposed for job placement rate and salary and wage data reporting is based upon the approach taken by the California Community College Chancellor's Office (CCCCO). The CCCCCO has created a data mart on the internet with data from the community colleges on student demographics, course characteristics, student services and outcomes. Among the data available is the College Wage Tracker which provides wage outcomes based on an eight-year cohort by program. The College Wage Tracker data mart collects wages of students who completed credit awards at a particular California Community College over a series of academic years using California Employment Development Unemployment Insurance wage data. The total annual median wages for students three years

after completion of award are then calculated and categorized by college and type of award. The percentage of students for whom this data was available, or an “award to match rate”, is also calculated. The Commission is proposing to allow the California community colleges to utilize this extensive data as the job placement rate and salary and wage data for the community college. This will lessen the burden on the community colleges from having to create another reporting structure for participation in the Cal Grant program while still providing valuable information to the students on the types of wages earned by program.

Institutions that do not report to BPPE and are not a community college may choose between either of the two proposed methodologies for reporting job placement rate and salary and wage data to the Commission. It should be noted that while the California Community Colleges utilize EDD data for its calculations, the regulations do not require EDD as a source of wage data. An institution may develop other reliable methods for collecting the wage data necessary for submission of upon which to base its use of that particular methodology.

Pursuant to the authority provided in Education Code Section 69433.7, Commission staff, in consultation with Cal Grant qualifying institutions and other interested stakeholders considered changes to the California Code of Regulations Title V, Division 4, Chapter 1 Sections 30040 and 30042.5 to implement, interpret, and construct the requirements established in Education Code section 69433.2, which became effective on March 24, 2011.

### **Economic Impact Analysis**

In accordance with Government Code Section 11346.3(b), the Commission has made the following assessments regarding the proposed regulations and did not rely on any other technical, theoretical or empirical study, report or similar document in developing the proposed regulatory action:

The proposed regulations are designed to provide a framework for Cal Grant participating institutions to complete data reporting to the Commission. In clarifying and interpreting Education Code section 69433.2 no jobs will be created or eliminated; no new businesses will be created or existing businesses eliminated; nor will any existing businesses be expanded or eliminated in California.

The Commission has made a determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business as it affects only institutions of postsecondary education that voluntarily elect to participate in the Cal Grant Program and only requires that such institutions report certain data electronically to the Commission.

### **Alternatives Considered**

The Commission did not consider any alternatives to the proposed regulations because it believes the proposed regulations are the most effective way to implement the statute. The proposed regulations ensure that students and parents receive the necessary data to make informed educational choice as required by the statute while also being the least burdensome reporting method for affected institutions.

### Benefits to the Welfare of California Residents

Helping students make informed choices about higher education is critical to their success, not only as scholars but as the State's future workforce. Students and their parents need pertinent information that is easy to access, easy to understand and easy to compare.

By requiring higher education institutions to report enrollment, persistence, graduation and employment data, these proposed regulations allow the Commission to bring valuable information for students together in one easily accessible location. By using this data as the cornerstone for a new user-friendly website, CSAC can provide a model for the rest of the nation in empowering students to understand their options and select the best opportunity that supports their aspirations.

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

#### Proposed Sections

1. Amend section 30040 to include "visiting students" among those students who are excluded from an institution's student population for purposes of enrollment, persistence and graduation reporting.

Factual basis / rationale: Subsection 30040(a) identifies the students that are to be included within the enrollment, persistence and graduation reporting. The current regulation allows certain students to be excluded from the reporting provisions so as to best capture data for certificate and degree-seeking students. This amendment adds visiting students to the categories of students that are excluded from the enrollment, persistence and graduation data submitted by the institution. Visiting students are generally taking classes at an institution for a limited amount of time, but are not seeking to complete a program and are not likely to persist in their studies from one academic year to the next. As a result, including these students in the enrollment numbers negatively impacts the persistence and graduation data for the institution.

2. Amend section 30042.5 implementing the annual job placement rate and salary and wage reporting established by Education Code section 69433.2.

Factual basis / rationale: This section restates the requirements found in Education Code section 69433.2 that requires that Cal Grant participating institutions report annual job placement rate and salary and wage data to the Commission on all of the institution's undergraduate programs, including aggregate data on Cal Grant recipients. It establishes reporting deadlines and the methodologies by which an institution can calculate its job placement rate and compile its salary and wage data. It is necessary for the Commission to provide a methodology by which the institutions calculate the "job placement rate and salary and wage data". Certain language which has been rendered unnecessary because of these amendments has been deleted and the section renumbered to account for these changes.

New subsection (a) has been added. It re-states the requirements of Education Code section 69433.2 that each undergraduate qualifying institution shall report to the Commission the job placement rate and salary and wage information for each program that is either (1) designed or advertised to lead to a particular type of job; or (2) advertised or

## Exhibit 21.1

promoted with any claim regarding job placement. It also establishes a deadline of December 31<sup>st</sup> for the submission of data from the academic year ending the preceding June 30<sup>th</sup>. The deadline is necessary to permit students and parents to evaluate data across the same academic years to make informed postsecondary education choices.

Existing subsections (a), (b) and (c) have been renumbered to (b), (c), and (d), respectively.

New subsection (e) establishes two methodologies by which an institution may calculate its job placement rate. Subsection (e)(1) incorporates the job placement rate and salary and wage reporting requirements established by Article 16 of the California Private Postsecondary Act of 2009 (Chapter 310, Statutes of 2009) Chapter 8 of Part 59 of Division 10 of Title 3 of the Education Code as first methodology by which an institution may report its data. This subsection will allow more than 50 Cal Grant reporting institutions to provide to the Commission the same data that they are required to report to BPPE; thereby creating reporting consistency for the institutions and lessening the burden associated with creating different reports based on different methodologies for two different state entities which use the exact same terminology. Reporting consistency will also provide data uniformity for students and parents researching postsecondary institutions that are subject to BPPE jurisdiction and are also Cal Grant participating institutions.

New subsection (e)(2) establishes the second methodology permits institutions to utilize an approach taken by the CCCCCO for demonstrating student outcomes. The CCCCCO College Wage Tracker provides wage outcomes based on an eight-year cohort by program. Data from these eight-year cohorts is combined to calculate an annual median wage for students three years after completion of an award categorized by college, type of award and program. The percentage of students for whom this data was available, or an “award to match rate”, is also calculated. The Commission has determined that this data is equivalent to a “job placement rate and salary and wage data” and that this data provides the type of information students and parents need to make informed postsecondary education choices.

In addition, allowing the community colleges to utilize current reporting for purposes of the Cal Grant program will greatly lessen the reporting burden for the community colleges. They will not have to try to develop another reporting structure solely for purposes of participation in the Cal Grant program and with 112 colleges, the California Community Colleges are the largest group of institutions that will be reporting job placement rate and salary and wage data to the Commission (followed next by the BPPE reporters).

Lastly, for the Cal Grant participating institutions that are either not BPPE reporters or not a California community college, those institutions have the opportunity to choose either of the methodologies to report their job placement rate and salary and wage data to the Commission. This allows those institutions to evaluate how best they can meet their reporting obligation through data they may already possess or by developing new processes for gathering the needed data in a manner that is the least burdensome.

Subsection (e)(2)(a) provides needed definitions in support of the methodology proposed and subsection (e)(2)(b) provides the framework for completing the calculation of the median wage three years after award and the adjustment for inflation. It also eliminates reporting for programs in which fewer than 10 students are included in the reporting to protect the privacy of the student.

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Subsection (e)(2)(c) establishes that an institution will calculate an award to match rate for each program by Classification of Instruction Program (CIP) Code as part of the job placement rate and salary and wage data.

Existing subsection (d) has been renumbered to (f).

Existing subsection (e) has been deleted.

Existing subsection (f) has been renumbered to (g).

Existing Subsection (g) has been renumbered to (h) and language permitting the community colleges to submit data to the Commission so as to permit the Commission to prepare reports on their behalf has been deleted in light of the amendments proposed in new subsection (e).

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AMENDMENT TO TITLE 5, DIVISION 4, CHAPTER 1, CA CODE OF REGULATIONS  
REGARDING THE CAL GRANT PROGRAM (EDUCATION CODE §§ 69430-69460)

PROPOSED TEXT

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

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

ARTICLE 4. REPORTING OF PROGRAM DATA

§ 30040 Annual Report on Enrollment, Persistence and Graduation

(a) A qualifying institution shall annually report to the Commission no later than December 31st, for the academic year ending the preceding June 30<sup>th</sup>, the enrollment data, persistence data and graduation data for all undergraduate students, excluding visiting students, students concurrently enrolled in K-12, or who are solely enrolled in basic skills instructional courses, remedial courses or English as a Second Language courses. The qualifying institution shall also include in its report aggregate enrollment data, persistence data and graduation data on all Cal Grant recipients attending the institution.

(b) The Commission may extend the period for filing if the institution demonstrates evidence of substantial need, but in no event longer will the deadline be extended longer than 90 days.

(c) The annual report shall be filed electronically by either:

(1) submitting the information required by subdivision (a) via the Commission's WebGrants website; or

(2) providing sufficient student unitary data to the Commission to allow the Commission to prepare the report on the institution's behalf. An institution electing to have the Commission prepare its report shall provide the following student unitary data: student's first, middle initial, and last name; date of birth; social security number; race/ethnicity; gender; original term enrollment date; enrollment status; institution campus code; CIP code for the student's completed educational program; units completed by term for the academic year; and program completion date, if applicable.

(A.) An institution electing to submit data to the Commission under this paragraph shall provide it no later than November 15<sup>th</sup> for the academic year ending the preceding June 30<sup>th</sup>. The Commission will calculate the enrollment, persistence and graduation data and provide a draft report to the institution within fifteen business days of its submission. The institution shall thereafter have fifteen business days to review its report and provide any additional information necessary to ensure the accuracy of the report.

(d) Any qualifying institution that fails to timely submit its annual report, or the data necessary for the Commission to prepare the annual report, shall be considered to be out of compliance with its Institutional Participation Agreement with the Commission.

Note: Authority cited: Section 69433.7 Education Code. Reference: Sections 69433.2, Education Code.

§ 30042.5. Annual Job Placement Rate and Salary and Wage Reporting.

(a) A qualifying institution shall report to the Commission no later than December 31st, for the academic year ending the preceding June 30<sup>th</sup>, the job placement rate and salary and wage reporting from all of its undergraduate programs leading to a certificate or associate's degree that are either:

- (1) designed or advertised to lead to a particular type of job; or
- (2) advertised or promoted with any claims regarding job placement.

~~(a)-(b)~~ For purposes of the data reporting set forth in Education Code section 69433.2, an undergraduate program is “designed or advertised to lead to a particular type of job” if it consists of postsecondary vocational, career and technical workforce education courses, programs and/or training in which specific instruction is provided with an occupationally specific objective and for which a certificate and/or associate's degree is awarded.

~~(b)-(c)~~ For purposes of the data reporting set forth in Education Code section 69433.2, an undergraduate program is not “designed or advertised to lead to a particular type of job” if it is either of the following:

(1) A two-academic-year program fully transferrable to a baccalaureate degree program, and specifically designed to be a transfer program, including but not limited to the following programs:

- a. Associate Degree General Education;
- b. Associates in Arts for Transfer (AA-T) / Associates in Science for Transfer (AS-T) codified in Education Code section 66746-66749;
- c. California State University General Education Breadth course requirements;
- d. Intersegmental General Education Transfer Curriculum (IGETC); or

(2) A course of study that is designed to provide students with basic skills, remedial, English as a Second Language (ESL), or other necessary preparatory coursework for enrollment in a certificate, diploma or degree program.

~~(c)-(d)~~ For purposes of the data reporting set forth in Education Code section 69433.2, a program is “advertised or promoted with any claim regarding job placement” if it is either of the following:

- (1) The institution advertises, promotes, or otherwise represents to students, whether orally or in writing, that the program will assist students in obtaining gainful employment following graduation; or
- (2) The institution advertises, promotes, solicits, or directly corresponds with a prospective student whether in printed materials or electronic format, the availability of jobs upon graduation.

(e) A qualifying institution shall report its job placement rate and salary and wage reporting to the Commission under either of the following methodologies:

(1) The job placement rate and salary and wage information reporting methodology established by the Article 16 (commencing with section 94928) of Chapter 8 of Part 59 of Division 10 of Title 3 of the Education Code; or

(2) The College Wage Tracker Methodology established by the California Community Colleges. The College Wage Tracker Methodology, which is set forth herein, calculates a median wage three years after award based upon an eight year cohort of students who received a certificate or associate's degree by program. Certain categories of students are excluded from the calculation and wages are adjusted for inflation using the California Consumer Price Index – for All Urban Consumers. This methodology produces an award to wage match rate by CIP code.

a. For purposes of the College Wage Tracker Methodology, the following definitions shall apply:

(i) "Eight year cohort" means the cohort of students who received a certificate or Associate's degree at any point over eight consecutive academic years in the same program that are included in the calculation of the median wage three years after award. The eight year cohort does not include excluded students.

(ii) "Median wage three years after award" means the median wage calculated from wage data obtained three years after the academic year in which the student received his or her certificate or associate's degree for an eight year cohort of students. The submission of a median wage three years after award shall satisfy the salary and wage reporting requirement found in Education Code section 69433.2.

(iii) "Excluded students" means students who remained enrolled in the same qualifying institution following receipt of a certificate or associate's degree, who transferred to another postsecondary institution within two years of receiving a certificate or associate's degree, who were less than 21 years of age at the time of the awarding of the certificate or associate's degree and/or who had no wages in the third year after receiving his or her certificate or award.

(iv) "Total awards" means the number of awards for each award type and CIP code that were received by students included in the eight year cohort reduced by the excluded students.

(v) "Award to wage match rate" is calculated by dividing the number of students for whom the qualifying institution was able to obtain wage data by the number of students who were included in the Total Award. The submission of an "Award to Wage Match Rate" shall satisfy the job placement rate reporting requirement found in Education Code section 69433.2.

b. A qualifying institution utilizing the College Wage Tracker Methodology shall gather student wage data three years after the student completed his or her certificate or Associate's Degree. Commencing with the latest eight year cohort for whom a median wage three years after award has been obtained, a qualifying institution shall calculate the median wage three years after award by CIP Code. The wages for each student in the eight year cohort may be adjusted for inflation based upon the California CPI-U. If there are fewer than ten graduates in the eight year cohort of a particular program, no report for that program shall be required.

c. A qualifying institution utilizing the College Wage Tracker Methodology shall calculate an award to wage match rate for each program by CIP Code.

~~(d)-(f)~~ The annual Job Placement Rate and Salary and Wage report shall be electronically filed by submitting the information required via the Commission's WebGrants website.

~~(e)~~ A California community college may provide student data to the Commission so as to allow the Commission to prepare the report on the institution's behalf. A California community college electing to have the Commission prepare its report shall provide the following student unitary data: student's first name, middle initial, and last name; date of birth; social security number, if applicable; last known address; email address; institution campus code; CIP code for the student's program; program completion date; and any employer or employment information in the possession of the institution.

~~(f)~~ A California community college electing to submit data to the Commission shall provide it no later than November 15th for the academic year ending the preceding June 30th. The Commission will create the institution's draft report and provide it to the institution. The institution shall thereafter have 30 calendar days to review its report and provide any additional information necessary to ensure the accuracy of the report before it becomes final.

~~(f)-(g)~~ The Commission may extend the period for filing the annual Job Placement Rate and Salary and Wage Report if the institution demonstrates evidence of substantial need, but in no event longer will the deadline be extended longer than 90 days.

~~(g)-(h)~~ Any qualifying institution that fails to timely submit its annual Job Placement Rate and Salary and Wage report, ~~or for a California community college, the data necessary for the Commission to prepare the annual report under subdivision (e)~~, shall be considered to be out of compliance with its Institutional Participation Agreement with the Commission.

**CALIFORNIA STUDENT AID COMMISSION  
P.O. Box 419029  
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Amendment to Title 5, Division 4, Chapter 1  
California Code of Regulations regarding the  
Cal Grant Program (Education Code 69430-69460)

**Cal Grant Program and Participating Institution Data Reporting Requirements  
Annual Job Placement Rate and Salary and Wage Reporting**

**FINAL STATEMENT OF REASONS**

Final Rulemaking File

**UPDATE OF INITIAL STATEMENT OF REASONS**

The Student Aid Commission published its Notice of Proposed Rulemaking on July 11, 2014, in the California Regulatory Notice Register. One public hearing was scheduled for August 27, 2014. No additional hearings were requested by any member of the public. The last day for written comment on the Notice of the Proposed Rulemaking was August 27, 2014.

The Commission's Strategic Policy & Planning Committee held the public hearing on the proposed regulations on August 27, 2014. The Committee heard oral testimony from three commenters during the hearing, whose comments are summarized below. No written comments were received in response to the proposed rulemaking.

The Commission held further discussion of the regulations at its regularly scheduled meeting on September 18-19, 2014. At that time, the Commission was provided with a summary of the oral testimony received during the public hearing. The Commission also allowed public comment on the agenda item under the Bagley-Keene Open Meeting Act.

All other information as contained in the Initial Statement of Reasons, as published on July 11, 2014, remains unchanged and is hereby incorporated by reference in the Final Statement of Reasons. The Commission has not added any additional data or any technical, theoretical or empirical studies, reports or similar documents on which the Commission relied on in proposing these amendments.

As previously stated within the Notice of Proposed Rulemaking, this Final Statement of Reasons is posted on the Student Aid Commission's website at: <http://www.csac.ca.gov/doc.asp?id=1331>.

## UPDATED INFORMATIVE DIGEST

There have been no changes in applicable laws or to the effect of the proposed regulations from the laws and effects described in the Informative Digest/Policy Statement Overview as published in the Notice of Proposed Regulatory Action.

## SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING THE 45-DAY PUBLIC NOTICE PERIOD INVOLVING THE PROPOSED REGULATIONS

The Commission received no written public comment in response to the public comment period, which began on July 11, 2014 and ended on August 27, 2014. The Commission did receive oral testimony from three commenters during the public hearing.

**Veronica Villalobos, Association of Independent California Colleges and Universities AICCU:** The AICCU expressed support for the proposed amendment relating to visiting students.

**Response:** This expression of support was accepted and considered in adoption of the proposed action.

**Chris Carter, University of California Office of the President (UCOP):** The UCOP expressed support for the proposed amendment relating to visiting students.

**Response:** This expression of support was accepted and considered in adoption of the proposed action.

**Rhonda Mohr, California Community College's Chancellor's Office (CCCCO):** The CCCCCO requested that the Commission consider whether to exclude students enrolled in non-credit courses from section 30040 which identifies those students who are excluded from an institution's data for purposes of enrollment, persistence and graduation reporting.

**Response:** The Commission agreed to hold further consultation on whether to amend section 30040 to exclude students enrolled solely in non-credit courses from an institution's data for purposes of enrollment, persistence and graduation reporting in a future rulemaking.

There were no further comments, objections or recommendations received within the 45-day public comment period regarding the proposed action.

**REASONABLE ALTERNATIVES TO THE REGULATION, INCLUDING ALTERNATIVES THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESS, AND THE COMMISSION'S REASONS FOR REJECTING THOSE ALTERNATIVES**

The Commission considered reasonable alternatives to the amendments and determined that no reasonable alternative would be more effective in carrying out the purpose for which the action is proposed or would be as effective as, and less burdensome to affected private persons than the amendments. This conclusion is based on the Commission's determination that the amendments are necessary to implement Education Code Section 69433.2 in a manner consistent with existing statutes and case law, and the amendments add no new substantive requirements. The Commission rejected the no action alternative because it would not achieve the objectives of the amendments. There are no alternatives available that would lessen any adverse impacts on small businesses, as any impacts would result from the implementation of existing law.

**EVIDENCE SUPPORTING AN INITIAL DETERMINATION THAT THE ACTION WILL NOT HAVE A SIGNIFICANT ADVERSE ECONOMIC IMPACT ON BUSINESS**

The amendments interpret and make specific statutory Education Code provisions relating to the Cal Grant Program. The Cal Grant Program is voluntary program which postsecondary institutions may participate in to permit their eligible students to receive state grant aid. The amendments relate to data reporting required of those institutions that do elect to voluntarily participate in the Cal Grant Program. Because the amendments do not add any substantive requirements, they will not result in an adverse impact on businesses in California.

**DETERMINATION REGARDING LOCAL MANDATE**

Education Code section 69433.2 which requires that Cal Grant participating institutions report to the Commission certain information relating to their undergraduate programs. Education Code section 69433.2 provides:

As a condition for its voluntary participation in the Cal Grant Program, each Cal Grant participating institution shall, beginning in 2012, annually report to the commission, and as further specified in the institutional participation agreement, both of the following for its undergraduate programs:

- (a) Enrollment, persistence, and graduation data for all students, including aggregate information on Cal Grant recipients.
- (b) The job placement rate and salary and wage information for each program that is either (1) designed or advertised to lead to a particular type of job; or (2) advertised or promoted with any claim regarding job placement.

### **Exhibit 21.3**

Because the Cal Grant Program is a voluntary program, participation by a local government such as the California community colleges, is not mandatory. However, the Commission has consulted with the California community colleges to develop a reporting methodology that takes advantage of data that is currently already collected and disseminated by the California community colleges. As a result, costs incurred by the California community colleges to report the same data to the Commission, if any, would be negligible.