

Exhibit 10

Information/Action Item

Update on the Commission's Institutional Participation Agreement (IPA) Process

The Institutional Participation Agreement (IPA) establishes the administrative, fiscal and information security requirements for institutions participating in the Cal Grant program. The current IPA expires June 30, 2016. To ensure institutions may timely enter into a new IPA, the Commission will need to adopt a new IPA no later than February 2016.

Staff made a presentation on the Commission's Institutional Participation Agreement (IPA) at the February 19-20, 2015 Commission meeting. The following exhibit provides an update on the process.

The Institutional Participation Agreement

The current IPA consists of nine articles regarding:

- Participation
- General Provisions
- Account Maintenance
- Disbursement
- Commission Responsibilities
- Information Security
- Corrective Measures
- Agreement Duration
- Certification

At present, there is one version of the IPA for all 304 participating institutions:

- 158 private institutions
- 114 California Community Colleges
- 23 California State University campuses
- 9 University of California campuses

Though the IPA is a four-year agreement, institutions may lose eligibility during the agreement period if they fail to demonstrate that they meet the minimum qualifications for participation as set forth in California Education Code 69432.7(l). Common reasons institutions lose eligibility include:

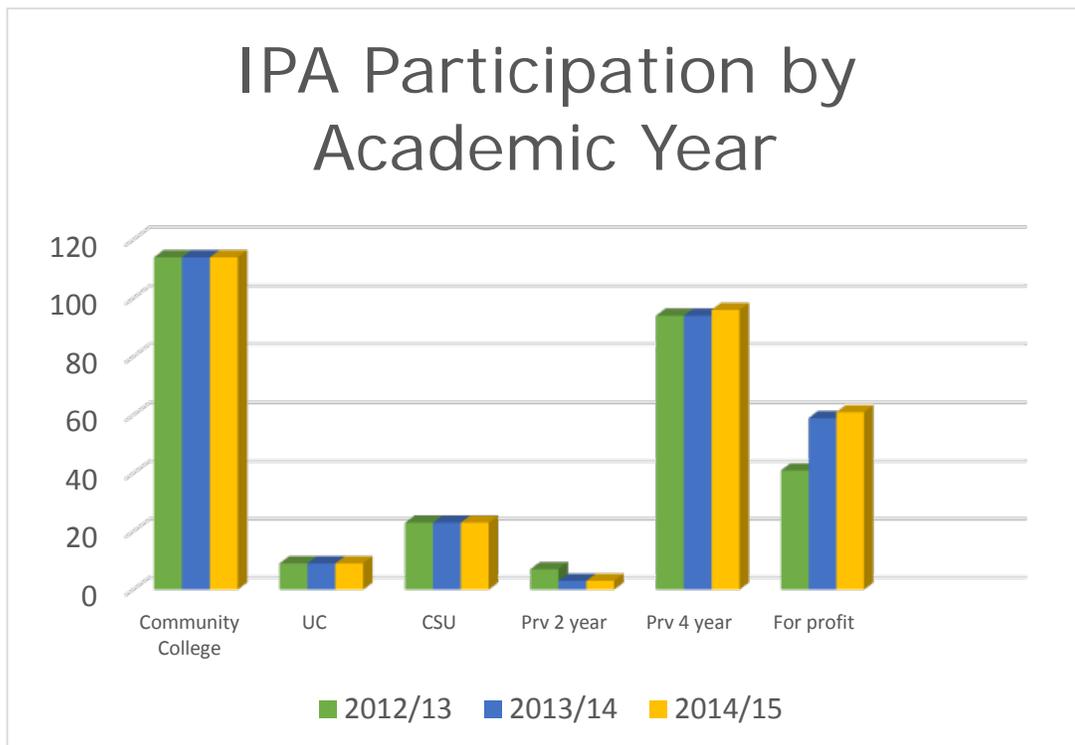
- ✓ Not meeting required cohort default rates and graduation rates;
- ✓ Loss of accreditation;

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- ✓ Voluntarily withdrawing from the Cal Grant program.

Between 2012 and 2014, twenty-eight institutions were removed from program eligibility. The majority of institutions were from the For-Profit segment. Institutions can also alternate eligibility statuses from one year to the next based on the criteria for cohort default rate and graduation rates. Institutions may become program eligible at any time during the four-year agreement; the duration of newly eligible institutions IPA coverage may, correspondingly, be less than the four-year cycle for a given IPA period. Chart 1, below, shows IPA participation by segment for the last three academic years.

**Chart 1
IPA by Segment**



Staff IPA Workgroup

An internal workgroup consisting of 12 Commission staff continued their review of the 2012-2016 IPA. The workgroup additionally established a timeline to complete the 2016-2020 IPA amendment, review and approval process as shown in Chart 2.

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**Chart 2
IPA Timeline**

Timeframe	Action
February 2015	Commission staff reviews IPA and develops changes, clarifications and enhancements
April 2015	Stakeholder workgroup meetings started
July 2015	Proposed IPA drafted based on staff and stakeholder input
August – October 2015	Public meetings held to solicit feedback on draft IPA
November - December 2015	Public comments analyzed and incorporated into draft IPA
November 2015	Proposed IPA with public comments presented to the Commissioners for review and discussion
January 2016	IPA with proposed amendments finalized
February 2016	Proposed IPA presented to the Commissioners for review and consideration
March 2016	Approved IPA released to institutions with a June 30, 2016 due date

A Special Alert was distributed through the Commission’s List-Serv subscription service on March 20, 2015, inviting interested stakeholders to participate in the IPA stakeholder workgroup meetings. The purpose of the stakeholder workgroup is threefold: to provide feedback on stakeholder experience with the current IPA, to review and provide feedback on the internal workgroup’s recommendations, and to provide additional recommendations for Commission consideration in the drafting of the 2016-2020 IPA. The first scheduled meeting for the workgroup was April 7, 2015; meetings will be conducted in a hybrid format (in-person and simultaneously via webinar) every two weeks through June, 2015.

Stakeholder meetings will be held in two formats: two in-person, town-hall style meetings (one in Northern California and one in Southern California) and two webinar/telephone meetings. Additional opportunities for public comment will be available to stakeholders via the use of a specialized email box for written comments. Stakeholders will be notified of these feedback mechanisms via the Commission’s List-Serv and website.

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