AGENDA

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GRANT ADVISORY COMMITTEE MEETING

❖ ❖

October 20, 2006

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CALIFORNIA STUDENT AID COMMISSION

AGENDA

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GRANT ADVISORY COMMITTEE MEETING

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October 20, 2006

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GRANT ADVISORY COMMITTEE

MARY T. LINDSEY – CHAIR
PROPRIETARY INSTITUTION REPRESENTATIVE

MARIA HERNANDEZ – VICE CHAIR
CALIFORNIA STATE UNIVERSITY REPRESENTATIVE

LOUISE MCCLAIN
COMMISSION LIAISON

Kate Jeffery
University of California Representative

Lora Jo Bossio
University of California Representative

Gregory Allan Cendana
University of California Student Representative

Mary L. Robinson
California State University Representative

Kenneth Evans
California State University Student Representative

Timothy P. Bonnel
California Community Colleges Chancellor's Office Representative

Vacant
California Community Colleges Representative

Vacant
California Community Colleges Student Representative

Veronica Villalobos
Independent California Colleges and Universities Representative

Catherine Thomas
Independent California Colleges and Universities Representative

Vacant
Independent California Colleges and Universities Student Representative

Laura Cunha
Proprietary Institution Representative

Vacant
Proprietary Institution Student Representative

Vacant
K-12 Schools Representative

Vacant
K-12 Schools Representative

Greg Gollihur
California Postsecondary Education Commission Representative

Noelia Gonzalez
California Association of Student Financial Aid Administrators (CASFAA) Executive Council Representative

Sharon Bowles
High School Counselor Representative

GRANT ADVISORY COMMITTEE MISSION STATEMENT

"The Committee advises the Commission on program funding and policy issues related to the provision of state administered grants and specialized programs for California students."

GRANT ADVISORY COMMITTEE

Mary T. Lindsey, Chair
Maria Hernandez, Vice-Chair

AGENDA FOR MEETING OF October 20, 2006, 8:30 a.m. – 3:30 p.m.

California Student Aid Commission
3300 Zinfandel Drive
Rancho Cordova, CA 95670

TAB* ITEM

1. Approval of Minutes (June 16, 2006, August 4, 2006)

2. Committee Chair's Report

3. Executive Director's Report

4. Work Group Recommendations and Report

   4.1 Report on Bagley-Keene Open Meeting Act Discussion

   4.2 Report on the Study to Assess the Accuracy of Self-reported High School Graduation Data Reported to Cal Grant Participating Institutions by New Entitlement Recipients

   4.3 Proposed *Uniform Policies for Advisory Bodies*

   4.4 Implementation of Commission Actions with Respect to the Internal Audit Review of Cal Grant Disbursements and Reconciliation

   - Method for Calculating Interest on Funds Held in an Interest-bearing Account
   - Summer Term Reconciliation Processes and Deadline

   4.5 Discussion of Senate Bill 1383

   4.6 Cal Grant Selection Criteria Matrix for 2007-08 and Future Award Years

   4.7 Review of the Proposed 2007 Cal Grant Institution Participation Agreement (IPA)

   4.8 GAC Work Groups and Master Calendar for 2007

5. Program Updates

   5.1 Cal Grant Update
   5.2 Update on the Transfer Entitlement Awarding Process
   5.3 Chafee Grant Program Update
   5.4 CSAC Training Academy Update
   5.5 Cash for College Update
   5.6 Cal Grant Public Awareness Campaign Update

6. Student Expenses and Resources Survey (SEARS) Project Status Update

7. Proposed 2007-08 Nine-Month Student Expense Budgets

8. 2007-08 Cal Grant Income & Asset Ceilings

GRANT ADVISORY COMMITTEE

Mary T. Lindsey, Chair
Maria Hernandez, Vice-Chair

9. Proposed State Nursing Assumption Program of Loans for Education (SNAPLE) Regulations

10. Proposed National Guard Assumption Program of Loans for Education (NGAPLE) Regulations

11. Proposed State Facilities Assumption Program of Loans for Education (SFAPLE) Regulations

12. State and Federal Legislative Update

13. Election of Chair and Vice Chair

Public Participation Segment for Presentations/Comments by Members of the Audience

Adjournment

*TAB order may be changed.

1

Information/Action Item

GRANT ADVISORY COMMITTEE

Approval of Minutes (June 16, 2006 and August 4, 2006)

The June 16, 2006 Teleconference Minutes and August 4, 2006 GAC Committee Minutes will be sent to you under separate cover.

Recommended Action: Review the minutes, make corrections and approve with corrections.

Responsible Staff: Jorge Cortez, Associate Financial Aid Analyst
School Support Services Branch

2

Information/Action Item

GRANT ADVISORY COMMITTEE

Committee Chair's Report

The Committee Chair will provide an oral update on the Grant Advisory Committee's activities since the last meeting.

Responsible Staff: Mary Lindsey, Chair
Grant Advisory Committee

3

Information/Action Item

GRANT ADVISORY COMMITTEE

Executive Director's Report

The Executive Director will give an oral update on the recent activities of the Commission.

Responsible Staff: Diana Fuentes-Michel, Executive Director
California Student Aid Commission

4

Information/Action Item

GRANT ADVISORY COMMITTEE

Work Group Recommendations and Report

The Committee will provide recommendations and reports on the following subjects:

4.1 Report on Bagley-Keene Open Meeting Act Discussion

4.2 Report on the Study to Assess the Accuracy of Self-reported High School Graduation Data Reported to Cal Grant Participating Institutions by New Entitlement Recipients

4.3 Proposed *Uniform Policies and Procedures for Advisory Bodies*

4.4 Implementation of Commission Actions with Respect to the Internal Audit Review of Cal Grant Disbursements and Reconciliation

- Method for Calculation Interest on Funds Held in an Interest-bearing Account
- Method for Calculating Interest on Funds Held in an Interest-bearing Account

4.5 Discussion of Senate Bill 1383

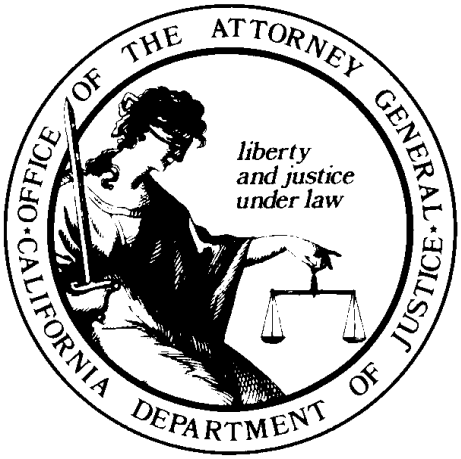
4.6 Cal Grant Selection Criteria Matrix for 2007-08 and Future Award Years

4.7 Review of the Proposed 2007 Cal Grant Institutional Participation Agreement

4.8 GAC Work Groups and Master Calendar for 2007

Responsible Staff: Mary Lindsey, Chair
Grant Advisory Committee

Kate Jeffery, Co-Chair
Enhancing Reporting and Analysis Work Group



A Handy Guide to The Bagley-Keene Open Meeting Act 2004

California Attorney General's Office

INTRODUCTION

The Bagley-Keene Open Meeting Act ("the Act" or "the Bagley-Keene Act"), set forth in Government Code sections 11120-11132[1], covers all state boards and commissions. Generally, it requires these bodies to publicly notice their meetings, prepare agendas, accept public testimony and conduct their meetings in public unless specifically authorized by the Act to meet in closed session. Following is a brief summary of the Act's major provisions. Although we believe that this summary is a helpful road map, it is no substitute for consulting the actual language of the Act and the court cases and administrative opinions that interpret it.

If you wish to obtain additional copies of this pamphlet, they may be ordered or downloaded via the Attorney General's Home Page, located on the World Wide Web at http://caag.state.ca.us. You may also write to the Attorney General's Office, Public Inquiry Unit, P.O. Box 944255, Sacramento, CA 94244-2550 or call us at (800) 952-5225 (for callers within California), or (916) 322-3360 (for callers outside of California); the TTY/TDD telephone numbers are (800) 952-5548 (for callers within California), or (916) 324-5564 (for callers outside of California).

PURPOSE OF THE ACT

Operating under the requirements of the Act can sometimes be frustrating for both board members and staff. This results from the lack of efficiency built into the Act and the unnatural communication patterns brought about by compliance with its rules.

If efficiency were the top priority, the Legislature would create a department and then permit the department head to make decisions. However, when the Legislature creates a multimember board, it makes a different value judgment. Rather than striving strictly for efficiency, it concludes that there is a higher value to having a group of individuals with a variety of experiences, backgrounds and viewpoints come together to develop a consensus. Consensus is developed through debate, deliberation and give and take. This process can sometimes take a long time and is very different in character than the individual-decision-maker model.

Although some individual decision-makers follow a consensus-building model in the way that they make decisions, they're not required to do so. When the Legislature creates a multimember body, it is mandating that the government go through this consensus building process.

When the Legislature enacted the Bagley-Keene Act, it imposed still another value judgment on the governmental process. In effect, the Legislature said that when a body sits down to develop its consensus, there needs to be a seat at the table reserved for the public. (§ 11120.) By reserving this place for the public, the Legislature has provided the public with the ability to monitor and participate in the decision-making process. If the body were permitted to meet in secret, the public's role in the decision-making process would be negated. Therefore, absent a specific reason to keep

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[1]All statutory references are to the Government Code.

the public out of the meeting, the public should be allowed to monitor and participate in the decision-making process.

If one accepts the philosophy behind the creation of a multimember body and the reservation of a seat at the table for the public, many of the particular rules that exist in the Bagley-Keene Act become much easier to accept and understand. Simply put, some efficiency is sacrificed for the benefits of greater public participation in government.

BODIES COVERED BY THE ACT: General Rule

The general rule for determining whether a body is covered by the Act involves a two part test (§ 11121(a)):

First, the Act covers multimember bodies. A multimember body is two or more people. Examples of multimember bodies are: state boards, commissions, committees, panels, and councils. Second, the body must be created by statute or required by law to conduct official meetings. If a body is created by statute, it is covered by the Act regardless of whether it is decision-making or advisory.

- **Advisory Bodies**

The Act governs two types of advisory bodies: (1) those advisory bodies created by the Legislature and (2) those advisory bodies having three or more members that are created by formal action of another body. (§11121(c).) If an advisory body created by formal action of another body has only two members, it is not covered by the Bagley-Keene Act. Accordingly, that body can do its business without worrying about the notice and open meeting requirements of the Act. However, if it consists of three people, then it would qualify as an advisory committee subject to the requirements of the Act.

When a body authorizes or directs an individual to create a new body, that body is deemed to have been created by formal action of the parent body even if the individual makes all decisions regarding composition of the committee. The same result would apply where the individual states an intention to create an advisory body but seeks approval or ratification of that decision by the body.

Finally, the body will probably be deemed to have acted by formal action whenever the chair of the body, acting in his or her official capacity, creates an advisory committee. Ultimately, unless the advisory committee is created by staff or an individual board member, independent of the body's authorization or desires, it probably should be viewed as having been created by formal action of the body.

- **Delegated Body**

The critical issue for this type of body is whether the committee exercises some power that has been delegated to it by another body. If the body has been delegated the power to act, it is a delegated committee. (§ 11121(b).) A classic example is the executive committee that is given authority to act on behalf of the entire body between meetings. Such executive committees are delegated committees and are covered by the requirements of the Act.

There is no specific size requirement for the delegated body. However, to be a body, it still must be comprised of multiple members. Thus, a single individual is not a delegated body.

- **Commissions Created by the Governor**

The Act specifically covers commissions created by executive order. (§ 11121(a).) That leaves open two potential issues for resolution with respect to this type of body. First, what's an executive order as opposed to other exercises of power by the Governor? Second, when is a body a "commission" within the meaning of this provision? There is neither case law nor an Attorney General opinion addressing either of these issues in this context.

- **Body Determined by Membership**

The next kind of body is determined by who serves on it. Under this provision, a body becomes a state body when a member of a state body, in his or her official capacity, serves as a representative on another body, either public or private, which is funded in whole or in part by the representative's state body. (§ 11121(d).) It does not come up often, but the Act should be consulted whenever a member of one body sits as a representative on another body.

In summary, the foregoing are the general types of bodies that are defined as state bodies under the Bagley-Keene Act. As will be discussed below, these bodies are subject to the notice and open meeting requirements of the Act.

MEMBERS-TO-BE

The open meeting provisions of the Act basically apply to new members at the time of their election or appointment, even if they have not yet started to serve. (§ 11121.95.) The purpose of this provision is to prevent newly appointed members from meeting secretly among themselves or with holdover members of a body in sufficient numbers so as to constitute a quorum. The Act also requires bodies to provide their new members with a copy of the Act. (§ 11121.9.) We recommend that this Handy Guide be used to satisfy that requirement.

WHAT IS A MEETING?

The issue of what constitutes a meeting is one of the more troublesome and controversial issues under the Act. A meeting occurs when a quorum of a body convenes, either serially or all together, in one place, to address issues under the body's jurisdiction. (§ 11122.5.) Obviously, a meeting would include a gathering where members were debating issues or voting on them. But a meeting also includes situations in which the body is merely receiving information. To the extent that a body receives information under circumstances where the public is deprived of the opportunity to monitor the information provided, and either agree with it or challenge it, the open-meeting process is deficient.

Typically, issues concerning the definition of a meeting arise in the context of informal gatherings such as study sessions or pre-meeting get-togethers. The study session historically arises from the body's desire to study a subject prior to its placement on the body's agenda. However, if a quorum is involved, the study session should be treated as a meeting under the Act. With respect to pre-meeting briefings, this office opined that staff briefings of the city council a half hour before the noticed city council meeting to discuss the items that would appear on the council's meeting agenda were themselves meetings subject to open meeting laws.[2] To the extent that a briefing is desirable, this office recommends that the executive officer prepare a briefing paper which would then be available to the members of the body, as well as, to the public.

- **Serial Meetings**

The Act expressly prohibits the use of direct communication, personal intermediaries, or technological devices that are employed by a majority of the members of the state body to develop a collective concurrence as to action to be taken on an item by the members of the state body outside of an open meeting. (§ 11122.5(b).) Typically, a serial meeting is a series of communications, each of which involves less than a quorum of the legislative body, but which taken as a whole involves a majority of the body's members. For example, a chain of communications involving contact from member A to member B who then communicates with member C would constitute a serial meeting in the case of a five-person body. Similarly, when a person acts as the hub of a wheel (member A) and communicates individually with the various spokes (members B and C), a serial meeting has occurred. In addition, a serial meeting occurs when intermediaries for board members have a meeting to discuss issues. For example, when a representative of member A meets with representatives of members B and C to discuss an agenda item, the members have conducted a serial meeting through their representatives acting as intermediaries.

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[2] 42 Ops.Cal.Atty.Gen. 61 (1963); see also 32 Ops.Cal.Atty.Gen. 240 (1958).

In the *Stockton Newspapers* case, the court concluded that a series of individual telephone calls between the agency attorney and the members of the body constituted a meeting.[3] In that case, the attorney individually polled the members of the body for their approval on a real estate transaction. The court concluded that even though the meeting was conducted in a serial fashion, it nevertheless was a meeting for the purposes of the Act.

An executive officer may receive spontaneous input from board members on the agenda or on any other topic. But problems arise if there are systematic communications through which a quorum of the body acquires information or engages in debate, discussion, lobbying, or any other aspect of the deliberative process, either among themselves or between board members and the staff.

Although there are no cases directly on point, if an executive officer receives the same question on substantive matters addressed in an upcoming agenda from a quorum of the body, this office recommends that a memorandum addressing these issues be provided to the body and the public so they will receive the same information.

This office has opined that under the Brown Act (the counterpart to the Bagley-Keene Act which is applicable to local government bodies) that a majority of the board members of a local public agency may not e-mail each other to discuss current topics related to the body's jurisdiction even if the e-mails are also sent to the secretary and chairperson of the agency, posted on the agency's Internet website, and made available in printed form at the next public meeting of the board.[4]

The prohibition applies only to communications employed by a quorum to develop a collective concurrence concerning action to be taken by the body. Conversations that advance or clarify a member's understanding of an issue, or facilitate an agreement or compromise among members, or advance the ultimate resolution of an issue, are all examples of communications that contribute to the development of a concurrence as to action to be taken by the body. Accordingly, with respect to items that have been placed on an agenda or that are likely to be placed upon an agenda, members of state bodies should avoid serial communications of a substantive nature that involve a quorum of the body.

In conclusion, serial meeting issues will arise most commonly in connection with rotating staff briefings, telephone calls or e-mail communications among a quorum of board members. In these situations, part of the deliberative process by which information is received and processed, mulled over and discussed, is occurring without participation of the public.

Just remember, serial-meeting provisions basically mean that what the body can not do as a group it can not do through serial communications by a quorum of its members.

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[3] *Stockton Newspapers, Inc.* v. *Redevelopment Agency* (1985) 171 Cal.App.3d 95, 105. See also, 65 Ops.Cal.Atty.Gen. 63, 66 (1982); 63 Ops.Cal.Atty.Gen. 820, 828-829 (1980).

[4] Cal.Atty.Gen., Indexed Letter, No. IL 00-906 (February 20, 2001).

- **Contacts by the Public**

One of the more difficult areas has to do with the rights of the public to contact individual members. For example, a communication from a member of the public to discuss an issue does not violate the Act. (§ 11122.5(c)(1).) The difficulty arises when the individual contacts a quorum of the body.

So long as the body does not solicit or orchestrate such contacts, they would not constitute a violation of the Bagley-Keene Act. Whether its good policy for a body to allow these individual contacts to occur is a different issue.

- **Social Gatherings**

The Act exempts purely social situations from its coverage. (§ 11122.5(c)(5).) However, this construction is based on the premise that matters under the body's jurisdiction will not be discussed or considered at the social occasion. It may be useful to remind board members to avoid "shop talk" at the social event. Typically, this is difficult because service on the body is their common bond.

- **Conferences and Retreats**

Conferences are exempt from the Act's coverage so long as they are open to the public and involve subject matter of general interest to persons or bodies in a given field. (§ 11122.5(c)(2).) While in attendance at a conference, members of a body should avoid private discussions with other members of their body about subjects that may be on an upcoming agenda. However, if the retreat or conference is designed to focus on the laws or issues of a particular body it would no be exempt under the Act.

- **Teleconference Meetings**

The Act provides for audio or audio and visual teleconference meetings for the benefit of the public and the body. (§ 11123.) When a teleconference meeting is held, each site from which a member of the body participates must be accessible to the public. [Hence, a member cannot participate from his or her car, using a car phone or from his or her home, unless the home is open to the public for the duration of the meeting.] All proceedings must be audible and votes must be taken by rollcall. All other provisions of the Act also apply to teleconference meetings. For these reasons, we recommend that a properly equipped and accessible public building be utilized for teleconference meetings. This section does not prevent the body from providing additional locations from which the public may observe the proceedings or address the state body by electronic means.

NOTICE AND AGENDA REQUIREMENTS

The notice and agenda provisions require bodies to send the notice of its meetings to persons who have requested it. (§ 11125(a).) In addition, at least ten days prior to the meeting, bodies must

prepare an agenda of all items to be discussed or acted upon at the meeting. (§ 11125(b).) In practice, this usually translates to boards and commissions sending out the notice and agenda to all persons on their mailing lists. The notice needs to state the time and the place of the meeting and give the name, phone number and address of a contact person who can answer questions about the meeting and the agenda. (§ 11125(a).) The agenda needs to contain a brief description of each item to be transacted or discussed at the meeting, which as a general rule need not exceed 20 words in length. (§ 11125(b).)

The agenda items should be drafted to provide interested lay persons with enough information to allow them to decide whether to attend the meeting or to participate in that particular agenda item. Bodies should not label topics as "discussion" or "action" items unless they intend to be bound by such descriptions. Bodies should not schedule items for consideration at particular times, unless they assure that the items will not be considered prior to the appointed time.

The notice and agenda requirements apply to both open and closed meetings. There is a tendency to think that agendas need not be prepared for closed session items because the public cannot attend. But the public's ability to monitor closed sessions directly depends upon the agenda requirement which tells the public what is going to be discussed.

REGULAR MEETINGS

The Act, itself, does not directly define the term " regular meeting." Nevertheless, there are several references in the Act concerning regular meetings. By inference and interpretation, the regular meeting is a meeting of the body conducted under normal or ordinary circumstances. A regular meeting requires a 10-day notice. This simply means that at least 10 days prior to the meeting, notice of the meeting must be given along with an agenda that sufficiently describes the items of business to be transacted or discussed. (§§ 11125(a), 11125(b).) The notice for a meeting must also be posted on the Internet, and the web site address must be included on the written agenda. In addition, upon request by any person with a disability, the notice must be made available in appropriate alternative formats, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the applicable federal rules and regulations. The notice must contain information regarding the manner in which and the deadline by which a request for any disability-related modification or accommodation, including auxiliary aids or services, may be made by a person requiring these aids or services in order to participate in the meeting.

In two special situations, items may be added to the agenda within the 10-day notice period, provided that they are added and notice is given no later than 48 hours prior to the meeting. (§ 11125.) The first such situation is where the body concludes that the topic it wishes to add would qualify for an emergency meeting as defined in the Act. (§ 11125.3(a)(1).) The second situation is where there is a need for immediate action and the need for action came to the attention of the body after the agenda was mailed in accordance with the 10-day notice requirement. (§ 11125.3(a)(2).) This second situation requires a two-thirds vote or a unanimous vote if two-thirds of the members are not present.

Changes made to the agenda under this section must be delivered to the members of the body and to national wires services at least 48 hours before the meeting and must be posted on the Internet as soon as practicable.

SPECIAL MEETINGS

A few years ago, special meetings were added to the Act to provide relief to agencies that, due to the occurrence of unforeseen events, had a need to meet on short notice and were hamstrung by the Act's 10-day notice requirement. (§ 11125.4.) The special meeting requires that notice be provided at least 48 hours before the meeting to the members of the body and all national wire services, along with posting on the Internet.

The purposes for which a body can call a special meeting are quite limited. Examples include pending litigation, legislation, licencing matters and certain personnel actions. At the commencement of the special meeting, the body is required to make a finding that the 10-day notice requirement would impose a substantial hardship on the body or that immediate action is required to protect the public interest and must provide a factual basis for the finding. The finding must be adopted by two-thirds vote and must contain articulable facts that support it. If all of these requirements are not followed, then the body can not convene the special meeting and the meeting must be adjourned.

EMERGENCY MEETINGS

The Act provides for emergency meetings in rare instances when there exists a crippling disaster or a work stoppage that would severely impair public health and safety. (§ 11125.5.) An emergency meeting requires a one-hour notice to the media and must be held in open session. The Act also sets forth a variety of other technical procedural requirements that must be satisfied.

PUBLIC PARTICIPATION

Since one of the purposes of the Act is to protect and serve the interests of the general public to monitor and participate in meetings of state bodies, bodies covered by the Act are prohibited from imposing any conditions on attendance at a meeting. (§ 11124.) For example, while the Act does not prohibit use of a sign-in sheet, notice must be clearly given that signing-in is voluntary and not a pre-requisite to either attending the meeting or speaking at the meeting. On the other hand, security measures that require identification in order to gain admittance to a government building are permitted so long as security personnel do not share the information with the body.

In addition, members of the public are entitled to record and to broadcast (audio and/or video) the meetings, unless to do so would constitute a persistent disruption. (§ 11124.1.)

To ensure public participation, the Legislature expressly afforded an opportunity to the public to speak or otherwise participate at meetings, either before or during the consideration of each agenda item. (§11125.7.) The Legislature also provided that at any meeting the body can elect to consider comments from the public on any matter under the body's jurisdiction. And while the body cannot act on any matter not included on the agenda, it can schedule issues raised by the public for consideration at future meetings. Public comment protected by the Act includes criticism of the programs, policies and officials of the state body.

ACCESS TO RECORDS

Under the Act, the public is entitled to have access to the records of the body. (§ 11125.1.) In general, a record includes any form of writing. When materials are provided to a majority of the body either before or during the meeting, they must also be made available to the public without delay, unless the confidentiality of such materials is otherwise protected. Any records provided to the public, must be available in appropriate alternative formats, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the applicable federal rules and regulations, upon request by a person with a disability.

Notwithstanding the foregoing, the Act makes Government Code section 6254, the most comprehensive exemption under the California Public Records Act, applicable to records provided to the body. That is, if the record that is being provided to the board members is a record that is otherwise exempt from disclosure under section 6254 of the Government Code, then the record need not be disclosed to members of the public. (§ 11125.1(a).) However, the public interest balancing test, set forth in Government Code section 6255, is expressly made inapplicable to records provided to members of the body.

If an agency has received a request for records, the Public Records Act allows the agency to charge for their duplication. (§ 11125.1(c).) Please be aware that the Public Records Act limits the amount that can be charged to the direct cost of duplication. This has been interpreted to mean a pro-rata share of the equipment cost and probably a pro-rata share of the employee cost in order to make the copies. It does not include anything other than the mere reproduction of the records. (See,§ 6253.9 for special rules concerning computer records.) Accordingly, an agency may not recover for the costs of retrieving or redacting a record.

ACCESSABILITY OF MEETING LOCATIONS

The Act requires that the place and manner of the meeting be nondiscriminatory. (§ 11131.) As such, the body cannot discriminate on the basis of race, religion, national origin, etc. The meeting site must also be accessible to the disabled. Furthermore, the agency may not charge a fee for attendance at a meeting governed by the Act.

CLOSED SESSIONS

Although, as a general rule, all items placed on an agenda must be addressed in open session, the Legislature has allowed closed sessions in very limited circumstances, which will be discussed in detail below. Closed sessions may be held legally only if the body complies with certain procedural requirements. (§ 11126.3)

As part of the required general procedures, the closed session must be listed on the meeting agenda and properly noticed. (§ 11125(b).) Prior to convening into closed session, the body must publically announce those issues that will be considered in closed session. (§ 11126.3.) This can be done by a reference to the item as properly listed on the agenda. In addition, the agenda should cite the statutory authority or provision of the Act which authorizes the particular closed session. (§11125(b).) After the closed session has been completed, the body is required to reconvene in public. (§ 11126.3(f).) However, the body is required to make a report only where the body makes a decision to hire or fire an individual. (§ 11125.2.) Bodies under the Bagley-Keene Act are required to keep minutes of their closed sessions. (§ 11126.1.) Under the Act, these minutes are confidential, and are disclosable only to the board itself or to a reviewing court.

Courts have narrowly construed the Act's closed-session exceptions. For example, voting by secret ballot at an open-meeting is considered to be an improper closed session. Furthermore, closed sessions may be improperly convened if they are attended by persons other than those directly involved in the closed session as part of their official duties.

- **Personnel Exception**

The personnel exception generally applies only to employees. (§ 11126(a) and (b).) However, a body's appointment pursuant to subdivision (e) of Section 4 of Article VII of the California Constitution (usually the body's executive director) has been designated an employee for purposes of the personnel exception. On the other hand, under the Act, members of the body are not to be considered employees, and there exists no personnel exception or other closed session vehicle for board members to deal with issues that may arise between them. Board elections, team building exercises, and efforts to address personality problems that may arise between members of the board, cannot be handled in closed session.

Only certain categories of subject matter may be considered at a closed session authorized under the personnel exception. (§ 11126(a)(1).) The purpose of the personnel exception is to protect the privacy of the employee, and to allow the board members to speak candidly. It can be used to consider appointments, employment, evaluation of performance, discipline or dismissal, as well as to hear charges or complaints about an employee's actions. Although the personnel exception is appropriate for discussion of an employee's competence or qualifications for appointment or employment, we do not think that discussion of employee compensation may be conducted in closed

session in light of an appellate court decision interpreting a similar exception in the Brown Act, (the counterpart to the Bagley-Keene Act which is applicable to local government bodies).[5]

The Act requires compliance with specific procedures when the body addresses a complaint leveled against an employee by a third person or initiates a disciplinary action against an employee. Under either circumstance, the Act requires 24-hour written notice to the employee. (§ 11126(a)(2).) Failure to provide such notice voids any action taken in closed session.

Upon receiving notice, the employee has the right to insist that the matter be heard in public session. (§ 11126(a)(2).) However, the opposite is not true. Under the Act, an employee has no right to have the matter heard in closed session. If the body decides to hold an open session, the Bagley-Keene Act does not provide any other option for the employee. Considerations, such as the employee's right to privacy, are not addressed under the Bagley-Keene Act.

If an employee asserts his or her right to have the personnel matter addressed in open session, the body must present the issues and information/evidence concerning the employee's performance or conduct in the open session. However, the body is still entitled to conduct its deliberations in closed session. (§ 11126(a)(4).)

- **Pending Litigation Exception**

The purpose of the pending litigation exception is to permit the agency to confer with its attorney in circumstances where, if that conversation were to occur in open session, it would prejudice the position of the agency in the litigation. (§ 11126(e)(1).) The term "litigation" refers to an adjudicatory proceeding that is held in either a judicial or an administrative forum. (§11126(e)(2)(c)(iii).) For purposes of the Act, litigation is "pending" in three basic situations. (§11126(e)(2).) First, where the agency is a party to existing litigation. Secondly, where under existing facts and circumstances, the agency has substantial exposure to litigation. And thirdly, where the body is meeting for the purpose of determining whether to initiate litigation. All of these situations constitute pending litigation under the exception.

For purposes of the Bagley-Keene Act, the pending litigation exception constitutes the exclusive expression of the attorney-client privilege. (§ 11126(e)(2).) In general, this means that independent statutes and case law that deal with attorney-client privilege issues do not apply to interpretations of the pending litigation provision of the Bagley-Keene Act. Accordingly, the specific language of the Act must be consulted to determine what is authorized for discussion in closed session.

Because the purpose of the closed session exception is to confer with legal counsel, the attorney must be present during the entire closed session devoted to the pending litigation. The Act's pending litigation exception covers both the receipt of advice from counsel and the making of

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[5] *San Diego Union v. City Council* (1983) 146 Cal.App.3d 947.

litigation decisions (e.g., whether to file an action, and if so, what approach should be taken, whether settlement should be considered, and if so, what the settlement terms should be.

What happens in a situation where a body desires legal advice from counsel, but the Act's pending litigation exception does not apply? In such a case, legal counsel can either (1) provide the legal advice orally and discuss it in open session; or (2) deliver a one-way legal advice memorandum to the board members. The memorandum would constitute a record containing an attorney-client privileged communication and would be protected from disclosure under section 6254(k) of the Public Records Act. (11125.1(a).) However, when the board members receive that memorandum, they may discuss it only in open session, unless there is a specific exception that applies which allows them to consider it in closed session.[6]

- **Deliberations Exception**

The purpose of the deliberations exception is to permit a body to deliberate on decisions in a proceeding under the Administrative Procedures Act, or under similar provisions of law, in closed session. (§ 11126(c)(3).)

- **Real Property Exception**

Under the Act, the real-property exception provides that the body can, in closed session, advise its negotiator in situations involving real estate transactions and in negotiations regarding price and terms of payment. (§ 11126(c)(7).) However, before meeting in closed session, the body must identify the specific parcel in question and the party with whom it is negotiating. Again, the Act requires that the body properly notice its intent to hold a closed session and ~~to~~ cite the applicable authority enabling it to do so.

- **Security Exception**

A state body may, upon a two-thirds vote of those present, conduct a closed session to consider matters posing a potential threat of criminal or terrorist activity against the personnel, property, buildings, facilities, or equipment, including electronic data, owned, leased, or controlled by the state body, where disclosure of these considerations could adversely affect their safety or security. (11126(c)(18).) After such a closed session, the state body must reconvene in open session prior to adjournment and report that a closed session was held along with a description of the general nature of the matters considered, and whether any action was taken in closed session.

Whenever a state body utilizes this closed session exception, it must also provide specific written notice to the Legislative Analyst who must retain this information for at least four years. (11126(c)(18)(D).) This closed session exception will sunset in 2006. (11126(h).)

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[6] *Roberts* v. *City of Palmdale* (1993) 5 Cal.4th 363, 381.

REMEDIES FOR VIOLATIONS

The Act provides for remedies and penalties in situations where violations have allegedly occurred. Depending on the particular circumstances, the decision of the body may be overturned (§ 11130.3), violations may be stopped or prevented (§ 11130), costs and fees may be awarded (§11130.5), and in certain situations, there may be criminal misdemeanor penalties imposed as well. (§ 11130.7.)

Within 90 days of a decision or action of the body, any interested person may file suit alleging a violation of the Act and seeking to overturn the decision or action. Among other things, such suit may allege an unauthorized closed session or an improperly noticed meeting. Although the body is permitted to cure and correct a violation so as to avoid having its decision overturned, this can be much like trying to put toothpaste back in the tube. If possible, the body should try to return to a point prior to when the violation occurred and then proceed properly. For example, if the violation involves improper notice, we recommend that the body invalidate its decision, provide proper notice, and start the process over. To the extent that information has been received, statements made, or discussions have taken place, we recommend that the body include all of this on the record to ensure that everyone is aware of these events and has had an opportunity to respond.

In certain situations where a body has violated the Act, the decision can not be set aside or overturned; namely, where the action taken concerns the issuance of bonds, the entering into contracts where there has been detrimental reliance, the collection of taxes, and, in situations where there has been substantial compliance with the requirements of the Act. (11130.3(b).)

Another remedy in dealing with a violation of the Act involves filing a lawsuit to stop or prevent future violations of the Act. (§ 11130.) In general, these legal actions are filed as injunctions, writs of mandates, or suits for declaratory relief. The Legislature has also authorized the Attorney General, the District Attorney or any other interested person to use these remedies to seek judicial redress for past violations of the Act.

A prevailing plaintiff may recover the costs of suit and attorney's fees from the body (not individual members). (§ 11130.5.) On the other hand, if the body prevails, it may recover attorney's fees and costs only if the plaintiff's suit was clearly frivolous and totally without merit.

The Act provides for misdemeanor penalties against individual members of the body if the member attends a meeting in violation of the Act with the intent to deprive the public of information to which he or she knows, or has reason to know, the public is entitled to receive. (§ 11130.7.)

THE BAGLEY-KEENE OPEN MEETING ACT

Government Code Sections 11120-11132
(January 2004)

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THE BAGLEY-KEENE OPEN MEETING ACT

Government Code Sections 11120-11132

§ 11120. Policy statement; requirement for open meetings

11120. It is the public policy of this state that public agencies exist to aid in the conduct of the people's business and the proceedings of public agencies be conducted openly so that the public may remain informed.

In enacting this article the Legislature finds and declares that it is the intent of the law that actions of state agencies be taken openly and that their deliberation be conducted openly.

The people of this state do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.

This article shall be known and may be cited as the Bagley-Keene Open Meeting Act.

§ 11121. State body

11121. As used in this article, "state body" means each of the following:

(a) Every state board, or commission, or similar multimember body of the state that is created by statute or required by law to conduct official meetings and every commission created by executive order.

(b) A board, commission, committee, or similar multimember body that exercises any authority of a state body delegated to it by that state body.

(c) An advisory board, advisory commission, advisory committee, advisory subcommittee, or similar multimember advisory body of a state body, if created by formal action of the state body or of any member of the state body, and if the advisory body so created consists of three or more persons.

(d) A board, commission, committee, or similar multimember body on which a member of a body that is a state body pursuant to this section serves in his or her official capacity as a representative of that state body and that is supported, in whole or in part, by funds provided by the state body, whether the multimember body is organized and operated by the state body or by a private corporation.

§ 11121.1. State body; exceptions

11121.1. As used in this article, "state body" does not include any of the following:

(a) State agencies provided for in Article VI of the California Constitution.

(b) Districts or other local agencies whose meetings are required to be open to the public pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5).

(c) State agencies provided for in Article IV of the California Constitution whose meetings are required to be open to the public pursuant to the Grunsky-Burton Open Meeting Act (Article 2.2 (commencing with Section 9027) of Chapter 1.5 of Part 1 of Division 2 of Title 2).

(d) State agencies when they are conducting proceedings pursuant to Section 3596.

(e) State agencies provided for in Section 109260 of the Health and Safety Code, except as provided in Section 109390 of the Health and Safety Code.

(f) State agencies provided for in Section 11770.5 of the Insurance Code.

(g) The Credit Union Advisory Committee established pursuant to Section 14380 of the Financial Code.

§ 11121.9. Requirement to provide law to members

11121.9. Each state body shall provide a copy of this article to each member of the state body upon his or her appointment to membership or assumption of office.

§ 11121.95. Application to persons who have not assumed office

11121.95. Any person appointed or elected to serve as a member of a state body who has not yet assumed the duties of office shall conform his or her conduct to the requirements of this article and shall be treated for purposes of this article as if he or she has already assumed office.

§ 11122. Action taken; defined

11122. As used in this article "action taken" means a collective decision made by the members of a state body, a collective commitment or promise by the members of the state body to make a positive or negative decision or an actual vote by the members of a state body when sitting as a body or entity upon a motion, proposal, resolution, order or similar action.

§ 11122.5. Meeting defined; exceptions

11122.5. (a) As used in this article, "meeting" includes any congregation of a majority of the members of a state body at the same time and place to hear, discuss, or deliberate upon any item that is within the subject matter jurisdiction of the state body to which it pertains.

(b) Except as authorized pursuant to Section 11123, any use of direct communication, personal intermediaries, or technological devices that is employed by a majority of the members of the state body to develop a collective concurrence as to action to be taken on an item by the members of the state body is prohibited.

(c) The prohibitions of this article do not apply to any of the following:

(1) Individual contacts or conversations between a member of a state body and any other person.

(2) The attendance of a majority of the members of a state body at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies of the type represented by the state body, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specified nature that is within the subject matter jurisdiction of the state body. This paragraph is not intended to allow members of the public free admission to a conference or similar gathering at which the organizers have required other participants or registrants to pay fees or charges as a condition of attendance.

(3) The attendance of a majority of the members of a state body at an open and publicized meeting organized to address a topic of state concern by a person or organization other than the state body, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specific nature that is within the subject matter jurisdiction of the state body.

(4) The attendance of a majority of the members of a state body at an open and noticed meeting of another state body or of a legislative body of a local agency as defined by Section 54951, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within the subject matter jurisdiction of the other state body.

(5) The attendance of a majority of the members of a state body at a purely social or ceremonial occasion, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the state body.

(6) The attendance of a majority of the members of a state body at an open and noticed meeting of a standing committee of that body, provided that the members of the state body who are not members of the standing committee attend only as observers.

§ 11123. Requirement for open meetings; teleconference meetings

11123. (a) All meetings of a state body shall be open and public and all persons shall be permitted to attend any meeting of a state body except as otherwise provided in this article.

(b) (1) This article does not prohibit a state body from holding an open or closed meeting by teleconference for the benefit of the public and state body. The meeting or proceeding held by teleconference shall otherwise comply with all applicable requirements or laws relating to a specific type of meeting or proceeding, including the following:

(A) The teleconferencing meeting shall comply with all requirements of this article applicable to other meetings.

(B) The portion of the teleconferenced meeting that is required to be open to the public shall be audible to the public at the location specified in the notice of the meeting.

(C) If the state body elects to conduct a meeting or proceeding by teleconference, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the rights of any party or member of the public appearing before the state body. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. The agenda shall provide an opportunity for members of the public to address the state body directly pursuant to Section 11125.7 at each teleconference location.

(D) All votes taken during a teleconferenced meeting shall be by rollcall.

(E) The portion of the teleconferenced meeting that is closed to the public may not include the consideration of any agenda item being heard pursuant to Section 11125.5.

(F) At least one member of the state body shall be physically present at the location specified in the notice of the meeting.

(2) For the purposes of this subdivision, "teleconference" means a meeting of a state body, the members of which are at different locations, connected by electronic means, through either audio or both audio and video. This section does not prohibit a state body from providing members of the public with additional locations in which the public may observe or address the state body by electronic means, through either audio or both audio and video.

§ 11123.1. Compliance with the ADA

11123.1. All meetings of a state body that are open and public shall meet the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

§ 11124. No conditions for attending meetings

11124. No person shall be required, as a condition to attendance at a meeting of a state body, to register his or her name, to provide other information, to complete a questionnaire, or otherwise to fulfill any condition precedent to his or her attendance. If an attendance list, register, questionnaire, or other similar document is posted at or near the entrance to the room where the meeting is to be held, or is circulated to persons present during the meeting, it shall state clearly that the signing, registering, or completion of the document is voluntary, and that all persons may attend the meeting regardless of whether a person signs, registers, or completes the document.

§ 11124.1. Right to record meetings

11124.1. (a) Any person attending an open and public meeting of the state body shall have the right to record the proceedings with an audio or video tape recorder or a still or motion picture camera in the absence of a reasonable finding by the state body that the recording cannot continue without noise, illumination, or obstruction of view that constitutes, or would constitute, a persistent disruption of the proceedings.

(b) Any tape or film record of an open and public meeting made for whatever purpose by or at the direction of the state body shall be subject to inspection pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), but may be erased or destroyed 30 days after the taping or recording. Any inspection of an audio or video tape recording shall be provided without charge on an audio or video tape player made available by the state body.

(c) No state body shall prohibit or otherwise restrict the broadcast of its open and public meetings in the absence of a reasonable finding that the broadcast cannot be accomplished without noise, illumination, or obstruction of view that would constitute a persistent disruption of the proceedings.

§ 11125. Required notice

11125. (a) The state body shall provide notice of its meeting to any person who requests that notice in writing. Notice shall be given and also made available on the Internet at least 10 days in advance of the meeting, and shall include the name, address, and telephone number of any person who can provide further information prior to the meeting, but need not include a list of witnesses expected to appear at the meeting. The written notice shall additionally include the address of the Internet site where notices required by this article are made available.

(b) The notice of a meeting of a body that is a state body shall include a specific agenda for the meeting, containing a brief description of the items of business to be transacted or discussed in either open or closed session. A brief general description of an item generally need not exceed 20 words. A description of an item to be transacted or discussed in closed session shall include a citation of the specific statutory authority under which a closed session is being held. No item shall be added to the agenda subsequent to the provision of this notice, unless otherwise permitted by this article.

(c) Notice of a meeting of a state body that complies with this section shall also constitute notice of a meeting of an advisory body of that state body, provided that the business to be discussed by the advisory body is covered by the notice of the meeting of the state body, provided that the specific time and place of the advisory body's meeting is announced during the open and public state body's meeting, and provided that the advisory body's meeting is conducted within a reasonable time of, and nearby, the meeting of the state body.

(d) A person may request, and shall be provided, notice pursuant to subdivision (a) for all meetings of a state body or for a specific meeting or meetings. In addition, at the state body's discretion, a person may request, and may be provided, notice of only those meetings of a state body at which a particular subject or subjects specified in the request will be discussed.

(e) A request for notice of more than one meeting of a state body shall be subject to the provisions of Section 14911.

(f) The notice shall be made available in appropriate alternative formats, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof, upon request by any person with a disability. The notice shall include information regarding how, to whom, and by when a request for any disability-related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires these aids or services in order to participate in the public meeting.

§ 11125.1. Agenda; writings provided to body; public records

11125.1. (a) Notwithstanding Section 6255 or any other provisions of law, agendas of public meetings and other writings, when distributed to all, or a majority of all, of the members of a state body by any person in connection with a matter subject to discussion or consideration at a public meeting of the body, are disclosable public records under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and shall be made available upon request without delay. However, this section shall not include any writing exempt from public disclosure under Section 6253.5, 6254, or 6254.7 of this code, or Section 489.1 or 583 of the Public Utilities Code.

(b) Writings that are public records under subdivision (a) and that are distributed to members of the state body prior to or during a meeting, pertaining to any item to be considered during the

meeting, shall be made available for public inspection at the meeting if prepared by the state body or a member of the state body, or after the meeting if prepared by some other person. These writings shall be made available in appropriate alternative formats, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof, upon request by a person with a disability.

(c) In the case of the Franchise Tax Board, prior to that state body taking final action on any item, writings pertaining to that item that are public records under subdivision (a) that are distributed to members of the state body by board staff or individual members prior to or during a meeting shall be:

(1) Made available for public inspection at that meeting.

(2) Distributed to all persons who request notice in writing pursuant to subdivision (a) of Section 11125.

(3) Made available on the Internet.

(d) Prior to the State Board of Equalization taking final action on any item that does not involve a named tax or fee payer, writings pertaining to that item that are public records under subdivision (a) that are prepared and distributed by board staff or individual members to members of the state body prior to or during a meeting shall be:

(1) Made available for public inspection at that meeting.

(2) Distributed to all persons who request or have requested copies of these writings.

(3) Made available on the Internet.

(e) Nothing in this section shall be construed to prevent a state body from charging a fee or deposit for a copy of a public record pursuant to Section 6253, except that no surcharge shall be imposed on persons with disabilities in violation of Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. The writings described in subdivision (b) are subject to the requirements of the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and shall not be construed to limit or delay the public's right to inspect any record required to be disclosed by that act, or to limit the public's right to inspect any record covered by that act. This section shall not be construed to be applicable to any writings solely because they are properly discussed in a closed session of a state body. Nothing in this article shall be construed to require a state body to place any paid advertisement or any other paid notice in any publication.

(f) "Writing" for purposes of this section means "writing" as defined under Section 6252.

§ 11125.2. Announcement of personnel action

11125.2. Any state body shall report publicly at a subsequent public meeting any action taken, and any rollcall vote thereon, to appoint, employ, or dismiss a public employee arising out of any closed session of the state body.

§ 11125.3. Exception to agenda requirements

11125.3. (a) Notwithstanding Section 11125, a state body may take action on items of business not appearing on the posted agenda under any of the conditions stated below:

(1) Upon a determination by a majority vote of the state body that an emergency situation exists, as defined in Section 11125.5.

(2) Upon a determination by a two-thirds vote of the state body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there exists a need to take immediate action and that the need for action came to the attention of the state body subsequent to the agenda being posted as specified in Section 11125.

(b) Notice of the additional item to be considered shall be provided to each member of the state body and to all parties that have requested notice of its meetings as soon as is practicable after a determination of the need to consider the item is made, but shall be delivered in a manner that allows it to be received by the members and by newspapers of general circulation and radio or television stations at least 48 hours before the time of the meeting specified in the notice. Notice shall be made available to newspapers of general circulation and radio or television stations by providing that notice to all national press wire services. Notice shall also be made available on the Internet as soon as is practicable after the decision to consider additional items at a meeting has been made.

§ 11125.4. Special meetings

11125.4. (a) A special meeting may be called at any time by the presiding officer of the state body or by a majority of the members of the state body. A special meeting may only be called for one of the following purposes where compliance with the 10-day notice provisions of Section 11125 would impose a substantial hardship on the state body or where immediate action is required to protect the public interest:

(1) To consider "pending litigation" as that term is defined in subdivision (e) of Section 11126.

(2) To consider proposed legislation.

(3) To consider issuance of a legal opinion.

(4) To consider disciplinary action involving a state officer or employee.

(5) To consider the purchase, sale, exchange, or lease of real property.

(6) To consider license examinations and applications.

(7) To consider an action on a loan or grant provided pursuant to Division 31 (commencing with Section 50000) of the Health and Safety Code.

(b) When a special meeting is called pursuant to one of the purposes specified in subdivision (a), the state body shall provide notice of the special meeting to each member of the state body and to all parties that have requested notice of its meetings as soon as is practicable after the decision to call a special meeting has been made, but shall be delivered in a manner that allows it to be received by the members and by newspapers of general circulation and radio or television stations at least 48 hours before the time of the special meeting specified in the notice. Notice shall be made available to newspapers of general circulation and radio or television stations by providing that notice to all national press wire services. Notice shall also be made available on the Internet within the time periods required by this section. The notice shall specify the time and place of the special meeting and the business to be transacted. The written notice shall additionally specify the address of the Internet site where notices required by this article are made available. No other business shall be considered at a special meeting by the state body. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the clerk or secretary of the state body a written waiver of notice. The waiver may be given by telegram, facsimile transmission, or similar means. The written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes. Notice shall be required pursuant to this section regardless of whether any action is taken at the special meeting.

(c) At the commencement of any special meeting, the state body must make a finding in open session that the delay necessitated by providing notice 10 days prior to a meeting as required by Section 11125 would cause a substantial hardship on the body or that immediate action is required to protect the public interest. The finding shall set forth the specific facts that constitute the hardship to the body or the impending harm to the public interest. The finding shall be adopted by a two-thirds vote of the body, or, if less than two-thirds of the members are present, a unanimous vote of those members present. The finding shall be made available on the Internet. Failure to adopt the finding terminates the meeting.

§ 11125.5. Emergency meetings

11125.5. (a) In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, a state body may hold an emergency meeting without complying with the 10-day notice requirement of Section 11125 or the 48-hour notice requirement of Section 11125.4.

(b) For purposes of this section, "emergency situation" means any of the following, as determined by a majority of the members of the state body during a meeting prior to the emergency meeting, or at the beginning of the emergency meeting:

(1) Work stoppage or other activity that severely impairs public health or safety, or both.

(2) Crippling disaster that severely impairs public health or safety, or both.

(c) However, newspapers of general circulation and radio or television stations that have requested notice of meetings pursuant to Section 11125 shall be notified by the presiding officer of the state body, or a designee thereof, one hour prior to the emergency meeting by telephone. Notice shall also be made available on the Internet as soon as is practicable after the decision to call the emergency meeting has been made. If telephone services are not functioning, the notice requirements of this section shall be deemed waived, and the presiding officer of the state body, or a designee thereof, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

(d) The minutes of a meeting called pursuant to this section, a list of persons who the presiding officer of the state body, or a designee thereof, notified or attempted to notify, a copy of the rollcall vote, and any action taken at the meeting shall be posted for a minimum of 10 days in a public place, and also made available on the Internet for a minimum of 10 days, as soon after the meeting as possible.

§ 11125.6. Emergency meetings; Fish and Game Commission

11125.6. (a) An emergency meeting may be called at any time by the president of the Fish and Game Commission or by a majority of the members of the commission to consider an appeal of a closure of or restriction in a fishery adopted pursuant to Section 7710 of the Fish and Game Code. In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of an established fishery, the commission may hold an emergency meeting without complying with the 10-day notice requirement of Section 11125 or the 48-hour notice requirement of Section 11125.4 if the delay necessitated by providing the 10-day notice of a public meeting required by Section 11125 or the 48-hour notice required by Section 11125.4 would significantly adversely impact the economic benefits of a fishery to the participants in the fishery and to the people of the state or significantly adversely impact the sustainability of a fishery managed by the state.

(b) At the commencement of an emergency meeting called pursuant to this section, the commission shall make a finding in open session that the delay necessitated by providing notice 10 days prior to a meeting as required by Section 11125 or 48 hours prior to a meeting as required by Section 11125.4 would significantly adversely impact the economic benefits of a fishery to the participants in the fishery and to the people of the state or significantly adversely impact the sustainability of a fishery managed by the state. The finding shall set forth the specific facts that

constitute the impact to the economic benefits of the fishery or the sustainability of the fishery. The finding shall be adopted by a vote of at least four members of the commission, or, if less than four of the members are present, a unanimous vote of those members present. Failure to adopt the finding shall terminate the meeting.

(c) Newspapers of general circulation and radio or television stations that have requested notice of meetings pursuant to Section 11125 shall be notified by the presiding officer of the commission, or a designee thereof, one hour prior to the emergency meeting by telephone.

(d) The minutes of an emergency meeting called pursuant to this section, a list of persons who the president of the commission, or a designee thereof, notified or attempted to notify, a copy of the rollcall vote, and any action taken at the meeting shall be posted for a minimum of 10 days in a public place as soon after the meeting as possible.

§ 11125.7 Opportunity for public to speak at meeting

11125.7. (a) Except as otherwise provided in this section, the state body shall provide an opportunity for members of the public to directly address the state body on each agenda item before or during the state body's discussion or consideration of the item. This section is not applicable if the agenda item has already been considered by a committee composed exclusively of members of the state body at a public meeting where interested members of the public were afforded the opportunity to address the committee on the item, before or during the committee's consideration of the item, unless the item has been substantially changed since the committee heard the item, as determined by the state body. Every notice for a special meeting at which action is proposed to be taken on an item shall provide an opportunity for members of the public to directly address the state body concerning that item prior to action on the item. In addition, the notice requirement of Section 11125 shall not preclude the acceptance of testimony at meetings, other than emergency meetings, from members of the public, provided, however, that no action is taken by the state body at the same meeting on matters brought before the body by members of the public.

(b) The state body may adopt reasonable regulations to ensure that the intent of subdivision (a) is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public comment on particular issues and for each individual speaker.

(c) The state body shall not prohibit public criticism of the policies, programs, or services of the state body, or of the acts or omissions of the state body. Nothing in this subdivision shall confer any privilege or protection for expression beyond that otherwise provided by law.

(d) This section is not applicable to closed sessions held pursuant to Section 11126.

(e) This section is not applicable to decisions regarding proceedings held pursuant to Chapter 5 (commencing with Section 11500), relating to administrative adjudication, or to the conduct of those proceedings.

(f) This section is not applicable to hearings conducted by the State Board of Control pursuant to Sections 13963 and 13963.1.

(g) This section is not applicable to agenda items that involve decisions of the Public Utilities Commission regarding adjudicatory hearings held pursuant to Chapter 9 (commencing with Section 1701) of Part 1 of Division 1 of the Public Utilities Code. For all other agenda items, the commission shall provide members of the public, other than those who have already participated in the proceedings underlying the agenda item, an opportunity to directly address the commission before or during the commission's consideration of the item.

§ 11125.8. Closed session; Board of Control; crime victims

11125.8. (a) Notwithstanding Section 11131.5, in any hearing that the State Board of Control conducts pursuant to Section 13963.1 and that the applicant or applicant's representative does not request be open to the public, no notice, agenda, announcement, or report required under this article need identify the applicant.

(b) In any hearing that the board conducts pursuant to Section 13963.1 and that the applicant or applicant's representative does not request be open to the public, the board shall disclose that the hearing is being held pursuant to Section 13963.1. That disclosure shall be deemed to satisfy the requirements of subdivision (a) of Section 11126.3.

§ 11125.9. Regional water quality control boards; additional notice requirements

11125.9. Regional water quality control boards shall comply with the notification guidelines in Section 11125 and, in addition, shall do both of the following:

(a) Notify, in writing, all clerks of the city councils and county boards of supervisors within the regional board's jurisdiction of any and all board hearings at least 10 days prior to the hearing. Notification shall include an agenda for the meeting with contents as described in subdivision (b) of Section 11125 as well as the name, address, and telephone number of any person who can provide further information prior to the meeting, but need not include a list of witnesses expected to appear at the meeting. Each clerk, upon receipt of the notification of a board hearing, shall distribute the notice to all members of the respective city council or board of supervisors within the regional board's jurisdiction.

(b) Notify, in writing, all newspapers with a circulation rate of at least 10,000 within the regional board's jurisdiction of any and all board hearings, at least 10 days prior to the hearing. Notification shall include an agenda for the meeting with contents as described in subdivision (b) of Section 11125 as well as the name, address, and telephone number of any person who can provide further information prior to the meeting, but need not include a list of witnesses expected to appear at the meeting.

§ 11126. Closed sessions

11126. (a)(1) Nothing in this article shall be construed to prevent a state body from holding closed sessions during a regular or special meeting to consider the appointment, employment, evaluation of performance, or dismissal of a public employee or to hear complaints or charges brought against that employee by another person or employee unless the employee requests a public hearing.

(2) As a condition to holding a closed session on the complaints or charges to consider disciplinary action or to consider dismissal, the employee shall be given written notice of his or her right to have a public hearing, rather than a closed session, and that notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding a regular or special meeting. If notice is not given, any disciplinary or other action taken against any employee at the closed session shall be null and void.

(3) The state body also may exclude from any public or closed session, during the examination of a witness, any or all other witnesses in the matter being investigated by the state body.

(4) Following the public hearing or closed session, the body may deliberate on the decision to be reached in a closed session.

(b) For the purposes of this section, "employee" does not include any person who is elected to, or appointed to a public office by, any state body. However, officers of the California State University who receive compensation for their services, other than per diem and ordinary and necessary expenses, shall, when engaged in that capacity, be considered employees. Furthermore, for purposes of this section, the term employee includes a person exempt from civil service pursuant to subdivision (e) of Section 4 of Article VII of the California Constitution.

(c) Nothing in this article shall be construed to do any of the following:

(1) Prevent state bodies that administer the licensing of persons engaging in businesses or professions from holding closed sessions to prepare, approve, grade, or administer examinations.

(2) Prevent an advisory body of a state body that administers the licensing of persons engaged in businesses or professions from conducting a closed session to discuss matters that the advisory body has found would constitute an unwarranted invasion of the privacy of an individual licensee or applicant if discussed in an open meeting, provided the advisory body does not include a quorum of the members of the state body it advises. Those matters may include review of an applicant's qualifications for licensure and an inquiry specifically related to the state body's enforcement program concerning an individual licensee or applicant where the inquiry occurs prior to the filing of a civil, criminal, or administrative disciplinary action against the licensee or applicant by the state body.

(3) Prohibit a state body from holding a closed session to deliberate on a decision to be reached in a proceeding required to be conducted pursuant to Chapter 5 (commencing with Section 11500) or similar provisions of law.

(4) Grant a right to enter any correctional institution or the grounds of a correctional institution where that right is not otherwise granted by law, nor shall anything in this article be construed to prevent a state body from holding a closed session when considering and acting upon the determination of a term, parole, or release of any individual or other disposition of an individual case, or if public disclosure of the subjects under discussion or consideration is expressly prohibited by statute.

(5) Prevent any closed session to consider the conferring of honorary degrees, or gifts, donations, and bequests that the donor or proposed donor has requested in writing to be kept confidential.

(6) Prevent the Alcoholic Beverage Control Appeals Board from holding a closed session for the purpose of holding a deliberative conference as provided in Section 11125.

(7) (A) Prevent a state body from holding closed sessions with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the state body to give instructions to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease.

(B) However, prior to the closed session, the state body shall hold an open and public session in which it identifies the real property or real properties that the negotiations may concern and the person or persons with whom its negotiator may negotiate.

(C) For purposes of this paragraph, the negotiator may be a member of the state body.

(D) For purposes of this paragraph, “lease” includes renewal or renegotiation of a lease.

(E) Nothing in this paragraph shall preclude a state body from holding a closed session for discussions regarding eminent domain proceedings pursuant to subdivision (e).

(8) Prevent the California Postsecondary Education Commission from holding closed sessions to consider matters pertaining to the appointment or termination of the Director of the California Postsecondary Education Commission.

(9) Prevent the Council for Private Postsecondary and Vocational Education from holding closed sessions to consider matters pertaining to the appointment or termination of the Executive Director of the Council for Private Postsecondary and Vocational Education.

(10) Prevent the Franchise Tax Board from holding closed sessions for the purpose of discussion of confidential tax returns or information the public disclosure of which is prohibited by

law, or from considering matters pertaining to the appointment or removal of the Executive Officer of the Franchise Tax Board.

(11) Require the Franchise Tax Board to notice or disclose any confidential tax information considered in closed sessions, or documents executed in connection therewith, the public disclosure of which is prohibited pursuant to Article 2 (commencing with Section 19542) of Chapter 7 of Part 10.2 of the Revenue and Taxation Code.

(12) Prevent the Board of Corrections from holding closed sessions when considering reports of crime conditions under Section 6027 of the Penal Code.

(13) Prevent the State Air Resources Board from holding closed sessions when considering the proprietary specifications and performance data of manufacturers.

(14) Prevent the State Board of Education or the Superintendent of Public Instruction, or any committee advising the board or the superintendent, from holding closed sessions on those portions of its review of assessment instruments pursuant to Chapter 5 (commencing with Section 60600) of, or pursuant to Chapter 8 (commencing with Section 60850) of, Part 33 of the Education Code during which actual test content is reviewed and discussed. The purpose of this provision is to maintain the confidentiality of the assessments under review.

(15) Prevent the California Integrated Waste Management Board or its auxiliary committees from holding closed sessions for the purpose of discussing confidential tax returns, discussing trade secrets or confidential or proprietary information in its possession, or discussing other data, the public disclosure of which is prohibited by law.

(16) Prevent a state body that invests retirement, pension, or endowment funds from holding closed sessions when considering investment decisions. For purposes of consideration of shareholder voting on corporate stocks held by the state body, closed sessions for the purposes of voting may be held only with respect to election of corporate directors, election of independent auditors, and other financial issues that could have a material effect on the net income of the corporation. For the purpose of real property investment decisions that may be considered in a closed session pursuant to this paragraph, a state body shall also be exempt from the provisions of paragraph (7) relating to the identification of real properties prior to the closed session.

(17) Prevent a state body, or boards, commissions, administrative officers, or other representatives that may properly be designated by law or by a state body, from holding closed sessions with its representatives in discharging its responsibilities under Chapter 10 (commencing with Section 3500), Chapter 10.3 (commencing with Section 3512), Chapter 10.5 (commencing with Section 3525), or Chapter 10.7 (commencing of Section 3540) of Division 4 of Title 1 as the sessions relate to salaries, salary schedules, or compensation paid in the form of fringe benefits. For the purposes enumerated in the preceding sentence, a state body may also meet with a state conciliator who has intervened in the proceedings.

(18) (A) Prevent a state body from holding closed sessions to consider matters posing a threat or potential threat of criminal or terrorist activity against the personnel, property, buildings, facilities, or equipment, including electronic data, owned, leased, or controlled by the state body, where disclosure of these considerations could compromise or impede the safety or security of the personnel, property, buildings, facilities, or equipment, including electronic data, owned, leased, or controlled by the state body.

(B) Notwithstanding any other provision of law, a state body, at any regular or special meeting, may meet in a closed session pursuant to subparagraph (A) upon a two-thirds vote of the members present at the meeting.

(C) After meeting in closed session pursuant to subparagraph (A), the state body shall reconvene in open session prior to adjournment and report that a closed session was held pursuant to subparagraph (A), the general nature of the matters considered, and whether any action was taken in closed session.

(D) After meeting in closed session pursuant to subparagraph (A), the state body shall submit to the Legislative Analyst written notification stating that it held this closed session, the general reason or reasons for the closed session, the general nature of the matters considered, and whether any action was taken in closed session. The Legislative Analyst shall retain for no less than four years any written notification received from a state body pursuant to this subparagraph.

(d)(1) Notwithstanding any other provision of law, any meeting of the Public Utilities Commission at which the rates of entities under the commission's jurisdiction are changed shall be open and public.

(2) Nothing in this article shall be construed to prevent the Public Utilities Commission from holding closed sessions to deliberate on the institution of proceedings, or disciplinary actions against any person or entity under the jurisdiction of the commission.

(e) (1) Nothing in this article shall be construed to prevent a state body, based on the advice of its legal counsel, from holding a closed session to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of the state body in the litigation.

(2) For purposes of this article, all expressions of the lawyer-client privilege other than those provided in this subdivision are hereby abrogated. This subdivision is the exclusive expression of the lawyer-client privilege for purposes of conducting closed session meetings pursuant to this article. For purposes of this subdivision, litigation shall be considered pending when any of the following circumstances exist:

(A) An adjudicatory proceeding before a court, an administrative body exercising its adjudicatory authority, a hearing officer, or an arbitrator, to which the state body is a party, has been initiated formally.

(B)(i) A point has been reached where, in the opinion of the state body on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the state body.

(ii) Based on existing facts and circumstances, the state body is meeting only to decide whether a closed session is authorized pursuant to clause (i).

(C) (i) Based on existing facts and circumstances, the state body has decided to initiate or is deciding whether to initiate litigation.

(ii) The legal counsel of the state body shall prepare and submit to it a memorandum stating the specific reasons and legal authority for the closed session. If the closed session is pursuant to paragraph (1), the memorandum shall include the title of the litigation. If the closed session is pursuant to subparagraph (A) or (B), the memorandum shall include the existing facts and circumstances on which it is based. The legal counsel shall submit the memorandum to the state body prior to the closed session, if feasible, and in any case no later than one week after the closed session. The memorandum shall be exempt from disclosure pursuant to Section 6254.25.

(iii) For purposes of this subdivision, "litigation" includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator.

(iv) Disclosure of a memorandum required under this subdivision shall not be deemed as a waiver of the lawyer-client privilege, as provided for under Article 3 (commencing with Section 950) of Chapter 4 of Division 8 of the Evidence Code.

(f) In addition to subdivisions (a), (b), and (c), nothing in this article shall be construed to do any of the following:

(1) Prevent a state body operating under a joint powers agreement for insurance pooling from holding a closed session to discuss a claim for the payment of tort liability or public liability losses incurred by the state body or any member agency under the joint powers agreement.

(2) Prevent the examining committee established by the State Board of Forestry and Fire Protection, pursuant to Section 763 of the Public Resources Code, from conducting a closed session to consider disciplinary action against an individual professional forester prior to the filing of an accusation against the forester pursuant to Section 11503.

(3) Prevent an administrative committee established by the California Board of Accountancy pursuant to Section 5020 of the Business and Professions Code from conducting a closed session to consider disciplinary action against an individual accountant prior to the filing of an accusation against the accountant pursuant to Section 11503. Nothing in this article shall be construed to prevent an examining committee established by the California Board of Accountancy pursuant to

Section 5023 of the Business and Professions Code from conducting a closed hearing to interview an individual applicant or accountant regarding the applicant's qualifications.

(4) Prevent a state body, as defined in subdivision (b) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in closed session by the state body whose authority it exercises.

(5) Prevent a state body, as defined in subdivision (d) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in a closed session by the body defined as a state body pursuant to subdivision (a) or (b) of Section 11121.

(6) Prevent a state body, as defined in subdivision (c) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in a closed session by the state body it advises.

(7) Prevent the State Board of Equalization from holding closed sessions for either of the following:

(A) When considering matters pertaining to the appointment or removal of the Executive Secretary of the State Board of Equalization.

(B) For the purpose of hearing confidential taxpayer appeals or data, the public disclosure of which is prohibited by law.

(8) Require the State Board of Equalization to disclose any action taken in closed session or documents executed in connection with that action, the public disclosure of which is prohibited by law pursuant to Sections 15619 and 15641 of this code and Sections 833, 7056, 8255, 9255, 11655, 30455, 32455, 38705, 38706, 43651, 45982, 46751, 50159, 55381, and 60609 of the Revenue and Taxation Code.

(9) Prevent the California Earthquake Prediction Evaluation Council, or other body appointed to advise the Director of the Office of Emergency Services or the Governor concerning matters relating to volcanic or earthquake predictions, from holding closed sessions when considering the evaluation of possible predictions.

(g) This article does not prevent either of the following:

(1) The Teachers' Retirement Board or the Board of Administration of the Public Employees' Retirement System from holding closed sessions when considering matters pertaining to the recruitment, appointment, employment, or removal of the chief executive officer or when considering matters pertaining to the recruitment or removal of the Chief Investment Officer of the State Teachers' Retirement System or the Public Employees' Retirement System.

(2) The Commission on Teacher Credentialing from holding closed sessions when considering matters relating to the recruitment, appointment, or removal of its executive director.

(h) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2006, deletes or extends that date.

§ 11126.1. Minutes; availability

11126.1. The state body shall designate a clerk or other officer or employee of the state body, who shall then attend each closed session of the state body and keep and enter in a minute book a record of topics discussed and decisions made at the meeting. The minute book made pursuant to this section is not a public record subject to inspection pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and shall be kept confidential. The minute book shall be available to members of the state body or, if a violation of this chapter is alleged to have occurred at a closed session, to a court of general jurisdiction. Such minute book may, but need not, consist of a recording of the closed session.

§ 11126.3. Required notice for closed sessions

11126.3. (a) Prior to holding any closed session, the state body shall disclose, in an open meeting, the general nature of the item or items to be discussed in the closed session. The disclosure may take the form of a reference to the item or items as they are listed by number or letter on the agenda. If the session is closed pursuant to paragraph (2) of subdivision (d) of Section 11126, the state body shall state the title of, or otherwise specifically identify, the proceeding or disciplinary action contemplated. However, should the body determine that to do so would jeopardize the body's ability to effectuate service of process upon one or more unserved parties if the proceeding or disciplinary action is commenced or that to do so would fail to protect the private economic and business reputation of the person or entity if the proceeding or disciplinary action is not commenced, then the state body shall notice that there will be a closed session and describe in general terms the purpose of that session. If the session is closed pursuant to subparagraph (A) of paragraph (2) of subdivision (e) of Section 11126, the state body shall state the title of, or otherwise specifically identify, the litigation to be discussed unless the body states that to do so would jeopardize the body's ability to effectuate service of process upon one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

(b) In the closed session, the state body may consider only those matters covered in its disclosure.

(c) The disclosure shall be made as part of the notice provided for the meeting pursuant to Section 11125 or pursuant to subdivision (a) of Section 92032 of the Education Code and of any order or notice required by Section 11129.

(d) If, after the agenda has been published in compliance with this article, any pending litigation (under subdivision (e) of Section 11126) matters arise, the postponement of which will prevent the state body from complying with any statutory, court-ordered, or other legally imposed deadline, the state body may proceed to discuss those matters in closed session and shall publicly announce in the meeting the title of, or otherwise specifically identify, the litigation to be discussed, unless the body states that to do so would jeopardize the body's ability to effectuate service of process upon one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage. Such an announcement shall be deemed to comply fully with the requirements of this section.

(e) Nothing in this section shall require or authorize a disclosure of names or other information that would constitute an invasion of privacy or otherwise unnecessarily divulge the particular facts concerning the closed session or the disclosure of which is prohibited by state or federal law.

(f) After any closed session, the state body shall reconvene into open session prior to adjournment and shall make any reports, provide any documentation, and make any other disclosures required by Section 11125.2 of action taken in the closed session.

(g) The announcements required to be made in open session pursuant to this section may be made at the location announced in the agenda for the closed session, as long as the public is allowed to be present at that location for the purpose of hearing the announcement.

§ 11126.5. Removal of disruptive persons

11126.5. In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting the state body conducting the meeting may order the meeting room cleared and continue in session. Nothing in this section shall prohibit the state body from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting. Notwithstanding any other provision of law, only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section.

§ 11126.7. Charging fees prohibited

11126.7. No fees may be charged by a state body for providing a notice required by Section 11125 or for carrying out any provision of this article, except as specifically authorized pursuant to this article.

§ 11127. State bodies covered

11127. Each provision of this article shall apply to every state body unless the body is specifically excepted from that provision by law or is covered by any other conflicting provision of law.

§ 11128. Time restrictions for holding closed sessions

11128. Each closed session of a state body shall be held only during a regular or special meeting of the body.

§ 11128.5. Adjournment

11128.5. The state body may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If all members are absent from any regular or adjourned regular meeting, the clerk or secretary of the state body may declare the meeting adjourned to a stated time and place and he or she shall cause a written notice of the adjournment to be given in the same manner as provided in Section 11125.4 for special meetings, unless that notice is waived as provided for special meetings. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special, or adjourned special meeting was held within 24 hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings by law or regulation.

§ 11129. Continuation of meeting; notice requirement

11129. Any hearing being held, or noticed or ordered to be held by a state body at any meeting may by order or notice of continuance be continued or recontinued to any subsequent meeting of the state body in the same manner and to the same extent set forth in Section 11128.5 for the adjournment of meetings. A copy of the order or notice of continuance shall be conspicuously posted on or near the door of the place where the hearing was held within 24 hours after the time of the continuance; provided, that if the hearing is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

§ 11130. Legal remedies to stop or prohibit violations of act

11130. (a) The Attorney General, the district attorney, or any interested person may commence an action by mandamus, injunction, or declaratory relief for the purpose of stopping or preventing violations or threatened violations of this article or to determine the applicability of this

article to past actions or threatened future action by members of the state body or to determine whether any rule or action by the state body to penalize or otherwise discourage the expression of one or more of its members is valid or invalid under the laws of this state or of the United States, or to compel the state body to tape record its closed sessions as hereinafter provided.

(b) The court in its discretion may, upon a judgment of a violation of Section 11126, order the state body to tape record its closed sessions and preserve the tape recordings for the period and under the terms of security and confidentiality the court deems appropriate.

(c) (1) Each recording so kept shall be immediately labeled with the date of the closed session recorded and the title of the clerk or other officer who shall be custodian of the recording.

(2) The tapes shall be subject to the following discovery procedures:

(A) In any case in which discovery or disclosure of the tape is sought by the Attorney General, the district attorney, or the plaintiff in a civil action pursuant to this section or Section 11130.3 alleging that a violation of this article has occurred in a closed session that has been recorded pursuant to this section, the party seeking discovery or disclosure shall file a written notice of motion with the appropriate court with notice to the governmental agency that has custody and control of the tape recording. The notice shall be given pursuant to subdivision (b) of Section 1005 of the Code of Civil Procedure.

(B) The notice shall include, in addition to the items required by Section 1010 of the Code of Civil Procedure, all of the following:

(i) Identification of the proceeding in which discovery or disclosure is sought, the party seeking discovery or disclosure, the date and time of the meeting recorded, and the governmental agency that has custody and control of the recording.

(ii) An affidavit that contains specific facts indicating that a violation of the act occurred in the closed session.

(3) If the court, following a review of the motion, finds that there is good cause to believe that a violation has occurred, the court may review, in camera, the recording of that portion of the closed session alleged to have violated the act.

(4) If, following the in-camera review, the court concludes that disclosure of a portion of the recording would be likely to materially assist in the resolution of the litigation alleging violation of this article, the court shall, in its discretion, make a certified transcript of the portion of the recording a public exhibit in the proceeding.

(5) Nothing in this section shall permit discovery of communications that are protected by the attorney-client privilege.

§ 11130.3. Cause of action to void action

11130.3. (a) Any interested person may commence an action by mandamus, injunction, or declaratory relief for the purpose of obtaining a judicial determination that an action taken by a state body in violation of Section 11123 or 11125 is null and void under this section. Any action seeking such a judicial determination shall be commenced within 90 days from the date the action was taken. Nothing in this section shall be construed to prevent a state body from curing or correcting an action challenged pursuant to this section.

(b) An action shall not be determined to be null and void if any of the following conditions exist:

(1) The action taken was in connection with the sale or issuance of notes, bonds, or other evidences of indebtedness or any contract, instrument, or agreement related thereto.

(2) The action taken gave rise to a contractual obligation upon which a party has, in good faith, detrimentally relied.

(3) The action taken was in substantial compliance with Sections 11123 and 11125.

(4) The action taken was in connection with the collection of any tax.

§ 11130.5. Court costs; attorney's fees

11130.5. A court may award court costs and reasonable attorney's fees to the plaintiff in an action brought pursuant to Section 11130 or 11130.3 where it is found that a state body has violated the provisions of this article. The costs and fees shall be paid by the state body and shall not become a personal liability of any public officer or employee thereof. A court may award court costs and reasonable attorney's fees to a defendant in any action brought pursuant to Section 11130 or 11130.3 where the defendant has prevailed in a final determination of the action and the court finds that the action was clearly frivolous and totally lacking in merit.

§ 11130.7. Violation; misdemeanor

11130.7. Each member of a state body who attends a meeting of that body in violation of any provision of this article, and where the member intends to deprive the public of information to which the member knows or has reason to know the public is entitled under this article, is guilty of a misdemeanor.

§ 11131. Prohibited meeting facilities; discrimination

11131. No state agency shall conduct any meeting, conference, or other function in any facility that prohibits the admittance of any person, or persons, on the basis of race, religious creed, color, national origin, ancestry, or sex, or that is inaccessible to disabled persons, or where members of the public may not be present without making a payment or purchase. As used in this section,

"state agency" means and includes every state body, office, officer, department, division, bureau, board, council, commission, or other state agency.

§ 11131.5. Required notice; exemption for name of victim

11131.5. No notice, agenda, announcement, or report required under this article need identify any victim or alleged victim of crime, tortious sexual conduct, or child abuse unless the identity of the person has been publicly disclosed.

§ 11132. Closed sessions; express authorization required

11132. Except as expressly authorized by this article, no closed session may be held by any state body.

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GOVERNMENT CODE SECTION 11120-11132

11120. It is the public policy of this state that public agencies exist to aid in the conduct of the people's business and the proceedings of public agencies be conducted openly so that the public may remain informed.

In enacting this article the Legislature finds and declares that it is the intent of the law that actions of state agencies be taken openly and that their deliberation be conducted openly.

The people of this state do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.

This article shall be known and may be cited as the Bagley-Keene Open Meeting Act.

11121. As used in this article, "state body" means each of the following:

(a) Every state board, or commission, or similar multimember body of the state that is created by statute or required by law to conduct official meetings and every commission created by executive order.

(b) A board, commission, committee, or similar multimember body that exercises any authority of a state body delegated to it by that state body.

(c) An advisory board, advisory commission, advisory committee, advisory subcommittee, or similar multimember advisory body of a state body, if created by formal action of the state body or of any member of the state body, and if the advisory body so created consists of three or more persons.

(d) A board, commission, committee, or similar multimember body on which a member of a body that is a state body pursuant to this section serves in his or her official capacity as a representative of that state body and that is supported, in whole or in part, by funds provided by the state body, whether the multimember body is organized and operated by the state body or by a private corporation.

11121.1. As used in this article, "state body" does not include any of the following:

(a) State agencies provided for in Article VI of the California Constitution.

(b) Districts or other local agencies whose meetings are required to be open to the public pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5).

(c) State agencies provided for in Article IV of the California Constitution whose meetings are required to be open to the public pursuant to the Grunsky-Burton Open Meeting Act (Article 2.2 (commencing with Section 9027) of Chapter 1.5 of Part 1 of Division 2

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of Title 2).

(d) State agencies when they are conducting proceedings pursuant to Section 3596.

(e) State agencies provided for in Section 109260 of the Health and Safety Code, except as provided in Section 109390 of the Health and Safety Code.

(f) State agencies provided for in Section 11770.5 of the Insurance Code.

(g) The Credit Union Advisory Committee established pursuant to Section 14380 of the Financial Code.

11121.9. Each state body shall provide a copy of this article to each member of the state body upon his or her appointment to membership or assumption of office.

11121.95. Any person appointed or elected to serve as a member of a state body who has not yet assumed the duties of office shall conform his or her conduct to the requirements of this article and shall be treated for purposes of this article as if he or she has already assumed office.

11122. As used in this article "action taken" means a collective decision made by the members of a state body, a collective commitment or promise by the members of the state body to make a positive or negative decision or an actual vote by the members of a state body when sitting as a body or entity upon a motion, proposal, resolution, order or similar action.

11122.5. (a) As used in this article, "meeting" includes any congregation of a majority of the members of a state body at the same time and place to hear, discuss, or deliberate upon any item that is within the subject matter jurisdiction of the state body to which it pertains.

(b) Except as authorized pursuant to Section 11123, any use of direct communication, personal intermediaries, or technological devices that is employed by a majority of the members of the state body to develop a collective concurrence as to action to be taken on an item by the members of the state body is prohibited.

(c) The prohibitions of this article do not apply to any of the following:

(1) Individual contacts or conversations between a member of a state body and any other person.

(2) The attendance of a majority of the members of a state body at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies of the type represented by the state body, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specified nature that is within the subject matter jurisdiction of the state body. This paragraph is not intended to allow members of the public free admission to a conference or similar gathering at which the organizers have required other participants or registrants to pay

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fees or charges as a condition of attendance.

(3) The attendance of a majority of the members of a state body at an open and publicized meeting organized to address a topic of state concern by a person or organization other than the state body, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specific nature that is within the subject matter jurisdiction of the state body.

(4) The attendance of a majority of the members of a state body at an open and noticed meeting of another state body or of a legislative body of a local agency as defined by Section 54951, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within the subject matter jurisdiction of the other state body.

(5) The attendance of a majority of the members of a state body at a purely social or ceremonial occasion, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the state body.

(6) The attendance of a majority of the members of a state body at an open and noticed meeting of a standing committee of that body, provided that the members of the state body who are not members of the standing committee attend only as observers.

11123. (a) All meetings of a state body shall be open and public and all persons shall be permitted to attend any meeting of a state body except as otherwise provided in this article.

(b) (1) This article does not prohibit a state body from holding an open or closed meeting by teleconference for the benefit of the public and state body. The meeting or proceeding held by teleconference shall otherwise comply with all applicable requirements or laws relating to a specific type of meeting or proceeding, including the following:

(A) The teleconferencing meeting shall comply with all requirements of this article applicable to other meetings.

(B) The portion of the teleconferenced meeting that is required to be open to the public shall be audible to the public at the location specified in the notice of the meeting.

(C) If the state body elects to conduct a meeting or proceeding by teleconference, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the rights of any party or member of the public appearing before the state body. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. The agenda shall provide an opportunity for members of the public to address the state body directly pursuant to Section 11125.7 at each teleconference location.

(D) All votes taken during a teleconferenced meeting shall be by rollcall.

(E) The portion of the teleconferenced meeting that is closed to the public may not include the consideration of any agenda item being heard pursuant to Section 11125.5.

(F) At least one member of the state body shall be physically present at the location specified in the notice of the meeting.

(2) For the purposes of this subdivision, "teleconference" means a meeting of a state body, the members of which are at different

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locations, connected by electronic means, through either audio or both audio and video. This section does not prohibit a state body from providing members of the public with additional locations in which the public may observe or address the state body by electronic means, through either audio or both audio and video.

11123.1. All meetings of a state body that are open and public shall meet the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

11124. No person shall be required, as a condition to attendance at a meeting of a state body, to register his or her name, to provide other information, to complete a questionnaire, or otherwise to fulfill any condition precedent to his or her attendance.

If an attendance list, register, questionnaire, or other similar document is posted at or near the entrance to the room where the meeting is to be held, or is circulated to persons present during the meeting, it shall state clearly that the signing, registering, or completion of the document is voluntary, and that all persons may attend the meeting regardless of whether a person signs, registers, or completes the document.

11124.1. (a) Any person attending an open and public meeting of the state body shall have the right to record the proceedings with an audio or video tape recorder or a still or motion picture camera in the absence of a reasonable finding by the state body that the recording cannot continue without noise, illumination, or obstruction of view that constitutes, or would constitute, a persistent disruption of the proceedings.

(b) Any tape or film record of an open and public meeting made for whatever purpose by or at the direction of the state body shall be subject to inspection pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), but may be erased or destroyed 30 days after the taping or recording. Any inspection of an audio or video tape recording shall be provided without charge on an audio or video tape player made available by the state body.

(c) No state body shall prohibit or otherwise restrict the broadcast of its open and public meetings in the absence of a reasonable finding that the broadcast cannot be accomplished without noise, illumination, or obstruction of view that would constitute a persistent disruption of the proceedings.

11125. (a) The state body shall provide notice of its meeting to any person who requests that notice in writing. Notice shall be given and also made available on the Internet at least 10 days in advance of the meeting, and shall include the name, address, and telephone number of any person who can provide further information prior to the meeting, but need not include a list of witnesses expected to appear at the meeting. The written notice shall

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additionally include the address of the Internet site where notices required by this article are made available.

(b) The notice of a meeting of a body that is a state body shall include a specific agenda for the meeting, containing a brief description of the items of business to be transacted or discussed in either open or closed session. A brief general description of an item generally need not exceed 20 words. A description of an item to be transacted or discussed in closed session shall include a citation of the specific statutory authority under which a closed session is being held. No item shall be added to the agenda subsequent to the provision of this notice, unless otherwise permitted by this article.

(c) Notice of a meeting of a state body that complies with this section shall also constitute notice of a meeting of an advisory body of that state body, provided that the business to be discussed by the advisory body is covered by the notice of the meeting of the state body, provided that the specific time and place of the advisory body's meeting is announced during the open and public state body's meeting, and provided that the advisory body's meeting is conducted within a reasonable time of, and nearby, the meeting of the state body.

(d) A person may request, and shall be provided, notice pursuant to subdivision (a) for all meetings of a state body or for a specific meeting or meetings. In addition, at the state body's discretion, a person may request, and may be provided, notice of only those meetings of a state body at which a particular subject or subjects specified in the request will be discussed.

(e) A request for notice of more than one meeting of a state body shall be subject to the provisions of Section 14911.

(f) The notice shall be made available in appropriate alternative formats, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof, upon request by any person with a disability. The notice shall include information regarding how, to whom, and by when a request for any disability-related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires these aids or services in order to participate in the public meeting.

11125.1. (a) Notwithstanding Section 6255 or any other provisions of law, agendas of public meetings and other writings, when distributed to all, or a majority of all, of the members of a state body by any person in connection with a matter subject to discussion or consideration at a public meeting of the body, are disclosable public records under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and shall be made available upon request without delay. However, this section shall not include any writing exempt from public disclosure under Section 6253.5, 6254, or 6254.7 of this code, or Section 489.1 or 583 of the Public Utilities Code.

(b) Writings that are public records under subdivision (a) and that are distributed to members of the state body prior to or during a meeting, pertaining to any item to be considered during the meeting, shall be made available for public inspection at the meeting if prepared by the state body or a member of the state body, or after the meeting if prepared by some other person. These writings shall be made available in appropriate alternative formats, as

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required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof, upon request by a person with a disability.

(c) In the case of the Franchise Tax Board, prior to that state body taking final action on any item, writings pertaining to that item that are public records under subdivision (a) that are distributed to members of the state body by board staff or individual members prior to or during a meeting shall be:

(1) Made available for public inspection at that meeting.

(2) Distributed to all persons who request notice in writing pursuant to subdivision (a) of Section 11125.

(3) Made available on the Internet.

(d) Prior to the State Board of Equalization taking final action on any item that does not involve a named tax or fee payer, writings pertaining to that item that are public records under subdivision (a) that are prepared and distributed by board staff or individual members to members of the state body prior to or during a meeting shall be:

(1) Made available for public inspection at that meeting.

(2) Distributed to all persons who request or have requested copies of these writings.

(3) Made available on the Internet.

(e) Nothing in this section shall be construed to prevent a state body from charging a fee or deposit for a copy of a public record pursuant to Section 6253, except that no surcharge shall be imposed on persons with disabilities in violation of Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. The writings described in subdivision (b) are subject to the requirements of the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and shall not be construed to limit or delay the public's right to inspect any record required to be disclosed by that act, or to limit the public's right to inspect any record covered by that act. This section shall not be construed to be applicable to any writings solely because they are properly discussed in a closed session of a state body. Nothing in this article shall be construed to require a state body to place any paid advertisement or any other paid notice in any publication.

(f) "Writing" for purposes of this section means "writing" as defined under Section 6252.

11125.2. Any state body shall report publicly at a subsequent public meeting any action taken, and any rollcall vote thereon, to appoint, employ, or dismiss a public employee arising out of any closed session of the state body.

11125.3. (a) Notwithstanding Section 11125, a state body may take action on items of business not appearing on the posted agenda under any of the conditions stated below:

(1) Upon a determination by a majority vote of the state body that an emergency situation exists, as defined in Section 11125.5.

(2) Upon a determination by a two-thirds vote of the state body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there exists a need to take immediate action and that the need for action came to the attention

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of the state body subsequent to the agenda being posted as specified in Section 11125.

(b) Notice of the additional item to be considered shall be provided to each member of the state body and to all parties that have requested notice of its meetings as soon as is practicable after a determination of the need to consider the item is made, but shall be delivered in a manner that allows it to be received by the members and by newspapers of general circulation and radio or television stations at least 48 hours before the time of the meeting specified in the notice. Notice shall be made available to newspapers of general circulation and radio or television stations by providing that notice to all national press wire services. Notice shall also be made available on the Internet as soon as is practicable after the decision to consider additional items at a meeting has been made.

11125.4. (a) A special meeting may be called at any time by the presiding officer of the state body or by a majority of the members of the state body. A special meeting may only be called for one of the following purposes where compliance with the 10-day notice provisions of Section 11125 would impose a substantial hardship on the state body or where immediate action is required to protect the public interest:

(1) To consider "pending litigation" as that term is defined in subdivision (e) of Section 11126.

(2) To consider proposed legislation.

(3) To consider issuance of a legal opinion.

(4) To consider disciplinary action involving a state officer or employee.

(5) To consider the purchase, sale, exchange, or lease of real property.

(6) To consider license examinations and applications.

(7) To consider an action on a loan or grant provided pursuant to Division 31 (commencing with Section 50000) of the Health and Safety Code.

(b) When a special meeting is called pursuant to one of the purposes specified in subdivision (a), the state body shall provide notice of the special meeting to each member of the state body and to all parties that have requested notice of its meetings as soon as is practicable after the decision to call a special meeting has been made, but shall be delivered in a manner that allows it to be received by the members and by newspapers of general circulation and radio or television stations at least 48 hours before the time of the special meeting specified in the notice. Notice shall be made available to newspapers of general circulation and radio or television stations by providing that notice to all national press wire services. Notice shall also be made available on the Internet within the time periods required by this section. The notice shall specify the time and place of the special meeting and the business to be transacted. The written notice shall additionally specify the address of the Internet site where notices required by this article are made available. No other business shall be considered at a special meeting by the state body. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the clerk or secretary of the state body a written waiver of notice. The waiver may be given by telegram, facsimile transmission, or similar means. The written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes. Notice shall be required

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pursuant to this section regardless of whether any action is taken at the special meeting.

(c) At the commencement of any special meeting, the state body must make a finding in open session that the delay necessitated by providing notice 10 days prior to a meeting as required by Section 11125 would cause a substantial hardship on the body or that immediate action is required to protect the public interest. The finding shall set forth the specific facts that constitute the hardship to the body or the impending harm to the public interest. The finding shall be adopted by a two-thirds vote of the body, or, if less than two-thirds of the members are present, a unanimous vote of those members present. The finding shall be made available on the Internet. Failure to adopt the finding terminates the meeting.

11125.5. (a) In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, a state body may hold an emergency meeting without complying with the 10-day notice requirement of Section 11125 or the 48-hour notice requirement of Section 11125.4.

(b) For purposes of this section, "emergency situation" means any of the following, as determined by a majority of the members of the state body during a meeting prior to the emergency meeting, or at the beginning of the emergency meeting:

(1) Work stoppage or other activity that severely impairs public health or safety, or both.

(2) Crippling disaster that severely impairs public health or safety, or both.

(c) However, newspapers of general circulation and radio or television stations that have requested notice of meetings pursuant to Section 11125 shall be notified by the presiding officer of the state body, or a designee thereof, one hour prior to the emergency meeting by telephone. Notice shall also be made available on the Internet as soon as is practicable after the decision to call the emergency meeting has been made. If telephone services are not functioning, the notice requirements of this section shall be deemed waived, and the presiding officer of the state body, or a designee thereof, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

(d) The minutes of a meeting called pursuant to this section, a list of persons who the presiding officer of the state body, or a designee thereof, notified or attempted to notify, a copy of the rollcall vote, and any action taken at the meeting shall be posted for a minimum of 10 days in a public place, and also made available on the Internet for a minimum of 10 days, as soon after the meeting as possible.

11125.6. (a) An emergency meeting may be called at any time by the president of the Fish and Game Commission or by a majority of the members of the commission to consider an appeal of a closure of or restriction in a fishery adopted pursuant to Section 7710 of the Fish and Game Code. In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of an established fishery, the commission

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may hold an emergency meeting without complying with the 10-day notice requirement of Section 11125 or the 48-hour notice requirement of Section 11125.4 if the delay necessitated by providing the 10-day notice of a public meeting required by Section 11125 or the 48-hour notice required by Section 11125.4 would significantly adversely impact the economic benefits of a fishery to the participants in the fishery and to the people of the state or significantly adversely impact the sustainability of a fishery managed by the state.

(b) At the commencement of an emergency meeting called pursuant to this section, the commission shall make a finding in open session that the delay necessitated by providing notice 10 days prior to a meeting as required by Section 11125 or 48 hours prior to a meeting as required by Section 11125.4 would significantly adversely impact the economic benefits of a fishery to the participants in the fishery and to the people of the state or significantly adversely impact the sustainability of a fishery managed by the state. The finding shall set forth the specific facts that constitute the impact to the economic benefits of the fishery or the sustainability of the fishery. The finding shall be adopted by a vote of at least four members of the commission, or, if less than four of the members are present, a unanimous vote of those members present. Failure to adopt the finding shall terminate the meeting.

(c) Newspapers of general circulation and radio or television stations that have requested notice of meetings pursuant to Section 11125 shall be notified by the presiding officer of the commission, or a designee thereof, one hour prior to the emergency meeting by telephone.

(d) The minutes of an emergency meeting called pursuant to this section, a list of persons who the president of the commission, or a designee thereof, notified or attempted to notify, a copy of the rollcall vote, and any action taken at the meeting shall be posted for a minimum of 10 days in a public place as soon after the meeting as possible.

11125.7. (a) Except as otherwise provided in this section, the state body shall provide an opportunity for members of the public to directly address the state body on each agenda item before or during the state body's discussion or consideration of the item. This section is not applicable if the agenda item has already been considered by a committee composed exclusively of members of the state body at a public meeting where interested members of the public were afforded the opportunity to address the committee on the item, before or during the committee's consideration of the item, unless the item has been substantially changed since the committee heard the item, as determined by the state body. Every notice for a special meeting at which action is proposed to be taken on an item shall provide an opportunity for members of the public to directly address the state body concerning that item prior to action on the item. In addition, the notice requirement of Section 11125 shall not preclude the acceptance of testimony at meetings, other than emergency meetings, from members of the public, provided, however, that no action is taken by the state body at the same meeting on matters brought before the body by members of the public.

(b) The state body may adopt reasonable regulations to ensure that the intent of subdivision (a) is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public comment on particular issues and for each individual speaker.

(c) The state body shall not prohibit public criticism of the

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policies, programs, or services of the state body, or of the acts or omissions of the state body. Nothing in this subdivision shall confer any privilege or protection for expression beyond that otherwise provided by law.

(d) This section is not applicable to closed sessions held pursuant to Section 11126.

(e) This section is not applicable to decisions regarding proceedings held pursuant to Chapter 5 (commencing with Section 11500), relating to administrative adjudication, or to the conduct of those proceedings.

(f) This section is not applicable to hearings conducted by the State Board of Control pursuant to Sections 13963 and 13963.1.

(g) This section is not applicable to agenda items that involve decisions of the Public Utilities Commission regarding adjudicatory hearings held pursuant to Chapter 9 (commencing with Section 1701) of Part 1 of Division 1 of the Public Utilities Code. For all other agenda items, the commission shall provide members of the public, other than those who have already participated in the proceedings underlying the agenda item, an opportunity to directly address the commission before or during the commission's consideration of the item.

11125.8. (a) Notwithstanding Section 11131.5, in any hearing that the State Board of Control conducts pursuant to Section 13963.1 and that the applicant or applicant's representative does not request be open to the public, no notice, agenda, announcement, or report required under this article need identify the applicant.

(b) In any hearing that the board conducts pursuant to Section 13963.1 and that the applicant or applicant's representative does not request be open to the public, the board shall disclose that the hearing is being held pursuant to Section 13963.1. That disclosure shall be deemed to satisfy the requirements of subdivision (a) of Section 11126.3.

11125.9. Regional water quality control boards shall comply with the notification guidelines in Section 11125 and, in addition, shall do both of the following:

(a) Notify, in writing, all clerks of the city councils and county boards of supervisors within the regional board's jurisdiction of any and all board hearings at least 10 days prior to the hearing. Notification shall include an agenda for the meeting with contents as described in subdivision (b) of Section 11125 as well as the name, address, and telephone number of any person who can provide further information prior to the meeting, but need not include a list of witnesses expected to appear at the meeting. Each clerk, upon receipt of the notification of a board hearing, shall distribute the notice to all members of the respective city council or board of supervisors within the regional board's jurisdiction.

(b) Notify, in writing, all newspapers with a circulation rate of at least 10,000 within the regional board's jurisdiction of any and all board hearings, at least 10 days prior to the hearing. Notification shall include an agenda for the meeting with contents as described in subdivision (b) of Section 11125 as well as the name, address, and telephone number of any person who can provide further information prior to the meeting, but need not include a list of witnesses expected to appear at the meeting.

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11126. (a) (1) Nothing in this article shall be construed to prevent a state body from holding closed sessions during a regular or special meeting to consider the appointment, employment, evaluation of performance, or dismissal of a public employee or to hear complaints or charges brought against that employee by another person or employee unless the employee requests a public hearing.

(2) As a condition to holding a closed session on the complaints or charges to consider disciplinary action or to consider dismissal, the employee shall be given written notice of his or her right to have a public hearing, rather than a closed session, and that notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding a regular or special meeting. If notice is not given, any disciplinary or other action taken against any employee at the closed session shall be null and void.

(3) The state body also may exclude from any public or closed session, during the examination of a witness, any or all other witnesses in the matter being investigated by the state body.

(4) Following the public hearing or closed session, the body may deliberate on the decision to be reached in a closed session.

(b) For the purposes of this section, "employee" does not include any person who is elected to, or appointed to a public office by, any state body. However, officers of the California State University who receive compensation for their services, other than per diem and ordinary and necessary expenses, shall, when engaged in that capacity, be considered employees. Furthermore, for purposes of this section, the term employee includes a person exempt from civil service pursuant to subdivision (e) of Section 4 of Article VII of the California Constitution.

(c) Nothing in this article shall be construed to do any of the following:

(1) Prevent state bodies that administer the licensing of persons engaging in businesses or professions from holding closed sessions to prepare, approve, grade, or administer examinations.

(2) Prevent an advisory body of a state body that administers the licensing of persons engaged in businesses or professions from conducting a closed session to discuss matters that the advisory body has found would constitute an unwarranted invasion of the privacy of an individual licensee or applicant if discussed in an open meeting, provided the advisory body does not include a quorum of the members of the state body it advises. Those matters may include review of an applicant's qualifications for licensure and an inquiry specifically related to the state body's enforcement program concerning an individual licensee or applicant where the inquiry occurs prior to the filing of a civil, criminal, or administrative disciplinary action against the licensee or applicant by the state body.

(3) Prohibit a state body from holding a closed session to deliberate on a decision to be reached in a proceeding required to be conducted pursuant to Chapter 5 (commencing with Section 11500) or similar provisions of law.

(4) Grant a right to enter any correctional institution or the grounds of a correctional institution where that right is not otherwise granted by law, nor shall anything in this article be construed to prevent a state body from holding a closed session when considering and acting upon the determination of a term, parole, or release of any individual or other disposition of an individual case, or if public disclosure of the subjects under discussion or consideration is expressly prohibited by statute.

(5) Prevent any closed session to consider the conferring of

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honorary degrees, or gifts, donations, and bequests that the donor or proposed donor has requested in writing to be kept confidential.

(6) Prevent the Alcoholic Beverage Control Appeals Board from holding a closed session for the purpose of holding a deliberative conference as provided in Section 11125.

(7) (A) Prevent a state body from holding closed sessions with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the state body to give instructions to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease.

(B) However, prior to the closed session, the state body shall hold an open and public session in which it identifies the real property or real properties that the negotiations may concern and the person or persons with whom its negotiator may negotiate.

(C) For purposes of this paragraph, the negotiator may be a member of the state body.

(D) For purposes of this paragraph, "lease" includes renewal or renegotiation of a lease.

(E) Nothing in this paragraph shall preclude a state body from holding a closed session for discussions regarding eminent domain proceedings pursuant to subdivision (e).

(8) Prevent the California Postsecondary Education Commission from holding closed sessions to consider matters pertaining to the appointment or termination of the Director of the California Postsecondary Education Commission.

(9) Prevent the Council for Private Postsecondary and Vocational Education from holding closed sessions to consider matters pertaining to the appointment or termination of the Executive Director of the Council for Private Postsecondary and Vocational Education.

(10) Prevent the Franchise Tax Board from holding closed sessions for the purpose of discussion of confidential tax returns or information the public disclosure of which is prohibited by law, or from considering matters pertaining to the appointment or removal of the Executive Officer of the Franchise Tax Board.

(11) Require the Franchise Tax Board to notice or disclose any confidential tax information considered in closed sessions, or documents executed in connection therewith, the public disclosure of which is prohibited pursuant to Article 2 (commencing with Section 19542) of Chapter 7 of Part 10.2 of the Revenue and Taxation Code.

(12) Prevent the Board of Corrections from holding closed sessions when considering reports of crime conditions under Section 6027 of the Penal Code.

(13) Prevent the State Air Resources Board from holding closed sessions when considering the proprietary specifications and performance data of manufacturers.

(14) Prevent the State Board of Education or the Superintendent of Public Instruction, or any committee advising the board or the superintendent, from holding closed sessions on those portions of its review of assessment instruments pursuant to Chapter 5 (commencing with Section 60600) of, or pursuant to Chapter 8 (commencing with Section 60850) of, Part 33 of the Education Code during which actual test content is reviewed and discussed. The purpose of this provision is to maintain the confidentiality of the assessments under review.

(15) Prevent the California Integrated Waste Management Board or its auxiliary committees from holding closed sessions for the purpose of discussing confidential tax returns, discussing trade secrets or confidential or proprietary information in its possession, or discussing other data, the public disclosure of which is prohibited by law.

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(16) Prevent a state body that invests retirement, pension, or endowment funds from holding closed sessions when considering investment decisions. For purposes of consideration of shareholder voting on corporate stocks held by the state body, closed sessions for the purposes of voting may be held only with respect to election of corporate directors, election of independent auditors, and other financial issues that could have a material effect on the net income of the corporation. For the purpose of real property investment decisions that may be considered in a closed session pursuant to this paragraph, a state body shall also be exempt from the provisions of paragraph (7) relating to the identification of real properties prior to the closed session.

(17) Prevent a state body, or boards, commissions, administrative officers, or other representatives that may properly be designated by law or by a state body, from holding closed sessions with its representatives in discharging its responsibilities under Chapter 10 (commencing with Section 3500), Chapter 10.3 (commencing with Section 3512), Chapter 10.5 (commencing with Section 3525), or Chapter 10.7 (commencing of Section 3540) of Division 4 of Title 1 as the sessions relate to salaries, salary schedules, or compensation paid in the form of fringe benefits. For the purposes enumerated in the preceding sentence, a state body may also meet with a state conciliator who has intervened in the proceedings.

(18) (A) Prevent a state body from holding closed sessions to consider matters posing a threat or potential threat of criminal or terrorist activity against the personnel, property, buildings, facilities, or equipment, including electronic data, owned, leased, or controlled by the state body, where disclosure of these considerations could compromise or impede the safety or security of the personnel, property, buildings, facilities, or equipment, including electronic data, owned, leased, or controlled by the state body.

(B) Notwithstanding any other provision of law, a state body, at any regular or special meeting, may meet in a closed session pursuant to subparagraph (A) upon a two-thirds vote of the members present at the meeting.

(C) After meeting in closed session pursuant to subparagraph (A), the state body shall reconvene in open session prior to adjournment and report that a closed session was held pursuant to subparagraph (A), the general nature of the matters considered, and whether any action was taken in closed session.

(D) After meeting in closed session pursuant to subparagraph (A), the state body shall submit to the Legislative Analyst written notification stating that it held this closed session, the general reason or reasons for the closed session, the general nature of the matters considered, and whether any action was taken in closed session. The Legislative Analyst shall retain for no less than four years any written notification received from a state body pursuant to this subparagraph.

(d) (1) Notwithstanding any other provision of law, any meeting of the Public Utilities Commission at which the rates of entities under the commission's jurisdiction are changed shall be open and public.

(2) Nothing in this article shall be construed to prevent the Public Utilities Commission from holding closed sessions to deliberate on the institution of proceedings, or disciplinary actions against any person or entity under the jurisdiction of the commission.

(e) (1) Nothing in this article shall be construed to prevent a state body, based on the advice of its legal counsel, from holding a

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closed session to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of the state body in the litigation.

(2) For purposes of this article, all expressions of the lawyer-client privilege other than those provided in this subdivision are hereby abrogated. This subdivision is the exclusive expression of the lawyer-client privilege for purposes of conducting closed session meetings pursuant to this article. For purposes of this subdivision, litigation shall be considered pending when any of the following circumstances exist:

(A) An adjudicatory proceeding before a court, an administrative body exercising its adjudicatory authority, a hearing officer, or an arbitrator, to which the state body is a party, has been initiated formally.

(B) (i) A point has been reached where, in the opinion of the state body on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the state body.

(ii) Based on existing facts and circumstances, the state body is meeting only to decide whether a closed session is authorized pursuant to clause (i).

(C) (i) Based on existing facts and circumstances, the state body has decided to initiate or is deciding whether to initiate litigation.

(ii) The legal counsel of the state body shall prepare and submit to it a memorandum stating the specific reasons and legal authority for the closed session. If the closed session is pursuant to paragraph (1), the memorandum shall include the title of the litigation. If the closed session is pursuant to subparagraph (A) or (B), the memorandum shall include the existing facts and circumstances on which it is based. The legal counsel shall submit the memorandum to the state body prior to the closed session, if feasible, and in any case no later than one week after the closed session. The memorandum shall be exempt from disclosure pursuant to Section 6254.25.

(iii) For purposes of this subdivision, "litigation" includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator.

(iv) Disclosure of a memorandum required under this subdivision shall not be deemed as a waiver of the lawyer-client privilege, as provided for under Article 3 (commencing with Section 950) of Chapter 4 of Division 8 of the Evidence Code.

(f) In addition to subdivisions (a), (b), and (c), nothing in this article shall be construed to do any of the following:

(1) Prevent a state body operating under a joint powers agreement for insurance pooling from holding a closed session to discuss a claim for the payment of tort liability or public liability losses incurred by the state body or any member agency under the joint powers agreement.

(2) Prevent the examining committee established by the State Board of Forestry and Fire Protection, pursuant to Section 763 of the Public Resources Code, from conducting a closed session to consider disciplinary action against an individual professional forester prior to the filing of an accusation against the forester pursuant to Section 11503.

(3) Prevent an administrative committee established by the California Board of Accountancy pursuant to Section 5020 of the Business and Professions Code from conducting a closed session to

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consider disciplinary action against an individual accountant prior to the filing of an accusation against the accountant pursuant to Section 11503. Nothing in this article shall be construed to prevent an examining committee established by the California Board of Accountancy pursuant to Section 5023 of the Business and Professions Code from conducting a closed hearing to interview an individual applicant or accountant regarding the applicant's qualifications.

(4) Prevent a state body, as defined in subdivision (b) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in closed session by the state body whose authority it exercises.

(5) Prevent a state body, as defined in subdivision (d) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in a closed session by the body defined as a state body pursuant to subdivision (a) or (b) of Section 11121.

(6) Prevent a state body, as defined in subdivision (c) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in a closed session by the state body it advises.

(7) Prevent the State Board of Equalization from holding closed sessions for either of the following:

(A) When considering matters pertaining to the appointment or removal of the Executive Secretary of the State Board of Equalization.

(B) For the purpose of hearing confidential taxpayer appeals or data, the public disclosure of which is prohibited by law.

(8) Require the State Board of Equalization to disclose any action taken in closed session or documents executed in connection with that action, the public disclosure of which is prohibited by law pursuant to Sections 15619 and 15641 of this code and Sections 833, 7056, 8255, 9255, 11655, 30455, 32455, 38705, 38706, 43651, 45982, 46751, 50159, 55381, and 60609 of the Revenue and Taxation Code.

(9) Prevent the California Earthquake Prediction Evaluation Council, or other body appointed to advise the Director of the Office of Emergency Services or the Governor concerning matters relating to volcanic or earthquake predictions, from holding closed sessions when considering the evaluation of possible predictions.

(g) This article does not prevent either of the following:

(1) The Teachers' Retirement Board or the Board of Administration of the Public Employees' Retirement System from holding closed sessions when considering matters pertaining to the recruitment, appointment, employment, or removal of the chief executive officer or when considering matters pertaining to the recruitment or removal of the Chief Investment Officer of the State Teachers' Retirement System or the Public Employees' Retirement System.

(2) The Commission on Teacher Credentialing from holding closed sessions when considering matters relating to the recruitment, appointment, or removal of its executive director.

(h) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2006, deletes or extends that date.

11126. (a) (1) Nothing in this article shall be construed to prevent a state body from holding closed sessions during a regular or special meeting to consider the appointment, employment, evaluation of performance, or dismissal of a public employee or to hear complaints or charges brought against that employee by another person

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or employee unless the employee requests a public hearing.

(2) As a condition to holding a closed session on the complaints or charges to consider disciplinary action or to consider dismissal, the employee shall be given written notice of his or her right to have a public hearing, rather than a closed session, and that notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding a regular or special meeting. If notice is not given, any disciplinary or other action taken against any employee at the closed session shall be null and void.

(3) The state body also may exclude from any public or closed session, during the examination of a witness, any or all other witnesses in the matter being investigated by the state body.

(4) Following the public hearing or closed session, the body may deliberate on the decision to be reached in a closed session.

(b) For the purposes of this section, "employee" does not include any person who is elected to, or appointed to a public office by, any state body. However, officers of the California State University who receive compensation for their services, other than per diem and ordinary and necessary expenses, shall, when engaged in that capacity, be considered employees. Furthermore, for purposes of this section, the term employee includes a person exempt from civil service pursuant to subdivision (e) of Section 4 of Article VII of the California Constitution.

(c) Nothing in this article shall be construed to do any of the following:

(1) Prevent state bodies that administer the licensing of persons engaging in businesses or professions from holding closed sessions to prepare, approve, grade, or administer examinations.

(2) Prevent an advisory body of a state body that administers the licensing of persons engaged in businesses or professions from conducting a closed session to discuss matters that the advisory body has found would constitute an unwarranted invasion of the privacy of an individual licensee or applicant if discussed in an open meeting, provided the advisory body does not include a quorum of the members of the state body it advises. Those matters may include review of an applicant's qualifications for licensure and an inquiry specifically related to the state body's enforcement program concerning an individual licensee or applicant where the inquiry occurs prior to the filing of a civil, criminal, or administrative disciplinary action against the licensee or applicant by the state body.

(3) Prohibit a state body from holding a closed session to deliberate on a decision to be reached in a proceeding required to be conducted pursuant to Chapter 5 (commencing with Section 11500) or similar provisions of law.

(4) Grant a right to enter any correctional institution or the grounds of a correctional institution where that right is not otherwise granted by law, nor shall anything in this article be construed to prevent a state body from holding a closed session when considering and acting upon the determination of a term, parole, or release of any individual or other disposition of an individual case, or if public disclosure of the subjects under discussion or consideration is expressly prohibited by statute.

(5) Prevent any closed session to consider the conferring of honorary degrees, or gifts, donations, and bequests that the donor or proposed donor has requested in writing to be kept confidential.

(6) Prevent the Alcoholic Beverage Control Appeals Board from holding a closed session for the purpose of holding a deliberative conference as provided in Section 11125.

(7) (A) Prevent a state body from holding closed sessions with its negotiator prior to the purchase, sale, exchange, or lease of real

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property by or for the state body to give instructions to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease.

(B) However, prior to the closed session, the state body shall hold an open and public session in which it identifies the real property or real properties that the negotiations may concern and the person or persons with whom its negotiator may negotiate.

(C) For purposes of this paragraph, the negotiator may be a member of the state body.

(D) For purposes of this paragraph, "lease" includes renewal or renegotiation of a lease.

(E) Nothing in this paragraph shall preclude a state body from holding a closed session for discussions regarding eminent domain proceedings pursuant to subdivision (e).

(8) Prevent the California Postsecondary Education Commission from holding closed sessions to consider matters pertaining to the appointment or termination of the Director of the California Postsecondary Education Commission.

(9) Prevent the Council for Private Postsecondary and Vocational Education from holding closed sessions to consider matters pertaining to the appointment or termination of the Executive Director of the Council for Private Postsecondary and Vocational Education.

(10) Prevent the Franchise Tax Board from holding closed sessions for the purpose of discussion of confidential tax returns or information the public disclosure of which is prohibited by law, or from considering matters pertaining to the appointment or removal of the Executive Officer of the Franchise Tax Board.

(11) Require the Franchise Tax Board to notice or disclose any confidential tax information considered in closed sessions, or documents executed in connection therewith, the public disclosure of which is prohibited pursuant to Article 2 (commencing with Section 19542) of Chapter 7 of Part 10.2 of the Revenue and Taxation Code.

(12) Prevent the Board of Corrections from holding closed sessions when considering reports of crime conditions under Section 6027 of the Penal Code.

(13) Prevent the State Air Resources Board from holding closed sessions when considering the proprietary specifications and performance data of manufacturers.

(14) Prevent the State Board of Education or the Superintendent of Public Instruction, or any committee advising the board or the superintendent, from holding closed sessions on those portions of its review of assessment instruments pursuant to Chapter 5 (commencing with Section 60600) of, or pursuant to Chapter 8 (commencing with Section 60850) of, Part 33 of the Education Code during which actual test content is reviewed and discussed. The purpose of this provision is to maintain the confidentiality of the assessments under review.

(15) Prevent the California Integrated Waste Management Board or its auxiliary committees from holding closed sessions for the purpose of discussing confidential tax returns, discussing trade secrets or confidential or proprietary information in its possession, or discussing other data, the public disclosure of which is prohibited by law.

(16) Prevent a state body that invests retirement, pension, or endowment funds from holding closed sessions when considering investment decisions. For purposes of consideration of shareholder voting on corporate stocks held by the state body, closed sessions for the purposes of voting may be held only with respect to election of corporate directors, election of independent auditors, and other financial issues that could have a material effect on the net income

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of the corporation. For the purpose of real property investment decisions that may be considered in a closed session pursuant to this paragraph, a state body shall also be exempt from the provisions of paragraph (7) relating to the identification of real properties prior to the closed session.

(17) Prevent a state body, or boards, commissions, administrative officers, or other representatives that may properly be designated by law or by a state body, from holding closed sessions with its representatives in discharging its responsibilities under Chapter 10 (commencing with Section 3500), Chapter 10.3 (commencing with Section 3512), Chapter 10.5 (commencing with Section 3525), or Chapter 10.7 (commencing of Section 3540) of Division 4 of Title 1 as the sessions relate to salaries, salary schedules, or compensation paid in the form of fringe benefits. For the purposes enumerated in the preceding sentence, a state body may also meet with a state conciliator who has intervened in the proceedings.

(d) (1) Notwithstanding any other provision of law, any meeting of the Public Utilities Commission at which the rates of entities under the commission's jurisdiction are changed shall be open and public.

(2) Nothing in this article shall be construed to prevent the Public Utilities Commission from holding closed sessions to deliberate on the institution of proceedings, or disciplinary actions against any person or entity under the jurisdiction of the commission.

(e) (1) Nothing in this article shall be construed to prevent a state body, based on the advice of its legal counsel, from holding a closed session to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of the state body in the litigation.

(2) For purposes of this article, all expressions of the lawyer-client privilege other than those provided in this subdivision are hereby abrogated. This subdivision is the exclusive expression of the lawyer-client privilege for purposes of conducting closed session meetings pursuant to this article. For purposes of this subdivision, litigation shall be considered pending when any of the following circumstances exist:

(A) An adjudicatory proceeding before a court, an administrative body exercising its adjudicatory authority, a hearing officer, or an arbitrator, to which the state body is a party, has been initiated formally.

(B) (i) A point has been reached where, in the opinion of the state body on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the state body.

(ii) Based on existing facts and circumstances, the state body is meeting only to decide whether a closed session is authorized pursuant to clause (i).

(C) (i) Based on existing facts and circumstances, the state body has decided to initiate or is deciding whether to initiate litigation.

(ii) The legal counsel of the state body shall prepare and submit to it a memorandum stating the specific reasons and legal authority for the closed session. If the closed session is pursuant to paragraph (1), the memorandum shall include the title of the litigation. If the closed session is pursuant to subparagraph (A) or (B), the memorandum shall include the existing facts and circumstances on which it is based. The legal counsel shall submit the memorandum to the state body prior to the closed session, if

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feasible, and in any case no later than one week after the closed session. The memorandum shall be exempt from disclosure pursuant to Section 6254.25.

(iii) For purposes of this subdivision, "litigation" includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator.

(iv) Disclosure of a memorandum required under this subdivision shall not be deemed as a waiver of the lawyer-client privilege, as provided for under Article 3 (commencing with Section 950) of Chapter 4 of Division 8 of the Evidence Code.

(f) In addition to subdivisions (a), (b), and (c), nothing in this article shall be construed to do any of the following:

(1) Prevent a state body operating under a joint powers agreement for insurance pooling from holding a closed session to discuss a claim for the payment of tort liability or public liability losses incurred by the state body or any member agency under the joint powers agreement.

(2) Prevent the examining committee established by the State Board of Forestry and Fire Protection, pursuant to Section 763 of the Public Resources Code, from conducting a closed session to consider disciplinary action against an individual professional forester prior to the filing of an accusation against the forester pursuant to Section 11503.

(3) Prevent an administrative committee established by the California Board of Accountancy pursuant to Section 5020 of the Business and Professions Code from conducting a closed session to consider disciplinary action against an individual accountant prior to the filing of an accusation against the accountant pursuant to Section 11503. Nothing in this article shall be construed to prevent an examining committee established by the California Board of Accountancy pursuant to Section 5023 of the Business and Professions Code from conducting a closed hearing to interview an individual applicant or accountant regarding the applicant's qualifications.

(4) Prevent a state body, as defined in subdivision (b) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in closed session by the state body whose authority it exercises.

(5) Prevent a state body, as defined in subdivision (d) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in a closed session by the body defined as a state body pursuant to subdivision (a) or (b) of Section 11121.

(6) Prevent a state body, as defined in subdivision (c) of Section 11121, from conducting a closed session to consider any matter that properly could be considered in a closed session by the state body it advises.

(7) Prevent the State Board of Equalization from holding closed sessions for either of the following:

(A) When considering matters pertaining to the appointment or removal of the Executive Secretary of the State Board of Equalization.

(B) For the purpose of hearing confidential taxpayer appeals or data, the public disclosure of which is prohibited by law.

(8) Require the State Board of Equalization to disclose any action taken in closed session or documents executed in connection with that action, the public disclosure of which is prohibited by law pursuant to Sections 15619 and 15641 of this code and Sections 833, 7056, 8255, 9255, 11655, 30455, 32455, 38705, 38706, 43651, 45982, 46751, 50159, 55381, and 60609 of the Revenue and Taxation Code.

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(9) Prevent the California Earthquake Prediction Evaluation Council, or other body appointed to advise the Director of the Office of Emergency Services or the Governor concerning matters relating to volcanic or earthquake predictions, from holding closed sessions when considering the evaluation of possible predictions.

(g) This article does not prevent either of the following:

(1) The Teachers' Retirement Board or the Board of Administration of the Public Employees' Retirement System from holding closed sessions when considering matters pertaining to the recruitment, appointment, employment, or removal of the chief executive officer or when considering matters pertaining to the recruitment or removal of the Chief Investment Officer of the State Teachers' Retirement System or the Public Employees' Retirement System.

(2) The Commission on Teacher Credentialing from holding closed sessions when considering matters relating to the recruitment, appointment, or removal of its executive director.

(h) This section shall become operative on January 1, 2006.

11126.1. The state body shall designate a clerk or other officer or employee of the state body, who shall then attend each closed session of the state body and keep and enter in a minute book a record of topics discussed and decisions made at the meeting. The minute book made pursuant to this section is not a public record subject to inspection pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and shall be kept confidential. The minute book shall be available to members of the state body or, if a violation of this chapter is alleged to have occurred at a closed session, to a court of general jurisdiction. Such minute book may, but need not, consist of a recording of the closed session.

11126.3. (a) Prior to holding any closed session, the state body shall disclose, in an open meeting, the general nature of the item or items to be discussed in the closed session. The disclosure may take the form of a reference to the item or items as they are listed by number or letter on the agenda. If the session is closed pursuant to paragraph (2) of subdivision (d) of Section 11126, the state body shall state the title of, or otherwise specifically identify, the proceeding or disciplinary action contemplated. However, should the body determine that to do so would jeopardize the body's ability to effectuate service of process upon one or more unserved parties if the proceeding or disciplinary action is commenced or that to do so would fail to protect the private economic and business reputation of the person or entity if the proceeding or disciplinary action is not commenced, then the state body shall notice that there will be a closed session and describe in general terms the purpose of that session. If the session is closed pursuant to subparagraph (A) of paragraph (2) of subdivision (e) of Section 11126, the state body shall state the title of, or otherwise specifically identify, the litigation to be discussed unless the body states that to do so would jeopardize the body's ability to effectuate service of process upon one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

(b) In the closed session, the state body may consider only those matters covered in its disclosure.

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(c) The disclosure shall be made as part of the notice provided for the meeting pursuant to Section 11125 or pursuant to subdivision (a) of Section 92032 of the Education Code and of any order or notice required by Section 11129.

(d) If, after the agenda has been published in compliance with this article, any pending litigation (under subdivision (e) of Section 11126) matters arise, the postponement of which will prevent the state body from complying with any statutory, court-ordered, or other legally imposed deadline, the state body may proceed to discuss those matters in closed session and shall publicly announce in the meeting the title of, or otherwise specifically identify, the litigation to be discussed, unless the body states that to do so would jeopardize the body's ability to effectuate service of process upon one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage. Such an announcement shall be deemed to comply fully with the requirements of this section.

(e) Nothing in this section shall require or authorize a disclosure of names or other information that would constitute an invasion of privacy or otherwise unnecessarily divulge the particular facts concerning the closed session or the disclosure of which is prohibited by state or federal law.

(f) After any closed session, the state body shall reconvene into open session prior to adjournment and shall make any reports, provide any documentation, and make any other disclosures required by Section 11125.2 of action taken in the closed session.

(g) The announcements required to be made in open session pursuant to this section may be made at the location announced in the agenda for the closed session, as long as the public is allowed to be present at that location for the purpose of hearing the announcement.

11126.5. In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting the state body conducting the meeting may order the meeting room cleared and continue in session. Nothing in this section shall prohibit the state body from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting. Notwithstanding any other provision of law, only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section.

11126.7. No fees may be charged by a state body for providing a notice required by Section 11125 or for carrying out any provision of this article, except as specifically authorized pursuant to this article.

11127. Each provision of this article shall apply to every state body unless the body is specifically excepted from that provision by law or is covered by any other conflicting provision of law.

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11128. Each closed session of a state body shall be held only during a regular or special meeting of the body.

11128.5. The state body may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If all members are absent from any regular or adjourned regular meeting, the clerk or secretary of the state body may declare the meeting adjourned to a stated time and place and he or she shall cause a written notice of the adjournment to be given in the same manner as provided in Section 11125.4 for special meetings, unless that notice is waived as provided for special meetings. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special, or adjourned special meeting was held within 24 hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings by law or regulation.

11129. Any hearing being held, or noticed or ordered to be held by a state body at any meeting may by order or notice of continuance be continued or recontinued to any subsequent meeting of the state body in the same manner and to the same extent set forth in Section 11128.5 for the adjournment of meetings. A copy of the order or notice of continuance shall be conspicuously posted on or near the door of the place where the hearing was held within 24 hours after the time of the continuance; provided, that if the hearing is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

11130. (a) The Attorney General, the district attorney, or any interested person may commence an action by mandamus, injunction, or declaratory relief for the purpose of stopping or preventing violations or threatened violations of this article or to determine the applicability of this article to past actions or threatened future action by members of the state body or to determine whether any rule or action by the state body to penalize or otherwise discourage the expression of one or more of its members is valid or invalid under the laws of this state or of the United States, or to compel the state body to tape record its closed sessions as hereinafter provided.

(b) The court in its discretion may, upon a judgment of a violation of Section 11126, order the state body to tape record its closed sessions and preserve the tape recordings for the period and under the terms of security and confidentiality the court deems appropriate.

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(c) (1) Each recording so kept shall be immediately labeled with the date of the closed session recorded and the title of the clerk or other officer who shall be custodian of the recording.

(2) The tapes shall be subject to the following discovery procedures:

(A) In any case in which discovery or disclosure of the tape is sought by the Attorney General, the district attorney, or the plaintiff in a civil action pursuant to this section or Section 11130.3 alleging that a violation of this article has occurred in a closed session that has been recorded pursuant to this section, the party seeking discovery or disclosure shall file a written notice of motion with the appropriate court with notice to the governmental agency that has custody and control of the tape recording. The notice shall be given pursuant to subdivision (b) of Section 1005 of the Code of Civil Procedure.

(B) The notice shall include, in addition to the items required by Section 1010 of the Code of Civil Procedure, all of the following:

(i) Identification of the proceeding in which discovery or disclosure is sought, the party seeking discovery or disclosure, the date and time of the meeting recorded, and the governmental agency that has custody and control of the recording.

(ii) An affidavit that contains specific facts indicating that a violation of the act occurred in the closed session.

(3) If the court, following a review of the motion, finds that there is good cause to believe that a violation has occurred, the court may review, in camera, the recording of that portion of the closed session alleged to have violated the act.

(4) If, following the in-camera review, the court concludes that disclosure of a portion of the recording would be likely to materially assist in the resolution of the litigation alleging violation of this article, the court shall, in its discretion, make a certified transcript of the portion of the recording a public exhibit in the proceeding.

(5) Nothing in this section shall permit discovery of communications that are protected by the attorney-client privilege.

11130.3. (a) Any interested person may commence an action by mandamus, injunction, or declaratory relief for the purpose of obtaining a judicial determination that an action taken by a state body in violation of Section 11123 or 11125 is null and void under this section. Any action seeking such a judicial determination shall be commenced within 90 days from the date the action was taken. Nothing in this section shall be construed to prevent a state body from curing or correcting an action challenged pursuant to this section.

(b) An action shall not be determined to be null and void if any of the following conditions exist:

(1) The action taken was in connection with the sale or issuance of notes, bonds, or other evidences of indebtedness or any contract, instrument, or agreement related thereto.

(2) The action taken gave rise to a contractual obligation upon which a party has, in good faith, detrimentally relied.

(3) The action taken was in substantial compliance with Sections 11123 and 11125.

(4) The action taken was in connection with the collection of any tax.

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11130.5. A court may award court costs and reasonable attorney's fees to the plaintiff in an action brought pursuant to Section 11130 or 11130.3 where it is found that a state body has violated the provisions of this article. The costs and fees shall be paid by the state body and shall not become a personal liability of any public officer or employee thereof.

A court may award court costs and reasonable attorney's fees to a defendant in any action brought pursuant to Section 11130 or 11130.3 where the defendant has prevailed in a final determination of the action and the court finds that the action was clearly frivolous and totally lacking in merit.

11130.7. Each member of a state body who attends a meeting of that body in violation of any provision of this article, and where the member intends to deprive the public of information to which the member knows or has reason to know the public is entitled under this article, is guilty of a misdemeanor.

11131. No state agency shall conduct any meeting, conference, or other function in any facility that prohibits the admittance of any person, or persons, on the basis of race, religious creed, color, national origin, ancestry, or sex, or that is inaccessible to disabled persons, or where members of the public may not be present without making a payment or purchase. As used in this section, "state agency" means and includes every state body, office, officer, department, division, bureau, board, council, commission, or other state agency.

11131.5. No notice, agenda, announcement, or report required under this article need identify any victim or alleged victim of crime, tortious sexual conduct, or child abuse unless the identity of the person has been publicly disclosed.

11132. Except as expressly authorized by this article, no closed session may be held by any state body.

CALIFORNIA STUDENT AID COMMISSION

{Address}

To: High School Counselor or Registrar

Re: Class of 2006 High School Graduation Verification

The California Student Aid Commission (CSAC) requests that you please provide high school graduation information for the students listed on the reverse side of this letter. These are students who completed the FAFSA and are eligible for a Cal Grant A or B. This request is part of an evaluation CSAC is conducting of the integrity of the Cal Grant award process now that the CAHSEE requirement is in place.

The list on the reverse side includes Class of 2006, students' last name, first name and date of birth. Please indicate by checking "Yes" for each student who received a high school diploma by the end of your final graduation summer opportunity and please provide their graduation date. Please indicate "No" if the student did not graduate. Or, mark "Other" if for example, the student left school, moved, went into another program or took another option. For your convenience, a self-addressed, postage-paid envelope is enclosed for the return of the document.

We appreciate your support and respectfully request that you respond by October 13, 2006.

Thank you for your participation. Please contact me at (916) 526-8428 if you have any questions.

Sincerely,

Paula Rockwell
Manager

MAILING ADDRESS: P.O. Box 419027 , Rancho Cordova, CA 95741-9027
TELEPHONE: 916-526-8428 FAX: 916-526-7998 WEB SITE: WWW.CSAC.CA.GOV

CALIFORNIA STUDENT AID COMMISSION

Tab 1

INSTRUCTIONS: Please identify graduation by marking Yes and providing Graduation Date. If student did not graduation, please mark No if the student did not graduate or failed to meet graduation requirements. Or, mark Other if for example, the student left school, moved, went into independent study or took another option.

Student's Last Name	Student's First Name	Date of Birth	Yes	Graduation Date	No	Other
Smith	John	3-13-89				
Jones	Mary	4-14-89				

10/14/2006 11:31 AM

UNIFORM POLICIES AND PROCEDURES
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CALIFORNIA STUDENT AID COMMISSION

UNIFORM POLICIES AND PROCEDURES FOR ADVISORY BODIES

CHAPTER ONE - GENERAL

1. Introduction

The California Student Aid Commission (Commission) advisory bodies were established to advise the Commission on the financial aid and outreach programs it administers. By serving in this important capacity, the advisory bodies enhance the Commission's ability to effectively administer and deliver financial aid. The advisory bodies of the Commission are:

- California Student Opportunity and Access Program (Cal-SOAP) Advisory Committee
- Grant Advisory Committee (GAC)
- Loan Advisory Council (LAC)

The Commission has the final authority and responsibility to define financial aid policy and administer its programs. The following policies and procedures should in no way be deemed to transfer this authority or responsibility to the advisory bodies.

These uniform policies and procedures apply to all Commission advisory bodies unless otherwise specified by law.

2. Effective Date and Applicability

These policies and procedures are applicable and effective as revised on (date), with the exception of any revision to terms, lengths and limits of advisory body appointments, which is applicable with new appointments made after the effective date.

3. Background

A comprehensive guidebook on "Uniform Policies for Advisory Bodies" was first adopted by the Commission on September 8, 2000. The guidebook was developed to serve as a tool in helping the advisory bodies undertake their responsibilities, to define the respective roles of the advisory bodies, and to provide a clear understanding of policies that govern the interaction between the advisory bodies and the Commission.

At its 2001 Annual Workshop, the Commission discussed the development of policies regarding the nomination and appointment process for its advisory bodies including terms, term limits, multiple nominations, and the form letters used for the nomination process. As a result of the work completed at the Annual Workshop, the Commission subsequently made changes to the policies and procedures contained

in the Uniform Policies. Those changes have been incorporated into this first revision of the Uniform Policies where appropriate.

4. Mission Statements

All advisory bodies to the Commission should establish and maintain a mission statement that is consistent with the mission and goals of the Commission. Mission statements must be reviewed and approved by the Commission.

5. Operating Accountability

5.1. Each advisory body will be accountable for meeting its responsibilities in a competent, conscientious, and effective manner.

5.2. Each advisory body will monitor and discuss its own activities and performance on an annual basis, including continual measurement of its goals and means.

5.3. Each advisory body will impose upon itself whatever discipline needed to provide the Commission with superior guidance and recommendations.

6. Review and Effectiveness of Advisory Bodies

6.1. All advisory bodies will present their annual objectives, meeting calendar and their past year's accomplishments to the Commission on an annual basis.

6.2. The Commission shall annually review the effectiveness of each advisory body.

CHAPTER TWO – NOMINATIONS, APPOINTMENTS AND TERMS

1. Appointment Policy

The Commission adopted the following Appointment Policy for Advisory Bodies (and the EDFUND Board) on June 20, 2003:

> The California Student Aid Commission is charged with providing equal opportunity and access to postsecondary education, for California and for Commission clients in other states, to persons of both sexes and all races, ancestries, incomes, ages and geographies. It is also charged with reducing barriers to a college education for students from schools that have low eligibility and college participation rates. The Commission will seek to appoint to its advisory committees (and to the EDFUND Board), persons who have knowledge and/or experience which would be useful in achieving these goals. Such persons can best advise the Commission on whether its programs are adequately serving relevant groups, and whether its outreach efforts are as effective as possible in contacting underserved populations as mandated by law.

2. Nominations and Appointment Process

2.1. Requests for nominations or appointments will be obtained from the appropriate nominating or appointing authority as established by the Commission or by applicable law.

2.2. The appropriate nominating or appointing authority and the chair of the advisory body will be notified by the Commission in advance of term expiration dates and any upcoming or existing vacancies so that nominations or appointments can be made in a timely manner.

2.3. Nominating authorities will submit their nominations to the Executive Director of the Commission.

2.4. Each nomination shall include a cover letter, the nominee's name, title, segment or organization, company or agency, address, telephone, e-mail address, and a brief biography or resume.

2.5. The Commission's Personnel, Evaluation and Nominations (PEN) Committee will meet to review the nominations, conduct interviews if necessary, and make recommendations on appointments to advisory bodies for action at the next scheduled meeting of the Commission.

2.6. The Commission must take action to approve nominations to advisory bodies and their appointment terms. If a term expiration date has already passed, a new term will begin effective with the date action was taken by the Commission to approve the nomination.

2.7. If a member of an advisory body leaves or resigns from that body, a new appointee will complete that member's term, if such a term was designated.

2.8. Appointing authorities other than the Commission will submit their appointments to the Executive Director of the Commission specifying the appointee's name, the position to be filled, and contact information.

3. Eligibility

3.1. Participation in Commission Programs - Nominees for appointments made by the Commission for the student, higher education institution, and lender representatives must be participants in the programs administered by the Commission. The student will be considered a participant if enrolled at an institution that participates in the Commission's programs.

3.2. Maintain Association – Advisory body members must maintain an association with the segment, organization or business they represent throughout the term of their appointment. An association can be determined by employment, enrollment or membership. Advisory body members are responsible for notifying the chair of the advisory body, the nominating or appointing authority, and the Commission should his or her association end.

3.3. Conflict of Interest - No appointment shall be made if the nominee is engaged in any employment, activity or enterprise which is clearly inconsistent, incompatible, or in conflict with the duties of a member of an advisory body. A conflict of interest would exist if the nominee is employed by or affiliated with an entity that is in competition with services provided by or through the Commission. The Commission's PEN Committee will determine whether a conflict of interest exists. A conflict of interest under this section which arises during a member's term shall result in disqualification under Section 5 of Chapter Two.

3.4. A nominee or member who has a conflict of interest based on occasional special circumstances is not disqualified from serving on the advisory body but must follow the procedures set forth in Section 5 of Chapter Four.

4. New Member Requirements

4.1. The following forms must be completed by each new member:

- Acceptance of Appointment Form
- Establishment of Headquarters Form

4.2. New members will be provided and will become familiar with the following:

- Uniform Policies for Advisory bodies with an addendum detailing current travel expense limits
- Bagley-Keene Open Meeting Act
- Any other information specific to the advisory body to which they have been appointed

4.3. New members are expected to attend an orientation session within the first year of appointment to any advisory body.

5. Term Expiration and Disqualification

5.1. An advisory body member whose term has expired may continue to serve for 60 calendar days or until a successor has been appointed, whichever occurs first.

5.2. A student member who graduates from an institution or who is no longer enrolled in the segment he or she represents, and has no more than six months of his or her term remaining, is permitted to serve for the remainder of the term.

5.3. An advisory body member, other than a student member that falls under Section 5.2 above, who no longer meets the appointment eligibility requirements, automatically relinquishes his or her appointment as of the date of the occurrence.

5.4. The final determination with respect to the expiration or disqualification under this section shall be made by the Executive Director and the Chair of the Commission.

6. Re-appointments

6.1. A member may be re-appointed by the Commission after his or her term has expired if the member is considered in good standing, the nominating body has submitted his or her name for re-appointment, and the PEN Committee recommends the re-appointment.

6.2. A member is considered to be in good standing if he or she meets the requirements of Chapter Two, Sections 3 and 6, and Chapter Four, Sections 1, 2, 4 and 6.

6.3. The Executive Director and the Chair of the Commission in consultation with the advisory body chair shall determine whether a member is considered to be in good standing.

CHAPTER THREE – MEETINGS OF ADVISORY BODIES

1. Bagley-Keene Open Meeting Act 1998

1.1. Advisory bodies are governed by and shall, at all times, abide by the Bagley-Keene Open Meeting Act, Statutes of 1998, and Government Code sections 11120-11132.

1.2. Notice shall be given and also made available on the Internet at least 10 days in advance of the meeting of any advisory body, ad hoc committee, special committee or workgroup. If a meeting consists of less than three (3) members of any advisory body, ad hoc committee, special committee or workgroup, notice is not required.

1.3. Meetings must be open to the public. Closed Sessions (sessions closed to the public), may be held for legally authorized purposes, but must meet proper notice requirements. (Notice is not required if the meeting consists of less than three members.)

1.4. A serial meeting, in which members collectively deliberate on public business through a series of communications without appropriate notice to the public, is prohibited.

2. Meeting Calendar and Meeting Location

2.1. Advisory bodies shall establish a meeting calendar indicating the number and dates of meetings that shall be presented to the Commission for its approval on an annual basis.

2.2. The number of meetings held by any advisory body is subject to State budget considerations and directives, available funding and workload considerations.

2.3. The need for additional ad hoc bodies, special meetings, and workgroups is determined by the chair of the advisory body and the Commission staff liaison, and may be subject to approval by the Commission or Executive Director.

2.4. Selection of meeting sites shall be based on available funding, workload considerations, meeting effectiveness and location-specific agenda items, and shall be subject to approval by the Executive Director of the Commission.

3. Order of Business

The order of business at each meeting of the advisory body shall generally be as follows:

- Call to Order
- Determination of Quorum
- Public Comment
- Report of the Chair
- Report of the Executive Director or Staff Liaison
- Review of the Agenda
- Approval of the Minutes
- Report of Ad Hoc Committees or Workgroups
- Information/Action Items
- Public Participation
- Adjournment

4. Quorum

4.1. A quorum of the advisory body shall constitute fifty percent, plus one, of the membership of the advisory body entitled to vote, unless otherwise specified under law.

4.2. No formal action shall be taken unless a quorum is present.

5. Minutes and Recording of Meetings

5.1. Minutes of each meeting of the advisory body, and any ad hoc committee or workgroup, shall be prepared. The chair and the Commission staff liaison shall ensure that advisory body meetings are recorded.

5.2. A copy of the minutes of each scheduled regular meeting shall be mailed to each member of the advisory body with the next scheduled meeting agenda packet, or earlier if available. The chair shall inquire whether there are corrections or amendments to the minutes and shall order them approved, absent any objection, with any corrections or amendments.

5.3. The minutes of the advisory body shall be kept by the Commission staff liaison. The staff liaison is charged with the custody of all papers, books, documents, and materials of the advisory body and shall make these available to the public during normal business hours.

6. Meeting Notice and Agenda

6.1. A meeting notice and agenda shall be prepared and issued for each scheduled meeting of an advisory body in accordance with the Bagley-Keene Open Meeting

Act. Notice shall be given and also made available on the Internet at least 10 days in advance of the meeting.

6.2. An advisory body cannot take action on any agenda items not properly noticed.

6.3. Matters on the agenda that have not been considered and acted upon or continued to a subsequent meeting shall be deemed continued to the next scheduled meeting as an agenda item.

6.4. The members of the advisory body, the Commission's Executive Director, and the staff liaison shall be authorized to place items on the advisory body agenda for scheduled meetings. The chair of the advisory body shall have the authority to consider a request by a member of the public to place items on the agenda.

7. Public Comment on Agenda Items

7.1. Members of the public may appear and present their views on scheduled items at all advisory body meetings. To facilitate timely agenda management, requests to address the advisory body should be made in advance of scheduled discussions, preferably in a written request to the chair. The chair shall determine the order in which comments are offered, and comments may be limited to no more than five minutes, as determined by the chair. A longer period of comment may be permitted, at the discretion of the chair.

7.2. The public shall be given the opportunity to comment before a vote.

8. Public Comment During the Public Participation Section of the Agenda

8.1. Members of the public may appear and present their views to the advisory body during the public participation section of the agenda. Requests to address the advisory body should be made in writing prior to the time the public participation section is called. Requests shall include the subject matter to be addressed and the identification of the person requesting the presentation.

8.2. Presentations are limited to five minutes unless the chair grants additional time.

9. Disruption of Advisory Body Meetings

In the event that a meeting of the advisory body is deliberately interrupted or disrupted so as to prevent the advisory body from conducting its business in a timely or orderly manner, the chair may, unless there is an objection by a majority of voting members, order the offending person(s) to remove themselves or be removed from the meeting in accordance with Government Code section 11126.5

CHAPTER FOUR – ROLES AND RESPONSIBILITIES

1. Selection of Chair, Vice Chair

1.1. Members accepting the positions of chair and vice chair should become familiar with and be able and willing to perform the duties and accept the responsibilities of the positions.

1.2. The nomination and election of the chair and vice chair shall be conducted annually.

1.3. The method of electing the chair and vice chair shall be by nomination from duly appointed voting members of the advisory body.

1.4. The terms of the chair and vice chair shall be for a period of one year. The chair and vice chair shall hold that office for no more than two consecutive terms.

1.5. During the absence of the chair, the vice chair shall preside, and, in the event that both the chair and vice chair are absent, the voting members present shall select a member as temporary chair.

1.6. In the event that the office of the chair or vice chair becomes vacant, the advisory body at the next scheduled advisory body meeting shall elect one of its members to complete the term(s) of office.

2. Role of the Advisory Body Chair

2.1. The chair is considered to be an active member and participant in all advisory body matters.

2.2. The chair shall ensure that the advisory body operates in a manner consistent with its own rules, the Bagley-Keene Open Meeting Act, and any other applicable rules or requirements.

2.3. The duties of the chair are as follows:

- Presides over advisory body meetings and facilitates the process whereby the advisory body accomplishes its business.
- Fosters advisory body cooperation and teamwork.
- Publicly represents the advisory body on actions taken by the advisory body, policy recommendations of the advisory body, and other matters affecting the advisory body.
- Appoints the chair and members of advisory body workgroups and ad hoc committees.
- Sets the agenda items for scheduled advisory body meetings.
- Follows up on members with attendance problems, per the established attendance policies.

- Makes advisory body reports and presentations to the Commission, including the presentation of the advisory body's proposed annual meeting calendar, annual objectives and accomplishments, and the establishment of any workgroups or ad hoc committees.

2.4. In the absence or temporary incapacitation of the chair, the vice chair of the advisory body assumes the duties of the chair.

3. Role of the Commission Staff Liaison to the Advisory Body

3.1. Attends committee meetings, actively participates in discussion, and contributes to decision making consistent with the advisory body's charge and the mission of the Commission.

3.2. Serves as a two-way communications channel between the advisory body and the Commission.

3.3. Fosters inter-segmental and stakeholder cooperation.

3.4. Participates in the planning of the advisory body meeting agenda so that it includes topics of interest to the Commission.

3.5. Complements the advisory body's report to the Commission by providing supplemental comments.

3.6. Serves as an advocate for the enhancement of the relevant programs.

3.7. Serves as a non-voting member of the advisory body.

3.8. Notifies the appropriate nominating/appointing authority and the chair of the advisory body of any upcoming or existing vacancies and term expiration dates in a timely manner.

3.9. Notifies the advisory body of any amendments or revisions to policies and procedures that may affect the advisory body through proposed legislation, State government directives, or action of the Commission.

4. Role and Expectations of an Advisory Body Member

4.1. Attends and actively participates at meetings of the advisory body.

4.2. Adequately prepares for discussion on agenda items by reading agenda materials in advance of the meetings and, if necessary, gathers information and conducts their own research on an item.

4.3. Notifies the staff liaison to the advisory body of any changes, such as changes in address and phone number, or any change that affects their appointment to the advisory body.

4.4. Remains in attendance at a meeting until it is formally completed.

4.5. Promptly notifies the chair and staff liaison if unable to attend a scheduled meeting.

5. Conflict of Interest Affecting a Member's Participation at Meetings

5.1. Members must disqualify themselves from voting or participating in an advisory body decision when a conflict of interest is present.

5.1.1. A conflict of interest refers to situations in which a member may have the opportunity to influence the advisory body's business decisions in ways that could lead to personal or other gain or give advantage to firms in which the member has an interest.

5.1.2. A conflict of interest exists when a member is aware, in a particular circumstance, that someone in his/her family has existing or potential financial or other interests which impair or might reasonably appear to impair such a member's independent judgment in the discharge of his/her responsibilities.

5.2. If a member determines that a conflict of interest does exist, the member must disqualify and recuse himself/herself from voting or participating in any way in the decision or using his or her status to influence any other person with respect to the matter in which he or she has a conflict of interest.

5.3. The minutes of the meeting shall reflect the member's recusal from voting due to a conflict of interest.

6. Attendance Policy

The Commission adopted an attendance policy for advisory bodies on March 14, 1997. The attendance policy was updated as follows when the Uniform Policies for Advisory Bodies was adopted in September 2000:

It is the Commission's belief that advisory body representatives serve a critical role in providing expertise and assisting the Commission in formulating and refining policies that represent the best interests of all Commission program participants. Given the critical nature of advisory body assignments, it is imperative that the Commission seeks the fullest participation of its advisory body members. The Commission has therefore adopted the following attendance policy for all appointed advisory body members:

- All advisory body members are expected to attend each meeting of the advisory body and participate to the fullest extent possible.

- In order to ensure that quorum requirements are met and maintained, advisory body members are expected to be in attendance at meeting commencement and remain in attendance until the meeting is formally completed.

- The advisory body chair will contact members who miss two meetings or display a pattern of partial attendance during a twelve-month period and will remind them of their responsibilities and ask them to confirm their commitment to their advisory body assignments. The advisory body chair will determine whether

further discussion or referral to the Commission chair is warranted. The advisory body chair will notify the nominating or appointing authority of the advisory body member's missed meetings.

- Advisory body members who miss three meetings during a twelve-month period will be sent a letter by the Commission chair that will ask whether they can responsibly fulfill their advisory body assignment. A copy of this letter will be sent to the appropriate nominating or appointing authority and the advisory body chair. The letter should include an explanation of the advisory body member's responsibilities and a reminder of the critical significance of those responsibilities to the advisory body. The Commission chair will review the advisory body member's response and determine whether further review or action is warranted. Based on the member's response, the Commission chair may suggest that the member consider resigning from the advisory body.

- Advisory body members who miss four meetings during a twelve-month period will be sent a letter by the Commission asking the member to submit a letter of resignation. The letter will stress that attendance is vital to the success of the advisory body process. A copy of this letter will be sent to the appropriate nominating or appointing authority and the advisory body chair. The advisory body representative will be given two weeks to respond to the chair's letter. After the two-week response period, the Commission chair will consider any response and determine whether to initiate further action.

- In the event that an advisory body member is unable to attend meetings due to unusual or compelling circumstances, such as a long-term illness or personal tragedy, the appropriate chair may waive any of the above actions.

7. Alternate Representatives for Advisory Bodies

The California Attorney General has published an opinion which concludes that alternate voting is not permitted where members of a body do not serve ex officio and are required to exercise judgment and discretion (Opinion number 79-613, issued August 31, 1979, Volume 62, Opinions of the Attorney General, page 479). The Commission has concluded that this opinion applied to both the Loan Advisory Council and the Cal-SOAP Advisory Committee. The Commission expects appointed Grant Advisory Committee members to attend each meeting and participate fully in those meetings. However, since there are circumstances that might prevent appointed members from attending scheduled meetings, the Commission feels that it is in the interest of the Commission and the public to allow committee alternates to ensure the most consistent and informed representation possible for advisory bodies. The Commission has therefore adopted the following policy for alternate representatives on its advisory bodies:

7.1. Cal-SOAP Advisory Committee

Alternates are not allowable.

7.2. Grant Advisory Committee

7.2.1. In the event that an appointed Grant Advisory Committee member is unable to attend a scheduled advisory committee meeting, the Commission will permit an alternate representative to serve in place of the appointed member.

7.2.2. Alternate advisory committee representatives may participate fully in the committee discussions and exercise a vote in any formal committee voting action.

7.2.3. A representative of the nominating body may designate an alternative representative without prior Commission approval by written notification to the chair of the Grant Advisory Committee and the Executive Director of the Commission. That notification may be sent in the form of an email note.

7.2.4. In the event that neither an appointed member nor designated alternate can attend a scheduled committee meeting, the nominating body, or representatives thereof, may exercise its right to address the committee as a member of the public.

7.2.5. Attendance by an alternate at a scheduled advisory committee meeting does not constitute attendance by the appointed committee member nor does it exclude the appointed member from meeting the requirements of the Attendance Policy.

7.3. Loan Advisory Council

Alternates are not allowable.

CHAPTER FIVE – AD HOC COMMITTEES AND WORKGROUPS

1. Formation

1.1. The chair, in consultation with the staff liaison, may form ad hoc committees and workgroups as needed to conduct the advisory body business.

1.2. The formation of additional committees and workgroups by an advisory body, may be subject to approval by the Commission due to budget and workload considerations.

1.3. Specific objectives shall be established for each committee/workgroup along with a timeline for completion of the objectives. Committee/workgroup costs and staff resources required shall be considered in determining the scope of the objectives and timelines.

2. Appointment and Terms

2.1. Ad hoc committees or workgroups appointed by the chair of the advisory body, as prescribed herein, shall be deemed temporary in nature and shall cease to exist when the function or mission for which they were created is achieved or abandoned.

2.2. The chair of the advisory body shall specify the committee/workgroup's purposes and objectives.

CHAPTER SIX – CAL-SOAP ADVISORY COMMITTEE

1. Authority

The Cal-SOAP Advisory Committee was established pursuant to Section 69562 of the California Education Code, which prescribes the composition and purpose of the committee.

2. Purpose and Duties

The Cal-SOAP Advisory Committee advises Cal-SOAP project directors and the California Student Aid Commission on the development and operation of the Cal-SOAP projects, as well as other student outreach activities. The committee is responsible for reviewing the Cal-SOAP program's overall budget; addressing outreach policy issues; monitoring project programmatic activity; and making recommendations on the funding levels for each of the projects currently in place and proposed.

3. Membership and Appointing Authorities

The Cal-SOAP Advisory Committee consists of 12 members:

- Three representative of outreach programs, representing the University of California, California State University, and California Community Colleges, appointed by their respective governing boards.
- One representative of private colleges and universities, appointed by the Association of Independent California Colleges and Universities.
- One representative of the California Postsecondary Education Commission (CPEC), appointed by CPEC.
- Two secondary school staff appointed by the Superintendent of Public Instruction.
- Two representatives of the general public: one appointed by the Speaker of the Assembly and one appointed by the Senate Rules Committee.
- Two postsecondary students appointed annually by the Student Advisory Committee of CPEC.
- One college financial aid officer, appointed by the California Student Aid Commission.

4. Terms, Lengths, Limits

4.1. The two postsecondary students serve a term of one year.

4.2. The Commission appointee serves a two-year term and may be re-appointed by the Commission to serve for additional terms.

4.3. All other members of the committee serve as designated by their appointing authority.

5. Alternates

Alternates are not allowable. (See Chapter Four, Section 7)

CHAPTER SEVEN - GRANT ADVISORY COMMITTEE (GAC)

1. Background

Through 1986, several committees provided guidance to the Commission on specific state programs. While the Program Policies and Operations Advisory Committee provided overall guidance on the Cal Grant programs, the Assumption Program of Loans for Education (APLE) Advisory Committee provided guidance on the APLE and Paul Douglas Teacher Scholarship programs. A State Work-Study Advisory Committee was also in existence to provide guidance on the new program. In 1986, all of the advisory committees were consolidated into one committee, the Grant Advisory Committee, which would provide guidance on all of the Commission's programs other than issues pertaining to the loan program.

2. Authority

The Grant Advisory Committee (GAC) was created by the Commission in 1986 and is not authorized through statute. The Commission approves the purpose and composition of GAC, appoints the members, and sets appointment terms. The Commission approves the annual goals of GAC and the number and purpose of workgroups that may be formed by GAC.

3. Purpose and Duties

GAC was established to review and provide recommendations to the Commission on major proposed or planned grant program or policy changes, particularly those relating to the administration of the Cal Grant programs. In past years, GAC has assisted the Commission with Cal Grant eligibility changes designed to mitigate the impact of a growing eligible student population. GAC may form workgroups, with the approval of the Commission, to address specific issues or areas of interest.

Typical duties of GAC are:

- Review and recommend approval on Cal Grant Student Expense Budgets;

- Review and recommend approval on Cal Grant Program Income and Asset Ceilings;

- Review and recommend approval on Cal Selection Criteria for Cal Grant A and B Competitive award recipients and to select the two percent of new Cal Grant B High School Entitlement recipients who receive tuition and fees in addition to the access grant in their first year of enrollment;

- Review and discuss Grant statistics and data, operational issues that have policy implications, Grant Delivery System (GDS) enhancements/changes, new program development and implementation, and proposed legislation and regulations;

- Review and comment on reports to the Legislature.

4. Membership

The composition of GAC is set by the Commission. GAC consists of 20 members appointed by the Commission based on nominations it receives from nominating authorities as follows:

- Ten school representatives: two representatives (one system and one campus-based) from each of the five postsecondary segments. These segments include the California Community Colleges, California State University, University of California, private nonprofit postsecondary education institutions (Independent California Colleges and Universities), and private for-profit postsecondary education institutions (Proprietary Institutions).

- Five student representatives: one from each of the segments listed above.

- One representative from the California Association of Student Financial Aid Administrators (CASFAA).

- One representative from the California Postsecondary Education Commission (CPEC).

- Three K-12 school representatives: one must be a high school counselor.

5. Nominating Authorities

Appointments to GAC are made by the Commission based on recommendations and nominations obtained from the appropriate nominating authorities as established by the Commission. The nominating authorities for GAC are:

- The President of the University of California is the nominating authority for the representatives from the University of California (UC).

- The Chancellor of the California State University (CSU) is the nominating authority for the representatives from the California State University.

- The Chancellor of the California Community Colleges is the nominating authority for the representatives from the California Community Colleges.

- The President of the Association of Independent California Colleges and Universities (AICCU) is the nominating authority for the representatives from California's private nonprofit postsecondary institutions.

- The Executive Director of the California Association of Private Postsecondary Schools (CAPPS) is the nominating authority for the representatives from private for-profit postsecondary institutions.

- For those higher education segments where a student association exists, the President of the student association is the nominating authority for student representative for the respective segment. If the student association fails to nominate, the higher education segment may nominate a student representative for the segment.

- The President of the California Association of Student Financial Aid Administrators (CASFAA) is the nominating authority for the CASFAA representative.

- The Executive Director of the California Postsecondary Education Commission (CPEC) is the nominating authority for the CPEC representative.

- The Superintendent of Public Instruction is the nominating authority for representatives from K-12 schools, including the high school counselor representative.

6. Terms, Lengths, Limits

6.1. All members of GAC serve a two-year term, unless a different term is designated by the Commission.

6.2. Members of GAC may be re-appointed to serve for additional terms upon the recommendation of their nominating authority and approval by the Commission. There is no limit on the number of terms that a member may serve.

6.3. If a member leaves or resigns, a new appointee will complete that member's term, if such a term was designated.

7. Alternates

Alternates are allowable. (See Chapter Four, Section 7)

CHAPTER EIGHT – LOAN ADVISORY COUNCIL (LAC)

1. Authority

The Loan Advisory Council (LAC) was established pursuant to Sections 69769 through 69769.7 of the California Education Code, which prescribe the composition and purpose of LAC.

2. Purpose and Duties

The LAC reviews the activities and policies of the Federal Family Education Loan (FFEL) Program and advises the Commission of its findings and recommendations. LAC may request information and data that it deems appropriate from the Student Aid Commission with respect to the FFEL Program or any other loan program administered by the Commission.

3. Membership

3.1. According to statute, LAC shall be composed of 17 members, appointed by the Commission, composed of representatives of students, postsecondary educational institutions, eligible lenders, and participating secondary markets. These members shall be appointed from the following groups:

- Four representatives from the lending community participating in the FFEL Programs.
- Five school representatives: one from each of the five postsecondary segments. These segments include the University of California, the California State University, the California Community Colleges, private nonprofit postsecondary education institutions, and private for-profit postsecondary education institutions.
- Five student representatives: one from each of the postsecondary school segments listed above.
- One representative from the California Association of Student Financial Aid Administrators (CASFAA).
- One representative from a secondary market participating in the FFEL Programs.
- One representative from the California Lenders for Education (CLFE).

3.2. In addition to the members appointed to the Loan Advisory Council by the Commission, the United States Education Department (USED) may appoint one nonvoting representative who serves as liaison between the Department and LAC.

4. Nominating Authorities

4.1. Pursuant to Section 69769.3 of the California Education Code, the representatives appointed by the Commission pursuant to Section 3 above shall be selected by the Commission from lists provided to its chair by each group described above.

4.2. The nominating authorities for these groups are:

- Participating lenders and secondary markets shall be the nominating authorities for lender and secondary market representatives, respectively.

- The President of the California Lenders for Education (CLFE) shall be the nominating authority for representatives from CLFE.

- The President of the California Association of Student Financial Aid Administrators (CASFAA) shall be the nominating authority for representatives from CASFAA.

- The President of the University of California, the Chancellor of the California State University, the Chancellor of the California Community Colleges, the President of the Association of Independent Colleges and Universities, and the Executive Director of the California Association of Private Postsecondary Schools shall be the nominating authorities for the representatives of their respective segments.

- For those higher education segments where a student association exists, the President of the student body association shall be the nominating authority for the student representatives from their respective segments. If the student body association fails to nominate, the higher education segment shall nominate a student representative. In no event shall a student representative be appointed to serve simultaneously as the representative of more than one of the five postsecondary groups.

5. Terms, Lengths, Limits

5.1. With the exception of the student representative for private for-profit postsecondary education institutions, who serves a one-year term, each member of LAC serves a two-year term.

5.2. Members of LAC may be re-appointed to serve for additional terms upon the recommendation of their nominating authority and approval by the Commission.

5.3. If a member leaves or resigns, a new appointee will complete that member's term.

6. Alternates

Alternates are not allowable. (See Chapter Four, Section 7)

CHAPTER NINE – TRAVEL REIMBURSEMENTS

1. Eligible Travel Reimbursements

1.1. Advisory body members should use the most economical mode of travel.

1.2. Advisory body members are reimbursed for eligible meals and lodging expenses incurred when traveling over 50 miles from their home or headquarters in the course of official business.

1.3. Each advisory body member shall be reimbursed for actual and necessary travel expenses incurred in the course of duty, subject to State reimbursement limits and, when appropriate, State or Commission contracted rates. Note: It is the policy of the USED that its representatives not get reimbursed for travel costs.

1.4. Course of duty is defined as attendance at regularly scheduled meetings of the advisory body. Chairs of advisory bodies or their designees are also reimbursed for travel expenses to attend Commission meetings. Travel costs for attendance at other meetings (i.e. - workgroups, special meetings, ad hoc committee meetings) will not be reimbursed unless funding is available and approved in advance by the Executive Director of the Commission. Student representatives may petition the Executive Director for travel cost reimbursement if not otherwise reimbursed by the student body association or the system-wide office of the educational segment they represent. Information on the current expense reimbursement limits will be provided to members at or about the time of appointment as an addendum to those policies and as State rates change.

1.5. All receipts pertaining to the trip shall be submitted. An explanation must be offered when required receipts are not available.

1.6. Expenses incurred due to the failure of the member to cancel reservations within the required cancellation timeframe are not reimbursable and the member will be held responsible for the expenses incurred.

2. Travel

2.1. Advisory body members shall complete a Travel Expense Worksheet and note the expenses incurred during the official travel. The travel claimant must sign the Travel Expense Claim (STD 262) in blue ink at the “Claimant’s Signature” box #15 ONLY and must return both forms and receipts to the Commission staff liaison assigned to the advisory body.

2.2. Travel Expense Claims shall be completed with the information provided by the advisory body member on the Travel Expense Worksheet.

2.3. Travel expense reimbursements will be made within 3-4 weeks of receipt of required documentation.

3. Commission Authorized Travel Agency

3.1. To ensure that they obtain State discounted rates, advisory body members should use the Commission's authorized travel agency or designee. The advisory body member will provide the travel agency with a four-digit authorization code provided by the staff liaison. Charges are billed directly to the Commission.

3.2. Airline Reservations - Airline reservations should be made through the Commission's authorized travel agency or designee to obtain the contracted discount rates.

3.3. Car Rentals - Car rentals reservations should be made through the Commission's authorized travel agency to obtain the contracted discount rates. Advisory body members shall make every attempt to refuel the rental car prior to returning it to the rental agency.

4. Mileage

Advisory body members will be reimbursed for use of a privately owned car on official State business at the approved State rate.

5. Parking Fees

Parking fees shall be reimbursable expenses and require receipts for amounts exceeding the State limit.

6. Bridge and Toll Fares

Bridge and road tolls fees are reimbursable expenses and require no receipts.

7. Taxis

Taxi charges are reimbursable expenses and require receipts (The State allows the addition of a 10 percent tip for taxis only.)

8. Tips

With the exception of tips for taxis, tips are not reimbursable, since the State considers tips to be part of the "incidentals" reimbursement.

9. Hotel Arrangements

9.1. Lodging accommodations will be arranged for the advisory body members. Hotel selection is based on the current State rate. A block of rooms will be secured and contracted for the group of advisory body members who have indicated a need for lodging.

9.2. Advisory body members will be notified of the hotel where accommodations have been secured and will be given the deadline for cancellation.

9.3. Cancellations of lodging accommodation must be received within the required cancellation timeframe.

9.4. Advisory body members will be responsible for lodging expenses incurred due to the late cancellation.

10. Telephone Calls

Business telephone calls are reimbursable expenses and require receipts for charges exceeding the State limit. Claims must include the place and party called.

11. Incidentals

Incidentals are reimbursable up to the State limit for a full 24-hour period. Incidentals may not be claimed for less than a 24-hour period.

12. Meal Allowances

12.1. For travel less than 24 hours:

- No lunch or incidentals may be claimed.
- Breakfast may be claimed if the trip begins at or before 6:00 a.m. and ends at or after 9:00 a.m.
- Dinner may be claimed if the trip begins at or before 4:00 p.m. and ends at or after 7:00 p.m.

12.2. For travel of 24 hours or more:

- Breakfast may be claimed for actual expenses up to the State limit.
- Lunch may be claimed for actual expenses up to the State limit.
- Dinner may be claimed for actual expenses up to the State limit.

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CALIFORNIA STUDENT AID COMMISSION

UNIFORM POLICIES AND PROCEDURES FOR ADVISORY BODIES

CHAPTER ONE - GENERAL

1. Introduction

The California Student Aid Commission (Commission) advisory bodies were established to advise the Commission on the financial aid and outreach programs it administers. By serving in this important capacity, the advisory bodies enhance the Commission's ability to effectively administer and deliver financial aid. The advisory bodies of the Commission are:

- California Student Opportunity and Access Program (Cal-SOAP) Advisory Committee
- Grant Advisory Committee (GAC)
- Loan Advisory Council (LAC)

The Commission has the final authority and responsibility to define financial aid policy and administer its programs. The following policies and procedures should in no way be deemed to transfer this authority or responsibility to the advisory bodies.

These uniform policies and procedures apply to all Commission advisory bodies unless otherwise specified by law.

2. Effective Date and Applicability

These policies and procedures are applicable and effective as revised on (date), with the exception of any revision to terms, lengths and limits of advisory body appointments, which is applicable with new appointments made after the effective date.

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3. Background

A comprehensive guidebook on "Uniform Policies for Advisory Bodies" was first adopted by the Commission on September 8, 2000. The guidebook was developed to serve as a tool in helping the advisory bodies undertake their responsibilities, to define the respective roles of the advisory bodies, and to provide a clear understanding of policies that govern the interaction between the advisory bodies and the Commission.

At its 2001 Annual Workshop, the Commission discussed the development of policies regarding the nomination and appointment process for its advisory bodies including terms, term limits, multiple nominations, and the form letters used for the nomination process. As a result of the work completed at the Annual Workshop, the Commission subsequently made changes to the policies and procedures contained

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in the Uniform Policies. Those changes have been incorporated into this first revision of the Uniform Policies where appropriate.

4. Mission Statements

All advisory bodies to the Commission should establish and maintain a mission statement that is consistent with the mission and goals of the Commission. Mission statements must be reviewed and approved by the Commission.

5. Operating Accountability

5.1. Each advisory body will be accountable for meeting its responsibilities in a competent, conscientious, and effective manner.

5.2. Each advisory body will monitor and discuss its own activities and performance on an annual basis, including continual measurement of its goals and means.

5.3. Each advisory body will impose upon itself whatever discipline needed to provide the Commission with superior guidance and recommendations.

6. Review and Effectiveness of Advisory Bodies

6.1. All advisory bodies will present their annual objectives, meeting calendar and their past year's accomplishments to the Commission on an annual basis.

6.2. The Commission shall annually review the effectiveness of each advisory body.

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CHAPTER TWO – NOMINATIONS, APPOINTMENTS AND TERMS

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1. Appointment Policy

The Commission adopted the following Appointment Policy for Advisory Bodies (and the EDFUND Board) on June 20, 2003:

> The California Student Aid Commission is charged with providing equal opportunity and access to postsecondary education, for California and for Commission clients in other states, to persons of both sexes and all races, ancestries, incomes, ages and geographies. It is also charged with reducing barriers to a college education for students from schools that have low eligibility and college participation rates. The Commission will seek to appoint to its advisory committees (and to the EDFUND Board), persons who have knowledge and/or experience which would be useful in achieving these goals. Such persons can best advise the Commission on whether its programs are adequately serving relevant groups, and whether its outreach efforts are as effective as possible in contacting underserved populations as mandated by law.

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2. Nominations and Appointment Process

2.1. Requests for nominations or appointments will be obtained from the appropriate nominating or appointing authority as established by the Commission or by applicable law.

2.2. The appropriate nominating or appointing authority and the chair of the advisory body will be notified by the Commission in advance of term expiration dates and any upcoming or existing vacancies so that nominations or appointments can be made in a timely manner.

2.3. Nominating authorities will submit their nominations to the Executive Director of the Commission.

2.4. Each nomination shall include a cover letter, the nominee's name, title, segment or organization, company or agency, address, telephone, e-mail address, and a brief biography or resume.

2.5. The Commission's Personnel, Evaluation and Nominations (PEN) Committee will meet to review the nominations, conduct interviews if necessary, and make recommendations on appointments to advisory bodies for action at the next scheduled meeting of the Commission.

2.6. The Commission must take action to approve nominations to advisory bodies and their appointment terms. If a term expiration date has already passed, a new term will begin effective with the date action was taken by the Commission to approve the nomination.

2.7. If a member of an advisory body leaves or resigns from that body, a new appointee will complete that member's term, if such a term was designated.

2.8. Appointing authorities other than the Commission will submit their appointments to the Executive Director of the Commission specifying the appointee's name, the position to be filled, and contact information.

3. Eligibility

3.1. Participation in Commission Programs - Nominees for appointments made by the Commission for the student, higher education institution, and lender representatives must be participants in the programs administered by the Commission. The student will be considered a participant if enrolled at an institution that participates in the Commission's programs.

3.2. Maintain Association – Advisory body members must maintain an association with the segment, organization or business they represent throughout the term of their appointment. An association can be determined by employment, enrollment or membership. Advisory body members are responsible for notifying the chair of the advisory body, the nominating or appointing authority, and the Commission should his or her association end.

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3.3. Conflict of Interest - No appointment shall be made if the nominee is engaged in any employment, activity or enterprise which is clearly inconsistent, incompatible, or in conflict with the duties of a member of an advisory body. A conflict of interest would exist if the nominee is employed by or affiliated with an entity that is in competition with services provided by or through the Commission. The Commission's PEN Committee will determine whether a conflict of interest exists. A conflict of interest under this section which arises during a member's term shall result in disqualification under Section 5 of Chapter Two.

3.4. A nominee or member who has a conflict of interest based on occasional special circumstances is not disqualified from serving on the advisory body but must follow the procedures set forth in Section 5 of Chapter Four.

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4. New Member Requirements

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4.1. The following forms must be completed by each new member:

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- Acceptance of Appointment Form
- Establishment of Headquarters Form

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4.2. New memberss will be provided and will become familiar with the following:

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- Uniform Policies for Advisory bodies with an addendum detailing current travel expense limits
- Bagley-Keene Open Meeting Act
- Any other information specific to the advisory body to which they have been appointed

4.3. New members are expected to attend an orientation session within the first year of appointment to any advisory body.

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5. Term Expiration and Disqualification

5.1. An advisory body member whose term has expired may continue to serve for 60 calendar days or until a successor has been appointed, whichever occurs first.

5.2. A student member who graduates from an institution or who is no longer enrolled in the segment he or she represents, and has no more than six months of his or her term remaining, is permitted to serve for the remainder of the term.

5.3. An advisory body member, other than a student member that falls under Section 5.2 above, who no longer meets the appointment eligibility requirements, automatically relinquishes his or her appointment as of the date of the occurrence.

5.4. The final determination with respect to the expiration or disqualification under this section shall be made by the Executive Director and the Chair of the Commission.

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6. Re-appointments

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6.1. A member may be re-appointed by the Commission after his or her term has expired if the member is considered in good standing, the nominating body has submitted his or her name for re-appointment, and the PEN Committee recommends the re-appointment.

6.2. A member is considered to be in good standing if he or she meets the requirements of Chapter Two, Sections 3 and 6, and Chapter Four, Sections 1, 2, 4 and 6.

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6.3. The Executive Director and the Chair of the Commission in consultation with the advisory body chair shall determine whether a member is considered to be in good standing.

CHAPTER THREE – MEETINGS OF ADVISORY BODIES

1. Bagley-Keene Open Meeting Act 1998

1.1. Advisory bodies are governed by and shall, at all times, abide by the Bagley-Keene Open Meeting Act, Statutes of 1998, and Government Code sections 11120-11132.

1.2. Notice shall be given and also made available on the Internet at least 10 days in advance of the meeting of any advisory body, ad hoc committee, special committee or workgroup. If a meeting consists of less than three (3) members of any advisory body, ad hoc committee, special committee or workgroup, notice is not required.

1.3. Meetings must be open to the public. Closed Sessions (sessions closed to the public), may be held for legally authorized purposes, but must meet proper notice requirements. (Notice is not required if the meeting consists of less than three members.)

1.4. A serial meeting, in which members collectively deliberate on public business through a series of communications without appropriate notice to the public, is prohibited.

2. Meeting Calendar and Meeting Location

2.1. Advisory bodies shall establish a meeting calendar indicating the number and dates of meetings that shall be presented to the Commission for its approval on an annual basis.

2.2. The number of meetings held by any advisory body is subject to State budget considerations and directives, available funding and workload considerations.

2.3. The need for additional ad hoc bodies, special meetings, and workgroups is determined by the chair of the advisory body and the Commission staff liaison, and may be subject to approval by the Commission or Executive Director.

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2.4. Selection of meeting sites shall be based on available funding, workload considerations, meeting effectiveness and location-specific agenda items, and shall be subject to approval by the Executive Director of the Commission.

3. Order of Business

The order of business at each meeting of the advisory body shall generally be as follows:

- Call to Order
- Determination of Quorum
- Public Comment
- Report of the Chair
- Report of the Executive Director or Staff Liaison
- Review of the Agenda
- Approval of the Minutes
- Report of Ad Hoc Committees, or Workgroups
- Information/Action Items
- Public Participation
- Adjournment

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4. Quorum

4.1. A quorum of the advisory body shall constitute fifty percent, plus one, of the membership of the advisory body entitled to vote, unless otherwise specified under law.

4.2. No formal action shall be taken unless a quorum is present.

5. Minutes and Recording of Meetings

5.1. Minutes of each meeting of the advisory body, and any ad hoc committee or workgroup, shall be prepared. The chair and the Commission staff liaison shall ensure that advisory body meetings are recorded.

Comment: Maria, GAC workgroup meetings, if consisting of 3 or more members, must be noticed and minutes taken. The workgroup is subject to Bagley-Keene just like GAC. The workgroup does not need to tape the meetings, but a written record or brief summary of what was discussed and any actions/recommendations made must be prepared. The written record should be kept in the official files of the Commission staff liaison.

5.2. A copy of the minutes of each scheduled regular meeting shall be mailed to each member of the advisory body with the next scheduled meeting agenda packet, or earlier if available. The chair shall inquire whether there are corrections or amendments to the minutes and shall order them approved, absent any objection, with any corrections or amendments.

5.3. The minutes of the advisory body shall be kept by the Commission staff liaison. The staff liaison is charged with the custody of all papers, books, documents, and materials of the advisory body and shall make these available to the public during normal business hours.

6. Meeting Notice and Agenda

6.1. A meeting notice and agenda shall be prepared and issued for each scheduled meeting of an advisory body in accordance with the Bagley-Keene Open Meeting

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Act. Notice shall be given and also made available on the Internet at least 10 days in advance of the meeting.

6.2. An advisory body cannot take action on any agenda items not properly noticed.

6.3. Matters on the agenda that have not been considered and acted upon or continued to a subsequent meeting shall be deemed continued to the next scheduled meeting as an agenda item.

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6.4. The members of the advisory body, the Commission's Executive Director, and the staff liaison shall be authorized to place items on the advisory body agenda for scheduled meetings. The chair of the advisory body shall have the authority to consider a request by a member of the public to place items on the agenda.

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7. Public Comment on Agenda Items

7.1. Members of the public may appear and present their views on scheduled items at all advisory body meetings. To facilitate timely agenda management, requests to address the advisory body should be made in advance of scheduled discussions, preferably in a written request to the chair. The chair shall determine the order in which comments are offered, and comments may be limited to no more than five minutes, as determined by the chair. A longer period of comment may be permitted, at the discretion of the chair.

7.2. The public shall be given the opportunity to comment before a vote.

8. Public Comment During the Public Participation Section of the Agenda

8.1. Members of the public may appear and present their views to the advisory body during the public participation section of the agenda. Requests to address the advisory body should be made in writing prior to the time the public participation section is called. Requests shall include the subject matter to be addressed and the identification of the person requesting the presentation.

8.2. Presentations are limited to five minutes unless the chair grants additional time.

9. Disruption of Advisory Body Meetings

In the event that a meeting of the advisory body is deliberately interrupted or disrupted so as to prevent the advisory body from conducting its business in a timely or orderly manner, the chair may, unless there is an objection by a majority of voting members, order the offending person(s) to remove themselves or be removed from the meeting in accordance with Government Code section 11126.5

CHAPTER FOUR – ROLES AND RESPONSIBILITIES

1. Selection of Chair, Vice Chair

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1.1. Members accepting the positions of chair and vice chair should become familiar with and be able and willing to perform the duties and accept the responsibilities of the positions.

1.2. The nomination and election of the chair and vice chair shall be conducted annually.

1.3. The method of electing the chair and vice chair shall be by nomination from duly appointed voting members of the advisory body.

1.4. The terms of the chair and vice chair shall be for a period of one year. The chair and vice chair shall hold that office for no more than two consecutive terms.

1.5. During the absence of the chair, the vice chair shall preside, and, in the event that both the chair and vice chair are absent, the voting members present shall select a member as temporary chair.

1.6. In the event that the office of the chair or vice chair becomes vacant, the advisory body at the next scheduled advisory body meeting shall elect one of its members to complete the term(s) of office.

2. Role of the Advisory Body Chair

2.1. The chair is considered to be an active member and participant in all advisory body matters.

2.2. The chair shall ensure that the advisory body operates in a manner consistent with its own rules, the Bagley-Keene Open Meeting Act, and any other applicable rules or requirements.

2.3. The duties of the chair are as follows:

- Presides over advisory body meetings and facilitates the process whereby the advisory body accomplishes its business.
- Fosters advisory body cooperation and teamwork.
- Publicly represents the advisory body on actions taken by the advisory body, policy recommendations of the advisory body, and other matters affecting the advisory body.
- Appoints the chair and members of advisory body workgroups and ad hoc committees.
- Sets the agenda items for scheduled advisory body meetings.
- Follows up on members with attendance problems, per the established attendance policies.

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- Makes advisory body reports and presentations to the Commission, including the presentation of the advisory body's proposed annual meeting calendar, annual objectives and accomplishments, and the establishment of any workgroups or ad hoc committees.

2.4. In the absence or temporary incapacitation of the chair, the vice chair of the advisory body assumes the duties of the chair.

3. Role of the Commission Staff Liaison to the Advisory Body

3.1. Attends committee meetings, actively participates in discussion, and contributes to decision making consistent with the advisory body's charge and the mission of the Commission.

3.2. Serves as a two-way communications channel between the advisory body and the Commission.

3.3. Fosters inter-segmental and stakeholder cooperation.

3.4. Participates in the planning of the advisory body meeting agenda so that it includes topics of interest to the Commission.

3.5. Complements the advisory body's report to the Commission by providing supplemental comments.

3.6. Serves as an advocate for the enhancement of the relevant programs.

3.7. Serves as a non-voting member of the advisory body.

3.8. Notifies the appropriate nominating/appointing authority and the chair of the advisory body of any upcoming or existing vacancies and term expiration dates in a timely manner.

3.9. Notifies the advisory body of any amendments or revisions to policies and procedures that may affect the advisory body through proposed legislation, State government directives, or action of the Commission.

4. Role and Expectations of an Advisory Body Member

4.1. Attends and actively participates at meetings of the advisory body.

4.2. Adequately prepares for discussion on agenda items by reading agenda materials in advance of the meetings and, if necessary, gathers information and conducts their own research on an item.

4.3. Notifies the staff liaison to the advisory body of any changes, such as changes in address and phone number, or any change that affects their appointment to the advisory body.

4.4. Remains in attendance at a meeting until it is formally completed.

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4.5. Promptly notifies the chair and staff liaison if unable to attend a scheduled meeting.

5. Conflict of Interest Affecting a Member's Participation at Meetings

5.1. Members must disqualify themselves from voting or participating in an advisory body decision when a conflict of interest is present.

5.1.1. A conflict of interest refers to situations in which a member may have the opportunity to influence the advisory body's business decisions in ways that could lead to personal or other gain or give advantage to firms in which the member has an interest.

5.1.2. A conflict of interest exists when a member is aware, in a particular circumstance, that someone in his/her family has existing or potential financial or other interests which impair or might reasonably appear to impair such a member's independent judgment in the discharge of his/her responsibilities.

5.2. If a member determines that a conflict of interest does exist, the member must disqualify and recuse himself/herself from voting or participating in any way in the decision or using his or her status to influence any other person with respect to the matter in which he or she has a conflict of interest.

5.3. The minutes of the meeting shall reflect the member's recusal from voting due to a conflict of interest.

6. Attendance Policy

The Commission adopted an attendance policy for advisory bodies on March 14, 1997. The attendance policy was updated as follows when Uniform Policies for Advisory Bodies were adopted in September 2000:

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It is the Commission's belief that advisory body representatives serve a critical role in providing expertise and assisting the Commission in formulating and refining policies that represent the best interests of all Commission program participants. Given the critical nature of advisory body assignments, it is imperative that the Commission seeks the fullest participation of its advisory body members. The Commission has therefore adopted the following attendance policy for all appointed advisory body members:

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- All advisory body members are expected to attend each meeting of the advisory body and participate to the fullest extent possible.
- In order to ensure that quorum requirements are met and maintained, advisory body members are expected to be in attendance at meeting commencement and remain in attendance until the meeting is formally completed.
- The advisory body chair will contact members who miss two meetings or display a pattern of partial attendance during a twelve-month period and will remind them of their responsibilities and ask them to confirm their commitment to their advisory body assignments. The advisory body chair will determine whether

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further discussion or referral to the Commission chair is warranted. The advisory body chair will notify the nominating or appointing authority of the advisory body member's missed meetings.

- Advisory body members who miss three meetings during a twelve-month period will be sent a letter by the Commission chair that will ask whether they can responsibly fulfill their advisory body assignment. A copy of this letter will be sent to the appropriate nominating or appointing authority and the advisory body chair. The letter should include an explanation of the advisory body member's responsibilities and a reminder of the critical significance of those responsibilities to the advisory body. The Commission chair will review the advisory body member's response and determine whether further review or action is warranted. Based on the member's response, the Commission chair may suggest that the member consider resigning from the advisory body.

- Advisory body members who miss four meetings during a twelve-month period will be sent a letter by the Commission asking the member to submit a letter of resignation. The letter will stress that attendance is vital to the success of the advisory body process. A copy of this letter will be sent to the appropriate nominating or appointing authority and the advisory body chair. The advisory body representative will be given two weeks to respond to the chair's letter. After the two-week response period, the Commission chair will consider any response and determine whether to initiate further action.

- In the event that an advisory body member is unable to attend meetings due to unusual or compelling circumstances, such as a long-term illness or personal tragedy, the appropriate chair may waive any of the above actions.

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7. Alternate Representatives for Advisory Bodies

The California Attorney General has published an opinion which concludes that alternate voting is not permitted where members of a body do not serve ex officio and are required to exercise judgment and discretion (Opinion number 79-613, issued August 31, 1979, Volume 62, Opinions of the Attorney General, page 479). The Commission has concluded that this opinion applied to both the Loan Advisory Council and the Cal-SOAP Advisory Committee. The Commission expects appointed Grant Advisory Committee members to attend each meeting and participate fully in those meetings. However, since there are circumstances that might prevent appointed members from attending scheduled meetings, the Commission feels that it is in the interest of the Commission and the public to allow committee alternates to ensure the most consistent and informed representation possible for advisory bodies. The Commission has therefore adopted the following policy for alternate representatives on its advisory bodies:

7.1. Cal-SOAP Advisory Committee

Alternates are not allowable.

7.2. Grant Advisory Committee

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7.2.1. In the event that an appointed Grant Advisory Committee member is unable to attend a scheduled advisory committee meeting, the Commission will permit an alternate representative to serve in place of the appointed member.

7.2.2. Alternate advisory committee representatives may participate fully in the committee discussions and exercise a vote in any formal committee voting action.

7.2.3. A representative of the nominating body may designate an alternative representative without prior Commission approval by written notification to the chair of the Grant Advisory Committee and the Executive Director of the Commission. That notification may be sent in the form of an email note.

7.2.4. In the event that neither an appointed member nor designated alternate can attend a scheduled committee meeting, the nominating body, or representatives thereof, may exercise it's right to address the committee as a member of the public.

7.2.5. Attendance by an alternate at a scheduled advisory committee meeting does not constitute attendance by the appointed committee member nor does it exclude the appointed member from meeting the requirements of the Attendance Policy.

7.3. Loan Advisory Council

Alternates are not allowable.

CHAPTER FIVE – AD HOC COMMITTEES AND WORKGROUPS

1. Formation

1.1. The chair, in consultation with the staff liaison, may form ad hoc committees and workgroups as needed to conduct the advisory body business.

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1.2. The formation of additional committees and workgroups by an advisory body, may be subject to approval by the Commission due to budget and workload considerations.

1.3. Specific objectives shall be established for each committee/workgroup along with a timeline for completion of the objectives. Committee/workgroup costs and staff resources required shall be considered in determining the scope of the objectives and timelines.

2. Appointment and Terms

2.1. Ad hoc committees or workgroups appointed by the chair of the advisory body, as prescribed herein, shall be deemed temporary in nature and shall cease to exist when the function or mission for which they were created is achieved or abandoned.

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2.2. The chair of the advisory body shall specify the committee/workgroup's purposes and objectives.

CHAPTER SIX – CAL-SOAP ADVISORY COMMITTEE

1. Authority

The Cal-SOAP Advisory Committee was established pursuant to Section 69562 of the California Education Code, which prescribes the composition and purpose of the committee.

2. Purpose and Duties

The Cal-SOAP Advisory Committee advises Cal-SOAP project directors and the California Student Aid Commission on the development and operation of the Cal-SOAP projects, as well as other student outreach activities. The committee is responsible for reviewing the Cal-SOAP program's overall budget; addressing outreach policy issues; monitoring project programmatic activity; and making recommendations on the funding levels for each of the projects currently in place and proposed.

3. Membership and Appointing Authorities

The Cal-SOAP Advisory Committee consists of 12 members:

- Three representative of outreach programs, representing the University of California, California State University, and California Community Colleges, appointed by their respective governing boards.
- One representative of private colleges and universities, appointed by the Association of Independent California Colleges and Universities.
- One representative of the California Postsecondary Education Commission (CPEC), appointed by CPEC.
- Two secondary school staff appointed by the Superintendent of Public Instruction.
- Two representatives of the general public: one appointed by the Speaker of the Assembly and one appointed by the Senate Rules Committee.
- Two postsecondary students appointed annually by the Student Advisory Committee of CPEC.
- One college financial aid officer, appointed by the California Student Aid Commission.

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4. Terms, Lengths, Limits

4.1. The two postsecondary students serve a term of one year.

4.2. The Commission appointee serves a two-year term and may be re-appointed by the Commission to serve for additional terms.

4.3. All other members of the committee serve as designated by their appointing authority.

5. Alternates

Alternates are not allowable. (See Chapter Four, Section 7)

CHAPTER SEVEN - GRANT ADVISORY COMMITTEE (GAC)

1. Background

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Through 1986, several committees provided guidance to the Commission on specific state programs. While the Program Policies and Operations Advisory Committee provided overall guidance on the Cal Grant programs, the Assumption Program of Loans for Education (APLE) Advisory Committee provided guidance on the APLE and Paul Douglas Teacher Scholarship programs. A State Work-Study Advisory Committee was also in existence to provide guidance on the new program. In 1986, all of the advisory committees were consolidated into one committee, the Grant Advisory Committee, which would provide guidance on all of the Commission's programs other than issues pertaining to the loan program.

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2. Authority

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The Grant Advisory Committee (GAC) was created by the Commission in 1986 and is not authorized through statute. The Commission approves the purpose and composition of GAC, appoints the members, and sets appointment terms. The Commission approves the annual goals of GAC and the number and purpose of workgroups that may be formed by GAC.

3. Purpose and Duties

GAC was established to review and provide recommendations to the Commission on major proposed or planned grant program or policy changes, particularly those relating to the administration of the Cal Grant programs. In past years, GAC has assisted the Commission with Cal Grant eligibility changes designed to mitigate the impact of a growing eligible student population. GAC may form workgroups, with the approval of the Commission, to address specific issues or areas of interest.

Typical duties of GAC are:

- Review and recommend approval on Cal Grant Student Expense Budgets;

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<#>Background¶
Through 1986, several committees provided guidance to the Commission on specific state programs. While the Program Policies and Operations Advisory Committee provided overall guidance on the Cal Grant programs, the Assumption Program of Loans for Education (APLE) Advisory Committee provided guidance on the APLE and Paul Douglas Teacher Scholarship programs. A State Work-Study Advisory Committee was also in existence to provide guidance on the new program. In 1986, all of the advisory committees were consolidated into one committee, the Grant Advisory Committee, which would provide guidance on all of the Commission's programs other than issues pertaining to the loan program.¶

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- Review and recommend approval on Cal Grant Program Income and Asset Ceilings;

- Review and recommend approval on Cal Selection Criteria for Cal Grant A and B Competitive award recipients and to select the two percent of new Cal Grant B High School Entitlement recipients who receive tuition and fees in addition to the access grant in their first year of enrollment;

- Review and discuss Grant statistics and data, operational issues that have policy implications, Grant Delivery System (GDS) enhancements/changes, new program development and implementation, and proposed legislation and regulations;

- Review and comment on reports to the Legislature.

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4. Membership

The composition of GAC is set by the Commission. GAC consists of 20 members appointed by the Commission based on nominations it receives from nominating authorities as follows:

- Ten school representatives: two representatives (one system and one campus-based) from each of the five postsecondary segments. These segments include the California Community Colleges, California State University, University of California, private nonprofit postsecondary education institutions (Independent California Colleges and Universities), and private for-profit postsecondary education institutions (Proprietary Institutions).

- Five student representatives: one from each of the segments listed above.

- One representative from the California Association of Student Financial Aid Administrators (CASFAA).

- One representative from the California Postsecondary Education Commission (CPEC).

- Three K-12 school representatives: one must be a high school counselor.

Comment: Maria, I changed this back to the original language with some modifications to indicate that one of the reps is from the system office and one from a campus.

Deleted: Five campus-based, school representatives from each of the five postsecondary segments

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Deleted: <#>Five system representatives of each of the five postsecondary segments listed above: these are typically system employees of the segments, but representatives can also be from campuses and schools.¶
¶

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5. Nominating Authorities

Appointments to GAC are made by the Commission based on recommendations and nominations obtained from the appropriate nominating authorities as established by the Commission. The nominating authorities for GAC are:

- The President of the University of California is the nominating authority for the representatives from the University of California (UC).

- The Chancellor of the California State University (CSU) is the nominating authority for the representatives from the California State University.

Comment: Maria, I checked on the GAC nominating process, and the system offices are still nominating the campus reps as well as the system reps, so I changed the language back to the original language for the five segments.

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- The Chancellor of the California Community Colleges is the nominating authority for the representatives from the California Community Colleges.

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- The President of the Association of Independent California Colleges and Universities (AICCU) is the nominating authority for the representatives from California's private nonprofit postsecondary institutions.

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- The Executive Director of the California Association of Private Postsecondary Schools (CAPPS) is the nominating authority for the representatives from private for-profit postsecondary institutions.

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- For those higher education segments where a student association exists, the President of the student association is the nominating authority for student representative for the respective segment. If the student association fails to nominate, the higher education segment may nominate a student representative for the segment.

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- The President of the California Association of Student Financial Aid Administrators (CASFAA) is the nominating authority for the CASFAA representative.

- The Executive Director of the California Postsecondary Education Commission (CPEC) is the nominating authority for the CPEC representative.

- The Superintendent of Public Instruction is the nominating authority for representatives from K-12 schools, including the high school counselor representative.

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Comment: Maria, I deleted this bullet because the system office is nominating both the system and campus reps. The deleted bullet for some reason is showing in the section below when it should be here!

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<#>For the campus-based, school representatives from each of the five postsecondary education segments, the respective nominating authorities are the President of UC, the Chancellor of CSU, the Chancellor of the California Community Colleges, the President of AICCU, and the Executive Director of CAPPS. Additional nominations may be submitted from CASFAA for any of the five campus-based school representatives, and from the California Community Colleges Student Financial Aid Administrators Assn. (CCCSFAAA) for the community college campus-based school representative.¶

Comment: This deletion belongs to the section above.

6. Terms, Lengths, Limits

6.1. All members of GAC serve a two-year term, unless a different term is designated by the Commission.

6.2. Members of GAC may be re-appointed to serve for additional terms upon the recommendation of their nominating authority and approval by the Commission. There is no limit on the number of terms that a member may serve.

6.3. If a member leaves or resigns, a new appointee will complete that member's term, if such a term was designated.

7. Alternates

Alternates are allowable. (See Chapter Four, Section 7)

CHAPTER EIGHT – LOAN ADVISORY COUNCIL (LAC)

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1. Authority

The Loan Advisory Council (LAC) was established pursuant to Sections 69769 through 69769.7 of the California Education Code, which prescribe the composition and purpose of LAC.

2. Purpose and Duties

The LAC reviews the activities and policies of the Federal Family Education Loan (FFEL) Program and advises the Commission of its findings and recommendations. LAC may request information and data that it deems appropriate from the Student Aid Commission with respect to the FFEL Program or any other loan program administered by the Commission.

3. Membership

3.1. According to statute, LAC shall be composed of 17 members, appointed by the Commission, composed of representatives of students, postsecondary educational institutions, eligible lenders, and participating secondary markets. These members shall be appointed from the following groups:

- Four representatives from the lending community participating in the FFEL Programs.
- Five school representatives: one from each of the five postsecondary segments. These segments include the University of California, the California State University, the California Community Colleges, private nonprofit postsecondary education institutions, and private for-profit postsecondary education institutions.
- Five student representatives: one from each of the postsecondary school segments listed above.
- One representative from the California Association of Student Financial Aid Administrators (CASFAA).
- One representative from a secondary market participating in the FFEL Programs.
- One representative from the California Lenders for Education (CLFE).

3.2. In addition to the members appointed to the Loan Advisory Council by the Commission, the United States Education Department (USED) may appoint one nonvoting representative who serves as liaison between the Department and LAC.

4. Nominating Authorities

4.1. Pursuant to Section 69769.3 of the California Education Code, the representatives appointed by the Commission pursuant to Section 3 above shall be

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selected by the Commission from lists provided to its chair by each group described above.

4.2. The nominating authorities for these groups are:

- Participating lenders and secondary markets shall be the nominating authorities for lender and secondary market representatives, respectively.
- The President of the California Lenders for Education (CLFE) shall be the nominating authority for representatives from CLFE.
- The President of the California Association of Student Financial Aid Administrators (CASFAA) shall be the nominating authority for representatives from CASFAA.
- The President of the University of California, the Chancellor of the California State University, the Chancellor of the California Community Colleges, the President of the Association of Independent Colleges and Universities, and the Executive Director of the California Association of Private Postsecondary Schools shall be the nominating authorities for the representatives of their respective segments.
- For those higher education segments where a student association exists, the President of the student body association shall be the nominating authority for the student representatives from their respective segments. If the student body association fails to nominate, the higher education segment shall nominate a student representative. In no event shall a student representative be appointed to serve simultaneously as the representative of more than one of the five postsecondary groups.

5. Terms, Lengths, Limits

5.1. With the exception of the student representative for private for-profit postsecondary education institutions, who serves a one-year term, each member of LAC serves a two-year term.

5.2. Members of LAC may be re-appointed to serve for additional terms upon the recommendation of their nominating authority and approval by the Commission.

5.3. If a member leaves or resigns, a new appointee will complete that member's term.

6. Alternates

Alternates are not allowable. (See Chapter Four, Section 7)

CHAPTER NINE – TRAVEL REIMBURSEMENTS

1. Eligible Travel Reimbursements

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1.1. Advisory body members should use the most economical mode of travel.

1.2. Advisory body members are reimbursed for eligible meals and lodging expenses incurred when traveling over 50 miles from their home or headquarters in the course of official business.

1.3. Each advisory body member shall be reimbursed for actual and necessary travel expenses incurred in the course of duty, subject to State reimbursement limits and, when appropriate, State or Commission contracted rates. Note: It is the policy of the USED that its representatives not get reimbursed for travel costs.

1.4. Course of duty is defined as attendance at regularly scheduled meetings of the advisory body. Chairs of advisory bodies or their designees are also reimbursed for travel expenses to attend Commission meetings. Travel costs for attendance at other meetings (i.e. - workgroups, special meetings, ad hoc committee meetings) will not be reimbursed unless funding is available and approved in advance by the Executive Director of the Commission. Student representatives may petition the Executive Director for travel cost reimbursement if not otherwise reimbursed by the student body association or the system-wide office of the educational segment they represent. Information on the current expense reimbursement limits will be provided to members at or about the time of appointment as an addendum to those policies and as State rates change.

1.5. All receipts pertaining to the trip shall be submitted. An explanation must be offered when required receipts are not available.

1.6. Expenses incurred due to the failure of the member to cancel reservations within the required cancellation timeframe are not reimbursable and the member will be held responsible for the expenses incurred.

2. Travel

2.1. Advisory body members shall complete a Travel Expense Worksheet and note the expenses incurred during the official travel. The travel claimant must sign the Travel Expense Claim (STD 262) in blue ink at the “Claimant’s Signature” box #15 ONLY and must return both forms and receipts to the Commission staff liaison assigned to the advisory body.

2.2. Travel Expense Claims shall be completed with the information provided by the advisory body member on the Travel Expense Worksheet.

2.3. Travel expense reimbursements will be made within 3-4 weeks of receipt of required documentation.

3. Commission Authorized Travel Agency

3.1. To ensure that they obtain State discounted rates, advisory body members should use the Commission’s authorized travel agency or designee. The advisory

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body member will provide the travel agency with a four-digit authorization code provided by the staff liaison. Charges are billed directly to the Commission.

3.2. Airline Reservations - Airline reservations should be made through the Commission's authorized travel agency or designee to obtain the contracted discount rates.

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3.3. Car Rentals - Car rentals reservations should be made through the Commission's authorized travel agency to obtain the contracted discount rates. Advisory body members shall make every attempt to refuel the rental car prior to returning it to the rental agency.

4. Mileage

Advisory body members will be reimbursed for use of a privately owned car on official State business at the approved State rate.

5. Parking Fees

Parking fees shall be reimbursable expenses and require receipts for amounts exceeding the State limit.

6. Bridge and Toll Fares

Bridge and road tolls fees are reimbursable expenses and require no receipts.

7. Taxis

Taxi charges are reimbursable expenses and require receipts (The State allows the addition of a 10 percent tip for taxis only.)

8. Tips

With the exception of tips for taxis, tips are not reimbursable, since the State considers tips to be part of the "incidentals" reimbursement.

9. Hotel Arrangements

9.1. Lodging accommodations will be arranged for the advisory body members. Hotel selection is based on the current State rate. A block of rooms will be secured and contracted for the group of advisory body members who have indicated a need for lodging.

9.2. Advisory body members will be notified of the hotel where accommodations have been secured and will be given the deadline for cancellation.

9.3. Cancellations of lodging accommodation must be received within the required cancellation timeframe.

9.4. Advisory body members will be responsible for lodging expenses incurred due to the late cancellation.

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10. Telephone Calls

Business telephone calls are reimbursable expenses and require receipts for charges exceeding the State limit. Claims must include the place and party called.

11. Incidentals

Incidentals are reimbursable up to the State limit for a full 24-hour period. Incidentals may not be claimed for less than a 24-hour period.

12. Meal Allowances

12.1. For travel less than 24 hours:

- No lunch or incidentals may be claimed.
- Breakfast may be claimed if the trip begins at or before 6:00 a.m. and ends at or after 9:00 a.m.
- Dinner may be claimed if the trip begins at or before 4:00 p.m. and ends at or after 7:00 p.m.

12.2. For travel of 24 hours or more:

- Breakfast may be claimed for actual expenses up to the State limit.
- Lunch may be claimed for actual expenses up to the State limit.
- Dinner may be claimed for actual expenses up to the State limit.

Senate Bill No. 1383

CHAPTER 652

An act to amend Sections 69433.9 and 69514 of the Education Code, relating to student financial aid, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 29, 2006. Filed with Secretary of State September 29, 2006.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1383, Ortiz. Student financial aid: Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program.

(1) Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act, establishes the Cal Grant A and B Entitlement awards, the California Community College Transfer Cal Grant Entitlement awards, the Competitive Cal Grant A and B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions. Among the existing eligibility requirements established under the act for the Cal Grant A and B Entitlement awards is a requirement that a student must have graduated from high school or its equivalent during or after the 2000–01 academic year and that the student has submitted a completed financial aid application no later than March 2 of the academic year, as defined to mean a year commencing on July 1 and ending on June 30, of high school graduation or its equivalent. Among the existing eligibility requirements established under the act for the California Community College Transfer Cal Grant Entitlement awards is a requirement that a student must have graduated from a California high school or its equivalent during or after the 2000–01 academic year.

This bill would specify that a student who does not meet the requirements for a high school diploma or its equivalent in the academic year immediately preceding the award year, but who meets the requirements for a high school diploma or its equivalent by December 31 of the academic year immediately following the date of application, satisfies the requirement of obtaining high school graduation or its equivalent for the purposes of the act, as specified.

(2) Existing law requires the Student Aid Commission to report, on or before April 1 of each year, statistical data examining the impact and effectiveness of state-funded student aid programs.

This bill would require this annual report, to the extent practicable, to include the number and the demographic characteristics of the students

who qualify for a Cal Grant award based on obtaining high school graduation or its equivalent pursuant to the bill.

(3) The bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Section 69433.9 of the Education Code, as amended by Section 2 of Chapter 43 of the Statutes of 2006, is amended to read:

69433.9. To be eligible to receive a Cal Grant award under this chapter, a student shall be all of the following:

(a) A citizen of the United States, or an eligible noncitizen, as defined for purposes of financial aid programs under Title IV of the federal Higher Education Act of 1965 (20 U.S.C. Secs. 1070 et seq., as from time to time amended).

(b) In compliance with all applicable Selective Service registration requirements.

(c) Not incarcerated.

(d) Not in default on any student loan within the meaning of Section 69507.5.

(e) (1) For purposes of Article 2 (commencing with Section 69434), Article 3 (commencing with Section 69435), and Article 4 (commencing with Section 69436), except as provided in subdivision (d) of Section 69436, at the time of high school graduation or its equivalent, be a resident of California.

(2) A student who does not meet the requirements for a high school diploma or its equivalent in the academic year immediately preceding the award year, but who meets the requirements for a high school diploma or its equivalent by December 31 of the academic year immediately following the date of application, satisfies any requirement for obtaining high school graduation or its equivalent for the purposes of this chapter as of the first day of the academic term immediately following the term in which the requirements for the high school diploma or its equivalent are met.

(3) No student shall receive an award for a term that begins prior to satisfying any requirement for obtaining high school graduation or its equivalent.

SEC. 2. Section 69514 of the Education Code is amended to read:

69514. The commission shall do all of the following:

(a) Report, on or before April 1 of each year, statistical data examining the impact and effectiveness of state-funded programs. The commission shall utilize common criteria in determining the impact of these programs, and shall have the authority to obtain any data from postsecondary educational institutions necessary for the reports. To the extent practicable, this report shall specifically note the number and the demographic characteristics of the students who qualify for a Cal Grant award based on

obtaining high school graduation or its equivalent pursuant to paragraph (2) of subdivision (e) of Section 69433.9.

(b) Collect and disseminate data concerning the financial resources and needs of students and potential students, and the scope and impact of existing state, federal, and institutional student aid programs.

(c) Report, on or before April 1 of each year, the aggregate financial need of individuals seeking access to postsecondary education and the degree to which current student aid programs meet this legitimate financial need.

(d) Develop and report annually the distribution of funds and awards among income groups, ethnic groups, grade point average levels, and postsecondary education segments.

(e) Prepare and disseminate information regarding the criteria utilized in distributing available student aid funds.

(f) Be authorized to expend funds for the purpose of disseminating information about all institutional, state, and federal student aid programs to potential applicants. This distribution of information shall primarily focus on potential applicants with the greatest financial need.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to revise eligibility requirements relating to Cal Grant awards under the administration of the Student Aid Commission and to revise related reporting requirements as soon as possible, it is necessary that this act take effect immediately.

O

Summary of the Review of the Institutional Participation Agreement

The California Student Aid Commission (Commission) is in the process of reviewing and revising the current Institutional Participation Agreement (IPA) in preparation for its expiration and the execution of new Agreements in June 2007. As provided in state law, the Agreement is the managing document in place between schools and the Commission which specifies the requirements for institutional participation in the Cal Grant Programs.

CSAC staff is utilizing the experiences and expertise of many people to review the document and revise it for efficacious future use. Internally, a committee made up of staff from School Support Services, Cal Grant Operations, Specialized Programs, Outreach, Research and Development, Compliance, Information Technology, and the Commission's Information Security Officer has met formally fifteen times over a period of four months, and informally many more times. In addition, a letter was sent out by the Executive Director to our Cal Grant participating schools to solicit comments and suggestions from Presidents/Chancellors/CEOs, Financial Aid and Fiscal personnel, legal representation, and others. Several site visits to campuses where the IPA was discussed were also held. Most recently, a committee of executives and upper management has met several times to scrutinize the proposed document and continues to meet.

Once the IPA has been fully vetted and finalized, it will be presented to the Commission for their review and approval.

CAL GRANT PROGRAMS
RENEWAL
INSTITUTIONAL PARTICIPATION AGREEMENT

Name of Institution: _____

Address of Institution: _____

USED School Identification Number: _____

Return to:
California Student Aid Commission
Program Administration & Services Division
ATTN: School Support Services
PO Box 419028
Rancho Cordova, CA 95741-9028

Execution of this Agreement is mandatory for participation in the California Student Aid Commission's Cal Grant Programs.

ARTICLE I

Participation

The California Student Aid Commission ("Commission") and _____, hereafter referred to as the "Institution," agree to the terms contained in this Institutional Participation Agreement (Agreement).

This Agreement governs the Institution's eligibility to participate in and ability to receive funds for all of the Cal Grant Programs administered by the Commission.

This Agreement applies only to campus(es) indicated on this Agreement as listed in Article IX. A new Agreement is required for the addition of any added campus(es).

If a shift in control or change of ownership of an institution occurs as defined in Article VII, the Agreement expires and the institution's Cal Grant participation ends on the date of the shift in control or change of ownership. If the new controlling party or new owner wishes to continue Cal Grant participation, a new Agreement must be completed.

ARTICLE II

General Provisions

A. The minimum requirements for participation in the Cal Grant Programs for postsecondary institutions in California are established in California Education Code (CEC) 69432.7(l) and the California Code of Regulations (CCR) Title 5, Section 30009.

   1) For non-public postsecondary institutions to participate in the Cal Grant Programs, an institution must be approved by the United States Department of Education (USED) to participate in the Federal Pell Grant program and two of the three federal campus-based student aid programs. The campus-based programs are the Federal Work-Study, Federal Perkins Loan and the Federal Supplemental Educational Opportunity Grant (SEOG) programs [CEC 69432.7(l)(1)]. Specifically, participation in the campus-based programs means the postsecondary institution has been allocated funds and is spending those funds at each additional location/campus/site/branch (campus) that Cal Grant recipients attend. These program requirements are set forth in CCR 30009(b).

   2) For non-public postsecondary institutions, California law allows an exception to the requirement of participation in the federal student aid programs. Cal Grant awards may be utilized at any nonprofit institution headquartered and operating in California that: (a) certifies to the Commission that ten (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, (b) demonstrates to the Commission that it has the administrative capability to administer the funds, and (c) is accredited by the Western Association of Schools and Colleges [CEC 69432.7(l)(2) and CCR 30009 (c)].

   3) A California public postsecondary educational institution or program may participate in the Cal Grant Programs [CEC 69432.7(l)(3)].

B. An otherwise qualifying institution shall be deemed disqualified if it no longer possesses all of the requirements for a qualifying institution [CCR 30009(d)].

C. The Institution agrees to use Cal Grant funds provided to it solely for the purposes specified, and in accordance with the provisions set forth in the respective program statutes, federal and state regulations and procedures, the California Grant Programs Manual (CGPM) including manual updates, policy bulletins, operations memos, and special alerts.

D. The Institution acknowledges that no Cal Grant funds have been authorized for a fiscal year until such time as that fiscal year's budget has been adopted by the Legislature and signed by the Governor. It is further understood that if such funds are not approved for a fiscal year, the State and the Commission shall be relieved of further payments and this Agreement will be canceled; if proposed funding amounts are reduced, this Agreement will be limited to the approved amounts only.

E. The Institution agrees to maintain standards of administrative capability and financial stability in accordance with state and federal law and regulations as applicable.

F. The Institution agrees to retain program and fiscal records (Appendix B) that demonstrate institutional and student eligibility, that document the accuracy of the grant payments reported and the right of the Institution to receive or retain payments made by the Commission, and that are kept for a period of three (3) years following the last day of the period for which the grant was intended.

G. The Institution shall maintain written policies and procedures governing the administration and processing of Cal Grant funds under this Agreement. These should include Cal Grant fund accounting, student eligibility determination, disbursement, reconciliation, and refund policies and procedures.

H. The Institution agrees to maintain a current designation of individuals who are responsible for coordinating and communicating with the Commission on matters related to the provisions of this Agreement.

I. The Institution agrees to make available at the time of program compliance review, or at the request of the Commission, any records and personnel related to the administration of the Commission's Cal Grant Programs.

J. The Institution agrees that it is subject to and must comply with all current and applicable state and federal law and regulations in its enforcement of the terms of this Agreement. The Institution agrees that noncompliance with any of these provisions may result in the termination of this Agreement and the privileges that are afforded under it. The Commission shall provide the Institution written notice of its intent to terminate the Agreement forty-five (45) days prior to such action.

ARTICLE III

Cal Grant Account Maintenance – Institutional Responsibilities

A. The Institution agrees to maintain all Commission Cal Grant funds in a designated account identified as the property of the State either by a ledger account or a bank account.

   1) The account is required to be an interest-bearing account.

   2) Interest earned on Cal Grant funds in these accounts must be returned to the Commission on behalf of the State at least once annually by the end of the academic year.

B. The Institution agrees to maintain an accounting system which conforms to generally accepted accounting principles and practices that includes such items as, but is not limited to, cash receipts and disbursement journals, bank account reconciliation, evidence of receipt of funds by recipients or credit of funds to recipients, and all other accounting records necessary to account for all transactions. All Cal Grant funds must be clearly identified according to the corresponding award year.

C. The institution agrees to maintain a current designation of individuals who are responsible for Cal Grant account maintenance through adherence to accepted accounting principles and practices. The institution also agrees to maintain a separation of function/duties between individuals who authorize and disburse Cal Grant funds so that no one individual is responsible for both functions.

D. Should the Institution close, lose federal financial aid eligibility, or no longer meet the statutory definition of an eligible institution, or upon termination of this Agreement, the Institution agrees to return any undisbursed funds or pay any outstanding invoices within thirty (30) days.

ARTICLE IV

Cal Grant Disbursement - Institutional Responsibilities

The Institution understands and agrees to carry out the following responsibilities at the time Cal Grant funds are transferred to the recipient or to the recipient's account. These must include but are not limited to:

A. Confirmation of *General* Eligibility: Confirm that the recipient meets all eligibility and program requirements using existing information [institutional student information record (ISIR), student self-certification, federal verification documentation, etc.] that is to be retained for a period of three (3) years following the last day of the award year. Report to the Commission any information concerning the following criteria that may affect the disbursement of Cal Grant funds:

1) the recipient is a U.S. citizen or an eligible non-citizen.

2) the recipient has met U.S. Selective Service requirements.

3) the recipient has a valid Social Security number.

4) the recipient is not in default on any Title IV educational loan or owes a refund on any Title IV grant (e.g. Federal Pell or Federal SEOG) or any State grant program administered by the Commission (CEC 69507.5) (CEC 69517.5).

5) the recipient is not incarcerated.

6) the recipient is a legal California state resident for at least one year as of application cycle deadline of the award year according to the Commission's CGPM.

7) each recipient is enrolled in an eligible program or course of study.

8) each recipient does not have a bachelor's or professional degree before receiving a Cal Grant (except for post baccalaureate students enrolled in teaching credential programs).

9) the designated recipient's participation in an eligible post-graduate teaching credential or mandatory 5th year program is approved by the Commission.

10) the attendance status for each recipient on the grant roster is in accordance with the established institutional policies and guidelines set forth in the CGPM.

11) the recipient demonstrates financial need at the Institution.

12) the recipient with a new award has family income and assets at/below the published Cal Grant ceilings [CEC 69432.7 (k)].

13) the recipient is complying with the Institution's satisfactory academic progress policies.

14) any additional items required by statute or regulation as specified for each program administered by the Commission (i.e., recipient needs to be a California resident at the time of graduation for Cal Grant A Entitlement Award, Cal Grant B Entitlement Award [CEC 69433.9(e)], and the California Community College Transfer Entitlement Cal Grant [CEC 69436(d)(3)(B)]).

B. Disbursement of Cal Grant Funds

1) Establish a written disbursement policy and schedule consistent with the start dates reported to the Commission on the College Cost Estimate form. The disbursement policy should include the Institution's enrollment/payment periods reported to the Commission and be proportional in length and in accordance with the applicable requirements specified for each educational program.

2) Determine course attendance according to the recipient's attendance status at the time Cal Grant funds are paid.

3) Disburse “Access” and “Books and Supplies” payments within ten (10) business days of verification of enrollment status.

4) Disburse no more than that which the recipient is eligible to receive per academic term. In the case of an overaward, the Institution must use its institutional refund policy to determine the portion to be returned to the Commission on behalf of the State. Cal Grant funds may not be used for reimbursement to the federal government.

5) Report payment transactions through WebGrants or data files as early as practicable, but no later than sixty (60) days following the end of the term.

6) Make all disbursements and adjustments no later than September 30 following the end of the award year (e.g., September 30, 2007, for award year 2006-07).

7) Establish and publish a policy that informs students of their options regarding receipt of Cal Grant “Access” or “Books and Supplies” funds. (i.e. If institutional policy is to apply “Access” or “Books and Supplies” to outstanding balances on the student’s account, the student must have the ability to request personal receipt of the funds prior to disbursement.)

8) If a recipient withdraws, drops out or is expelled for a term for which a payment has been made, recalculate based upon the Institution’s repayment policy.

C. Reconciliation of Cal Grant Funds

1) Establish a written reconciliation policy that details the procedures for reconciling Cal Grant funds received and disbursed by the Institution for each award year.

2) Term Reconciliation

   i) Institutions are required to reconcile payments no later than sixty (60) days after the end of the term.

   ii) Term reconciliation does not preclude payments after that date.

3) Final Reconciliation

   i. All Cal Grant funds must be properly recorded and allocated to the appropriate award year for which the funds were advanced and disbursed.

   ii. Reconcile all award year Cal Grant funds received and disbursed by the Institution, with the exception of summer term, no later than October 15 following the award year (e.g., October 15, 2007, for the 2006-07 award year). The Institution must report adjusted payment transactions for payment transactions previously reported in error that result in a payment exceeding the recipient’s eligibility.

iii. Upon final award year reconciliation by the Institution, the Institution shall repay any Cal Grant funds in excess of the reconciled amount to the Commission. Upon final reconciliation by the Commission, the Institution shall be invoiced for excess funds. The invoice shall be due and payable to the Commission within 30 days of receipt of the invoice. The Institution agrees to resolve any reconciliation discrepancies with the Commission.

iv. The final reconciliation of Cal Grant program expenditures is to be on a student-by-student basis.

v. Certify the accuracy of all payment transactions submitted to the Commission to reflect the current status of the student at the time of disbursement.

vi. Liability to the Commission for the Institution's actions or omissions under this Agreement shall not exceed the actual amount of Cal Grant funds that the Institution is not entitled to retain.

vii. Failure by the Institution to take action on Cal Grant funds that the Institution is ineligible to retain may constitute noncompliance and may result in the termination of this Agreement thereby terminating the Institution's participation in the Cal Grant Programs.

viii. An institution may not apply excess Cal Grant funds to any other student's account or to any prior or future year accounts.

ix. Any excess or undisbursed Cal Grant funds must be returned to the Commission at the close of the academic year.

x. Agree to pay any institutional liability that is determined as a result of a program compliance review within the time specified in the program review report.

D. Submit annual College Cost Estimate forms to the Commission by the deadline specified.

ARTICLE V

<u>Cal Grant Program Guidelines - Commission's Responsibilities</u>

A. Make a preliminary determination of new applicants' eligibility for Commission-administered grant programs by evaluating their financial information and program specific data as provided on the Free Application for Federal Student Aid (FAFSA), the verified Grade Point Average (GPA), and any other selection process.

B. Provide the Institution with guidelines, information, training and ongoing assistance with respect to the Institution's administration of the Cal Grant Programs.

C. Generate and provide electronic data files and Grant Rosters to the Institution of potentially eligible recipients that include names, Social Security numbers and payment amounts.

D. Provide the Institution with instructions for completing payment transactions.

E. Notify the Institution of accepted and rejected payment transactions.

F. Reconcile accepted payment transactions.

G. Provide the State Controller's Office with the documentation needed to issue Electronic Funds Transfer (EFT) or mail warrants for payment to the Institution.

H. Provide the Institution with regularly updated electronic data and Grant Rosters identifying reconciled payments.

I. Invoice the Institution for funds due the Commission as a result of the final reconciliation process and notify the Institution if funds will be withheld pending the return of delinquent repayments.

J. Perform program review of the Institution's management of Cal Grant funds for compliance with state and federal law and regulations and Commission policies.

ARTICLE VI

Purpose

The Information Security components of this Agreement are to control access to the Commission's information processing facilities and data by the Institution, as well as require (per FTC Safeguards Rule) certain levels of Information Security and privacy compliance for Institutions that access, retrieve, store, use, modify or delete Commission data. For purposes used within this Agreement, Non-public Personal Information (NPI), Personally Identifying Information (PII) and financial information shall be identified as Confidential information.

Information Security – Institutional Responsibilities

The Institution will comply with all applicable federal, California and local information security, confidentiality and privacy laws and regulations, Commission policies and requirements pertaining to the proper access, creation, modification, handling, storage, transfer, transmission, dissemination, sharing or destruction of confidential information pertaining to the Commission.

The Institution will additionally abide by the following requirements as a condition of access to the Commission's data and network. The Commission reserves the right to monitor or revoke access to the Commission's network and data to the Institution or individual staff member(s).

Institution's Administrative Authorization for Access and Roles/Responsibilities

A. The Institution will maintain a historical record that identifies to the Commission or its representative, the identification of the individual(s) who access the Commission's network or create or update GDS Web Grants transactions with the Commission's data for three (3) years following the last day of the award year.

B. The Institution's Financial Aid Director will designate a single individual as the Authorized Official (AO), who will then designate a maximum of two other individuals as the Institution's System Administrator(s) (SA).

C. The Institution's AO will grant authority to the Institution's SA(s) to create or disable individual user accounts for that Institution's staff to access the Commission's network and data. The AO will not have SA authority or responsibility.

D. The AO and SA(s) will be required to submit an accurate and complete "Information Security and Confidentiality Agreement" and "System Administrator's Access Request Form" to the Commission before access to the Commission's network and data is granted. If the AO and SA(s) are different at each Institution location (campus), separate "Confidentiality Agreement" and "System Administrator's Access Request Form(s)" must be completed and sent to the Commission. Copies of this documentation shall also remain at the Institution.

E. Any change in the designation of the Institution's AO or SA(s) will require that a new "Information Security and Confidentiality Agreement" as well as new copies of the "System Administrator's Access Request Form" be sent to the Commission immediately. Copies of this documentation of this shall also remain at the Institution.

F. The Institution's SA(s) will immediately disable the password and ID of any employee or agent of the Institution whose change in employment status or duties no longer requires access to the Commission's network or data. Copies of this documentation of this shall remain at the Institution.

G. The Institution's SA(s) will ensure that all Institution employees or agents that require WebGrants (GDS) access will sign a "Grant Delivery System (GDS) WebGrants User Access Request Form", prior to being granted access to the WebGrants System. Such access will be granted for a period of time not to exceed 1 year, and shall be renewed upon completion of annual training in areas of information security, privacy and confidentiality. Copies of this documentation shall remain at the institution.

Essential Practices in Promoting and Implementing Information Security

H. Passwords and user identification numbers (IDs) are to be treated as Confidential information. Employees or agents of the Institution shall not share passwords and IDs. Passwords will be changed on a regular basis, as required by the Commission.

I. Confidential Commission data or assets that are no longer required for use by the Institution, for Commission compliance reviews or unless otherwise determined by the Commission, based upon a mutually agreeable time or contract, shall be returned or destroyed in a secure manner, ensuring that no reconstruction or derivation of the data, media or materials is possible.

J. The Institution shall establish training programs and acceptable use policies for Institution employees regarding information security, privacy and confidentiality of Commission data.

K. The Institution will establish and enforce policies to ensure that Commission data and network access are conducted from secured systems onsite within the Institution, or via encrypted networks from offsite locations. Offsite locations shall have encrypted hard drives and storage devices and shall not provide a bridging capability from unsecured networks into Commission networks.

L. The Institution will notify the Commission immediately of any security, integrity or confidentiality incident(s) involving Commission data or network exposure by contacting

the Commission's ITS Help Desk at 888-294-0148. Such incidents may include, but are not limited to unauthorized or accidental modification, destruction, disclosure, loss, or access to automated files and databases, as well as incidents involving loss, damage or misuse of information assets. Such incidents shall be followed up with a written report of the incident, signed by the AO and the Institution's Chief Executive Officer and submitted to the Commission's Information Security Officer (ISO) within ten (10) business days.

M. No Commission data or assets shall be transferred to a third party or its agents without express written permission by the Commission's ISO. Verification of individual data with the respective individual or their lawfully designated agent(s) is permissible.

N. To the extent authorized by law and caused by the negligence or intentional misconduct of itself, its employees or agents, the Institution will accept liability for any direct or consequential damages to the Commission, its network or data.

O. The Institution will ensure that information transmitted electronically or otherwise to the Commission has been examined and is complete and accurate to the best of its knowledge.

P. No faxes or unencrypted email containing Confidential data shall be sent to the Commission.

Q. All storage media or electronically transferred correspondence sent between the Institution and the Commission containing Confidential data must be encrypted or transferred via an encrypted communications session. Passwords, decryption devices, or decryption methods required to access the data must be sent separately via a different communications method.

Information Security – Commission's Responsibilities

The Commission will comply with all applicable federal, California and local information security, confidentiality and privacy laws, regulations and requirements pertaining to the proper access, creation, modification, handling, storage, transfer, transmission, dissemination, sharing or destruction of confidential information pertaining to the Institution.

A. Account changes submitted by the Institution will be reviewed, acknowledged and incorporated within three (3) business days.

B. The Commission shall issue periodic communications to address Information Security concerns.

C. The Commission will ensure that information transmitted electronically or otherwise to the Institution has been examined and is complete and accurate to the best of its knowledge.

D. No faxes or unencrypted email containing Confidential data shall be sent to the Institution.

E. All correspondence transferred electronically or on storage media between the Commission and the Institution containing Confidential data must be encrypted or transferred via an encrypted communications session. Passwords, decryption devices, or decryption methods required to access the data must be sent separately via a different communications method.

F. The Commission will periodically audit the security-related records of the Commission and the Institution to ensure that proper levels of access to the Commission's data and networks by proper individual(s) identified by the Institution is correct, current and complete.

ARTICLE VII

Agreement Duration

This Agreement is effective when it is executed by the Commission's representative. This is generally later than its execution by the Institution's representative. It supersedes any prior Agreements executed between the Commission and the Institution, and automatically terminates upon the occurrence of any of the conditions below:

A. The Institution undergoes a change which results in one of the following:

   1) a shift in control,

   2) change of ownership,

   3) or any other significant change in the control of the institution (excluding change of chancellor, chief executive officer, or president); or

B. The Institution closes or ceases operation; or

C. The Institution or site no longer possesses all of the requirements for a qualifying institution; or

D. The Institution undergoes a change of name; or

E. The Commission's representative requests termination of this Agreement in writing; or

F. The Institution's Chief Executive Officer requests termination of this Agreement in writing; or

G. June 30, 2010.

ARTICLE VIII

Certification

As Chancellor/Chief Executive Officer/President of this Institution, I agree that this Institution and its "campus(es)" (if any) will comply with all state and federal statutes and regulations, rules, and guidelines applicable under this Agreement.

Name and Address of Main Campus:	Office of Postsecondary Education Identification (OPE ID) Number
_____	_____
_____	
_____	

Name(s), Address(es), and Phone Number(s) of Additional Locations(s) included in this Agreement (attach additional pages if necessary):	OPE ID Number
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Please indicate which of the following section(s) establish your Institution's eligibility to participate in the Cal Grant Programs. Many institutions' eligibility is established through Section 69432.7(l)(1) or (3) or 69440(a) of the CEC.

If your Institution is seeking to establish eligibility through Section 69432.7(l)(2) of the CEC, please complete the "Financial Statement and Demonstration of Administrative Capability to Participate in the Cal Grant Programs" form.

Check any box(es) applicable to your Institution:

Section 69432.7(l)(1) of the CEC states: "Qualifying institution" means the following:

> ***"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: (A) Federal Work-Study, (B) Perkins Loan Program, [and] (C) Supplemental Educational Opportunity Grant Program [SEOG]." Participation in the campus-based programs means the Institution or site has applied for, been allocated funds, and is spending those funds. Participation in the Federal Pell Grant program means that students are eligible to be paid Federal Pell Grant funds for attendance at the Institution.***

☐ This Institution meets the requirements of Section 69432.7(l)(1) of the CEC.

Section 69432.7(l)(3) of the CEC states: "Qualifying institution" means the following:

> ***"Any California public postsecondary educational institution."***

☐ This Institution meets the requirements of Section 69432.7(l)(3) of the CEC.

Additional requirements:

Section 66290 of the CEC states:

> **"*Prior to receipt of any state financial assistance or state student financial aid, a postsecondary educational institution shall provide assurance to the agency administering the funds, in the manner required by the funding agency, that each program or activity conducted by the postsecondary educational institution will be conducted in compliance with this chapter and all other applicable provisions of state law prohibiting discrimination on the basis of sex. A single assurance, not more than one page in length and signed by an appropriate responsible official of the postsecondary educational institution, may be provided for all the programs and activities conducted by a postsecondary educational institution."***

☐ This Institution meets the requirements of Section 66290 of the CEC.

I certify that the Institution is eligible to participate in the Cal Grant Programs and will immediately notify the Commission if the Institution ceases to be eligible under Sections 69432.7(l)(1), (2) or (3), 69440(a) of the CEC, or Article VI of this Agreement.

Signature: Chancellor/Chief Executive Officer/President of Institution	**Date**

Type or Print Name and Title

Signature of Commission Representative: **Chief, Program Administration & Services Division**	**Date**

Appendix A

Definitions

Academic Year: An "academic year" is July 1 to June 30, inclusive. The starting date of a session shall determine the academic year in which it is included as defined in CEC 69432.7(a). See “Award Year.”

Access: Component of Cal Grant B award that is intended to be used for student living expenses.

Administrative Capability: In order to participate in the Cal Grant programs schools must be financially responsible and have the resources to properly administer the requirements of the program.

Advances, Cal Grant Funds: Each year after the state budget is passed, or in mid-August, whichever is later, the Commission advances money to each participating school in order for schools to begin making payments to students. The amount of the advance is based on a percentage of the total reconciled payments for the same term the previous academic year.

Assets: Cash on hand in checking and savings accounts; trusts, stocks, bonds, other securities; real estate (excluding home), income-producing property, business equipment, and business inventory. Considered in determining Expected Family Contribution (EFC).

Attendance Status: The amount of time the student is currently attending school. For the purposes of Cal Grant payment reporting, students can be enrolled full-time, half-time, or three-quarter time.

Authorized Official (AO): A single individual that is designated by the Institution's Financial Aid Director to select up to two (2) separate individuals as System Administrator(s) for the Institution. Respective Institution campus locations may have their own AO's. The AO does not perform System Administrator functions.

Award Year: One academic year, or the equivalent, of attendance at a qualified institution as defined in 69432.7(c). See “Academic Year.”

Books and Supplies: Component of the Cal Grant C award that students can use for educational related expenses.

California Code of Regulations or C.C.R.: The body of regulations promulgated to administer and regulate California laws. Commonly referred to as the “regulations.”

California Education Code or C.E.C.: The legal statutes that authorize the Student Aid Commission and Cal Grant programs. Commonly referred to as the “law.”

Citizen, U.S.: Cal Grant awards are available only to students who, in addition to being California residents, are U.S. Citizens or eligible non-citizens. The definition of U.S. Citizen and eligible non-citizen for the purposes of Cal Grant is the same as the requirement for federal Title IV student financial assistance.

College Cost Estimate Form: Submitted to the Commission by the Institution annually to update cost of attendance figures for use in determining new Cal Grant applicant eligibility.

Compliance Review: A review performed by Commission auditors to verify compliance with Cal Grant and Specialized Programs laws and policies. Penalties for being out of compliance can include reimbursement of funds, suspension and termination from the Cal Grant program.

Confidential: Broad classification assigned to data or systems used to transfer such data. Such a classification denotes a level of value for which disclosure can bring some level of harm or damage.

Decryption: The process or ability to remove encryption from data, thereby making the data readable or usable.

Department of Education, U.S. (USED): The section of the federal government that administers federal assistance to students enrolled in postsecondary educational programs. USED programs include: Federal Pell Grant, Federal Perkins Loan, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work-Study (FWS), Federal Family Education Loan (FFEL) Programs, and William D. Ford Federal Direct Loan (Direct Loan) Program.

Disbursement of Funds: Cal Grant funds are disbursed when a school credits a student's account with funds or pays a student directly.

EFT: Electronic Funds Transfer. Process by which Cal Grant funds are automatically transferred directly from the state Controller's Office to the participating Institution into the Institution's specified account.

Electronically Transferred Correspondence: Any electronic transfer or transmission of data between two or more parties. This can include, but is not limited to email, zipped files or other attachments, ftp transfers, telnet sessions, etc.

Encrypted Hard drives: Hard disk drives contained within or attached to a computer system that are encrypted and do not allow any readable access to the data contained on it without the application of a password or decryption device, typically upon boot-up. USB and similar memory storage devices appear as a disk drive to computers and should be encrypted as well.

Encrypted Networks: Computer networks (virtual or real) utilizing encryption to provide a path for data transmission without the ability to eavesdrop on the data being transmitted.

FAFSA: See Free Application for Federal Student Aid.

Federal Pell Grant: A federal grant program for needy postsecondary students who have not yet received a baccalaureate or first professional degree; administered by the U.S. Department of Education.

Federal Perkins Loan: A long term, low interest loan program for both undergraduate and graduate students at a current interest rate of 5%. The Perkins loan is one of the "campus-based" programs that can be used to qualify for Cal Grants on an institutional basis.

Federal Supplemental Educational Opportunity Grant (FSEOG): One of the campus-based programs; grants to undergraduate students of exceptional financial need who have not completed their first baccalaureate degree. Priority for FSEOG awards must be given to Federal Pell Grant recipients with the lowest EFCs. FSEOG is one of the "campus-based" programs that can be used to qualify for Cal Grants on an institutional basis.

Federal Verification: A process by which a financial aid office substantiates the data that a financial aid applicant has reported on a financial aid application. Additional information from the student, a spouse, and the parents is used to confirm previously submitted data.

Federal Work-Study Program (FWS): One of the campus-based programs; a part-time employment program which provides jobs for undergraduate and graduate students who are in need of such earnings to meet a portion of their educational expenses. Federal Work-Study is one of the "campus-based" programs that can be used to qualify for Cal Grants on an institutional basis.

Financial Need: The difference between the Institution's cost of attendance and the family's ability to pay (i.e., Expected Family Contribution). Ability to pay is represented by the expected family contribution for federal need-based aid and for many state and institutional programs.

Final Reconciliation: The reconciliation of all award year Cal Grant funds received and disbursed by the Institution, with the exception of summer term, no later than October 15 following the award year (e.g., October 15, 2007, for the 2006-2007 award year.

Free Application for Federal Student Aid (FAFSA): The federal financial aid application completed by the student and the student's parents (if applicable) that collects household and financial information. The FAFSA is the foundation document for all federal need analysis computations and database matches performed for a student.

FSEOG: See Federal Supplemental Educational Opportunity Grant.

GPA: Grade Point Average. For Cal Grant purposes the GPA must be calculated in accordance with state regulations

Grade Point Average (GPA): An average of a student's grades, converted to a 4.00 scale (4.00 is an A, 3.00 is a B, and 2.00 is a C). Submission of a verified GPA is required for Cal Grant A and Cal Grant B consideration.

Grant Roster: List of eligible Cal Grant recipients at a particular school.

Independent Post-secondary Institution: Private college that is not run by a government organization.

Information Security: Protection of information systems against unauthorized access to or modification of information, whether in storage, processing or transit, and against the denial of service to authorized users or the provision of service to unauthorized users, including those measures necessary to detect, document, and counter such threats.

Institutional Participation Agreement (Agreement or IPA): This is the contractual agreement between the Student Aid Commission and the schools that participate in the Cal Grant program. Schools must have a signed IPA on file with the Commission to participate in the Cal Grant program. The IPA is updated about every three years.

Institutional Student Information Record (ISIR): Institutional Student Information Record. The electronic record produced when the FAFSA is processed. An ISIR is sent to each college listed on the FAFSA and the state agency in the student's residence state. The ISIR contains all of the SAR data, plus the student's National Student Loan Data System (NSLDS) records.

Non-public Personal Information (NPI): Such information includes

A. Personally identifiable financial information -
   (i) provided by a consumer to a financial institution;
   (ii) resulting from any transaction with the consumer or any service performed for the consumer; or
   (iii) otherwise obtained by the financial institution.
B. Such term does not include publicly available information.

OPE ID: Office of Postsecondary Education Identification provided by the U.S. Department of Education. A six (6) digit number followed by a two (2) digit suffix.

Overaward: The condition of disbursing financial aid in excess of the amount for which the student is eligible.

Payment: Disbursing Cal Grant funds to a student directly, or depositing Cal Grants funds directly into the student's school account.

Pell Grant: Federal financial aid program. The amount of the Pell Grant awarded to a renewal student must be subtracted from a renewal Cal Grant student's financial need.

Personally Identifying Information (PII): Any piece of information which can potentially be used to uniquely identify, contact, or locate a single person.

Proprietary Post-secondary Institution: See Independent Post-secondary Institution

Public Post-secondary Institution: The public institutions of higher education in California include the UC system, CSU system and California Community College system.

Reconciliation: Verification that Cal Grant funds are being disbursed to each student in the correct amounts and that all payments have been properly reported to the California Student Aid Commission. See "Term Reconciliation" and "Final Reconciliation."

SEOG: Supplemental Educational Opportunity Grant (FSEOG)

Security, Integrity or Confidentiality Incidents: Any event that reflects an unauthorized access, loss, disclosure, destruction, modification or misuse to a computer system, network or data. Each incident must be reported immediately to the Commission, with a followup written report of the incident signed by the AO and the Institution's Chief Executive Officer submitted within 10 business days to the Commission's Information Security Officer.

Selection: The Commission's review of applicant eligibility and awarding of Cal Grants.

State Controller's Office (SCO): State agency that authorized and issues payment and advances of Cal Grant funds to participating schools.

Storage Media: Any device capable of holding information. This can include paper records, CDROM/DVD type devices, USB/memory-type devices or disk drives.

System Administrator (SA): Individual tasked to perform System Administrator-related tasks on the GDS WebGrants system on behalf of the Institution (ie, account create/delete). There are a maximum of two (2) SA's assigned per Institution, however, individual campus locations may

have their own respective SA's, provided they perform such tasks as specified above for the individuals attending the Institution at that campus location.

TCP: Teaching Credential Program. As used in relation to the Cal Grant program a post-baccalaureate program of study that leads to a California teaching credential. Cal Grant benefits for students in a teaching credential program are referred to as TCP benefits.

Term: Refers to a school's academic term or Cal Grant payment period in the case of a non-term based institution.

Term Reconciliation: The reconciliation of all term Cal Grant funds received and disbursed by the Institution no later than sixty (60) days after the end of each term.

Title IV Programs: Those federal student aid programs authorized under Title IV of the Higher Education Act of 1965, as amended. Includes: the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Work Study, Federal Perkins Loan, Federal Stafford Loan, Federal PLUS Loan, Direct Loan, Direct PLUS Loan, the Leveraging Educational Assistance Partnership (LEAP), and the Special Leveraging Educational Assistance Partnership (SLEAP).

USED: United States Department of Education (Also, DOE, USDE, ED)

Unencrypted: Data that has not been encrypted to prevent potential unauthorized use or disclosure.

WebGrants: The Student Aid Commission's Internet based access to the Cal Grant Delivery System database. Schools can review their Cal Grant rosters and report payments and student demographic changes to the Commission.

Appendix B

Program and fiscal records include, but are not limited to:

1. Student eligibility:

   A. Documentation of California residency
   B. Financial aid applications and forms
   C. Need analysis and packaging information for each recipient to support renewal unmet need reported to Commission and to support final award package
   D. Award letters and Institutional Student Information Record (ISIR)
   E. Full academic transcripts and Add/Drop Screens (SAP and enrollment verification)
   F. Enrollment agreements (if applicable)
   G. Declaration of academic major/program
   H. Cost of Attendance (Student Expense Budgets)

2. Institution Eligibility

   A. A copy of your current authority to operate from the California Bureau for Private Postsecondary and Vocational Education, if applicable.
   B. Copies of written policies and procedures
   C. A copy of all application school catalogs and term academic calendars
   D. A copy of the most recent Independent Auditors Report (Financial Statements and OMB Circular A-133 Compliance) and the Institution's audit response.
   E. A copy of the latest Fiscal Operation Report and Application to Participate (FISAP), Part VI, Section A (Program Summary for Award Year).

3. Fiscal Administration

   A. Copies of detailed Cal Grant fund ledger(s) that show the deposit of Commission advances and disbursement of grant awards for the award year. Ledgers must contain a beginning and ending balance.
   B. Copy of bank statements identifying the deposit of Cal Grant advances for the award year. If Cal Grant deposits combined with other deposits, keep deposit slips detailing each item deposited.
   C. Chart of accounts and financial aid account related codes
   D. Individual student account ledgers
   E. Proof of receipt of subsistence and book/supply funds by student, such as:
      - Front and back copies of negotiated checks
      - School bank statement used for tracking each students' payment(s), or
      - Written authorization from the student to credit payment to other school charges.
   F. Accounting procedures necessary to explain the application or distribution of Cal Grant funds
   G. Refund payments made to the Commission

4. A copy of the WebGrants Information Security and Confidentiality Agreement and user forms.

5. A copy of your current organizational chart.

6. Any other records not requested in this letter that the school feels are pertinent to explaining the Institution's administration of the grant programs and completing the program review in a timely manner

CALIFORNIA STUDENT AID COMMISSION

CAL GRANT PROGRAMS

Institutional Participation Agreement

For Renewing Postsecondary Institutions

Name of Institution: _____

Address of Institution: _____

USED School Identification Number: _____

Return to:
California Student Aid Commission
Program Administration & Services Division
ATTN: Institutional Participation Agreement
PO Box 419028
Rancho Cordova, CA 95741-9028

Execution of this Agreement is mandatory for participation in the California Student Aid Commission's Cal Grant Programs.

INTRODUCTION

A. The minimum requirements for participation in the Cal Grant Programs for postsecondary institutions in California are established in California Education Code (CEC) 69432.7(l) and the California Code of Regulations (CCR) Title 5, Section 30009.

(1) For non-public postsecondary institutions to participate in the Cal Grant Programs, an institution must be approved by the United States Department of Education (USED) to participate in the Federal Pell Grant program and two of the three federal campus-based student aid programs. The campus-based programs include Federal Work-Study, Federal Perkins Loan and the Federal Supplemental Educational Opportunity Grant (SEOG) programs [CEC 69432.7(l)(1)]. Specifically, participation in the campus-based programs means the postsecondary institution has been allocated funds and is spending those funds at each campus/site/branch ("campus") that Cal Grant recipients attend. These program requirements are set forth in CCR 30009(b).

(2) For non-public postsecondary institutions, California law allows an exception to the requirement of participation in the federal student aid programs. Cal Grant awards may be utilized at any nonprofit institution headquartered and operating in California that: (a) certifies to the Commission that ten (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, (b) demonstrates to the Commission that it has the administrative capability to administer the funds, and (c) is accredited by the Western Association of Schools and Colleges [CEC 69432.7(l)(2) and CCR 30009 (c)].

(3) A California public postsecondary educational institution or program may participate in the Cal Grant Programs [CEC 69432.7(l)(3)].

B. Commencing with the 2001-02 academic year and each academic year thereafter, Cal Grant T awards shall be used only for tuition and student fees for a maximum of one academic year of full-time attendance in a program of professional preparation that has been approved by the California Commission on Teacher Credentialing [CEC 69440(a)].

C. An otherwise qualifying institution shall be deemed disqualified if it no longer possesses all of the requirements for a qualifying institution [CCR 30009(d)].

D. If a shift in control or change of ownership of an institution occurs, the Agreement expires and the institution's Cal Grant participation ends on the date of the shift in control or change of ownership. If the new controlling party or new owner wishes to continue Cal Grant participation, a new Agreement must be completed.

E. This Agreement covers only campus(es) indicated on this Agreement. A new Agreement is required for any additional campus.

F. As used in this Agreement, "academic year" and "award year" mean July 1 to June 30 as defined in CEC 69432.7.

ARTICLE I

Participation

The Commission and _____ hereafter referred to as the "Institution" agree to the terms contained in this Agreement.

This Agreement governs the Institution's eligibility to participate in and ability to receive funds for all of the Cal Grant Programs administered by the Commission.

ARTICLE II

General Provisions

A. The Institution agrees to use Cal Grant funds provided to it solely for the purposes specified, and in accordance with the provisions set forth in the respective program statutes, federal and state regulations and procedures, the California Grant Programs Manual including manual updates, policy bulletins, operations memos, and special alerts.

B. The Institution acknowledges that no Cal Grant funds have been authorized for a fiscal year until such time as that fiscal year's budget has been adopted by the Legislature and signed by the Governor. It is further understood that if such funds are not approved for a fiscal year, the State and the Commission shall be relieved of further payments and this Agreement will be canceled; if proposed funding amounts are reduced, this Agreement will be limited to the approved amounts only.

C. The Institution agrees to maintain standards of administrative capability and financial stability in accordance with state and federal law and regulations as applicable. The Institution shall maintain documentation that allows the Commission to determine its adherence to fiscal responsibility and standards.

D. The Institution agrees to establish written policies and procedures that provide security and confidentiality of all recipients' personal identification information, payments, financial history and other related confidential information and documents as required under state and federal law and regulations.

E. When the Institution participates through the Commission's electronic system, the Institution agrees to comply with the Information Security and Confidentiality Agreement.

F. The Institution agrees to maintain a current designation of individuals who are responsible for coordinating and communicating with the Commission on matters related to the provisions of this Agreement.

G. The Institution shall maintain written policies and procedures governing the administration and processing of Cal Grant funds under this Agreement.

H. The Institution agrees to retain comprehensive and accurate program and fiscal records that demonstrate institutional and student eligibility that fully documents the accuracy of the grant payments reported and the right of the Institution to receive or retain payments made by the Commission for a period of three (3) years following the last day of the period for which the grant was intended.

I. The Institution agrees to make available at the time of program compliance review, or at the request of the Commission, any records and personnel related to the administration of the Commission's Cal Grant Programs.

J. The Institution agrees that it is subject to and must comply with all current and applicable state and federal law and regulations in its enforcement of the terms of this Agreement. The Institution agrees that noncompliance with any of these provisions may result in the termination of this Agreement and the privileges that are afforded under it. The Commission shall provide the Institution written notice of its intent to terminate the Agreement ten (10) days prior to such action.

ARTICLE III

Cal Grant Account Maintenance – Institutional Responsibilities

A. The Institution agrees to maintain all Commission Cal Grant funds in a designated account identified as the property of the State either by a ledger account or a bank account.

   1) The Institution may deposit funds from various sources including Cal Grant funds into one bank account, but must identify the Cal Grant funds by using subsidiary ledgers. All activity (deposits and expenditures) of Cal Grant funds must be supported by appropriate accounting records in accordance with generally accepted accounting principles and practices.

   2) The Institution may establish a separate bank account designated for Cal Grant funds.

   3) Interest earned on Cal Grant funds in these accounts must be returned to the Commission on behalf of the State.

B. Should the Institution close, lose federal financial aid eligibility, or no longer meet the statutory definition of an eligible institution, or upon termination of this Agreement, the Institution agrees to return any undisbursed funds or pay any outstanding invoices within ten (10) days.

C. The Institution agrees to maintain a current designation of individuals who are responsible for Cal Grant account maintenance and adherence to accepted accounting practices and principles. The Institution also agrees to maintain a separate designation of individuals who authorize and disburse Cal Grant funds so that no one individual is responsible for both functions.

ARTICLE IV

Cal Grant Disbursement - Institutional Responsibilities

The Institution understands and agrees to carry out the following responsibilities at the time Cal Grant funds are transferred to the recipient or to the recipient's account. These must include but are not limited to:

A. Verification of Eligibility: Verify the recipient meets all eligibility and program requirements and resolve any conflicting information before disbursing Cal Grant funds.

B. Confirmation of Eligibility: Confirm and document that students listed on a Commission roster or other award notification meet basic eligibility requirements including California residency, financial need and appropriate program eligibility.

C. Disbursement of Cal Grant Funds:

1) Establish a written disbursement policy consistent with the Commission's policies and guidelines.

2) Establish a written disbursement schedule consistent with the start dates of the Institution's enrollment periods and in accordance with the applicable requirements specified for each educational program.

3) Determine course attendance according to the recipient's attendance status at the time Cal Grant funds are paid. Disburse "Access" and "Books and Supplies" payments within ten (10) days of verification of enrollment status.

4) Disburse no more than that which the recipient is eligible to receive per academic term. The Institution must use its institutional refund policy to determine the portion to be returned to the Commission on behalf of the State. Cal Grant funds may not be used for reimbursement to the federal government.

5) Regularly submit payment transactions through WebGrants, data files, or the Grant Roster.

6) Make all disbursements no later than September 30 following the end of the award year (e.g., September 30, 2003, for award year 2002-03).

7) Establish and publish a policy that informs students of their options regarding receipt of Cal Grant funds and their subsequent ability to rescind their existing instructions at any time.

D. Accounting/Reconciliation:

1) Maintain an accounting system which conforms to generally accepted accounting principles and practices that includes such items as, but is not limited to, cash receipts and disbursement journals, bank account reconciliation, evidence of receipt of funds by recipients or credit of funds to recipients, and all other accounting records necessary to account for all transactions.

2) Reconcile all Cal Grant funds received and disbursed by the Institution no later than October 15 following the award year (e.g., October 15, 2003, for the 2002-03 award year). The Institution must report adjusted payment transactions for payment transactions previously reported in error that result in a payment exceeding the recipient's eligibility.

   Upon final reconciliation by the Institution, the Institution shall repay any Cal Grant funds in excess of the reconciled amount to the Commission. Upon final reconciliation by the Commission, the Institution shall be invoiced for excess funds.

The invoice shall be due and payable to the Commission within 30 days of receipt of the invoice. The Institution agrees to resolve any reconciliation discrepancies with the Commission.

3) Submit annual College Cost Estimates to the Commission by the deadline specified.

4) Certify the accuracy of all payment transactions submitted to the Commission. Certification of electronic submissions (WebGrants and data files) must be provided through the Information Security and Confidentiality Agreement. Signatures from the financial aid and accounting offices demonstrate certification for paper Grant Rosters.

5) Agree to reconcile Cal Grant program expenditures for each award year on a student-by-student basis. The Institution certifies that it has paid each student an amount that reconciles to the Commission's records for both Cal Grant funds expended and student attendance. An institution may not apply excess Cal Grant funds to any other student's account or to any prior year accounts.

6) Recalculate, if a recipient withdraws, drops out or is expelled for a term for which a payment has been made, based upon the Institution's repayment policy, whether an overpayment has been made to the recipient and whether the recipient owes a repayment to the Commission.

7) Agree to pay any institutional liability that is determined as a result of a program compliance or an audit review within thirty (30) days of the determination or in the time specified in the program review report.

8) Liability to the Commission for the Institution's actions or omissions under this Agreement shall not exceed the actual amount of Cal Grant funds that the Institution is not entitled to retain.

9) Failure by the Institution to take action on Cal Grant funds that the Institution is ineligible to retain may constitute noncompliance and may result in the termination of this Agreement thereby terminating the Institution's participation in the Cal Grant Programs.

E. The Institution agrees to maintain a current designation of individuals who are responsible for Cal Grant disbursement and adherence to accepted accounting practices and principles. The Institution also agrees to maintain a separate designation of individuals who authorize and disburse Cal Grant funds so that no one individual is responsible for both functions.

ARTICLE V

<u>Cal Grant Program Guidelines - Commission's Responsibilities</u>

A. Determine new applicants' initial eligibility for Commission-administered grant programs by evaluating their financial information and program specific data as provided on the Free Application for Federal Student Aid (FAFSA), the verified Grade Point Average, and any other selection process.

B. Provide the Institution with guidelines, information, and ongoing assistance with respect to the Institution's administration of the Cal Grant Programs.

C. Identify recipients who are in default on any educational loans as indicated by the FAFSA information.

D. Generate and provide electronic data files and Grant Rosters that include names, Social Security Numbers and payment amounts of eligible recipients to the Institution.

E. Provide the Institution with instructions for completing payment transactions.

F. Notify the Institution of accepted and rejected payment transactions.

G. Reconcile accepted payment transactions.

H. Provide the State Controller's Office with the documentation needed to issue Electronic Funds Transfer (EFT) or mail warrants for payment to the Institution.

I. Provide the Institution with regularly updated electronic data and Grant Rosters identifying reconciled payments.

J. Invoice the Institution for funds due the Commission as a result of the final reconciliation process and notify the Institution if funds will be withheld pending the return of delinquent repayments.

K. Retain records relative to Commission grants and grant payments for a period of three (3) years following the last day of the award year.

L. Review and audit the Institution's management of Cal Grant funds for compliance with state and federal law and regulations and Commission policies.

ARTICLE VI

Agreement Duration

This Agreement is effective when it is executed by the Commission's representative. This is generally later than its execution by the Institution's representatives. It supersedes any prior Agreements executed between the Commission and the Institution, and automatically terminates upon the occurrence of any of the conditions below:

A. The Institution undergoes a change which results in change of ownership or control; or

B. The Institution closes or ceases operation; or

C. The Institution or site no longer possesses all of the requirements for a qualifying institution; or

D. The Commission's representative requests termination of this Agreement in writing; or

E. The Institution's Chief Executive Officer requests termination of this Agreement in writing; or

F. June 30, 2007.

ARTICLE VII

Certification

As Chief Executive Officer of this Institution, I agree that this Institution and its "campus(es)" (if any) will comply with all state and federal statutes and regulations, rules, and guidelines applicable under this Agreement.

Name and Address of Main Campus:	USED School Identification Number

Name(s), Address(es), and Phone Number(s) of Branch Campus(es) included in this Agreement:	USED School Identification Number

Please indicate which of the following section(s) establish your Institution's eligibility to participate in the Cal Grant Programs. Many institutions' eligibility is established through Section 69432.7(l)(1) or (3) or 69440(a) of the CEC. If your Institution is seeking to establish eligibility through Section 69432.7(l)(2) of the CEC, please complete the attached "Financial Statement and Demonstration of Administrative Capability to Participate in the Cal Grant Programs" form.

Section 69432.7(l)(1) of the CEC states: "'Qualifying institution" means the following:

> ***"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: (A) Federal Work-Study, (B) Perkins Loan Program, [and] (C) Supplemental Educational Opportunity Grant Program [SEOG]." Participation in the campus-based programs means the Institution or site has applied for, been allocated funds, and is spending those funds. Participation in the Federal Pell Grant program means that students are eligible to be paid Federal Pell Grant funds for attendance at the Institution.***
>
> **…**

Initial if applicable:

_____ I hereby certify that this Institution meets the requirements of Section 69432.7(l)(1) of the CEC.

Section 69432.7(l)(3) of the CEC states:

> ***"Any California public postsecondary educational institution."***

Initial if applicable:

_____ I hereby certify that this Institution meets the requirements of Section 69432.7(l)(3) of the CEC.

Section 69440(a) of the CEC states:

> **"*Commencing with the 2001-02 academic year, and each academic year thereafter, Cal Grant T awards shall be used only for tuition and student fees for a maximum of one academic year of full-time attendance in a program of professional preparation that has been approved by the California Commission on Teacher Credentialing."***

Initial if applicable:

_____ I hereby certify that this Institution meets the requirements of Section 69440(a) of the CEC.

_____ I will immediately notify the Commission if the Institution ceases to be eligible under Sections 69432.7(l)(1) or (3), 69440(a) of the CEC, or Article VI of this Agreement.

Additional requirements:

Section 66290 of the CEC states:

> **"*Prior to receipt of any state financial assistance or state student financial aid, a postsecondary educational institution shall provide assurance to the agency administering the funds, in the manner required by the funding agency, that each program or activity conducted by the postsecondary educational institution will be conducted in compliance with this chapter and all other applicable provisions of state law prohibiting discrimination on the basis of sex. A single assurance, not more than one page in length and signed by an appropriate responsible official of the postsecondary educational institution, may be provided for all the programs and activities conducted by a postsecondary educational institution."***

_____I hereby certify that this Institution meets the requirements of Section 66290 of the CEC.

I certify that the Institution is eligible to participate in the Cal Grant Programs and will provide the following documentation with this Agreement:

1. A copy of the Institution's final authorization notice of funding for allocation of the Federal Pell Grant and federal campus-based student aid programs (SEOG, Work-Study, Perkins Loan) for the current award year. If more than one campus is funded through the same allocation, documentation (i.e. accounting ledger entries, payroll statements, etc.) that verifies each campus (es)' participation in Pell Grant and two of three federal campus-based program awards is required.

2. A copy of the Institution's existing disbursement and refund policies.

_____ _____

Signature of Institution's Chief Executive Officer Date

_____

Type or Print Name and Title

_____ _____

Signature of Commission Representative Date

Max Espinoza, Chief

Program Administration & Services Division

Comments received from IPA Institutional Review
Revised 7/18/06

Current IPA	Suggested Change/Action	From
1: Introduction A. The minimum requirements for participation in the Cal Grant Programs for postsecondary institutions in California are established in California Education Code (CEC) 69432.7 (l) and the California Code of Regulations (CCR) Title 5, Section 30009.	Minimal information for contractual agreement; should either name the codes or provide an addendum prior to signature certification	San Diego Mesa College
2: Article II A. The institution agrees to use Cal Grant funds provided to it solely for the purposes specified, and in accordance with the provisions set forth in the respective program statues, federal and state regulations and procedures, the California Grant Programs Manual including manual updates, policy bulletins, operations memos, and special alerts.	These additional manual updates should be provided to each institution in a year end document fully disclosing changes to the terms of the IPA; paper and electronic format	San Diego Mesa College
3: Article II B …it is further understood that if such funds are not approved for a fiscal year, the State and the Commission shall be relieved of further payments and this Agreement will be cancelled; if proposed funding amounts are reduced, this Agreement will be limited to the approved amounts only.	The State and Commission have ample time prior to September to calculate the potential expenditure, analyze, discuss and develop reason-able, viable solutions that avoid the terms of this provision. "Furthermore, if the Commission retains the right to 'breach out of contract', Part B should have time limitations given the serious repercussions to students and the negative impact on the trust of the people of the State of California."	San Diego Mesa College
4: Article II C…The Institution shall maintain documentation…	Specify what that documentation shall be	ITT Educational Services, Inc.

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5: Article II H. The Institution agrees to retain comprehensive and accurate program and fiscal records that demonstrates institutional and student eligibility that fully documents the accuracy of the grant payments reported and…	The definitions of "comprehensive," "accurate," and "fully document" should be made public and disclosed as part of the IPA or in a Glossary section of the Grant Manual; specify documents	San Diego Mesa College; ITT Educational Services, Inc.
6: Article II I. The Institution agrees to make available at the time of program compliance review, or at the request of the Commission, any records and personnel related to the administration of the Commission's Cal Grant Programs.	Add: The Commission agrees to provide the Institution with reasonable notice of at least 30 days to mutually agree upon a date for compliance review.	CSU Sacramento; CSU Los Angeles
7: Article II J. The Institution agrees that it is subject to and…that noncompliance with any of these provisions may result in termination of this Agreement…The Commission shall provide the Institution written notice of its intent to terminate the Agreement ten (10) days prior to such action.	Lack of forthcoming disclosure; guarantees a "set to fail" environment; Clarify whether speaking of calendar days or business days	San Diego Mesa College
	Change 10 to 45 days	Cerritos College
	Change 10 to 30 days	CSU Sacramento; CSU Los Angeles; College of the Sequoia
	Add: The Institution shall be given an additional 30 days to appeal the Commissions intent to terminate.	CSU Sacramento
8: Article III A. 3) Interest on Cal Grant funds in these accounts must be returned to the Commission on behalf of the State.	This represents several constraints for institutions; can disbursements to Institutions be more flexible or more often than bimonthly?; Clarify how "interest earned" should be calculated	UC Los Angeles

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9: Article III B. Should the Institution close,… the Institution agrees to return any undisbursed funds or pay any outstanding invoices within ten (10) days.	Change 10 to 45 days	Cerritos College
	Change 10 to 30 days	CSU Sacramento; CSU Los Angeles; College of the Sequoia
10: Article III C. …The Institution also agrees to maintain a **separate designation of** individuals who authorize and disburse…	Change to "separation of function between"	Cerritos College
11: Article IV Institutional Responsibilities The Institution understands and agrees to carry out…These must include but are not limited to:	What are limits if these are all mandates? How can an Institution enter into an agreement of understanding if all requirements are so vague or not explained a tall?	San Diego Mesa College
12: Article IV A. Verification of Eligibility: Verify the recipient meets all eligibility and program requirements and resolve any conflicting information before disbursing Cal Grant funds.	Vague and can be interpreted broadly; clarify; define specific responsibilities; delete; define "confirmation" and "verification"; Remove the word "all"; we do not want to be responsible for gathering information that the student has completed high school graduation requirements; Recommend: verification of CG eligibility consist of resolving any conflicting information between CSAC and the Institution Recommend: Institution be directed to adhere to federal guidelines; Use text from GOM 2003-05 to clarify; What is the definition of CA residency to be used – UC's or CSAC's?; What is acceptable	Palomar College; UC Davis; Cal Poly Pomona University; UC Santa Barbara; CSU Fresno; CSU Fullerton; CSU San Bernardino; San Diego State University; Los Angeles Harbor College; Los Angeles City College; Santa Barbara City College; Laney College; Cerritos College; Diablo Valley College; Fresno City College; Los Medanos College (for Contra Costa College); Mt. San Antonio College; Pasadena City College; Saddleback College; San Bernardino Valley College;

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	documentation? Will verification need to be for 100% of the Cal Grant awardees? Could a random sample be selected and verified by CSAC or the institution?	
13: Article IV B. Confirmation of Eligibility: Confirm and document that students listed on a Commission roster or other award notification meet basic eligibility requirements including California residency, financial need and appropriate program eligibility	Remove "document"; clarify; Define "appropriate program eligibility"; Redundant to Art. IV A.; What is the difference between verifying and confirming eligibility?; Eligibility determination needs to be made fully by the Commission or the Institution.	UC Davis; Cal Poly Pomona University; UC Santa Barbara; CSU Fresno; CSU Fullerton; CSU Northridge; CSU San Bernardino; Los Angeles Harbor College; Santa Barbara City College; Diablo Valley College; Fresno City College; Laney College; Los Medanos College (for Contra Costa College); Mt. San Antonio College; Pasadena City College; Saddleback College; San Bernardino Valley College; Los Angeles City College; Palomar College

14: Article IV C. 5)	Define "regularly"	UC Davis
15: Article IV C 6) Make all disbursements no later than September 30 following the end of the award year.	language needs to address the requirement for disbursement of prior year awards made by the Commission after the Sept. 30 disbursement deadline has passed; Add: "With the exception of late notification of new recipient(s) from the Commission, an extended deadline will be given to the Institution by the Commission.";	CSU Los Angeles; CSU Fullerton
16: Article IV C 7) Establish and publish a policy that informs students of their options…	Clarify	CSU Fresno; El Camino College

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17: Article IV D 2) Reconcile all Cal Grant funds received and disbursed by the Institution no later than October 15 following the award year…The Institution agrees to resolve any reconciliation discrepancies with the Commission.	See first comment on IV C. (6); Add: "With the exception of late notification of new recipient(s) from the Commission, an extended deadline will be given to the Institution by the Commission for reporting, adjusting and reconciling the payment"; Add to the last sentence: "Cal Grant Reconciliation between the Financial Aid Office and Fiscal Services should be conducted at least once at the end of each term."; or within 60 days of the end of the term; Sixty days after the last disbursement is aggressive, 90 days is more appropriate. If CSAC has a business need to have reconciliations completed by October 15, the Article IV C. 6) must be amended to permit disbursements only through July 15	CSU Los Angeles; CSU Fullerton; Cerritos College; UC Davis
	Change 30 days to 45 days	Cerritos College
	After "award year" Add: "and resolve any outstanding payment issues during the months of November and December."	Cerritos College
18: Article IV D 6) Recalculate, if a recipient withdraws…	Clarify; include reference to R2TIV in the language for added clarity	CSU Fullerton; CSU Fresno; El Camino College
19: Article IV D 7) Agree to pay any institutional liability…within thirty (30) days of the determination or in the time specified in the program review report.	A school does not receive the report within 30 days; date of determination needs to be further explained or revised.	San Diego Mesa College

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20: Article V B. Provide the Institution with guidelines, information, and ongoing assistance with respect to the Institution's administration of the Cal Grant Programs.	"This clause has been the source of grievance for many years now as the Commission has had obstacles to fulfill its requirements. Improvements have been made and are visible, but more is needed…";	San Diego Mesa College
21: Article V D. Generate and provide electronic data files and Grant Rosters that include names, Social Security Numbers and payment amounts of eligible recipients **to the Institution**.	Reorder: "Generate and provide **to the Institution** electronic data files…"; Delete "Social Security Number" and replace with "CSAC ID"	ITT Educational Services, Inc.; UC Davis
22: Article V L. Review and audit the Institution's management of Cal Grant funds for compliance with state and federal law…	Add: "Provide reasonable notice in advance of scheduled compliance reviews and audits."	CSU Los Angeles
23: Article VI A.	Define "change of ownership"; change to "direct ownership change"	Samuel Merritt College
24: Article VI D. The Commission's representative requests termination of this Agreement in writing or"	The agreement should explain under what grounds a Commission's representative can make such a request and what due process the Institution has if in disagreement	San Diego Mesa College
25: Article VI F. June 30, 2007	"Why should all IPAs end at the same time? Does the revision, and processes required by Commission's staff be so simple that it does not constitute a burden or create a delayed response to the participant Institutions?" Original wording and punctuation quoted.	San Diego Mesa College
26: Article VII Certification	Redundant; already in Article II J.	ITT Educational Services, Inc.

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27: Article VII Name(s), Address(es), and Phone Number(s) of **Branch** Campus(es) included in this Agreement:	Should this say **Branch or Additional Locations**?	ITT Educational Services, Inc.
28: Article VII (Wherever initials are required)	Remove "I certify that"	ITT Educational Services, Inc.
29: Article VII, p.10 **I certify that the Institution is eligible to participate in the Cal Grant Programs and will provide** the following documentation with this Agreement.	Rewrite: "The following documentation is provided with this Agreement."	ITT Educational Services, Inc.
30: Article VII, p.10 #1. …and two of three federal campus-based program awards is required.	Why is California the only state that deems this necessary?	ITT Educational Services, Inc.
31: Article VII, p. 10 #2 A copy of the Institution's existing disbursement and refund policy	The policies for all types of financial aid or only those related to CSAC funds?	California Maritime Academy
32: Miscellaneous Comments	Many of the emails requested more time to respond; Information regarding Cal T may need to updated or deleted; Should there be information regarding a Cal Grant appeal process; Several would like to see the proposed IPA before it goes out for signing; ITT takes issue with the subject of the institution receiving funds; they believe that the student, not the institution, receives the funds. Therefore they would like to see the wording changed in the entire IPA to reflect that. Also, given the possibility of discrepancies in reconciliation (Art. IV, Sec. D, Item 2) the institution should not be required to certify anything that could be erroneous.	14 Community Colleges, no CSUs or UCs. University of La Verne; UC Davis University of La Verne CSU Northridge ITT Educational Services, Inc.

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Tab 4.8

2007 CSAC MEETING SCHEDULE

Commission Meetings
Feb 22-23, Apr 19-20, Jun 21-22, Sep 6-7, Nov 29-30

EDFUND Board Meetings
Feb 16, May 15-16, Aug 10, Nov 16

Joint CSAC/EDFUND Workshop
Jul 26-27

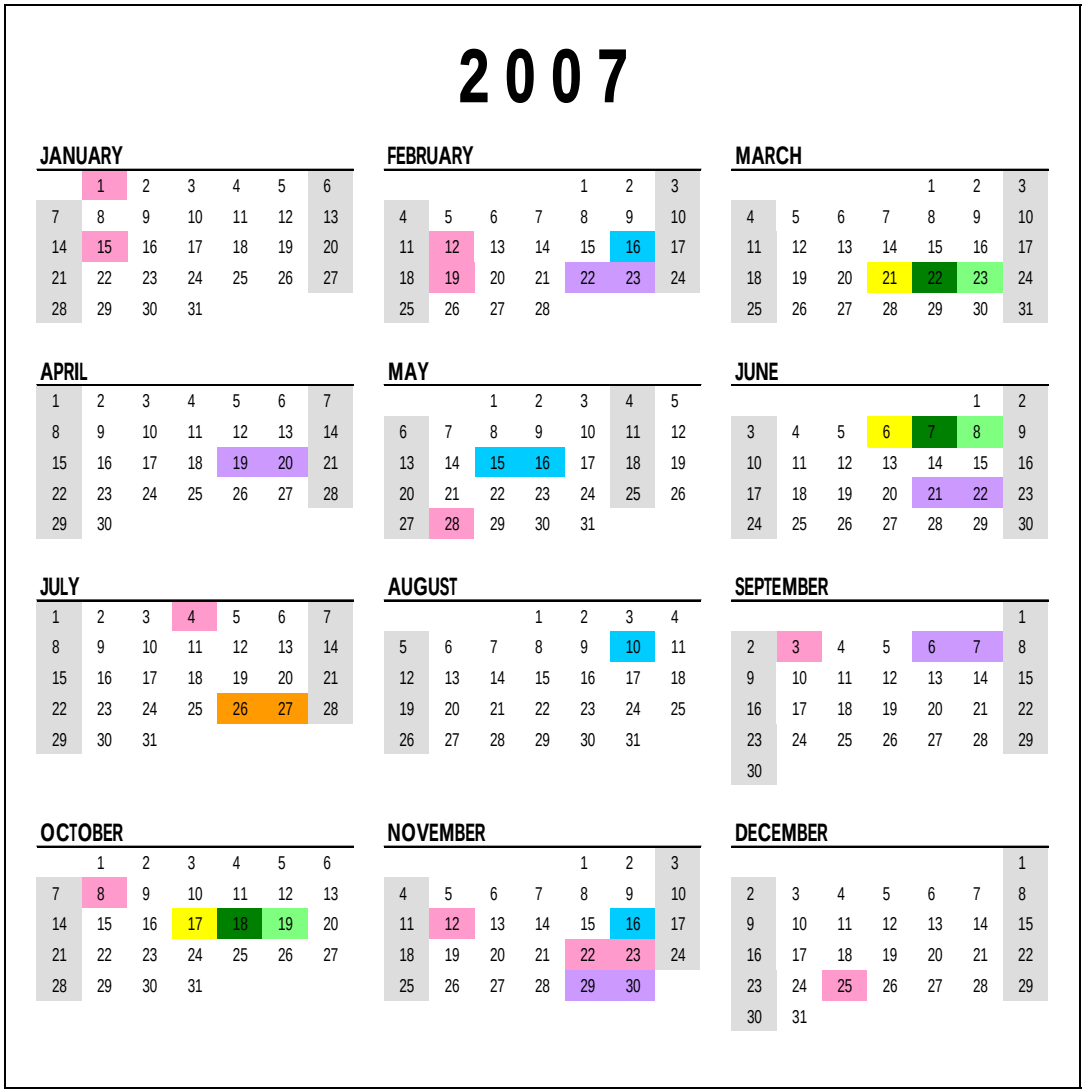
Grant Advisory Committee (GAC) Meetings
Mar 23, Jun 8, Oct 19

GAC Workgroup Meetings
Mar 22, Jun 7, Oct 18

Advisory & Enhancement Workgroup (A&E) Meetings
Mar 21, Jun 6, Oct 17

MEETING	COLOR KEY
Commission Meeting	Purple **(FIRM)**
EDFUND Board Meeting	Blue **(FIRM)**
Joint CSAC/EdFund Workshop	Orange **(FIRM)**
GAC Meeting	Light Green **(P)**
GAC Workgroup	Green **(P)**
A&E Workgroup	Yellow **(P)**
Commission Holidays	Red **(FIRM)**

(P) = Proposed



California Student Aid Commission
Program Administration and Services Division
School Support Service Branch

5

Action/Information Item

GRANT ADVISORY COMMITTEE

Program Updates

Oral updates will be provided on the following programs:

5.1 Cal Grant Update
5.2 Update on the Transfer Entitlement Awarding Process
5.3 Chafee Grant Program Update
5.4 CSAC Training Academy Update
5.5 Cash for College Update
5.6 Cal Grant Public Awareness Update

Responsible Staff: Veronica Rodriguez, Manager
Cal Grant Operations Branch

Catalina Mistler, Manager
Specialized Programs and Student Support Services

Bryan Dickason, Manager
School Support Services Branch

Despina Costopoulos, Coordinator,
Cash for College

Cheryl Lenz, Research Analyst II
Cal Grant Public Awareness Campaign

6

Information Item

GRANT ADVISORY COMMITTEE

Student Expenses and Resources Survey (SEARS)
Project Status Update

Triennially, the Commission produces the Student Expense and Resources Survey data used in the development of Student Budgets. This process will be completed in synergy with EdFund. Data gathered through SEARS provides the Legislature, Department of Finance, Legislative Analyst's Office, the segments of higher education, media, and other interested parties with current data on the demographic characteristics, financial status, and fiscal concerns of students. The Commission and other State agencies benefit from the SEARS results because they provide current data to track trends in student borrowing, family income, and financial resources that cannot be obtained elsewhere. The survey also allows the state to identify new trends in student expenses, such as computer use. The Commission uses these data to work collaboratively with the segments and other entities, such as California Postsecondary Education Commission (CPEC), to analyze current issues in higher education.

Recommended Action: No action required. For information only.

Responsible Staff: Paula Rockwell, Research Manager II
Governmental Affairs and Research Division

Student Expenses and Resources Survey (SEARS)

History:

Existing data quickly lose their relevancy in light of the present budget concerns and the changing economic climate. Therefore, the Commission, in cooperation with California's segments of higher education, has sponsored and administered SEARS on a triennial basis since 1971-72. SEARS provides data on the financial resources and educational costs of students and their families, and how students use their financial resources to cover the cost of attending college in California. SEARS also provides California's students the chance to inform policy-makers of the realities of paying for higher education in California.

The Commission's Research and Policy Analysis Branch staff convene a SEARS Advisory Committee (Committee) to review the questionnaire, revise the format, and discuss alternative survey techniques. Segmental representatives are responsible for providing Commission staff with a student sample file. The Commission then maintains close contact with the Committee throughout the survey administration to monitor response rates and discuss ways of reaching non-respondents.

Description:

The Student Aid Commission produces and administers the Student Expenses and Resources Survey (SEARS) for all five segments of higher education as follows:

- California Community Colleges
- University of California
- California State University
- Independent Colleges and Universities (Association of Independent Colleges and Universities (AICCU)
- Private Career Colleges

SEARS collects up-to-date student expense information on the actual costs of obtaining a postsecondary education in California. Additionally, SEARS identifies available resources that students and families have to assist in paying college expenses. These data are required to generate the student expense budgets used to determine a student's financial need for the Entitlement and Competitive Cal Grant Programs, as specified in Education Code 69432.9(b)(2) as follows:

(b) Financial need shall be determined using the federal financial need methodology pursuant to subdivision (a) of Section 69506 and applicable regulations adopted by the commission, and as established by Title IV of the Federal Higher Education Act of 1965 (20 U.S.C. Secs. 1070 et seq., as amended). The calculation of financial need shall be consistent with the commission's methodology for financial need for the 2000-01 academic year.

(2) Financial need is defined as the difference between the student's cost of attendance as determined by the commission and the expected family contribution. The calculation of financial need shall be consistent with the commission's methodology for determining financial need for the 2000-01 academic year as established by Title IV of the federal Higher Education Act of 1965, as amended (20 U.S.C. Secs. 1070 et seq.).

The survey is created with input from all segments. Questions are developed and the survey questionnaire is designed. Once the survey is finalized, it will be distributed via the web or by mail, based on individual requests from the segments.

CSAC has been working in a synergy project with EdFund to develop the technical application of the web-based tool. This web-based tool allows students to input their survey responses on-line making data collection and analysis much more effective. Additionally, working with EdFund has greatly reduced the technology associated costs of SEARS and saved the commission thousands of dollars.

The SEARS will be administered dependent on the method each segment selects. The CCC will do an in-class survey; the UC and PPC have opted to administer a web-based survey without paper follow-up. Finally, the CSU and AICCU will administer the survey primarily by web. A paper questionnaire will be sent to students that did not have a valid email address on file, and to students that did not respond to the survey invitation or reminder. In addition, CSAC will contact students by telephone.

Data gathered through SEARS provides the Legislature, Department of Finance, Legislative Analyst's Office, the segments of higher education, media, and other interested parties with current data on the demographic characteristics, financial status, and concerns of students. The Commission and other State agencies benefit from the survey because it provides current data to track trends in student borrowing, family income, and financial resources that cannot be obtained elsewhere. The survey also allows the state to identify new trends in student expenses, such as computer use. The Commission uses these data to work collaboratively with the segments and other entities, such as California Postsecondary Education Commission (CPEC), to analyze current issues in higher education.

Accomplished to Date:

- √ EdFund-CSAC Synergy project approval.
- √ Development of business requirements.
- √ Old surveys reviewed and packets completed for Advisory review.
- √ SEARS Advisory Meeting with CSAC staff and stakeholders, June 2006.
- √ Changes requested by the Advisory were incorporated.

Timeline:

February 2006-October 2006	SEARS Advisory Committee Meetings
September 2006	Development of web-based tool
October 2006	Survey design finalized
November 2006	Surveys sent to printer
December 2006 - January 2007	SAS code updated
February 2007 - March 2007	First mail-out
February 2007 - June 2007	Survey tracking
February 2007 - June 2007	Surveys scanned
March 2007 - April 2007	Second mail-out
March 2007 - June 2007	Telephone survey
June 2007	Cut-off date
June 2007	Prepare data files and documentation
December 2007	Print and distribute Case Book

NOTE: From July 2006 through June 2007, staff will analyze and document data. During this period, the information gathered through SEARS will be used for report writing and data requests.

Staff Contact Information:

For questions or additional project information, please contact Paula Rockwell at (916) 526-7906 or via e-mail at prockwel@csac.ca.gov

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Information/Action Item

GRANT ADVISORY COMMITTEE

Proposed 2007-08 Nine-Month Student Expense Budgets

Each year the California Student Aid Commission (Commission) adjusts the student expense budgets used to calculate financial need for Cal Grant applicants. The Commission does so using data from the latest available Student Expenses and Resource Survey (SEARS) along with forecasted changes in the California Consumer Price Index (CCPI). Expense data from the 2003-04 SEARS were used to determine student expense budgets for 2007-08.

Enclosed are 1) a summary of the student expense budget calculation, 2) a formulation of the 2007-08 proposed Nine-month Budgets, and 3) the actual proposed Nine-month Budgets.

Recommended Action: Review the proposed 2007-08 Nine-Month Student Expense Budgets and recommend approval by the Commission.

Responsible Staff: Paula Rockwell, Research Manager II
Governmental Affairs and Research Division

PROPOSED 2007-2008 NINE-MONTH STUDENT EXPENSE BUDGETS

Background and Methodology

As part of the Cal Grant award process, financial need is calculated for each applicant. Financial need is determined by subtracting institutional charges and the nine-month student expense budget allowance from the Expected Family Contribution (EFC). Because institutional charges and the cost of living vary over time, the California Student Aid Commission (Commission) has an established process to review these two components.

In order to ensure that need is being calculated on current information, the Commission asks participating schools to provide updated program costs each year. If a school does not provide updated costs, the Commission calculates need using the prior year's reported institutional charges.

The Commission also updates and publishes the nine-month student expense budgets that it uses to calculate financial need. (These budgets are made available to the segments of postsecondary education to use, although schools may choose to prepare their own budgets.) The expense budgets are based on data gathered from the most recent triennial Student Expenses and Resources Survey (SEARS) and updated for inflation using forecasted changes in the California Consumer Price Index (see Table 1) in non-survey years. The 2003-04 SEARS provided the expense data used in the calculation of the proposed 2007-08 student expense budgets. The Commission uses only full-time undergraduate expenses reported by single students without children to be consistent with Federal Methodology.

Table 2 illustrates average student expenses from 2003-04 through 2007-08 using the 2003-04 benchmark data from the SEARS. The proposed 2007-08 student expense budgets are also presented in the Commission's traditional format on Table 3.

Recommended Action

Commission staff recommends approval of the 2007-2008 Nine-Month Student Expense budgets as illustrated on Table 3.

TABLE 1
Selected California Consumer Price Indices (CCPI), All Urban Consumers
2000-01 to 2007-08 (1982 to 1984 = 100)

Category	Fiscal Year	Los Angeles SMSA	San Francisco SMSA	California CPI*	Annual % Change
ALL ITEMS	2000-01	174.7	185.7	178.7	4.4%
	2001-02	179.7	191.7	183.9	2.9%
	2002-03	185.0	195.3	188.7	2.6%
	2003-04	189.4	197.1	192.2	1.9%
	2004-05	197.1	200.5	198.6	3.3%
	2005-06	206.4	205.5	206.5	4.0%
	2006-07 E	213.5	209.9	212.8	3.1%
	2007-08 E	220.3	213.9	218.8	6.0%
Food	2000-01	175.5	179.1	177.1	3.8%
	2001-02	181.7	184.2	182.9	3.3%
	2002-03	184.8	187.9	186.2	1.8%
	2003-04	191.9	195.8	193.6	4.0%
	2004-05	195.4	201.5	197.8	2.2%
	2005-06	200.8	204.5	202.4	2.3%
	2006-07 E	207.3	209.7	208.5	3.0%
	2007-08 E	216.6	213.9	216.2	3.7%
Housing, Rent	2000-01	181.0	240.1	200.4	6.1%
	2001-02	192.2	260.4	214.5	7.0%
	2002-03	201.8	263.2	222.0	3.5%
	2003-04	213.4	262.2	229.5	3.4%
	2004-05	228.0	262.6	239.6	4.4%
	2005-06	241.6	264.9	249.6	4.2%
	2006-07	256.7	274.7	263.1	5.4%
	2007-08 E	270.8	280.4	274.5	4.3%
Apparel	2000-01	116.1	115.0	116.0	-0.4%
	2001-02	109.3	109.2	109.5	-5.6%
	2002-03	107.8	111.6	109.3	-0.2%
	2003-04	105.7	107.6	106.6	-2.5%
	2004-05	104.1	107.1	105.3	-1.2%
	2005-06	106.6	105.5	106.5	1.1%
	2006-07 E	107.0	107.3	107.3	0.8%
	2007-08 E	104.7	108.5	106.2	-1.0%
Transportation	2000-01	156.7	145.5	153.5	4.3%
	2001-02	153.1	140.7	149.5	-2.6%
	2002-03	158.8	144.7	154.6	3.4%
	2003-04	161.6	145.2	156.7	1.4%
	2004-05	170.0	152.8	164.9	5.2%
	2005-06	178.4	159.3	172.7	4.7%
	2006-07 E	178.9	161.9	173.9	0.7%
	2007-08 E	177.4	160.6	172.4	-0.9%
Recreation	2000-01	105.0	94.7	101.9	1.3%
	2001-02	107.9	93.6	103.6	1.7%
	2002-03	109.0	93.8	104.4	0.8%
	2003-04	111.8	96.4	107.1	2.6%
	2004-05	112.1	98.5	108.0	0.8%
	2005-06	114.6	101.0	110.5	2.3%
	2006-07 E	118.6	103.8	114.1	3.3%
	2007-08 E	120.8	105.0	116.0	1.7%
Education and Communication	2000-01	100.3	106.6	102.6	0.9%
	2001-02	101.7	109.1	104.3	1.7%
	2002-03	105.2	112.0	107.6	3.2%
	2003-04	109.1	114.3	111.0	3.2%
	2004-05 E	113.9	116.5	115.0	3.6%
	2005-06 E	117.2	122.4	119.1	3.6%
	2006-07 E	122.2	125.2	123.4	3.6%
	2007-08 E	128.0	128.3	128.4	4.1%
Other Goods and Services	2000-01	291.4	294.6	293.1	3.9%
	2001-02	297.3	307.2	301.2	2.8%
	2002-03	297.1	316.1	303.9	0.9%
	2003-04	300.1	325.3	308.9	1.6%
	2004-05	305.7	331.4	314.6	1.8%
	2005-06 E	316.0	342.1	325.1	3.3%
	2006-07 E	338.7	357.3	345.4	6.2%
	2007-08 E	347.8	369.3	355.5	2.9%
AVERAGE OF: Apparel, Recreation, and Other Goods & Services	2000-01			170.3	2.3%
	2001-02			171.4	0.6%
	2002-03			172.5	0.6%
	2003-04			174.2	1.0%
	2004-05			176.0	1.0%
	2005-06 E			180.7	2.7%
	2006-07 E			188.9	4.5%
	2007-08 E			192.6	2.0%

* The CCPI are prepared by the Department of Industrial Relations for "All Items" only. All other categories are California Student Aid Commission estimates based on April 2006 data provided by the Department of Finance using weighted averages of the metropolitan areas surveyed within the state. Since 1986-87, two Standard Metropolitan Statistical Areas (SMSA) have been used in the calculation of the CCPI, weighted as follows: 68% for Los Angeles and 32% for San Francisco. The result is multiplied by a factor of 1.0023 to determine the CCPI.
** E = Estimate.

TABLE 2

Formulation of Proposed 2007-08 Nine-Month Student Expense Budgets

WITH PARENTS	Total	Books	Food & Housing	Transportation	Personal
2003-04 SEARS:[1]	$7,705	$1,182	$3,003	$893	$2,627
Estimated Change in 2004-05:	$7,917	$1,221	$3,103	$939	$2,653
SEARS adjusted to 2005-06:	$8,183	$1,270	$3,205	$984	$2,725
SEARS adjusted to 2006-07:	$8,489	$1,310	$3,341	$990	$2,848
SEARS adjusted to 2007-08:	$8,749	$1,388	$3,475	$982	$2,904
Proposed 2007-08 Budget: [2]	***$8,748***	***$1,386***	***$3,474***	***$990***	***$2,898***

ON-CAMPUS	Total	Books	Food & Housing	Transportation	Personal
2003-04 SEARS:	$3,839	$1,182		$726	$1,931
Estimated Change in 2004-05:	$3,935	$1,221		$764	$1,950
SEARS adjusted to 2005-06:	$4,073	$1,270		$800	$2,003
SEARS adjusted to 2006-07:	$4,208	$1,310		$805	$2,093
SEARS adjusted to 2007-08:	$4,321	$1,388		$798	$2,135
Proposed 2007-08 Budget: [2]	***$4,320***	***$1,386***	***Actual Cost***	***$792***	***$2,142***

OFF-CAMPUS	Total	Books	Food	Housing	Transportation	Personal
2003-04 SEARS:	$12,382	$1,182	$2,542	$5,383	$991	$2,284
Estimated Change in 2004-05:	$12,788	$1,221	$2,598	$5,620	$1,043	$2,307
SEARS adjusted to 2005-06:	$13,244	$1,270	$2,658	$5,856	$1,092	$2,369
SEARS adjusted to 2006-07:	$13,794	$1,310	$2,737	$6,172	$1,099	$2,476
SEARS adjusted to 2007-08:	$14,279	$1,388	$2,839	$6,438	$1,089	$2,525
Proposed 2007-08 Budget: [2]	***$14,292***	***$1,386***	***$2,844***	***$6,444***	***$1,098***	***$2,520***

Benchmark: 2003-04 Student Expenses and Resources Survey (SEARS)

NOTES:

1. Data are for full-time undergraduates attending full-year.
2. Proposed budgets rounded to be divisible by two and nine.

TABLE 3
Proposed
CALIFORNIA STUDENT AID COMMISSION
Nine-Month Student Expense Budgets
2007- 08 Academic Year

ALLOWANCE	WITH PARENTS	ON CAMPUS HOUSING	OFF CAMPUS HOUSING
TUITION AND FEES[1]	ACTUAL INSTITUTIONAL CHARGES		
BOOKS AND SUPPLIES[2]	$1,386 PER ACADEMIC YEAR		
FOOD[3] Per Month: Per Year:	$ 386 / MO $ 3,474 / YR	ACTUAL INSTITUTIONAL CHARGES[4]	$ 316 / MO $ 2,844 / YR
HOUSING[5] Per Month: Per Year:	INCLUDED IN ABOVE		$ 716 / MO $ 6,444 / YR
TRANSPORTATION[6] Per Month: Per Year:	$ 110 / MO $ 990 / YR	$ 88 / MO $ 792 / YR	$ 122 / MO $ 1,098 / YR
PERSONAL / MISC[7] Per Month: Per Year:	$ 322 / MO $ 2,898 / YR	$ 238 / MO $ 2,142 / YR	$ 280 / MO $ 2,520 / YR
CHILD / DEPENDENT CARE	REASONABLE EXPENSES WITH ADEQUATE DOCUMENTATION PROVIDED BY THE STUDENT, DEPENDING UPON AGE AND NUMBER OF CHILDREN		
LOAN FEES	FOR STUDENT LOAN BORROWERS, ACTUAL OR AVERAGE LOAN ORIGINATION AND INSURANCE FEES		
TOTAL, Excluding Allowances based on actual institutional charges Per Month: Per Year:	$ 972 / MO $ 8,748 / YR	$ 480 / MO $ 4,320 / YR	$ 1,588 / MO $ 14,292 / YR

[1] Includes all mandatory fees.

[2] The breakdown for this category is as follows: books ($810), educational supplies ($198), course material fees ($180), and computer-related expenses ($198), excluding the costs associated with the purchase of a personal computer.

[3] Includes food, snacks, meals on campus, household supplies.

[4] If contract is for less than nine months, adjustments may be made at the rate of $358/month or fraction thereof.

[5] Includes dorm charges, rent, and utilities.

[6] Includes travel to and from parent's residence and transportation costs to and from classes and work. (e.g., bus fare, gasoline, tolls, parking.)

[7] Includes clothing, laundry and dry-cleaning, personal care, gifts, recreation, medical etc.

NOTE: The expense budgets shown on this table are based upon average expenses reported by students at the University of California, California State University, and California independent institutions, California Community Colleges, and private career schools in the 2003-2004 Student Expenses and Resources Survey (SEARS), adjusted for four years of inflation.

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Information Item

GRANT ADVISORY COMMITTEE

2007-08 Cal Grant Income and Asset Ceilings

This item will be discussed at the meeting.

Responsible Staff: Paula Rockwell, Research Manager II
Governmental Affairs and Research Division

Karen Henderson, Research Assistant II
Governmental Affairs and Research Division

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Information/Action Item

GRANT ADVISORY COMMITTEE

Proposed State Nursing Assumption Program of Loans for Education (SNAPLE) Regulations

On April 21, 2006, the Commission adopted the SNAPLE proposed rules and regulations. As the California Student Aid Commission (CSAC) staff was in the process of preparing the appropriate documents to be presented to the Office of Administrative Law (OAL), late comments were received from the Department of Finance, identifying an omission that was necessary for the administration of the program. The proposed regulations did not specify how the Commission would determine demonstrated financial need. CSAC staff determined that this was a substantive change that would need to be made prior to submitting to the OAL. These changes would require an additional 15-day public comment period; therefore, it was decided that CSAC staff would incorporate many of the comments received during the initial 45-day public comment period.

CSAC legal counsel and staff worked together to incorporate the necessary changes to begin the new 15-day comment period. Changes were finalized in late June 2006, and were presented for Grant Advisory Committee (GAC) review on August 3rd and 4th. GAC comments have since been incorporated into the proposed changes.

As staff was preparing for the new comment period, Assembly Bill (AB) 1802 was signed by the Governor and shortly thereafter, Senate Bill (SB) 1309 was signed by the Governor, taking precedence over the previous bill. Significant, substantive changes were made and sections were renumbered by this legislation.

SB 1309 now allows the Commission to offer SNAPLE loan assumption agreements to baccalaureate degree-seeking undergraduate students who demonstrate financial need. The need requirement for graduate students is removed. The new legislation gives a time frame as to when a participant must begin teaching after earning their degree (not more than 12 months, unless the participant enrolls in an advanced degree program in nursing or a field related to nursing within that time). A participant can receive loan assumption benefits upon completion of a baccalaureate degree, if they provide the required teaching service. Assumption payments can be made on both graduate and undergraduate loans. The loan assumption agreement will be no more than ten (10) years from the date on which the agreement is executed but can be extended in case of illness for a period not to exceed one academic year. Also, in the case of a natural disaster that interrupts teaching at the institution during

the teaching phase, it can be extended for the period of time equal to the period from the interruption of instruction to the resumption of instruction at the employing institution. Legislation removes the repayment requirement so that if a participant is not able to fulfill all three years of teaching service, they will not be required to repay any loan payments previously made through SNAPLE.

Please note that the intent of the legislation did not change. It still says that it is intended to encourage students to complete their graduate degree in nursing. Therefore, CSAC staff has geared the scoring so that it heavily favors those seeking a graduate degree.

The enclosed SNAPLE regulations include substantive changes based on AB 1802, and it also includes the technical amendments found in SB 1309, such as the renumbering. Because of the extensive substantive and technical changes to this program, legal counsel has advised that we need to begin anew on SNAPLE, presenting the proposed text of regulations with a new 45 day comment period.

Recommended Action: Review the proposed SNAPLE regulations and recommend approval by the Commission to start the new regulatory process.

Responsible Staff: Catalina Mistler, Manager
Specialized Programs and Student Support Services

CALIFORNIA STUDENT AID COMMISSION
P.O. Box 419026
Rancho Cordova, CA 95741-9026

AMENDMENT TO TITLE 5, DIVISION 4, CHAPTER 1, CA CODE OF REGULATIONS REGARDING IMPLEMENTATION OF STATE NURSING ASSUMPTION PROGRAM OF LOANS FOR EDUCATION (Educ. Code §§ ~~69616-69617~~)(70100-70110)

PROPOSED TEXT

Text proposed to be added to the California Code of Regulations is displayed in *italic* type.
Text added to the regulations as originally proposed is displayed in underlined type.
Text proposed to be deleted from the regulations as originally proposed is displayed in ~~strikeout~~ type.

Article ~~16~~ 17. State Nursing Assumption Program of Loans for Education

Section 30910. Definitions

(a) "Academic year" means a period ~~from July 1 of one calendar year through June 30th of the following calendar year~~ as determined by the employing regionally accredited California college or university.

(b) "Accredited college or university" means a college or university that has been accredited by a national or regional accrediting body, including, but not limited to, Middle States Association of Colleges and Schools, The Northwest Commission on Colleges and Universities, North Central Association of Colleges and Schools, New England Association of Schools and Colleges, Inc./Commission on Institutions of Higher Education, Southern Association of Colleges and Schools/Commission on Colleges ~~– SACS-CC~~, and Western Association of Schools and Colleges/Accrediting Commission for Senior Colleges and Universities.

(c) "Cost of Attendance" means the student budget at the participating institution for the nominated student 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.
~~"Regionally Aaccredited California college or university" means an accredited college or university that has been accredited by a regional accreditation body and that has with a location in California.~~

(d) "Demonstrated academic ability" means academic standing consistent with the requirements established by the accredited college or university for satisfactory progress toward graduation or the award of the graduate degree.

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(e) "Demonstrated financial need" means financial need as determined under Article 1.5 (commencing with Section 69503) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code.

(f) "Eligible noncitizen" means a United States resident as defined for financial aid purposes under Title IV of the federal Higher Education Act of 1965.

(g) "Full-time" and "full-time basis" means full-time employment, as determined by the employing regionally accredited California college or university.

(h) "Half-time basis" means half-time enrollment as determined by the academic requirements of the participating institution.
~~"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 federal Family and Medical Leave Act of 1993.~~

(i) "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 federal Family and Medical Leave Act of 1993.
~~"Part-time" and "part-time basis" means part-time employment, as determined by the employing regionally accredited California college or university.~~

(j) "Participating institution" means an accredited college or university that has elected to participate in the program by submitting nominations of students to the Commission under the provisions of this Article.
~~"Half-time basis" means half-time enrollment as determined by the academic requirements of the participating institution.~~

~~(j)~~(k) "Part-time" and "part-time basis" means part-time employment, as determined by the employing regionally accredited California college or university. ~~"Participating institution" means an accredited college or university that has elected to participate in the program by submitting nominations of students to the Commission under the provisions of this Article.~~

~~(k)~~(l) "Program" means the State Nursing Assumption Program of Loans for Education established in Article 5.6 (commencing with section70100 ~~69616~~) of Chapter 2 of Part 42 of Division 5 of Title 3 of the California Code of Education and as set forth in this Article.

~~(l)~~(m) "Program participant" means a student who has a loan assumption agreement signed by both the student and the Commission.

~~(m)~~(n) "Regionally ~~A~~accredited California college or university" means a~~n accredited~~ college or university that has been accredited by a regional accreditation body and that has ~~with~~ a location in California.

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~~"Satisfactory academic progress" means academic standing consistent with the requirements of the accredited college or university for satisfactory progress toward the award of the graduate degree.~~

~~(n)~~(o) "Satisfactory academic progress" means academic standing consistent with the requirements of the accredited college or university for satisfactory progress toward the award of the graduate degree.

~~"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 federal Family and Medical Leave Act of 1993.~~

(p) "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 federal Family and Medical Leave Act of 1993.

~~"Cost of Attendance" means the student budget at the participating institution for the nominated student 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.~~

Note

Authority cited: Section 70106 ~~69616.6~~ of the Education Code. Reference: Sections 70101, 70102, 70103, 70104, 70105, 70107~~69616.1, 69616.2, 69616.3, 69616.4, 69616.5 and 69616.7~~ of the Education Code.

Section 30911. Application to Participate in the Program

A student enrolled in a participating institution shall submit an application to participate in the program to his or her participating institution. The application shall include the following information:

(a) Personal information:

(1) Last name, first name and middle initial;
(2) Social Security number;
(3) Address and telephone number;
(4) Date of birth;
(5) E-mail address, if available;
(6) California Registered Nurse License number, if available~~.~~;
(7) a copy of the student's federal Student Aid Report generated by the United States Department of Education based upon the Free Application for Federal Student Aid(FAFSA) with an Expected Family Contribution (EFC) for the academic year in which the student applies to the program is required for undergraduate students only. Verification of information

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provided in the FAFSA and used to calculate the EFC may be requested by the Commission as necessary. Failure to provide verification in a timely manner, if requested, may result in disqualification from consideration for an award.

(b) Eligibility criteria information, which shall include the student's representation that the student:

(1) is a United States citizen or eligible noncitizen;

(2) is a resident of California;

(3) is in compliance with Selective Service requirements;

(4) does not owe a refund on any state or federal educational grant;

(5) does not currently have a delinquent or defaulted student loan.

(6) has not received a grant pursuant to Article 3.51 (commencing with Section 78260 of the Education Code.

(c) Information relating to criteria for being awarded a loan assumption agreement:

(1) Representations that the student:

(i) is enrolled in an academic program leading to a baccalaureate degree in nursing or a field related to nursing, ~~and is accepted to a graduate program in nursing at an accredited college or university,~~ and the name of ~~that~~ the accredited college or university; or

(ii) has obtained a baccalaureate degree and is accepted to a graduate program in nursing or a field related to nursing at an accredited college or university, and the name of that college or university; or

(iii) is enrolled in a graduate program in nursing or a field related to nursing at an accredited college or university, and the name of that college or university.

(2) Student's agreement to:

(i) maintain satisfactory academic progress; and

(ii) teach in a nursing program on a full-time basis at one or more regionally accredited California colleges or universities for at least three consecutive academic years, or the equivalent ~~for five consecutive academic years on a part-time basis, immediately~~ starting within twelve (12) months after obtaining a ~~graduate~~ degree in nursing or a field related to nursing ~~education~~ unless the participant enrolls in an academic degree program leading to a more advanced degree in nursing or a field related to nursing;

(3) The name of lender, loan identification number(s), and current balance(s) of a loan or loans the student has received, or has been approved to receive, ~~in order to meet the costs of obtaining an undergraduate or graduate degree in nursing~~, under one or more of the following designated loan programs:

(i) the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.);

(ii) the Federal Direct Loan Program (20 U.S.C. Sec. 1087b et seq.);

(iii) ~~privately funded student loans to the student issued through institutions of higher education, or financial institutions or companies,~~ any loan program approved by the Commission on a case by case basis but not including lines of credit, home equity loans, credit card debt, and other general consumer loans, business loans, personal loans, or mortgages~~.~~;

(4) Undergraduate applicants are required to submit t ~~T~~he student's cost of ~~education~~ attendance at the participating institution for the academic year of application to the program.

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(d) The application shall state that by signing, the student agrees that, if requested, the student will provide information or documentation to verify the accuracy of the information included in the application, and the student understands that failure to provide accurate and complete information as requested may result in disqualification from the program and loss of program benefits. The application shall be dated and signed by the student under penalty of perjury under the laws of the State of California.

Note

Authority cited: Section70106 ~~69616.6~~ of the Education Code. Reference: Sections 70101~~69616.1~~ and 70107~~69616.7~~ of the Education Code.

Section 30912. Nominations by a Participating Institution

(a) A participating institution may nominate one or more students who have submitted applications to participate in the program by complying with the procedures listed in this section.

(b)~~)~~ The participating institution may nominate a student satisfying the requirements in this section and in section 30911 by submitting to the Commission the following:

(1) the student's application;

(2) the participating institution's certifications:

(i) that the student is enrolled in, or has been admitted into, a baccalaureate or graduate ~~nursing~~ graduate degree program in nursing or a field related to nursing in which the student will be enrolled on at least a half-time basis, as determined under the academic requirements of the participating institution;

(ii) that the student is making satisfactory academic progress;

(iii) that the student has demonstrated academic ability;

(iv) that it is an accredited college or university; and

(v) of the date the student is expected to receive his or her undergraduate or graduate ~~nursing~~ degree in nursing or a field related to nursing;

(3) the participating institution's determination that the student has demonstrated outstanding ability to become a nursing faculty member, on the basis of the following criteria:

(i) grade point average;

(ii) faculty evaluation of the student's ability to become a nursing faculty member based on the factors used by the participating institution to hire nursing faculty;

(4) the student's grade point average, certified by the participating institution~~.~~;

(5) the student's cost of attendance for the academic year of application to the program, only required for candidates in undergraduate programs.

(c) Each nomination, including the certifications required by this section, submitted by a participating institution shall be signed by the director of the participating institution's nursing program or designee under penalty of perjury under the laws of the State of California.

Note

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Authority cited: Section 70106~~69616.6~~ of the Education Code. Reference: Sections70101, 70102, 70103~~69616.1, 69616.2, 69616.3~~ and70107~~ 69616.7~~ of the Education Code.

Section 30913. Award Process

(a) The Commission shall select program participants from among the students whose nominations are received by the Commission by the designated deadline date ~~May 31~~ of each academic year and whose nominations and applications are complete. If the maximum allocation of awards is not exhausted after this selection process is completed, the Commission may continue to accept nominations and select program participants based on the date the nominations are received by the Commission. The Commission may continue to make awards until the maximum allocation is satisfied.

(b) The Commission shall only consider and select from among nominated graduate students with demonstrated academic ability and undergraduate students pursuing a baccalaureate degree who ~~students who~~ have demonstrated financial need and academic ability. The Commission shall determine that such financial need exists if the student's cost of attendance at the participating institution for the academic year exceeds the student's Expected Family Contribution (EFC) for that year.

~~(b)~~(c) Nominated graduate students who have demonstrated ~~financial need, as determin~~academic ability~~ed in subsection (b)~~ will be scored and awarded points using the following selection criteria:

(1) Nominated student's expected date of the award of the a graduate ~~nursing~~ degree in nursing or a field related to nursing – points will be awarded according to the length of time remaining until the nominated student is expected to receive the graduate ~~nursing~~ degree, as follows:

GRADUATE ~~NURSING~~ DEGREE AWARD	POINTS
Completion Within Four Years or Less	20
Completion Within Three Years or Less	30
Completion Within Two Years or Less	40
Completion Within One Year or Less	50

(2) Nominated student's grade point average in the graduate ~~nursing~~ program in nursing or a field related to nursing – points will be awarded as follows:

GRADUATE GPA	POINTS
2.99 or Less	0
3.00 - 3.24	10
3.25 – 3.49	15
3.50 – 3.74	20
3.75 – 3.99	25
4.00	30

~~(b)~~d) Nominated undergraduate students who have demonstrated academic ability and financial need per subsection (b)will be scored and awarded points using the following selection criteria:

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(1) Nominated undergraduate student's expected date of the award of the ~~a~~ baccalaureate ~~nursing~~ degree in nursing or a field related to nursing – points will be awarded according to the length of time remaining until the nominated student is expected to receive the baccalaureate ~~nursing~~ degree, as follows:

BACCALAUREATE ~~NURSING~~ DEGREE AWARD	POINTS
Completion Within Four Years or Less	10
Completion Within Three Years or Less	15
Completion Within Two Years or Less	20
Completion Within One Year or Less	25

2) Nominated undergraduate student's grade point average in the baccalaureate degree ~~nursing~~ program – points will be awarded as follows:

BACCALAUREATE GPA	POINTS
2.99 or Less	0
3.00 - 3.24	05
3.25 – 3.49	7.5
3.50 – 3.74	10
3.75 – 3.99	12.5
4.00	15

~~A nominated student who does not have a grade point average for the graduate nursing program, but has an undergraduate grade point average of at least 3.00 will be awarded 10 points.~~

(3) In addition to the points based on expected date of degree award and GPA, ~~A~~ a nominated student with an active RN license issued by the California Board of Registered Nursing will be awarded 20 points.

~~(c)~~(d) The Commission will select nominees with the highest point totals until the authorized award allocation is exhausted. In the case of a tie in the total number of points, the Commission will select nominees based on the earliest date of ~~receipt of the nomination by the Commission~~ expected graduation and in the case of a secondary tie, by the highest GPA.

Note

Authority cited: Section70106 ~~69616.6~~ of the Education Code. Reference: Sections 7010~~69616.5~~ and 7010~~69616.7~~ of the Education Code.

Section 30914. Loan Assumption Agreements

(a) The Commission shall provide a loan assumption agreement to each nominated student who has been chosen by the Commission to be a program participant. The loan assumption agreement shall be effective when both the program participant and the Commission have signed the agreement.

(b) The loan assumption agreement shall include the following:

(1) The program participant's agreements to

(i) maintain satisfactory academic progress;

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(ii) be enrolled on at least a half-time basis each academic term;

(iii) continue to satisfy the requirements in section 30911(b)(1)-(6)(~~5~~);

(iv) teach nursing on a full-time basis at ~~an~~ one or more regionally accredited California colleges or ~~university~~ universities for at least three consecutive academic years, or ~~five consecutive academic years~~ the equivalent of full time teaching on a part-time basis at one or more regionally accredited California colleges or universities, ~~immediately starting~~ within twelve (12) months after obtaining a baccalaureate or graduate ~~nursing~~ degreein nursing or a field related to nursing; and

(v) authorize the accredited college or university he or she is attending, employers, and lenders to provide information requested by the Commission for the purposes of administering the loan assumption agreement.

(2) The Commission shall agree that:

(i) after the program participant has completed one academic year, or the equivalent of ~~teaching nursing on a~~ full-time teaching nursing studies, ~~basis~~ at ~~an~~ one or more regionally accredited California colleges or ~~university~~ universities, ~~or the equivalent on a part-time basis at one or more regionally accredited California colleges or universities~~, the Commission shall assume, subject to the requirements of section 30915, up to eight thousand three hundred thirty-three dollars ($8,333) of the outstanding liability of the participant under one or more of the designated loan programs;

(ii) after the program participant has completed two consecutive academic years ~~of teaching nursing on a full-time basis at an one or more regionally accredited California colleges or university universities,~~ or the equivalent of full-time teaching, ~~on a part-time basis~~ at one or more regionally accredited California colleges or universities, the Commission shall assume, subject to the terms of section 30915, up to an additional eight thousand three hundred thirty-three dollars ($8,333) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to sixteen thousand six hundred sixty-six dollars ($16,666); and

(iii) after the program participant has completed three consecutive academic years or the equivalent of full-time ~~of~~ teaching ~~nursing on a full-time basis~~ at ~~an~~ one or more regionally accredited California colleges or ~~university~~ universities, ~~or the equivalent on a part-time basis at one or more regionally accredited California colleges or universities,~~ the Commission shall assume, subject to the terms of section 30915, up to an additional eight thousand three hundred thirty-~~three~~ four dollars ($8,~~333~~334) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to twenty-five thousand dollars ($25,000).

(3) The program participant shall agree to the provisions of section 30916.

(c) The term of the loan assumption agreement shall be no more than 10 years from the date signed by the program participant and the Commission unless extended by the Commission in the case of serious illness, pregnancy, other natural causes or a natural disaster..

(d) The loan assumption agreement shall constitute a conditional warrant that may be redeemed with the Commission as specified in section 30915. A participant in this program shall not receive more than one loan assumption agreement and shall not be eligible to

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receive a grant pursuant to Article 3.51 (commencing with Section 78260) of Chapter 2 of Part 48.

Note

Authority cited: Section70106~~69616.6~~ of the Education Code. Reference: Sections 70103, 70106~~69616.3, 69616.6~~, and 70107~~69616.7~~ of the Education Code.

Section 30915. Loan Payments

(a) A program participant may redeem the conditional warrant and the Commission shall make loan payments, as provided in subsection (c), when:

(1) the program participant has provided documentation certifying that the program participant has received a baccalaureate or graduate degree in nursing or a field related to nursing from an accredited, participating institution;

(2) the program participant has provided the following employment information for each applicable year of employment subject to the loan assumption agreement:

(i) program participant's name and social security number;

(ii) names and addresses of the program participant's employers;

(iii) program participant's signature under penalty of perjury under the laws of the State of California.

(3) the program participant has provided the following employment information from his or her employers for each applicable year of employment subject to the loan participation agreement:

(i) statement that the program participant completed an academic year of teaching nursing on a full-time basis, or, if the program participant is employed on a part-time basis, the percentage of employment as related to full-time, ~~or a statement that the program participant did not complete an academic year of teaching nursing and the reason for not completing the academic year~~;

(ii) statement indicating whether or not the employer anticipates the program participant will be employed by the employer for the next academic year;

(iii) statement that the employer is a~~n~~ <u>regionally</u> accredited California college or university;

(iv) employer representative's printed or typed name, title, and telephone number;

(v) employer representative's signature under penalty of perjury under the laws of the State of California;

(vi) certification that the participant has not received a grant pursuant to Article 3.51 commencing with Section 78260 of the Education Code.

(4) the program participant has provided the following information from each lending institution on the loans subject to the loan assumption agreement:

(i) program participant's name and social security number;

(ii) account number for each loan;

(iii) interest rate for each loan;

(iv) disbursement date for each loan;

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(v) payoff amount for each loan as of June 30;
(vi) indication for each loan whether the loan is delinquent or in default;
(vii) lending institution/servicer name;
(viii) lending institution/servicer eight-digit servicer identification code;
(ix) address for where payment is to be sent;
(x) a signature of the lending institution official under penalty of perjury under the laws of the State of California
(xi) printed name of the lending institution official;
(xii) e-mail address of the lending institution official;
(xiii) telephone number of the lending institution official;

(5) the Commission has determined that the program participant has satisfied the loan payment requirements of the loan assumption agreement.

(b) A program participant who teaches on less than a full-time basis is not eligible for a loan payment until he or she teaches for the equivalent of a full-time academic year.

(c) Loan payments shall be made by lump-sum payment to the lender, to be applied directly to the principal balance, if not otherwise prohibited by applicable law or by the terms of the loan agreement between the program participant and the lender. Payments shall first be made toward loans with the highest interest rates. The program participant shall continue to make payments as required under the terms of the loans to avoid defaulting on those loans, until notified by the lenders or loan servicers that the loans are paid in full.

Note

Authority cited: Section 70106~~69616.6~~ of the Education Code. Reference: Sections 70101, 70102, 70103, 70104~~69616.1, 69616.2, 69616.3, 69616.4~~ and 70107~~69616.7~~ of the Education Code.

Section 30916. Failure to Comply with the Loan Assumption Agreement

(a) A program participant who fails to meet the requirements of section 30911(b)(1)-(~~5~~)(6) throughout the term of the loan assumption agreement, or who fails to complete a minimum of three consecutive academic years of teaching in nursing at ~~an~~ one or more regionally accredited California colleges or ~~university~~ universities on a full-time basis, or five consecutive academic years on a part-time basis, ~~shall repay loan payments previously provided by the program and~~ shall retain responsibility to continue to make any payments required for any remaining loan obligations under the terms of any outstanding loans to avoid defaulting on those loans but shall not be required to repay any loan payments previously made through the program..

(b) ~~(b)~~ If a program participant is unable to complete one of the three consecutive academic years of teaching nursing at ~~an~~ one or more regionally accredited California colleges or ~~university~~ universities on a full-time basis, or any of the five consecutive academic years on a part-time basis, due to serious illness, pregnancy, or other natural causes,the term of the loan assumption agreement shall be extended ~~the program participant shall receive a deferral~~ for a period of not to exceed one academic year. The Commission

shall make no further payments under the loan assumption agreement until the applicable teaching requirements specified have been satisfied. ~~This deferral shall be in the form of a delay of one academic year in the program participant's obligation to repay the Commission for loan payments previously provided by the program.~~ The program participant, however, shall retain responsibility to continue to make any payments required under the terms of any outstanding loans to avoid defaulting on those loans.

(c) If a natural disaster prevents a program participant from completing one of the required years of teaching service due to the interruption of instruction at the employing regionally accredited California college or university, the term of the loan assumption agreement shall be extended for the period of time equal to the period from the interruption of instruction at the employing regionally accredited California college or university to the resumption of instruction. The Commission shall make no further payments under the loan assumption agreement until the applicable teaching requirements have been satisfied. The program participant, however, shall retain responsibility to continue to make any payments required under the terms of any outstanding loans to avoid defaulting on those loans.

Note

Authority cited: Section 7010~~69616.6~~ of the Education Code. Reference: Sections 7010~~69616.4~~ and70107 ~~69616.7~~ of the Education Code.

Section 30917. Development of Projections for Funding Purposes

The Commission shall use program participants' expected dates of graduation and employment dates to project the funding level required to provide loan payments under the program.

Note

Authority cited: Section 7010~~69616.6~~ of the Education Code. Reference: Section 7010~~69616.6~~ of the Education Code.

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Senate Bill No. 1309

CHAPTER 837

An act to amend Section 87482 of, to amend and renumber Sections 69616, 69616.1, 69616.2, 69616.3, 69616.4, 69616.5, 69616.6, 69616.7, 69616.8, 69616.9, and 69617 of, to add Article 3.51 (commencing with Section 78260), Article 3.52 (commencing with Section 78261), and Article 3.53 (commencing with Section 78262) to Chapter 2 of Part 48 of, to add Article 7.7 (commencing with Section 89267) to Chapter 2 of Part 55 of, to add Article 5.5 (commencing with Section 92645) to Chapter 6 of Part 57 of, to add the heading of Chapter 3 (commencing with Section 70100) to Part 42 of, and to add the heading of Article 1 (commencing with Section 70100) to Chapter 3 of Part 42 of, to add and repeal Article 10 (commencing with Section 33430) of Chapter 3 of Part 20 of, to add and repeal Article 2 (commencing with Section 70120) of Chapter 3 of Part 42 of, and to repeal the heading of Article 5.3 (commencing with Section 69616) of Chapter 2 of Part 42 of, the Education Code, relating to nursing education.

[Approved by Governor September 30, 2006. Filed with
Secretary of State September 30, 2006.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1309, Scott. Nursing education: grants, loan assumptions, and faculty recruiting and retention.

(1) Existing law establishes programs of nursing education at public and private institutions of higher education.

This bill would express legislative intent with respect to expanding the capacity of the state's institutions of higher education to prepare students for nursing careers.

(2) Existing law establishes the State Department of Education under the administration of the State Board of Education and the Superintendent of Public Instruction, and provides the department with numerous duties and responsibilities with respect to statewide administration of public elementary and secondary education programs and services.

This bill would establish a Health Science and Medical Technology Project to provide competitive grant funds to California public schools offering grades 7 to 12, inclusive, to enhance existing or establish new health-related career pathway programs, including programs at California Partnership academies and regional occupational centers and programs, as well as other health science and medical technology pathway programs. The bill would express legislative intent with respect to the funding of this project.

The bill would require the State Department of Education to report to the Legislature and the Governor on the efficacy of this project on or before January 1, 2012. The bill would repeal the program as of January 1, 2014.

(3) Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education.

Existing law establishes the State Nursing Assumption Program of Loans for Education (SNAPLE), administered by the commission, under which any person enrolled in an institution of postsecondary education and participating in that loan assumption program is eligible to receive a conditional warrant for loan assumption, to be redeemed upon becoming employed as a full-time nursing faculty member at a California college or university.

Among other things, the SNAPLE act establishes eligibility requirements, including the receipt of a graduate degree from an accredited, participating institution before loan assumption payments may be made, limits each participant in the program to one loan assumption agreement, and provides for a progressive assumption of the amount of the loan over 3 consecutive years of teaching, up to a total loan assumption of $25,000. The SNAPLE act requires the commission to report annually to the Legislature, and states the intent of the Legislature that, commencing with the 2006–07 fiscal year, funding necessary for the administration of the program shall be included within the annual budget of the commission.

This bill would amend the SNAPLE act to authorize the award of loan assumption agreements under the program to undergraduate students and to authorize the making of loan assumption payments to applicants who have taught on a part-time basis for the equivalent of 3 full-time academic years. The bill would authorize the extension of the term of a loan assumption agreement if a natural disaster prevents a program participant from completing one of the years of required teaching service. The bill would express the intent of the Legislature that the amendments made by the bill apply retroactively to existing loan assumption agreements made under the program, and would authorize the commission to amend any existing loan assumption agreements and to issue new loan assumption agreements to conform to this bill. The bill would also make various technical, nonsubstantive changes in the SNAPLE act.

This bill would establish a loan assumption program for employees of specified state facilities within the SNAPLE program. This program would provide loan assumption benefits to persons who fulfill agreements to work full time for 4 consecutive years as clinical registered nurses in state-operated 24-hour facilities, as specified, that employ registered nurses and that, at the time the person commences employment at the facility, have a vacancy rate of greater than 10% in clinical registered nursing positions, as reported, pursuant to the bill, to the commission by the Department of Personnel Administration. The program would provide

for a progressive assumption of the amount of a qualifying loan over 4 consecutive years of qualifying clinical registered nursing service, up to a total loan assumption of $20,000. The bill would require the commission to report specified data about program participants annually to the Legislature. The bill would require the Office of the Legislative Analyst to submit, on or before May 1, 2011, a report to the Legislature that includes the findings and recommendations of the Legislative Analyst with respect to the efficacy of the program.

The bill would provide that this program would become inoperative on July 1, 2012, and would be repealed on January 1, 2013.

(4) Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the segments of public postsecondary education in this state. Existing law requires the board of governors to appoint a chief executive officer, known as the Chancellor of the California Community Colleges. Existing law establishes community college districts throughout the state, and authorizes these districts to provide instruction to students at the community college campuses maintained by the districts.

The bill would establish the California Community Colleges Nursing Faculty Recruitment and Retention Program for purposes of facilitating the recruitment and retention of qualified nursing faculty. The bill would specify the amount of the grants that would be disbursed, under the program, to each participating community college district. The bill would repeal provisions of this program relating to the development of 5 nursing resource centers, contingent upon the receipt of funds from the United States Department of Labor, as of January 1, 2012.

(5) Existing law authorizes the governing board of a community college district to employ any qualified individual as a temporary faculty member for a complete school year, but prohibits the employment of a person under this provision for more than 2 semesters or 3 quarters within any period of 3 consecutive years.

This bill would exempt persons serving as clinical nursing faculty from this limit, and instead limit these persons to employment under this provision for up to 4 semesters or 6 quarters within any period of 3 consecutive academic years between July 1, 2007, and June 30, 2014. The bill would require districts employing persons under this provision to provide specified data to the Chancellor of the California Community Colleges on or before June 30, 2012, and would require the chancellor to report to the Legislature and the Governor on or before September 30, 2012, on specified topics related to this provision. The bill would prohibit a district from employing a person pursuant to this provision if the hiring of that person results in an increase in the ratio of part-time to full-time nursing faculty in that district.

(6) Existing law establishes the California State University under the administration of the Trustees of the California State University, and provides for the operation of 25 component institutions of the university.

This bill would express legislative intent with respect to the expansion and funding of baccalaureate degree nursing programs of the university.

(7) Existing law establishes the University of California under the administration of the Regents of the University of California, and authorizes the provision of instruction at the 10 component institutions of the university.

This bill would express legislative intent with respect to the expansion and funding of baccalaureate and master's degree nursing programs of the university.

The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature hereby finds and declares that California is facing a health care crisis of immense proportion in major part due to a critical shortage of registered nurses. California currently ranks 49th among states in nurses per capita. This shortage is expected to increase over the next five years due to the aging of both the general population and of the nursing workforce. It is estimated that, in order to fill the projected shortage, California will need to graduate an additional 3,300 nurses a year.

(b) Furthermore, state educational institutions do not currently have the capacity to meet California's nursing workforce needs. Schools are filled to capacity and have long waiting lists. A shortage of faculty and clinical facilities makes it difficult for schools to expand their programs. A significant number of students fail to complete registered nursing programs because of a lack of preparation, limited program support services, and college admission policies.

(c) The Legislature also finds that diversity in the health care workforce is essential to providing quality access to health care to the multicultural and ethnic communities in the state.

(d) Therefore, the Legislature declares its intent to establish the Nursing Education Pipeline Act of 2006 to expand the number of nurses educated in California over the next five years by accomplishing all of the following:

(1) Expanding the capacity of health career programs at the secondary level.

(2) Increasing nursing education enrollment in community colleges and the California State University system.

(3) Recruiting and retaining nursing faculty.

(4) Streamlining the clinical placement process and thereby increasing clinical placement opportunities for both students and hospitals.

(5) Enhancing financial assistance for nursing students and nurses choosing to become nursing faculty.

(6) Providing additional resources to community colleges to reduce program attrition.

(7) Creating a statewide health workforce database to monitor workforce supply and demand issues and educational capacity to meet workforce needs.

SEC. 2. Article 10 (commencing with Section 33430) is added to Chapter 3 of Part 20 of the Education Code, to read:

Article 10. Health Science and Medical Technology Project

33430. (a) This article establishes the Health Science and Medical Technology Project, administered by the State Department of Education to provide competitive grant funds to California public schools offering grades 7 to 12, inclusive, to enhance existing or establish new health-related career pathway programs. Programs eligible for funding include, but are not necessarily limited to, California partnership academies and regional occupational centers and programs, as well as other health science and medical technology pathway programs. Grant recipients shall, at a minimum, offer a coherent sequence of standards-based academic and Career Technical Education coursework in selected pathways that will result in higher levels of achievement, technical skills, and knowledge necessary for students to pursue a full range of health care employment at support, technical, or professional levels.

(b) Funding provided for the purposes of this article shall be used for any of the following purposes: standards-based curriculum development, development of a sequence of courses in selected pathways, program articulation in grades 7 to 14, inclusive, material and equipment, student support, work-based learning experiences, and professional development.

33431. The State Department of Education shall report to the Legislature and the Governor on the efficacy of the project established under this article on or before January 1, 2012.

33432. This article shall remain in effect only until January 1, 2014, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2014, deletes or extends that date.

SEC. 3. The heading of Article 5.3 (commencing with Section 69616) of Chapter 2 of Part 42 of the Education Code, as amended and renumbered by Section 21 of Chapter 79 of the Statutes of 2006, is repealed.

SEC. 4. Section 69616 of the Education Code, as amended by Section 22 of Chapter 79 of the Statutes of 2006, is amended and renumbered to read:

70100. (a) The Legislature hereby recognizes the growing need for new faculty members in the nursing field at California's colleges and universities. This need will be fueled largely by the large number of current faculty approaching retirement age who will need to be replaced and the expected growth in enrollment demand in California. Further, to increase the supply of nurses in California, there must be an expansion of

nursing educator opportunities in public colleges and universities that will produce the necessary faculty to teach in nursing programs in the state.

(b) The Legislature finds that the rising costs of higher education, coupled with a shift in available financial aid from scholarships and grants to loans, make loan repayment options an important consideration in a student's decision to pursue a graduate degree in nursing education or in a field related to nursing.

(c) It is the intent of the Legislature that the State Nursing Assumption Program of Loans for Education (SNAPLE) be designed to encourage persons to complete their graduate educations and serve as nursing faculty in a registered nursing program at an accredited California college or university.

(d) As used in this article, "commission" means the Student Aid Commission.

SEC. 5. Section 69616.1 of the Education Code, as amended by Section 23 of Chapter 79 of the Statutes of 2006, is amended and renumbered to read:

70101. (a) Program participants shall meet all of the following eligibility criteria prior to selection into the program and shall continue to meet these criteria, as appropriate, during the payment periods:

(1) The participant shall be a United States citizen or eligible noncitizen.

(2) The participant shall be a California resident attending an eligible school or college.

(3) The participant shall be making satisfactory academic progress.

(4) The participant shall have complied with United States Selective Service requirements.

(5) The participant shall not owe a refund on any state or federal educational grant or have delinquent or defaulted student loans.

(b) Any person enrolled in an institution of postsecondary education and participating in the loan assumption program set forth in this article may be eligible to receive a conditional warrant for loan assumption, to be redeemed pursuant to this act upon becoming employed as a full-time nursing faculty member at a California college or university or the equivalent of full-time service as a nursing faculty member employed part time at one or more California colleges or universities.

(c) (1) The commission shall award loan assumption agreements to undergraduate students with demonstrated academic ability and financial need, as determined by the commission pursuant to Article 1.5 (commencing with Section 69503) of Chapter 2, and to graduate students with demonstrated academic ability.

(2) The applicant shall have completed a baccalaureate degree program or be enrolled in an academic program leading to a baccalaureate level or a graduate level degree.

(3) The applicant shall be currently enrolled in or admitted to a program in which he or she will be enrolled on at least a half-time basis each

academic term as defined by an eligible institution. The applicant shall agree to maintain satisfactory academic progress.

(4) The applicant shall have been judged by his or her postsecondary institution to have outstanding ability on the basis of criteria that may include, but need not be limited to, any of the following:

(A) Grade point average.

(B) Test scores.

(C) Faculty evaluations.

(D) Interviews.

(E) Other recommendations.

(5) The applicant shall have received, or be approved to receive, a loan under one or more of the following designated loan programs:

(A) The Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.).

(B) The Federal Direct Loan Program.

(C) Any loan program approved by the commission.

(6) The applicant shall have agreed to teach nursing on a full-time basis at one or more accredited California colleges or universities for at least three years, or on a part-time basis for the equivalent of three full-time academic years, commencing not more than 12 months after obtaining an academic degree, unless the applicant, within 12 months after obtaining the academic degree, enrolls in an academic degree program leading to a more advanced degree in nursing or a field related to nursing.

(7) An applicant who teaches on less than a full-time basis may participate in the program, but is not eligible for loan repayment until that person teaches for the equivalent of a full-time academic year.

(d) A person participating in the program pursuant to this section shall not receive more than one loan assumption agreement, and shall not be eligible to receive a grant pursuant to Article 3.51 (commencing with Section 78260) of Chapter 2 of Part 48.

SEC. 6. Section 69616.2 of the Education Code, as amended by Section 24 of Chapter 79 of the Statutes of 2006, is amended and renumbered to read:

70102. The commission shall commence loan assumption payments pursuant to this article upon verification that the applicant has fulfilled all of the following:

(a) The applicant has received a baccalaureate degree or a graduate degree from an accredited, participating institution.

(b) The applicant has provided the equivalent of full-time nursing instruction at one or more regionally accredited California colleges or universities for one academic year or the equivalent.

(c) The applicant has met the requirements of the loan assumption agreement and all other conditions of this article.

SEC. 7. Section 69616.3 of the Education Code, as amended by Section 25 of Chapter 79 of the Statutes of 2006, is amended and renumbered to read:

70103. The terms of the loan assumptions granted under this article shall be as follows, subject to the specific terms of each loan assumption agreement:

(a) After a program participant has completed one academic year, or the equivalent of full-time teaching nursing studies, at one or more regionally accredited, eligible California colleges or universities, the commission shall assume up to eight thousand three hundred thirty-three dollars ($8,333) of the outstanding liability of the participant under one or more of the designated loan programs.

(b) After the program participant has completed two consecutive academic years, or the equivalent of full-time teaching, at one or more regionally accredited California colleges or universities, the commission shall assume up to an additional eight thousand three hundred thirty-three dollars ($8,333) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to sixteen thousand six hundred sixty-six dollars ($16,666).

(c) After a program participant has completed three consecutive academic years, or the equivalent of full-time teaching, at one or more regionally accredited California colleges or universities, the commission shall assume up to an additional eight thousand three hundred thirty-four dollars ($8,334) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to twenty-five thousand dollars ($25,000).

(d) The commission may assume liability for loans received by the program participant to pay for the costs of obtaining the program participant's undergraduate and graduate degrees.

(e) The term of the loan assumption agreement shall be not more than 10 years from the date on which the agreement was executed by the program participant and the commission.

SEC. 8. Section 69616.4 of the Education Code, as amended by Section 26 of Chapter 79 of the Statutes of 2006, is amended and renumbered to read:

70104. (a) Except as provided in subdivision (b), if a program participant fails to complete a minimum of three academic years of teaching on a full-time basis or the equivalent on a part-time basis, as required by this article under the terms of the agreement pursuant to paragraph (6) of subdivision (c) of Section 70101, the loan assumption agreement is no longer effective and shall be deemed terminated, and the commission shall not make any further payments. The participant shall resume responsibility for any remaining loan obligations, but shall not be required to repay any loan payments previously made through this program.

(b) Notwithstanding subdivision (a), if a program participant becomes unable to complete one of the three years of teaching service on a full-time basis, or the equivalent on a part-time basis, due to a serious illness, pregnancy, or other natural causes, the term of the loan assumption agreement shall be extended for a period not to exceed one academic year.

The commission shall make no further payments under the loan assumption agreement until the applicable teaching requirements specified in Section 70103 have been satisfied.

(c) If a natural disaster prevents a program participant from completing one of the required years of teaching service due to the interruption of instruction at the employing accredited California college or university, the term of the loan assumption agreement shall be extended for the period of time equal to the period from the interruption of instruction at the employing accredited California college or university to the resumption of instruction. The commission shall make no further payments under the loan assumption agreement until the applicable teaching requirements specified in Section 70103 have been satisfied.

SEC. 9. Section 69616.5 of the Education Code, as amended by Section 27 of Chapter 79 of the Statutes of 2006, is amended and renumbered to read:

70105. (a) The commission shall accept nominations from accredited colleges and universities made pursuant to this article.

(b) The commission shall choose from among those nominations of undergraduate students deemed financially needy with outstanding student loans pursuant to Article 1.5 (commencing with Section 69503), and of graduate students with outstanding student loans, based upon criteria that may include, but are not necessarily limited to, all of the following:

(1) Grades at the undergraduate level in a subject field related to nursing.

(2) Grades in the undergraduate program.

(3) Aptitude for graduate work in the field of nursing.

(4) General aptitude for graduate study.

(5) Critical human resource needs.

(c) The commission may develop additional criteria for the selection of award recipients consistent with the purposes of this article.

SEC. 10. Section 69616.6 of the Education Code is amended and renumbered to read:

70106. The commission shall administer this article, and shall adopt rules and regulations for that purpose. The rules and regulations shall include, but need not be limited to, provisions regarding the period of time for which a warrant shall remain valid and the development of projections for funding purposes. In developing these rules and regulations, the commission shall solicit the advice of representatives from postsecondary education institutions, the Office of Statewide Health Planning and Development, and the nursing community.

SEC. 11. Section 69616.7 of the Education Code is amended and renumbered to read:

70107. The commission shall work to develop a streamlined application process for participation in the program set forth in this article.

SEC. 12. Section 69616.8 of the Education Code is amended and renumbered to read:

70108. The commission shall report annually to the Legislature on this program. The report shall include, but not be limited to, all of the following:

(a) The total number of loan assumption agreements offered, by education level and institution.

(b) The number of loan assumption agreements paid out, by education level and institution.

(c) The number of loan assumption agreements that are redeemed, by year of service (year one through year three).

(d) The annual and cumulative attrition rate of participants, by education level and institution.

SEC. 13. Section 69616.9 of the Education Code is amended and renumbered to read:

70109. Notwithstanding any other law, in any fiscal year, the commission shall award no more than the number of warrants that are authorized by the Governor and the Legislature in the annual Budget Act for that year for the assumption of loans pursuant to this article.

SEC. 14. Section 69617 of the Education Code is amended and renumbered to read:

70110. It is the intent of the Legislature that, commencing with the 2006–07 fiscal year, funding necessary for the administration of the student loan assumption program implemented pursuant to this article shall be included within the annual budget of the commission.

SEC. 15. The heading of Chapter 3 (commencing with Section 70100) is added to Part 42 of the Education Code, to read:

Chapter 3. State Nursing Assumption Program of Loans for Education (SNAPLE)

SEC. 16. The heading of Article 1 (commencing with Section 70100) is added to Chapter 3 of Part 42 of the Education Code, to read:

Article 1. Nursing Faculty

SEC. 17. Article 2 (commencing with Section 70120) is added to Chapter 2 of Part 42 of the Education Code, to read:

Article 2. Employees of State Facilities

70120. (a) (1) Any person enrolled in an eligible institution, or any person who agrees to work full time as a registered nurse in a state-operated 24-hour facility that employs registered nurses, may be eligible to enter into an agreement for loan assumption, to be redeemed pursuant to Section 70122 upon becoming employed as a clinical registered nurse in a state-operated 24-hour facility that employs registered nurses and that has a clinical registered nurse vacancy rate of greater than

10 percent as reported annually to the commission by the Department of Personnel Administration pursuant to Section 70121. In order to be eligible to enter into an agreement for loan assumption, an applicant shall satisfy all of the conditions specified in subdivision (b).

(2) As used in this article, "eligible institution" means a postsecondary institution that is determined by the Student Aid Commission to meet both of the following requirements:

(A) The institution is eligible to participate in state and federal financial aid programs.

(B) The institution maintains an accredited program of professional preparation for licensing as a registered nurse in California.

(3) As used in this article, "state-operated 24-hour facility" includes, but is not necessarily limited to, a state-operated prison, psychiatric hospital, or veterans' home.

(b) (1) The applicant has been admitted to, or is enrolled in, an accredited program of professional preparation for licensing as a registered nurse in California.

(2) The applicant is currently enrolled, or has been admitted to a program in which he or she will be enrolled, on a full-time basis, as determined by the participating institution. The applicant shall agree to maintain satisfactory academic progress and a minimum of full-time enrollment, as defined by the participating eligible institution.

(3) The applicant has been judged by his or her postsecondary institution to have outstanding ability on the basis of criteria that may include, but need not be limited to, any of the following:

(A) Grade point average.

(B) Test scores.

(C) Faculty evaluations.

(D) Interviews.

(E) Other recommendations.

(4) The applicant has received, or is approved to receive, a loan under one or more of the following designated loan programs:

(A) The Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.).

(B) Any loan program approved by the Student Aid Commission.

(5) The applicant has agreed to work full time for at least four consecutive years as a clinical registered nurse in a state-operated 24-hour facility that employs registered nurses and that has a clinical registered nurse vacancy rate of greater than 10 percent as reported annually to the commission by the Department of Personnel Administration.

(c) No applicant who has completed fewer than 60 semester units, or the equivalent, shall be eligible under this section to participate in the loan assumption program set forth in this article.

(d) An agreement shall remain valid even if the state-operated facility at which the applicant is employed ceases to be listed pursuant to Section 70121 after the applicant is employed there.

(e) A person participating in the program pursuant to this section shall not enter into more than one agreement.

70121. On or before January 31, 2007, and each January 31 thereafter until, and including, January 31, 2012, the Department of Personnel Administration shall provide the commission with a list including each state-operated 24-hour facility that employs registered nurses where, as of the immediately preceding January 1, there is a vacancy rate in clinical registered nurse positions that exceeds 10 percent.

70122. The commission shall commence loan assumption payments, as specified in Section 70123, upon verification that the applicant has fulfilled all of the following:

(a) The applicant has become a registered nurse licensed to practice in California.

(b) The applicant is working full time as a clinical registered nurse in a state-operated 24-hour facility that employs registered nurses and that, at the time the applicant commenced employment there, had a clinical registered nurse vacancy rate of greater than 10 percent as reported, pursuant to Section 70121, by the Department of Personnel Administration in its most recent annual report to the commission.

(c) The applicant has met the requirements of the agreement and all other pertinent conditions of this article.

70123. The terms of a loan assumption granted under this article shall be as follows, subject to the specific terms of each agreement:

(a) After a program participant has completed one year of full-time employment as described in subdivision (b) of Section 70122, the commission shall assume up to five thousand dollars ($5,000) of the participant's outstanding liability under one or more of the designated loan programs.

(b) After a program participant has completed two years of full-time employment as described in subdivision (b) of Section 70122, the commission shall assume up to an additional five thousand dollars ($5,000) of the participant's outstanding liability under one or more of the designated loan programs, for a total loan assumption of up to ten thousand dollars ($10,000).

(c) After a program participant has completed three years of full-time employment as described in subdivision (b) of Section 70122, the commission shall assume up to an additional five thousand dollars ($5,000) of the participant's outstanding liability under one or more of the designated loan programs, for a total loan assumption of up to fifteen thousand dollars ($15,000).

(d) After a program participant has completed four years of full-time employment as described in subdivision (b) of Section 70122, the commission shall assume up to an additional five thousand dollars ($5,000) of the participant's outstanding liability under one or more of the designated loan programs, for a total loan assumption of up to twenty thousand dollars ($20,000).

70124. (a) Except as provided in subdivision (b), if a program participant fails to complete a minimum of four consecutive years of full-time employment as required by this article, under the terms of the agreement pursuant to paragraph (5) of subdivision (b) of Section 70120, the participant shall assume full liability for all student loan obligations remaining after the commission's assumption of loan liability for the last year of qualifying clinical registered nursing service pursuant to Section 70123.

(b) Notwithstanding subdivision (a), if a program participant becomes unable to complete one of the four consecutive years of qualifying clinical registered nursing service due to serious illness, pregnancy, or other natural causes, the term of the loan assumption agreement shall be extended for a period not to exceed one year. The commission shall make no further payments under the loan assumption agreement until the applicable work requirements as specified in Section 70122 have been satisfied.

(c) If a natural disaster prevents a program participant from completing one of the required years of work due to the interruption of employment at the employing state facility, the term of the loan assumption agreement shall be extended for the period of time equal to the period from the interruption of employment at the employing state facility to the resumption of instruction. The commission shall make no further payments under the loan assumption agreement until the applicable teaching requirements specified in Section 70103 have been satisfied.

70125. The commission shall administer this article, and shall adopt rules and regulations for that purpose. The rules and regulations shall include, but need not be limited to, provisions regarding the period of time during which an agreement shall remain valid, the reallocation of resources in light of agreements that are not utilized by program participants, the failure, for any reason, of a program participant to complete a minimum of four consecutive years of qualifying clinical registered nursing service, and the development of projections for funding purposes.

70126. On or before January 31, 2008, and on or before each January 31 thereafter until, and including, January 31, 2012, the commission shall report annually to the Legislature regarding both of the following, on the basis of sex, age, and ethnicity:

(a) The total number of program participants and the type of program of professional preparation they are attending or have attended.

(b) The numbers of participants who complete one, two, three, or four years of qualifying clinical registered nursing service, respectively.

70127. On or before May 1, 2011, the Office of the Legislative Analyst shall submit a report to the Legislature that includes the findings and recommendations of the Legislative Analyst with respect to the efficacy of the program established by this article.

70128. In selecting applicants for participation in this program, the commission shall grant priority to applicants who, in the determination of the commission, are included in any of the following categories:

(a) Persons who possess a baccalaureate degree at the time of initial application.

(b) Persons who are enrolled in an accelerated program of professional preparation for licensing as a registered nurse in California.

(c) Persons who are recipients of federally subsidized student loans or other need-based student loans.

70129. This article shall become inoperative on July 1, 2012, and, as of January 1, 2013, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2013, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 18. Article 3.51 (commencing with Section 78260) is added to Chapter 2 of Part 48 of the Education Code, to read:

Article 3.51. Nursing Faculty

78260. (a) (1) In order to further the state's interests in a major expansion in the number of educated nurses in California, the Legislature finds that it is necessary to ensure a significant expansion in the number of qualified nursing faculty at California Community Colleges. Therefore, the Legislature hereby creates the California Community Colleges Nursing Faculty Recruitment and Retention Program in the Chancellor's Office of the California Community Colleges for purposes of facilitating the recruitment and retention of qualified nursing faculty. The Chancellor of the California Community Colleges shall allocate funds on a competitive grant basis to community college districts that commit to sustained increases in the number of full-time equivalent students taught in the district's nursing programs, as specified by the chancellor, and that also commit to the terms and conditions specified in this section.

(2) It is the intent of the Legislature that the grants awarded under this article should be one-time grants and that the total amount of the funding for this article in any fiscal year should be limited to the amount appropriated for that purpose in the annual Budget Act. The Legislature finds and declares that the initial funding for this article is the appropriation contained in paragraph (30) of subdivision (a) of Section 43 of Chapter 79 of the Statutes of 2006.

(b) (1) (A) The grant amount to each participating district shall be based on the number of full-time faculty at the district who are in their first through fifth year of service as an instructor in a California Community College registered nursing program in the fiscal year for which funds are disbursed. Notwithstanding any other provision of law, a community college district that receives an allocation for the making of grants under this article shall have up to five years to disburse these funds.

(B) Except as provided in paragraph (3), the amount granted to any person under this article shall not exceed a total of twenty thousand dollars ($20,000) disbursed over a five-year period with a maximum of six thousand dollars ($6,000) in any one year.

(2) Disbursements under this section shall be based on the following schedule:

(A) Six thousand dollars ($6,000) for each instructor in his or her first year.

(B) Five thousand dollars ($5,000) for each instructor in his or her second year.

(C) Four thousand dollars ($4,000) for each instructor in his or her third year.

(D) Three thousand dollars ($3,000) for each instructor in his or her fourth year.

(E) Two thousand dollars ($2,000) for each instructor in his or her fifth year.

(3) Notwithstanding the amounts listed in paragraph (2), the amount granted to a person under this article may be supplemented, in any year of the five-year cycle of disbursements under paragraph (2), by up to one thousand dollars ($1,000) in local matching funds, plus an equal amount of funds disbursed pursuant to this program.

(4) A person who receives a grant under this article shall not be eligible for participation in the State Nursing Assumption Program of Loans for Education Chapter 3 (commencing with Section 70100) of Part 42.

(c) Each district is authorized, through its shared governance and collective bargaining relationships, to allocate actual payments to faculty in their first through fifth years of service as a nursing instructor on a different basis if the district finds that its ability to recruit and retain nursing faculty is thereby enhanced.

(d) Each district may use a portion of the grant proceeds to offer incentives to either full-time or part-time nursing instructors for the purpose of instruction in clinical settings during weekends and evenings. This subdivision shall not construed to be limited to faculty in their first through fifth years of service as nursing instructors.

(e) As a condition of receiving grant funds under this article, each district agrees to provide the chancellor with all data requested by the chancellor on the expenditure of funds and program outcomes.

(f) The chancellor shall report annually by March 1 to the Legislature and the Governor on program expenditures and outcomes by participating district and college.

SEC. 19. Article 3.52 (commencing with Section 78261) is added to Chapter 2 of Part 48 of the Education Code, to read:

Article 3.52. Nursing Students

78261. (a) The Legislature finds and declares both of the following:

(1) The Legislature intends to facilitate both the expansion of associate degree nursing programs and the improvement in completion rates in those programs.

(2) The Legislature also intends that community colleges employ nationally validated diagnostic assessment tools that are aligned with national nursing certification requirements. Both students and the state benefit when diagnostic assessments are supplemented with educational opportunities to assist students in meeting skill levels.

(b) It is the intent of the Legislature to create a Nursing Enrollment Growth and Retention program in the Chancellor's Office of the California Community Colleges. The purpose of this program shall be to provide grants to community college associate degree of nursing programs that meet either of the following conditions:

(1) The nursing program has low or moderate program attrition levels.

(2) The nursing program provides a comprehensive program of diagnostic assessment, prenursing preparation, and program-based support to students.

(c) It is the intent of the Legislature that this program shall be funded, beginning in the 2006–07 fiscal year, by a redirection of the ten million dollars ($10,000,000) provided annually pursuant to the Budget Act of 2005, along with an additional investment of two million eight hundred eighty-six thousand dollars ($2,886,000) annually, for a total program budget of twelve million eight hundred eighty-six thousand dollars ($12,886,000) annually. Unencumbered funds that were appropriated in the Budget Act of 2005 may be used for capacity building and equipment in the 2006–07 fiscal year.

(d) The Board of Governors of the California Community Colleges and the Chancellor of the California Community Colleges may award grants to community college districts with associate degree nursing programs to expand enrollment, reduce program attrition, or both. Funds shall be used only for the following purposes: expanding enrollment, providing diagnostic assessments, and developing and offering preentry coursework to prospective nursing students and diagnostic assessments and supportive services to enrolled nursing students. For purposes of this section, supportive services include, but are not necessarily limited to, tutoring, case management, mentoring, and counseling services. Funds may also be used to develop alternative delivery models such as part-time, evening, weekend, and summer program offerings. In order to qualify for these funds, a community college associate degree nursing program shall do either of the following:

(1) Have a program attrition rate, as determined by the Board of Registered Nursing's Annual School Report or the Information Program Data System of the Chancellor's Office of the California Community Colleges, of 15 percent or less for the year prior to application for funding.

(2) Commit to implement a comprehensive program of diagnostic assessment, prenursing enrollment preparation, and program-based support to enrolled students, as defined in this article.

(e) Prior to awarding any funds to be used for reducing program attrition, the chancellor's office shall do all of the following:

(1) Identify, in collaboration with community college associate degree nursing programs, nationally validated diagnostic assessment tools that determine the likelihood of academic success in registered nursing education programs.

(2) Establish, in collaboration with community college associate degree nursing programs, the systemwide proficiency level necessary for academic success for each diagnostic assessment tool.

(3) Define the kinds of educational and support services that qualify for funding under this program.

(f) As a condition of receiving grants under paragraph (2) of subdivision (d), a community college district shall, at a minimum, do all of the following:

(1) Utilize diagnostic assessment tools prior to enrollment to determine readiness for community college associate degree nursing programs.

(2) Develop educational preentry coursework, including, but not necessarily limited to, tutorials or noncredit instruction, aligned to the entry level nursing standards and curriculum for students who fail to demonstrate readiness based upon the diagnostic assessment tools.

(3) Provide access to prenursing coursework for all students who do not demonstrate readiness based upon the diagnostic assessment tools.

(4) Require that students demonstrate readiness through the diagnostic assessment or successful completion of the prenursing coursework specified above prior to commencing the registered nursing program.

(5) Ensure that students that participate in educational preentry coursework in order to demonstrate readiness based upon the diagnostic assessment tools are not disadvantaged in the program enrollment process.

(g) As a condition of receiving grant funds pursuant to paragraph (2) of subdivision (d), each recipient district shall report to the chancellor's office the following data for the academic year on or before a date determined by the chancellor's office:

(1) The number of students enrolled in the nursing program.

(2) The number of students taking diagnostic assessments.

(3) The number of students failing to meet proficiency levels as determined by diagnostic assessment tools.

(4) The number of students failing to meet proficiency levels that enroll in preentry preparation classes.

(5) The number of students who successfully complete preentry preparation classes.

(6) The average number of months between initial diagnostic assessment, demonstration of readiness, and enrollment in the nursing program for students failing to meet proficiency standards on the initial diagnostic assessment.

(7) The average number of months between diagnostic assessment and program enrollment for students meeting proficiency standards on the initial diagnostic assessment.

(8) The number of students who completed the associate degree nursing program and the number of students who pass the National Council Licensure Examination (NCLEX).

(h) (1) Data reported to the chancellor under this article shall be disaggregated by age, gender, ethnicity, and language spoken at home.

(2) The chancellor's office shall compile and provide this information to the Legislature and the Governor by March 1 of each year.

(i) It is the intent of the Legislature that, pursuant to funding to be provided in the annual Budget Act, in the 2009–10 academic year, the California Community Colleges should increase the statewide enrollment of full-time equivalent registered nursing students by 450 and, beginning in the 2010–11 academic year and continuing each academic year thereafter, add 900 new full-time equivalent registered nursing students.

SEC. 20. Article 3.53 (commencing with Section 78262) is added to Chapter 2 of Part 48 of the Education Code, to read:

Article 3.53. Nursing Resource Centers

78262. (a) The Chancellor's Office of the California Community Colleges shall fund the development of regional nursing resource centers that bring together school, hospital, and faculty needs and availability in a regionalized, online format to help schools match their student clinical needs to available openings, assist hospitals to manage their clinical rotation schedules, and facilitate the filling of vacant nursing faculty positions.

(b) The chancellor's office shall fund regional nursing resource center startup grants to develop clinical placement and clinical faculty resource systems. Each startup grant shall last for no more than 30 months. An applicant for a grant under this article shall do all of the following:

(1) Select an entity for managing the grant.

(2) Ensure the participation of at least 75 percent of the nursing programs and hospitals in the coverage area.

(3) Provide matching funds on a 1:1 basis.

(4) Demonstrate the sustainability of the system after the grant terminates.

(c) The chancellor's office shall be responsible for developing a request for funding application from hospital and school regional partnerships seeking grant funds and providing technical assistance to communities for the purpose of developing proposals.

SEC. 21. Section 87482 of the Education Code is amended to read:

87482. (a) (1) Notwithstanding Section 87480, the governing board of a community college district may employ any qualified individual as a temporary faculty member for a complete school year but not less than a complete semester or quarter during a school year. The employment of those persons shall be based upon the need for additional faculty during a particular semester or quarter because of the higher enrollment of students

during that semester or quarter as compared to the other semester or quarter in the academic year, or because a faculty member has been granted leave for a semester, quarter, or year, or is experiencing long-term illness, and shall be limited, in number of persons so employed, to that need, as determined by the governing board.

(2) Employment of a person under this subdivision may be pursuant to contract fixing a salary for the entire semester or quarter.

(b) No person, other than a person serving as clinical nursing faculty and exempted from this subdivision pursuant to subdivision (c), shall be employed by any one district under this section for more than two semesters or three quarters within any period of three consecutive years.

(c) (1) Notwithstanding subdivision (b), a person serving as clinical nursing faculty may be employed by any one district under this section for up to four semesters or six quarters within any period of three consecutive academic years between July 1, 2007, and June 30, 2014, inclusive.

(2) A district that employs faculty pursuant to this subdivision shall provide data to the chancellor's office as to how many faculty members were hired under this subdivision, and what the ratio of full-time to part-time faculty was for each of the three academic years prior to the hiring of faculty under this subdivision and for each academic year for which faculty is hired under this subdivision. This data shall be submitted, in writing, to the chancellor's office on or before June 30, 2012.

(3) The chancellor shall report, in writing, to the Legislature and the Governor on or before September 30, 2012, in accordance with data received pursuant to paragraph (2), how many districts hired faculty under this subdivision, how many faculty members were hired under this subdivision, and what the ratio of full-time to part-time faculty was for these districts in each of the three academic years prior to the operation of this subdivision and for each academic year for which faculty is hired under this subdivision.

(4) A district may not employ a person pursuant to this subdivision if the hiring of that person results in an increase in the ratio of part-time to full-time nursing faculty in that district.

SEC. 22. Article 7.7 (commencing with Section 89267) is added to Chapter 2 of Part 55 of the Education Code, to read:

Article 7.7. Baccalaureate Degree Nursing Programs

89267. It is the intent of the Legislature:

(a) That, pursuant to funding to be appropriated in the Budget Act of 2007, the trustees should increase, by at least 340, the number of full-time equivalent students in baccalaureate degree nursing programs, beginning in the 2007–08 fiscal year.

(b) That the trustees provide a report to the Governor and the Legislature on or before March 15, 2007, on the proposed expenditure plans to expand nursing programs to enroll an additional 340 full-time

equivalent students as a result of the funds appropriated in the Budget Act of 2007.

(c) To support the expansion of future baccalaureate degree nursing enrollment with annual appropriations in the State Budget Act.

SEC. 23. Article 5.5 (commencing with Section 92645) is added to Chapter 6 of Part 57 of the Education Code, to read:

Article 5.5. Baccalaureate and Master's Degree Nursing Programs

92645. It is the intent of the Legislature that all of the following occur:

(a) That, pursuant to funding to be appropriated in the Budget Act of 2007, the Regents of the University of California should offer at least 175 full-time equivalent students in baccalaureate degree nursing programs, at least 140 state-supported full-time equivalent students in accelerated master's level nursing programs, including entry-level master's programs and entry-level master's clinical programs, at least 41 full-time equivalent associate degree nursing (ADN) transitional to bachelor's of science of nursing (BSN) and full-time equivalent master of science of nursing (MSN) students, and at least 40 full-time equivalent students in traditional master of science in nursing (MSN) degree programs by the 2007–08 academic year.

(b) That the regents provide a report to the Governor and the Legislature on or before March 15, 2007, on the proposed expenditure plans to expand nursing programs to enroll the additional students identified in subdivision (a).

(c) That the expansion of future baccalaureate, accelerated master's degree, ADN transitional to BSN and MSN degrees, and traditional MSN degree nursing enrollment be supported with appropriations in the annual Budget Act.

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Information/Action Item

GRANT ADVISORY COMMITTEE

Proposed National Guard Assumption Program of Loans for Education (NGAPLE) Regulations

On July 1, 2006, the California Legislature and the Governor authorized 100 awards for the National Guard Assumption Program of Loans for Education (NGAPLE). The California Student Aid Commission (CSAC) is required by California Education Code 69751 to adopt rules and regulations for the purpose of administering the NGAPLE.

The NGAPLE is a loan assumption program established to provide an incentive for persons to enlist or reenlist in the National Guard, the State Military Reserve, or the Naval Militia who seek degrees at institutions of higher education in California or vocational diploma programs. CSAC will commence loan assumption payments after a participant has provided a qualifying year of military service.

CSAC staff is providing the revised NGAPLE draft regulations for your review and input. After the last Commission meeting, CSAC staff was advised that it would be possible to interpret the law so that an applicant could be considered for participation whether or not they were enrolled at the time of application. The regulations have been revised to admit those applicants who have completed a baccalaureate degree or qualified vocational diploma program or those who are on an approved leave of absence due to active duty status. The Department of Finance supports this interpretation and has indicated that they want the program to be available to those who are currently enrolled and those who have completed a qualified vocational diploma program or baccalaureate degree.

CSAC staff removed the points system for household income and asset level the law indicates that individuals are “financially needy” as indicated by a household income and asset level that is at or below the maximum set for participants in the Cal Grant A program.

The enclosure reflects changes to Section 30710 (g), 30711, 30714, 30715, 30716 and 30717. All changes are underlined.

Recommended Action: Review the proposed NGAPLE regulations and recommend approval by the Commission.

Responsible Staff: Catalina Mistler, Manager
Specialized Programs and Student Support Services

CALIFORNIA STUDENT AID COMMISSION
P.O. Box 419026
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AMENDMENT TO TITLE 5, DIVISION 4, CHAPTER 1, CA CODE OF REGULATIONS REGARDING IMPLEMENTATION OF NATIONAL GUARD ASSUMPTION PROGRAM OF LOANS FOR EDUCATION (Education Code §§ 69750-69751.8)

Article14.5. National Guard Assumption Program of Loans for Education

Section 30710. Definitions

(a) "Contingency operation" means the current Iraq or Afghanistan operations, the Gulf War; or other operations or national emergencies, as declared by the President or Congress.

(b) "Half-time basis" means half-time enrollment at an institution of higher education.

(c) "Institution of higher education" means a post-secondary educational institution that has a location in California.

(d) "Program" means the National Guard Assumption Program of Loans for Education established in Article 12.5 (commencing with Section 69750) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code and as set forth in this Article.

(e) "Program participant" means a person who has a loan assumption agreement signed by both the person and the Commission.

(f) "Qualified vocational diploma program" means an educational program as defined in Section 94746 of the Education Code, with a location in California, having all of the following characteristics:

(1) The educational program consists of a job-training program or other instruction, training, or education that the institution represents will lead to, fit, or prepare students for employment in any occupation.
(2) The program is offered to students who do not possess a bachelor's or graduate degree in the field of training.
(3) Students who complete all or a portion of the program are awarded a diploma, certificate, or occupational associate degree.

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(g) "Qualifying member" means a person, as defined in Section 66025.6 (a) of the Education Code, who:

(1) has residence, pursuant to Article 5 (commencing with Section 68060) of Chapter 1, part 41, Division 5, Title 3 of the Education Code, in this state for at least one year immediately preceding the date of application to the program or any loan assumption payment;

(2) is currently an active member of, and has satisfactorily served for at least one year in the California National Guard, the State Military Reserve or the Naval Militia, and maintains satisfactory service throughout the period that his or her student loan payments are assumed through the program; and

(3) has completed a baccalaureate degree, or is currently enrolled and in good standing in a program of undergraduate instruction, on at least a half-time basis, at an institution of higher education, or is enrolled in or has completed a program of instruction in a qualified vocational diploma program where enrollment qualifies a student for participation in the Federal Family Education Loan Program or any loan program approved by the Commission, or is on an academic leave of absence from such undergraduate or vocational diploma program pursuant to Section 66025.6(b).

(h) "Satisfactory service" means satisfactory performance as defined by the statewide Office of the Adjutant General.

Note: Authority cited: Section 69751, Education Code. Reference: Sections 66025.6, 69750, 69750.7, 94746, Education Code.

Section 30711. Application to Participate in the Program

(a) Applications to participate in the program shall be submitted to the Office of the Adjutant General prior to the deadline published by the Commission for that academic year, and shall include the following information regarding the applicant:

(1) Last name, first name and middle initial;
(2) Social Security number;
(3) Address and telephone number;
(4) Date of birth;
(5) Ethnicity;
(6) Gender;
(7) E-mail address, if available;
(8) a copy of the federal Student Aid Report (SAR) generated by the United States Department of Education based upon the applicant's Free Application for Federal Student Aid (FAFSA) with an Expected Family Contribution (EFC) for the academic year in which the applicant applies to the program. Verification of information provided in the FAFSA and used to calculate the EFC may be requested by the Commission as necessary. Failure to provide

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verification in a timely manner, if requested, may result in disqualification from consideration for the program.

(9) identification of membership in specific eligible military unit under the California National Guard.

(10) name of institution of higher education or qualified vocational diploma program in which applicant is or was enrolled within California, or from which the applicant is on academic leave of absence, and the institution's six-digit Federal school code.

(11) a copy of active duty orders, if any.

(12) written verification from an institution of higher education that the applicant is enrolled on at least a half-time basis or is on academic leave of absence, or proof of completion of a baccalaureate degree, or written verification from a qualified vocational diploma program that the applicant is enrolled or on academic leave of absence, or proof that the applicant has completed the program;

(13) certification from the Office of the Adjutant General that the applicant has agreed to enlist or reenlist in the National Guard, the State Military Reserve, or the Naval Militia; and

(14) The name of lender(s), loan identification number(s), and current balance(s) of a loan or loans the applicant has received, or has been approved to receive, in order to meet the costs of obtaining an undergraduate degree at an institution of higher education or to complete a qualified vocational diploma program, under one or more of the following designated loan programs:

(i) the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.);

(ii) the Federal Direct Loan Program (20 U.S.C. Sec. 1087b et seq.);

(iii) any loan program approved by the Commission on a case by case basis but not including lines of credit, home equity loans, credit card debt, and other general consumer loans, business loans, personal loans, or mortgages.

(b) The application shall state that by signing, the applicant agrees that, if requested, the applicant will provide information or documentation to verify the accuracy of the information included in the application, and the applicant understands that failure to provide accurate and complete information as requested may result in disqualification from the program and loss of program benefits. The application shall be dated and signed by the student under penalty of perjury under the laws of the State of California.

Note: Authority cited: Section 69751, Education Code. Reference: Sections 66025.6, 69750, 69750.3, 69751.2, 69751.3, Education Code.

Section 30712. Nominations by the Office of the Adjutant General

The Office of the Adjutant General may nominate any applicant who has submitted an application to participate in the program that meets the requirements of Section 30711 by submitting all of the following information to the Commission:

(a) the applicant's complete application, including the applicant's SAR;

(b) the Office of the Adjutant General's certification that the applicant has agreed to enlist or reenlist in the National Guard, the state Military Reserve, or the Naval Militia; and

(c) the Office of the Adjutant General's certification of the applicant's active duty status corresponding to the scoring categories established in Section 30714(b).

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Note: Authority cited: Section 69751, Education Code. Reference: Sections 66025.6(c), 69750.3, 69751.2, Education Code.

Section 30713. Award Process

The Commission shall select program participants from among the applicants who are nominated pursuant to Section 30712. If the maximum allocation of warrants authorized for that year is not exhausted after the selection process is completed, the Commission may continue to accept nominations and select program participants based on the date the nominations are received by the Commission. The Commission may continue to select participants until the maximum allocation is reached.

Note: Authority cited: Section 69751, Education Code. Reference: Section 69751.8 Education Code.

Section 30714. Applicant Priority

(a) If the Commission determines in any fiscal year that the funding for the program is insufficient to allow the Commission to enter into loan assumption agreements with all eligible applicants who are nominated, the Commission shall select applicants for participation in the program by giving priority to:

(1) Individuals who are financially needy, as indicated by a household income and asset level that is at or below the maximum established in Education Code Section 69432.7 for participants in the Cal Grant A program; and
(2) Individuals who have been called to full-time active military duty.
.
(b) In implementing the priority established in subsection (a), the Commission shall award points to individuals determined by the Commission to be financially needy and who have been called to active duty, based on the highest point category that the applicant qualifies under, as follows:

ACTIVE DUTY SERVICE	POINTS
An enlisted California National Guard member who has served or is currently serving on federal active duty under Title 10 or Title 32, U.S.C. for a period of not less than 11 consecutive months under a contingency operation	76
A commissioned officer or warrant officer of the California National Guard who has served or is serving on federal active duty under Title 10 or Title 32, U.S.C. for a	70

period of not less than 11 consecutive months under a contingency operation.	
An enlisted California National Guard member who has served or is currently serving on federal active duty under Title 10 or Title 32, U.S.C. for a period of not less than 5 consecutive months under a contingency operation.	66
A commissioned officer or warrant officer of the California National Guard who has served or is serving on federal active duty under Title 10 or Title 32, U.S.C. for a period of not less than 5 consecutive months under a contingency operation.	60
Any California National Guard, State Military Reserve or Naval Militia member, enlisted or officer, who has served on State Active Duty pursuant to Military and Veterans Code §143 or §146 for no less than 30 consecutive days.	56
Any current member of the California National Guard, State Military Reserve or Naval Militia who is satisfactorily attending unit drill and training assemblies.	50

(c) The Commission will select nominees with the highest point totals until the authorized funding is exhausted. In the case of a tie in the total number of points, the Commission will select nominees based on the earliest date of receipt of the nomination by the Commission.

Note: Authority cited: Section 69751, Education Code. Reference: Section 69432.7, 69751.2, Education Code.

Section 30715. Loan Assumption Agreements

(a) The Commission shall provide a loan assumption agreement to each nominated applicant selected by the Commission to be a program participant. The loan assumption agreement shall be effective when both the program participant and the Commission have signed the agreement.

(b) The loan assumption agreement shall include the following:

(1) The program participant shall agree to:

(i) *maintain satisfactory service in the California National Guard, State Military Reserve or the Naval Militia throughout the period that he or she participates in the program;*

(ii) be enrolled in an institution of higher education, on at least a half-time basis each academic term, or in a qualified vocational diploma program, and in good standing in

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such institution or program, through completion of academic requirements for a degree or completion of the vocational diploma program. If participant has completed a degree or vocational diploma program or completes a degree or vocational diploma program during the term of the agreement, he or she is not required to maintain enrollment for the remaining qualifying year(s) of service to receive loan assumption benefits. Participants called to active duty who are on academic leave of absence are not required to be enrolled during the term of such leave.

.

(iii) provide four consecutive years of satisfactory service in the National Guard, the State Military Reserve, or the Naval Militia;

(iv) authorize the institution of higher education or qualified vocational diploma program in which the applicant is enrolled or on academic leave of absence, or where the applicant completed a baccalaureate degree or vocational diploma program, the Office of the Adjutant General, and lenders to provide information requested by the Commission for the purposes of administering the loan assumption agreement;

(v) provide information required by the Commission for the purposes of administering the loan assumption agreement; and

(vi) comply with all applicable laws and regulations applicable to the program.

(2) The Commission shall agree that:

(i) upon receipt of information required by Section 30716, including the certification of the Office of the Adjutant General that the program participant has completed one year of service or in the case of a participant who is eligible because he or she has agreed to reenlist one year of additional service, as a qualifying member within the meaning of Section 66025.6 of the Education Code, the Commission shall assume, subject to the requirements of Section 69750.7 of the Education Code, up to two thousand dollars ($2,000) of the outstanding loan liability related to undergraduate or qualifying vocational training of the participant under one or more of the designated loan programs;

(ii) upon receipt of the information required by Section 30716, including certification by the Office of the Adjutant General that the program participant has completed two consecutive years of service or in the case of a participant who is eligible because he or she has agreed to reenlist two consecutive years of additional service, as a qualifying member within the meaning of Section 66025.6 of the Education Code, the Commission shall assume, subject to the terms of Section 69750.7 of the Education Code, up to an additional three thousand dollars ($3,000) of the outstanding loan liability related to undergraduate or qualifying vocational training of the participant under one or more of the designated loan programs, for a total loan assumption of up to five thousand dollars ($5,000); and

(iii) upon receipt of the information required by Section 30716, including certification by the Office of the Adjutant General that the program participant has completed three consecutive years of service or in the case of a participant who is eligible because he or she has agreed to reenlist three consecutive years of additional service, as a qualifying member within the meaning of Section 66025.6 of the Education Code, the Commission shall assume, subject to the terms of Section 69750.7 of the Education Code, up to an additional three thousand dollars ($3,000) of the loan outstanding liability related to undergraduate or qualifying vocational training of the participant under one or more of the

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designated loan programs, for a total loan assumption of up to eight thousand dollars ($8,000).

(iv) upon receipt of the information required by Section 30716, including certification by the Office of the Adjutant General that the program participant has completed four consecutive years of service or in the case of a participant who is eligible because he or she has agreed to reenlist four consecutive years of additional service, as a qualifying member within the meaning of Section 66025.6 of the Education Code, the Commission shall assume, subject to the terms of Section 69750.7 of the Education Code, up to an additional three thousand dollars ($3,000) of the loan outstanding liability related to undergraduate or qualifying vocational training of the participant under one or more of the designated loan programs, for a total loan assumption of up to eleven thousand dollars ($11,000).

(c) The term of the loan assumption agreement shall be no more than ten (10) years from the date signed by the program participant and the Commission.

(d) The loan assumption agreement shall constitute a conditional warrant that may be redeemed with the Commission as specified in Section 30716.

Note: Authority cited: Section 69751, Education Code. Reference: Sections 66025.6, 69750.3, 69750.5, 69750.7, Education Code

Section 30716. Loan Payments

(a) A program participant may redeem the conditional warrant and the Commission shall make loan payments, pursuant to the loan assumption agreement and as provided in subsection (b), when the Commission has received the following information for each qualifying year of service for which payment is to be made:

(1) from each lending institution, for each loan that qualifies for the assumption under the program and the loan assumption agreement:

(i) program participant's name and social security number;
(ii) account number;
(iii) interest rate;
(iv) disbursement date;
(v) payoff amount as of June 30;
(vi) lending institution/servicer name;
(vii) lending institution/servicer eight-digit identification code;
(viii) address to which payment is to be sent;
(ix) a signature of the lending institution official under penalty of perjury of the laws of the state of California certifying that this loan information is correct;
(x) printed name, telephone number and email address of the lending institution official;

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(2) certification from the Office of the Adjutant General that the program participant completed the year of satisfactory service required for a loan assumption payment to be made;

(3) verification from the institution of higher education or qualified vocational diploma program, of enrollment status or of academic leave of absence for the academic year corresponding with the year of military service or verification that participant has completed the vocational diploma program or a degree. Such verification is not required of participants who had completed their baccalaureate degree or vocational diploma program prior to acceptance as a participant in the program and submitted verification of completion with their application to the program pursuant to Section 30711.

(b) Loan payments made by the Commission shall be made by lump-sum payment to the lender, to be applied directly to the principal balance, if not otherwise prohibited by applicable law or by the terms of the loan agreement between the program participant and the lender. Payments shall first be made toward qualifying loans with the highest interest rates. The program participant shall continue to make payments as required under the terms of the loans to avoid defaulting on those loans, until notified by the lenders or loan servicers that the loans are paid in full.

Note: Authority cited: Section 69751, Education Code. Reference: Sections 69750.5, 69750.7 Education Code.

Section 30717. Failure to Comply with the Loan Assumption Agreement

(a) A program participant who fails to comply with the terms of the loan assumption agreement; shall be withdrawn from the program. Failure to comply includes but is not limited to failing to complete one of the four consecutive years of military service, or to maintain the required enrollment in an institution of higher education or vocational diploma program, unless the participant was on academic leave of absence for active duty or completed a baccalaureate degree or the vocational diploma program. The program participant shall retain responsibility to continue to make any payments required under the terms of any outstanding loans to avoid defaulting on those loans.

(b) A program participant who is entitled to an academic leave of absence because he or she is on active duty, pursuant to Section 66025.6 of the Education Code, shall retain responsibility to continue to make any payments required under the terms of any outstanding loans to avoid defaulting on these loans.

Note: Authority cited: Section 69751, Education Code. Reference: Sections 66025.6, 69750.7, 69751 Education Code.

Section 30718. Development of Projections for Funding Purposes

The Commission shall use the number of active program participants at the end of each year and their application dates and number of years in the program to project the funding level required to provide loan payments under the program.

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EDUCATION CODE
SECTION 69750-69751.8

69750. Commencing with the 2004-05 fiscal year, the National Guard Assumption Program of Loans for Education is established to provide an incentive for persons to enlist or reenlist in the National Guard, the State Military Reserve, or the Naval Militia within the meaning of Section 66025.6 who seek, or who have completed, degrees at institutions of higher education within this state, or who are enrolled in or have completed a program of instruction in a vocational diploma program, as defined in Section 94746, where enrollment qualifies a student for participation in the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.) or any loan program approved by the Student Aid Commission for this purpose.

69750.3. (a) A person who meets all of the following conditions is eligible to enter into an agreement for loan assumption, to be redeemed pursuant to Section 69750.5:

(1) The applicant agrees to enlist, or reenlist, in the National Guard, the State Military Reserve, or the Naval Militia.

(2) The applicant is enrolled in an institution of higher education or a vocational diploma program, as defined in Section 94746, that participates in the loan assumption program set forth in this article.

(3) In order to meet the costs associated with obtaining a degree or enrollment in a qualified vocational diploma program as defined in Section 94746, the applicant has received, or is approved to receive, a loan under one or more of the following designated loan programs:

(A) The Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.).

(B) Any loan program approved by the Student Aid Commission.

(b) A person participating in the program pursuant to this article shall not be eligible to enter into more than one agreement under this article.

69750.5. The Student Aid Commission shall commence loan assumption payments, as required by Section 69750.7, upon receipt of a certificate from the Military Department verifying that the applicant has completed the enlistment and military service requirements, and upon determination that the applicant has otherwise met the requirements of the loan assumption agreement and all other conditions of this article.

69750.7. The terms of the loan assumption agreements granted under this article shall be as follows, subject to the specific terms of each warrant:

(a) After a program participant has completed one year of service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, one year of additional service as, a qualifying member within the meaning of Section 66025.6, the Student Aid Commission shall assume up to two thousand dollars ($2,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational education, under one or more of the designated loan programs.

(b) After a program participant has completed two consecutive years of service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, two consecutive years of additional service as, a qualifying member within the meaning of Section 66025.6, the commission shall assume up to an additional three thousand dollars ($3,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational education, under one or more of the designated loan programs, for a total loan assumption of up to five thousand dollars ($5,000).

(c) After a program participant has completed three consecutive years of service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, three consecutive years of additional service as, a qualifying member within the meaning of Section 66025.6, the commission shall assume up to a maximum of an additional three thousand dollars ($3,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational education, under one or more of the designated loan programs, for a total loan assumption of up to eight thousand dollars ($8,000).

(d) After a program participant has completed four consecutive years of service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, four consecutive years of additional service as, a qualifying member within the meaning of Section 66025.6, the commission shall assume up to a maximum of an additional three thousand dollars ($3,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational education, under one or more of the designated loan programs, for a total loan assumption of up to eleven thousand dollars ($11,000).

69751. (a) The Student Aid Commission shall administer this article, and, in consultation with the Military Department, shall adopt rules and regulations for that purpose. The rules and regulations shall include, but need not be limited to, provisions regarding the period of time for which a loan assumption agreement shall remain valid, the reallocation of funds that are not utilized, and the development of projections for funding purposes. The commission shall solicit the advice of representatives from postsecondary educational institutions regarding the proposed rules and regulations. The commission shall adopt initial regulations for the program within six months of the effective date of the initial appropriation funding the program.

(b) The Student Aid Commission shall work in conjunction with lenders participating in federal loan programs to develop a streamlined application process for participation in the program set forth in this article.

69751.2. In any fiscal year in which the commission determines that funding for this article is insufficient to fully support this program, the commission shall, to the extent feasible, grant the following applicants priority for participation in the program:

(a) Individuals who are financially needy, as indicated by a household income and asset level that is at or below the maximum set for participants in the Cal Grant A program under Section 69432.7.

(b) Individuals who have been called to full-time active military duty.

69751.3. The Student Aid Commission shall report annually to the Legislature regarding program participation, including, but not necessarily limited to, both of the following, as categorized on the basis of age, ethnicity, and gender:

(a) The total number of participants in the program established by this article.

(b) The number of participants who receive a loan assumption benefit, classified by payment year.

69751.5. This article shall become inoperative on July 1, 2007, and, as of January 1, 2008, is repealed, unless a later enacted statute that is enacted before January 1, 2008, deletes or extends the date on which it becomes inoperative and is repealed.

69751.8. Notwithstanding any other provision of law, in any fiscal year, the Student Aid Commission may issue no more than the number of warrants that are authorized by the Governor and the Legislature in the annual Budget Act for that year for the assumption of loans pursuant to this article.

11

Information/Action Item

GRANT ADVISORY COMMITTEE

Proposed State Facilities Assumption Program of Loans for Education (SFAPLE) Regulations

Senate Bill (SB) No. 1309 created the State Facilities Assumption Program of Loans for Education (SFAPLE) program. This program is a loan assumption program for employees of specified state facilities within the SNAPLE program. This program will provide loan assumption benefits to persons who fulfill agreements to work full time for four (4) consecutive years as clinical registered nurses in state-operated 24-hour facilities that employ registered nurses. At the time the person commences employment, the facility must have a vacancy rate of greater than ten percent in clinical registered nursing positions as reported annually to the Commission by the Department of Personnel Administration. The program would provide for a progressive assumption of the amount of a qualifying loan over four (4) consecutive years of qualifying clinical registered nursing service, up to a total loan assumption of $20,000.

Enclosed are the proposed Regulations for this new program which must be submitted through the formal regulation process which requires a stakeholders' meeting and forty-five (45) day public comment period. This proposed text is the first step of that process.

Recommended Action: Authorize staff to take the necessary steps to prepare all required documents to begin the regulatory process.

Responsible Staff: Catalina Mistler, Manager
Specialized Programs and Student Support Services

CALIFORNIA STUDENT AID COMMISSION
P.O. Box 419026
Rancho Cordova, CA 95741-9026

AMENDMENT TO TITLE 5, DIVISION 4, CHAPTER 3, CA CODE OF REGULATIONS REGARDING IMPLEMENTATION OF STATE NURSING ASSUMPTION PROGRAM OF LOANS FOR EDUCATION, EMPLOYEES OF STATE FACILITIES (Educ. Code §§ 70120(a)(1)-70129)

PROPOSED TEXT

Text proposed to be added to the California Code of Regulations is displayed in *italic* type.
Text added to the regulations as originally proposed is displayed in <u>underlined</u> type.
Text proposed to be deleted from the regulations as originally proposed is displayed in ~~strikeout~~ type.

Article 17. State Nursing Assumption Program of Loans for Education, Employees of State Facilities

Section 30910. Definitions

(a)"Accelerated program of professional preparation for licensing as a registered nurse in California" means a program approved by the California Board of Registered Nursing that enables a student to complete the nursing program in less time than a traditional program.

(b "Accredited program of professional preparation for licensing as a registered nurse in California" means a college or university program to prepare students for licensing as a registered nurse in California that has been approved by the California Board of Registered Nursing and accredited by ????.

(c) "Clinical registered nurse" means a nurse registered in California who provides patient care services in a clinical setting.

(d) "Eligible institution" means a postsecondary institution that is determined by the Student Aid Commission to meet both of the following requirements: the institution is eligible to participate in state and federal financial aid programs, and the institution maintains an accredited program of professional preparation for licensing as a registered in California.

(e)"Full-time basis (enrollment)" as defined by the participating eligible institution.

(f) "Full-time (work) as defined by the employing, state-operated 24-hour facility.

(g) "Natural disaster" means a calamity caused by nature such as but not limited to fire, flood, earthquake, hurricane, that causes an interruption of employment at the employing state-operated 24-hour facility.

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(h) "Need-based student loans" means federally subsidized student loans or other student loans awarded based on the student's demonstrated financial need.

(i) "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 federal Family and Medical Leave Act of 1993.

(j) "One year" means twelve calendar months.

(k) "Program" means the State Nursing Assumption Program of Loans for Education, Employees of State Facilities established in Article 2 (commencing with section 70120 (a) (1)) of Chapter 3 of Part 42 of Division 5 of Title 3 of the California Code of Education and as set forth in this Article.

(l) "Program participant" means a registered nurse or student nurse who has a loan assumption agreement signed by both the student and the Commission.

(m) "Registered nurse" means a nurse who is licensed and registered by the California Board of Registered Nursing.

(n) "Satisfactory academic progress" means academic standing consistent with the requirements of the participating eligible institution for satisfactory progress toward the award of the nursing degree.

(o) "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 federal Family and Medical Leave Act of 1993.

(p) "State-operated 24-hour facility" includes but is not necessarily limited to a state-operated prison, psychiatric hospital or verterans' home.

Note

Authority cited: Section 70120(a)(1) of the Education Code. Reference: Sections 70122, 70123,70124, 70125, and 70128 of the Education Code.

Section 30911. Application to Participate in the Program

A student enrolled in an eligible institution in an accredited program of professional preparation for licensing as a registered nurse in California or any registered nurse who agrees to work full-time as a clinical registered nurse in a state-operated 24-hour facility may

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submit an application to participate in the program to the California Student Aid Commission. The application shall include the following information:

(a) Personal information:

(1) Last name, first name and middle initial;
(2) Social Security number;
(3) Address and telephone number;
(4) Date of birth;
(5) E-mail address, if available;
(6) California Registered Nurse License number, if applicable;
(7) proof of baccalaureate degree, if applicable;

(b) Information relating to criteria for being awarded a loan assumption agreement:

(1) Representations that the applicant:

(i) is working full-time in a state-operated 24-hour facility as a clinical registered nurse; or

(ii) has been admitted to, or is currently enrolled in, an accredited program of professional preparation for licensing as a registered nurse in California on a full-time basis;and has completed 60 semester units or the equivalent.

(2) Applicant's agreement to:

(i) maintain satisfactory academic progress; and

(ii) work as a clinical registered nurse in a state-operated 24-hour facility which has a greater than 10% vacancy rate in clinical nurse positions on a full-time basis for four consecutive years.

(3) The name of lender, loan identification number(s), and current balance(s) of a loan or loans the applicant has received, or has been approved to receive, in order to meet the costs of education under one or more of the following designated loan programs:

(i) the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.);

(ii) the Federal Direct Loan Program (20 U.S.C. Sec. 1087b et seq.);

(iii) any loan program approved by the Commission on a case by case basis but not including lines of credit, home equity loans, credit card debt, and other general consumer loans, business loans, personal loans, or mortgages.

(c) The application shall state that by signing, the applicant agrees that, if requested, the applicant will provide information or documentation to verify the accuracy of the information included in the application, and the applicant understands that failure to provide accurate and complete information as requested may result in disqualification from the program and loss of program benefits. The application shall be dated and signed by the applicant under penalty of perjury under the laws of the State of California.

Note

Authority cited: Section 70120(a)(1) of the Education Code.

Section 30912. Certifications from Eligible Institutions or Employing State-operated 24-hour Facilities

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(a) Certification from the employing state-operated 24-hour facility that the applicant is working full-time in their facility as a clinical registered nurse; or

(b) Certification from an eligible institution that the applicant has been admitted to or is enrolled in an accredited program of professional preparation for licensing as a registered nurse in California:

(1) the type of program, whether accelerated or traditional
(2) that the student is enrolled on a full-time basis and is making satisfactory academic progress as determined by the institution
(3) the participating institution's determination that the student has demonstrated outstanding ability on the basis of criteria that may include, but need not be limited to,
any of the following:
(i) grade point average.;
(ii) test scores.
(iii) faculty evaluations.
(iv) interviews.
(v) other recommendations

(c) Each certification submitted by an employer shall be signed by a direct supervisor or designated official of the state-operated 24-hour facility;
(d) Each certification submitted by an eligible institution shall be signed by the director of the institution's nursing program or designee under penalty of perjury under the laws of the State of California.

Note

Authority cited: Section 70120 of the Education Code.

Section 30913. Award Process

(a) The Commission shall select program participants from among those applicants whose applications are received by the Commission by the designated deadline date of each academic year and whose applications are complete. If the maximum allocation of awards is not exhausted after this selection process is completed, the Commission may continue to accept applications and select program participants based on the date the nominations are received by the Commission. The Commission may continue to make awards until the maximum allocation is satisfied.

(b) The Commission shall only consider and select from among applicants who meet the eligibility criteria in Section ?????.
(c) Applicants will be scored and awarded points using the following selection criteria:
(1) Completed baccalaureate degree at time of application equals 25 points.:
(2) Enrollment in accredited accelerated program of professional preparation for licensing as a registered nurse in California equals 25 points.

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(3) Owes outstanding balance on a federally subsidized student loan or other need-based student loan equals 25 points.

(4) California registered nursing license equals 25 points.

(d) The Commission will select nominees with the highest point totals until the authorized award allocation is exhausted. In the case of a tie in the total number of points, the Commission will select nominees based on the date the application is received by the Commission.

Note

Authority cited: Section 70120(a)(1) of the Education Code. Reference: Sections 70128 of the Education Code.

Section 30914. Loan Assumption Agreements

(a) The Commission shall provide a loan assumption agreement to each applicant who has been chosen by the Commission to be a program participant. The loan assumption agreement shall be effective when both the program participant and the Commission have signed the agreement.

(b) The loan assumption agreement shall include the following for those enrolled in an accredited program of professional preparation for licensing as a registered nurse in California:

(1) The program participant's agreements to

(i) maintain satisfactory academic progress;

(ii) be enrolled on a full-time basis each academic term;

(iii) continue to satisfy the requirements in section ????;

(iv) become a registered nurse licensed to practice in California

(v) work full time for four consecutive years as a clinical registered nurse in a state-operated 24-hour facility that employs registered nurses and that, at the time the applicant commenced employment there, had a clinical registered nurse vacancy rate of greater than 10 percent as reported by the Department of Personnel Administration in its most recent annual report to the Commission. An Agreement shall remain valid even if the state-operated facility at which the applicant is employed ceases to be listed as a facility with a greater than 10 percent vacancy rate for clinical registered nursing positions after the applicant is employed there.

(vi) authorize the accredited college or university he or she is attending, employers, and lenders to provide information requested by the Commission for the purposes of administering the loan assumption agreement.

(c)The loan assumption agreement shall include the following for those participants awarded a loan assumption agreement while working full time as a clinical registered nurse in a state-operated 24-hour facility with a greater than 10% vacancy rate in clinical registered nursing positions.

(1) The program participant's agreements to:

(i) continue to work full time as a clinical registered nurse in a state-operated 24-hour facility for four consecutive years.

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(ii) authorize employers, and lenders to provide information requested by the Commission for the purposes of administering the loan assumption agreement.

(2) The Commission shall agree that:

(i) after the program participant has completed one year of full time employment as a clinical registered nurse in a state-operated 24-hour facility, the Commission shall assume, subject to the requirements of section 30915, up to five thousand dollars ($5,000) of the outstanding liability of the participant under one or more of the designated loan programs;

(ii) after the program participant has completed two consecutive years of full time employment as a clinical registered nurse in a state-operated 24-hour facility, the Commission shall assume, subject to the terms of section 30915, up to an additional five thousand dollars ($5,000) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to ten thousand dollars ($10,000); and

(iii) after the program participant has completed three consecutive years of full time employment as a clinical registered nurse in a state-operated 24-hour facility, the Commission shall assume, subject to the terms of section 30915, up to an additional five thousand dollars ($5,000) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to fifteen thousand dollars ($15,000).

(iv) after the program participant has completed four consecutive years of full time employment as a clinical registered nurse in a state-operated 24-hour facility, the Commission shall assume, subject to the terms of section ?????, up to an additional five thousand dollars ($5,000) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to twenty thousand dollars ($20,000).

(c) The term of the loan assumption agreement shall be no more than 10 years from the date signed by the program participant and the Commission unless extended by the Commission in the case of serious illness, pregnancy, other natural causes or a natural disaster.

(d) The loan assumption agreement shall constitute a conditional warrant that may be redeemed with the Commission as specified in section 30915.

Note

Authority cited: Section70120 (a)(1) of the Education Code. Reference: Sections 70122, 70123, 70124, 70125of the Education Code.

Section 30915. Loan Payments

(a) A program participant may redeem the conditional warrant and the Commission shall make loan payments, as provided in subsection (c), when:

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(1) the program participant has provided documentation certifying that the program participant has been licensed as a registered nurse in California.

(2) the program participant has provided the following employment information for each applicable year of employment subject to the loan assumption agreement:

(i) program participant's name and social security number;

(ii) names and addresses of the program participant's employers;

(iii) program participant's signature under penalty of perjury under the laws of the State of California.

(3) the program participant has provided the following employment information from his or her employers for each applicable year of employment subject to the loan participation agreement:

(i) statement that the program participant completed a year of work as a clinical registered nurse on a full-time basis in a state-operated 24-hour facility,

(ii) statement indicating whether or not the employer anticipates the program participant will be employed by the employer for the next year,

(iii) statement that the employer is a state-operated 24-hour facility,

(iv) employer representative's printed or typed name, title, and telephone number;

(v) employer representative's signature under penalty of perjury under the laws of the State of California;

(4) the program participant has provided the following information from each lending institution on the loans subject to the loan assumption agreement:

(i) program participant's name and social security number;

(ii) account number for each loan;

(iii) interest rate for each loan;

(iv) disbursement date for each loan;

(v) payoff amount for each loan as of June 30;

(vi) indication for each loan whether the loan is delinquent or in default;

(vii) lending institution/servicer name;

(viii) lending institution/servicer eight-digit servicer identification code;

(ix) address for where payment is to be sent;

(x) a signature of the lending institution official under penalty of perjury under the laws of the State of California

(xi) printed name of the lending institution official;

(xii) e-mail address of the lending institution official;

(xiii) telephone number of the lending institution official;

(5) the Commission has determined that the program participant has satisfied the loan payment requirements of the loan assumption agreement.

(c) Loan payments shall be made by lump-sum payment to the lender, to be applied directly to the principal balance, if not otherwise prohibited by applicable law or by the terms of the loan agreement between the program participant and the lender. Payments shall first be made toward loans with the highest interest rates. The program participant shall continue to make payments as required under the terms of the loans to avoid defaulting on those loans, until notified by the lenders or loan servicers that the loans are paid in full.

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Note

Authority cited: Section70120 (a)(1) of the Education Code. Reference: Sections 70122, 70123

Section 30916. Failure to Comply with the Loan Assumption Agreement

(a) A program participant who fails to meet the requirements of section 30911(b)(1)-(5) throughout the term of the loan assumption agreement, or who fails to complete a minimum of four consecutive years of work as a clinical registered nurse in a state-operated 24-hour facility shall assume full liability for all student remaining after the commission's assumption of loan liability for the last year of qualifying clinical registered nursing service.

(b) If a program participant is unable to complete one of the four consecutive years of work as a clinical registered nurse in a state-operated 24-hour facility, due to serious illness, pregnancy, or other natural causes, the term of the loan assumption agreement shall be extended for a period not to exceed one academic year. The Commission shall make no further payments under the loan assumption agreement until the applicable work requirements specified have been satisfied. The program participant shall retain responsibility to continue to make any payments required under the terms of any outstanding loans to avoid defaulting on those loans.

(c) If a natural disaster prevents a program participant from completing one of the required years of work due to the interruption of employment at the employing state facility, the term of the loan assumption agreement shall be extended for the period of time equal to the period from the interruption of employment at the employing state facility to the resumption of employment. The Commission shall make no further payments under the loan assumption agreement until the applicable work requirements have been satisfied. The program participant, however, shall retain responsibility to continue to make any payments required under the terms of any outstanding loans to avoid defaulting on those loans.

Note

Authority cited: Section 70120 (a) (1) of the Education Code. Reference: Sections 70124 of the Education Code.

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Senate Bill No. 1309

CHAPTER 837

An act to amend Section 87482 of, to amend and renumber Sections 69616, 69616.1, 69616.2, 69616.3, 69616.4, 69616.5, 69616.6, 69616.7, 69616.8, 69616.9, and 69617 of, to add Article 3.51 (commencing with Section 78260), Article 3.52 (commencing with Section 78261), and Article 3.53 (commencing with Section 78262) to Chapter 2 of Part 48 of, to add Article 7.7 (commencing with Section 89267) to Chapter 2 of Part 55 of, to add Article 5.5 (commencing with Section 92645) to Chapter 6 of Part 57 of, to add the heading of Chapter 3 (commencing with Section 70100) to Part 42 of, and to add the heading of Article 1 (commencing with Section 70100) to Chapter 3 of Part 42 of, to add and repeal Article 10 (commencing with Section 33430) of Chapter 3 of Part 20 of, to add and repeal Article 2 (commencing with Section 70120) of Chapter 3 of Part 42 of, and to repeal the heading of Article 5.3 (commencing with Section 69616) of Chapter 2 of Part 42 of, the Education Code, relating to nursing education.

[Approved by Governor September 30, 2006. Filed with
Secretary of State September 30, 2006.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1309, Scott. Nursing education: grants, loan assumptions, and faculty recruiting and retention.

(1) Existing law establishes programs of nursing education at public and private institutions of higher education.

This bill would express legislative intent with respect to expanding the capacity of the state's institutions of higher education to prepare students for nursing careers.

(2) Existing law establishes the State Department of Education under the administration of the State Board of Education and the Superintendent of Public Instruction, and provides the department with numerous duties and responsibilities with respect to statewide administration of public elementary and secondary education programs and services.

This bill would establish a Health Science and Medical Technology Project to provide competitive grant funds to California public schools offering grades 7 to 12, inclusive, to enhance existing or establish new health-related career pathway programs, including programs at California Partnership academies and regional occupational centers and programs, as well as other health science and medical technology pathway programs. The bill would express legislative intent with respect to the funding of this project.

The bill would require the State Department of Education to report to the Legislature and the Governor on the efficacy of this project on or before January 1, 2012. The bill would repeal the program as of January 1, 2014.

(3) Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education.

Existing law establishes the State Nursing Assumption Program of Loans for Education (SNAPLE), administered by the commission, under which any person enrolled in an institution of postsecondary education and participating in that loan assumption program is eligible to receive a conditional warrant for loan assumption, to be redeemed upon becoming employed as a full-time nursing faculty member at a California college or university.

Among other things, the SNAPLE act establishes eligibility requirements, including the receipt of a graduate degree from an accredited, participating institution before loan assumption payments may be made, limits each participant in the program to one loan assumption agreement, and provides for a progressive assumption of the amount of the loan over 3 consecutive years of teaching, up to a total loan assumption of $25,000. The SNAPLE act requires the commission to report annually to the Legislature, and states the intent of the Legislature that, commencing with the 2006–07 fiscal year, funding necessary for the administration of the program shall be included within the annual budget of the commission.

This bill would amend the SNAPLE act to authorize the award of loan assumption agreements under the program to undergraduate students and to authorize the making of loan assumption payments to applicants who have taught on a part-time basis for the equivalent of 3 full-time academic years. The bill would authorize the extension of the term of a loan assumption agreement if a natural disaster prevents a program participant from completing one of the years of required teaching service. The bill would express the intent of the Legislature that the amendments made by the bill apply retroactively to existing loan assumption agreements made under the program, and would authorize the commission to amend any existing loan assumption agreements and to issue new loan assumption agreements to conform to this bill. The bill would also make various technical, nonsubstantive changes in the SNAPLE act.

This bill would establish a loan assumption program for employees of specified state facilities within the SNAPLE program. This program would provide loan assumption benefits to persons who fulfill agreements to work full time for 4 consecutive years as clinical registered nurses in state-operated 24-hour facilities, as specified, that employ registered nurses and that, at the time the person commences employment at the facility, have a vacancy rate of greater than 10% in clinical registered nursing positions, as reported, pursuant to the bill, to the commission by the Department of Personnel Administration. The program would provide

for a progressive assumption of the amount of a qualifying loan over 4 consecutive years of qualifying clinical registered nursing service, up to a total loan assumption of $20,000. The bill would require the commission to report specified data about program participants annually to the Legislature. The bill would require the Office of the Legislative Analyst to submit, on or before May 1, 2011, a report to the Legislature that includes the findings and recommendations of the Legislative Analyst with respect to the efficacy of the program.

The bill would provide that this program would become inoperative on July 1, 2012, and would be repealed on January 1, 2013.

(4) Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the segments of public postsecondary education in this state. Existing law requires the board of governors to appoint a chief executive officer, known as the Chancellor of the California Community Colleges. Existing law establishes community college districts throughout the state, and authorizes these districts to provide instruction to students at the community college campuses maintained by the districts.

The bill would establish the California Community Colleges Nursing Faculty Recruitment and Retention Program for purposes of facilitating the recruitment and retention of qualified nursing faculty. The bill would specify the amount of the grants that would be disbursed, under the program, to each participating community college district. The bill would repeal provisions of this program relating to the development of 5 nursing resource centers, contingent upon the receipt of funds from the United States Department of Labor, as of January 1, 2012.

(5) Existing law authorizes the governing board of a community college district to employ any qualified individual as a temporary faculty member for a complete school year, but prohibits the employment of a person under this provision for more than 2 semesters or 3 quarters within any period of 3 consecutive years.

This bill would exempt persons serving as clinical nursing faculty from this limit, and instead limit these persons to employment under this provision for up to 4 semesters or 6 quarters within any period of 3 consecutive academic years between July 1, 2007, and June 30, 2014. The bill would require districts employing persons under this provision to provide specified data to the Chancellor of the California Community Colleges on or before June 30, 2012, and would require the chancellor to report to the Legislature and the Governor on or before September 30, 2012, on specified topics related to this provision. The bill would prohibit a district from employing a person pursuant to this provision if the hiring of that person results in an increase in the ratio of part-time to full-time nursing faculty in that district.

(6) Existing law establishes the California State University under the administration of the Trustees of the California State University, and provides for the operation of 25 component institutions of the university.

This bill would express legislative intent with respect to the expansion and funding of baccalaureate degree nursing programs of the university.

(7) Existing law establishes the University of California under the administration of the Regents of the University of California, and authorizes the provision of instruction at the 10 component institutions of the university.

This bill would express legislative intent with respect to the expansion and funding of baccalaureate and master's degree nursing programs of the university.

The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature hereby finds and declares that California is facing a health care crisis of immense proportion in major part due to a critical shortage of registered nurses. California currently ranks 49th among states in nurses per capita. This shortage is expected to increase over the next five years due to the aging of both the general population and of the nursing workforce. It is estimated that, in order to fill the projected shortage, California will need to graduate an additional 3,300 nurses a year.

(b) Furthermore, state educational institutions do not currently have the capacity to meet California's nursing workforce needs. Schools are filled to capacity and have long waiting lists. A shortage of faculty and clinical facilities makes it difficult for schools to expand their programs. A significant number of students fail to complete registered nursing programs because of a lack of preparation, limited program support services, and college admission policies.

(c) The Legislature also finds that diversity in the health care workforce is essential to providing quality access to health care to the multicultural and ethnic communities in the state.

(d) Therefore, the Legislature declares its intent to establish the Nursing Education Pipeline Act of 2006 to expand the number of nurses educated in California over the next five years by accomplishing all of the following:

(1) Expanding the capacity of health career programs at the secondary level.

(2) Increasing nursing education enrollment in community colleges and the California State University system.

(3) Recruiting and retaining nursing faculty.

(4) Streamlining the clinical placement process and thereby increasing clinical placement opportunities for both students and hospitals.

(5) Enhancing financial assistance for nursing students and nurses choosing to become nursing faculty.

(6) Providing additional resources to community colleges to reduce program attrition.

(7) Creating a statewide health workforce database to monitor workforce supply and demand issues and educational capacity to meet workforce needs.

SEC. 2. Article 10 (commencing with Section 33430) is added to Chapter 3 of Part 20 of the Education Code, to read:

Article 10. Health Science and Medical Technology Project

33430. (a) This article establishes the Health Science and Medical Technology Project, administered by the State Department of Education to provide competitive grant funds to California public schools offering grades 7 to 12, inclusive, to enhance existing or establish new health-related career pathway programs. Programs eligible for funding include, but are not necessarily limited to, California partnership academies and regional occupational centers and programs, as well as other health science and medical technology pathway programs. Grant recipients shall, at a minimum, offer a coherent sequence of standards-based academic and Career Technical Education coursework in selected pathways that will result in higher levels of achievement, technical skills, and knowledge necessary for students to pursue a full range of health care employment at support, technical, or professional levels.

(b) Funding provided for the purposes of this article shall be used for any of the following purposes: standards-based curriculum development, development of a sequence of courses in selected pathways, program articulation in grades 7 to 14, inclusive, material and equipment, student support, work-based learning experiences, and professional development.

33431. The State Department of Education shall report to the Legislature and the Governor on the efficacy of the project established under this article on or before January 1, 2012.

33432. This article shall remain in effect only until January 1, 2014, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2014, deletes or extends that date.

SEC. 3. The heading of Article 5.3 (commencing with Section 69616) of Chapter 2 of Part 42 of the Education Code, as amended and renumbered by Section 21 of Chapter 79 of the Statutes of 2006, is repealed.

SEC. 4. Section 69616 of the Education Code, as amended by Section 22 of Chapter 79 of the Statutes of 2006, is amended and renumbered to read:

70100. (a) The Legislature hereby recognizes the growing need for new faculty members in the nursing field at California's colleges and universities. This need will be fueled largely by the large number of current faculty approaching retirement age who will need to be replaced and the expected growth in enrollment demand in California. Further, to increase the supply of nurses in California, there must be an expansion of

nursing educator opportunities in public colleges and universities that will produce the necessary faculty to teach in nursing programs in the state.

(b) The Legislature finds that the rising costs of higher education, coupled with a shift in available financial aid from scholarships and grants to loans, make loan repayment options an important consideration in a student's decision to pursue a graduate degree in nursing education or in a field related to nursing.

(c) It is the intent of the Legislature that the State Nursing Assumption Program of Loans for Education (SNAPLE) be designed to encourage persons to complete their graduate educations and serve as nursing faculty in a registered nursing program at an accredited California college or university.

(d) As used in this article, "commission" means the Student Aid Commission.

SEC. 5. Section 69616.1 of the Education Code, as amended by Section 23 of Chapter 79 of the Statutes of 2006, is amended and renumbered to read:

70101. (a) Program participants shall meet all of the following eligibility criteria prior to selection into the program and shall continue to meet these criteria, as appropriate, during the payment periods:

(1) The participant shall be a United States citizen or eligible noncitizen.

(2) The participant shall be a California resident attending an eligible school or college.

(3) The participant shall be making satisfactory academic progress.

(4) The participant shall have complied with United States Selective Service requirements.

(5) The participant shall not owe a refund on any state or federal educational grant or have delinquent or defaulted student loans.

(b) Any person enrolled in an institution of postsecondary education and participating in the loan assumption program set forth in this article may be eligible to receive a conditional warrant for loan assumption, to be redeemed pursuant to this act upon becoming employed as a full-time nursing faculty member at a California college or university or the equivalent of full-time service as a nursing faculty member employed part time at one or more California colleges or universities.

(c) (1) The commission shall award loan assumption agreements to undergraduate students with demonstrated academic ability and financial need, as determined by the commission pursuant to Article 1.5 (commencing with Section 69503) of Chapter 2, and to graduate students with demonstrated academic ability.

(2) The applicant shall have completed a baccalaureate degree program or be enrolled in an academic program leading to a baccalaureate level or a graduate level degree.

(3) The applicant shall be currently enrolled in or admitted to a program in which he or she will be enrolled on at least a half-time basis each

academic term as defined by an eligible institution. The applicant shall agree to maintain satisfactory academic progress.

(4) The applicant shall have been judged by his or her postsecondary institution to have outstanding ability on the basis of criteria that may include, but need not be limited to, any of the following:

(A) Grade point average.

(B) Test scores.

(C) Faculty evaluations.

(D) Interviews.

(E) Other recommendations.

(5) The applicant shall have received, or be approved to receive, a loan under one or more of the following designated loan programs:

(A) The Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.).

(B) The Federal Direct Loan Program.

(C) Any loan program approved by the commission.

(6) The applicant shall have agreed to teach nursing on a full-time basis at one or more accredited California colleges or universities for at least three years, or on a part-time basis for the equivalent of three full-time academic years, commencing not more than 12 months after obtaining an academic degree, unless the applicant, within 12 months after obtaining the academic degree, enrolls in an academic degree program leading to a more advanced degree in nursing or a field related to nursing.

(7) An applicant who teaches on less than a full-time basis may participate in the program, but is not eligible for loan repayment until that person teaches for the equivalent of a full-time academic year.

(d) A person participating in the program pursuant to this section shall not receive more than one loan assumption agreement, and shall not be eligible to receive a grant pursuant to Article 3.51 (commencing with Section 78260) of Chapter 2 of Part 48.

SEC. 6. Section 69616.2 of the Education Code, as amended by Section 24 of Chapter 79 of the Statutes of 2006, is amended and renumbered to read:

70102. The commission shall commence loan assumption payments pursuant to this article upon verification that the applicant has fulfilled all of the following:

(a) The applicant has received a baccalaureate degree or a graduate degree from an accredited, participating institution.

(b) The applicant has provided the equivalent of full-time nursing instruction at one or more regionally accredited California colleges or universities for one academic year or the equivalent.

(c) The applicant has met the requirements of the loan assumption agreement and all other conditions of this article.

SEC. 7. Section 69616.3 of the Education Code, as amended by Section 25 of Chapter 79 of the Statutes of 2006, is amended and renumbered to read:

70103. The terms of the loan assumptions granted under this article shall be as follows, subject to the specific terms of each loan assumption agreement:

(a) After a program participant has completed one academic year, or the equivalent of full-time teaching nursing studies, at one or more regionally accredited, eligible California colleges or universities, the commission shall assume up to eight thousand three hundred thirty-three dollars ($8,333) of the outstanding liability of the participant under one or more of the designated loan programs.

(b) After the program participant has completed two consecutive academic years, or the equivalent of full-time teaching, at one or more regionally accredited California colleges or universities, the commission shall assume up to an additional eight thousand three hundred thirty-three dollars ($8,333) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to sixteen thousand six hundred sixty-six dollars ($16,666).

(c) After a program participant has completed three consecutive academic years, or the equivalent of full-time teaching, at one or more regionally accredited California colleges or universities, the commission shall assume up to an additional eight thousand three hundred thirty-four dollars ($8,334) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to twenty-five thousand dollars ($25,000).

(d) The commission may assume liability for loans received by the program participant to pay for the costs of obtaining the program participant's undergraduate and graduate degrees.

(e) The term of the loan assumption agreement shall be not more than 10 years from the date on which the agreement was executed by the program participant and the commission.

SEC. 8. Section 69616.4 of the Education Code, as amended by Section 26 of Chapter 79 of the Statutes of 2006, is amended and renumbered to read:

70104. (a) Except as provided in subdivision (b), if a program participant fails to complete a minimum of three academic years of teaching on a full-time basis or the equivalent on a part-time basis, as required by this article under the terms of the agreement pursuant to paragraph (6) of subdivision (c) of Section 70101, the loan assumption agreement is no longer effective and shall be deemed terminated, and the commission shall not make any further payments. The participant shall resume responsibility for any remaining loan obligations, but shall not be required to repay any loan payments previously made through this program.

(b) Notwithstanding subdivision (a), if a program participant becomes unable to complete one of the three years of teaching service on a full-time basis, or the equivalent on a part-time basis, due to a serious illness, pregnancy, or other natural causes, the term of the loan assumption agreement shall be extended for a period not to exceed one academic year.

The commission shall make no further payments under the loan assumption agreement until the applicable teaching requirements specified in Section 70103 have been satisfied.

(c) If a natural disaster prevents a program participant from completing one of the required years of teaching service due to the interruption of instruction at the employing accredited California college or university, the term of the loan assumption agreement shall be extended for the period of time equal to the period from the interruption of instruction at the employing accredited California college or university to the resumption of instruction. The commission shall make no further payments under the loan assumption agreement until the applicable teaching requirements specified in Section 70103 have been satisfied.

SEC. 9. Section 69616.5 of the Education Code, as amended by Section 27 of Chapter 79 of the Statutes of 2006, is amended and renumbered to read:

70105. (a) The commission shall accept nominations from accredited colleges and universities made pursuant to this article.

(b) The commission shall choose from among those nominations of undergraduate students deemed financially needy with outstanding student loans pursuant to Article 1.5 (commencing with Section 69503), and of graduate students with outstanding student loans, based upon criteria that may include, but are not necessarily limited to, all of the following:

(1) Grades at the undergraduate level in a subject field related to nursing.

(2) Grades in the undergraduate program.

(3) Aptitude for graduate work in the field of nursing.

(4) General aptitude for graduate study.

(5) Critical human resource needs.

(c) The commission may develop additional criteria for the selection of award recipients consistent with the purposes of this article.

SEC. 10. Section 69616.6 of the Education Code is amended and renumbered to read:

70106. The commission shall administer this article, and shall adopt rules and regulations for that purpose. The rules and regulations shall include, but need not be limited to, provisions regarding the period of time for which a warrant shall remain valid and the development of projections for funding purposes. In developing these rules and regulations, the commission shall solicit the advice of representatives from postsecondary education institutions, the Office of Statewide Health Planning and Development, and the nursing community.

SEC. 11. Section 69616.7 of the Education Code is amended and renumbered to read:

70107. The commission shall work to develop a streamlined application process for participation in the program set forth in this article.

SEC. 12. Section 69616.8 of the Education Code is amended and renumbered to read:

70108. The commission shall report annually to the Legislature on this program. The report shall include, but not be limited to, all of the following:

(a) The total number of loan assumption agreements offered, by education level and institution.

(b) The number of loan assumption agreements paid out, by education level and institution.

(c) The number of loan assumption agreements that are redeemed, by year of service (year one through year three).

(d) The annual and cumulative attrition rate of participants, by education level and institution.

SEC. 13. Section 69616.9 of the Education Code is amended and renumbered to read:

70109. Notwithstanding any other law, in any fiscal year, the commission shall award no more than the number of warrants that are authorized by the Governor and the Legislature in the annual Budget Act for that year for the assumption of loans pursuant to this article.

SEC. 14. Section 69617 of the Education Code is amended and renumbered to read:

70110. It is the intent of the Legislature that, commencing with the 2006–07 fiscal year, funding necessary for the administration of the student loan assumption program implemented pursuant to this article shall be included within the annual budget of the commission.

SEC. 15. The heading of Chapter 3 (commencing with Section 70100) is added to Part 42 of the Education Code, to read:

Chapter 3. State Nursing Assumption Program of Loans for Education (SNAPLE)

SEC. 16. The heading of Article 1 (commencing with Section 70100) is added to Chapter 3 of Part 42 of the Education Code, to read:

Article 1. Nursing Faculty

SEC. 17. Article 2 (commencing with Section 70120) is added to Chapter 2 of Part 42 of the Education Code, to read:

Article 2. Employees of State Facilities

70120. (a) (1) Any person enrolled in an eligible institution, or any person who agrees to work full time as a registered nurse in a state-operated 24-hour facility that employs registered nurses, may be eligible to enter into an agreement for loan assumption, to be redeemed pursuant to Section 70122 upon becoming employed as a clinical registered nurse in a state-operated 24-hour facility that employs registered nurses and that has a clinical registered nurse vacancy rate of greater than

10 percent as reported annually to the commission by the Department of Personnel Administration pursuant to Section 70121. In order to be eligible to enter into an agreement for loan assumption, an applicant shall satisfy all of the conditions specified in subdivision (b).

(2) As used in this article, "eligible institution" means a postsecondary institution that is determined by the Student Aid Commission to meet both of the following requirements:

(A) The institution is eligible to participate in state and federal financial aid programs.

(B) The institution maintains an accredited program of professional preparation for licensing as a registered nurse in California.

(3) As used in this article, "state-operated 24-hour facility" includes, but is not necessarily limited to, a state-operated prison, psychiatric hospital, or veterans' home.

(b) (1) The applicant has been admitted to, or is enrolled in, an accredited program of professional preparation for licensing as a registered nurse in California.

(2) The applicant is currently enrolled, or has been admitted to a program in which he or she will be enrolled, on a full-time basis, as determined by the participating institution. The applicant shall agree to maintain satisfactory academic progress and a minimum of full-time enrollment, as defined by the participating eligible institution.

(3) The applicant has been judged by his or her postsecondary institution to have outstanding ability on the basis of criteria that may include, but need not be limited to, any of the following:

(A) Grade point average.

(B) Test scores.

(C) Faculty evaluations.

(D) Interviews.

(E) Other recommendations.

(4) The applicant has received, or is approved to receive, a loan under one or more of the following designated loan programs:

(A) The Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.).

(B) Any loan program approved by the Student Aid Commission.

(5) The applicant has agreed to work full time for at least four consecutive years as a clinical registered nurse in a state-operated 24-hour facility that employs registered nurses and that has a clinical registered nurse vacancy rate of greater than 10 percent as reported annually to the commission by the Department of Personnel Administration.

(c) No applicant who has completed fewer than 60 semester units, or the equivalent, shall be eligible under this section to participate in the loan assumption program set forth in this article.

(d) An agreement shall remain valid even if the state-operated facility at which the applicant is employed ceases to be listed pursuant to Section 70121 after the applicant is employed there.

(e) A person participating in the program pursuant to this section shall not enter into more than one agreement.

70121. On or before January 31, 2007, and each January 31 thereafter until, and including, January 31, 2012, the Department of Personnel Administration shall provide the commission with a list including each state-operated 24-hour facility that employs registered nurses where, as of the immediately preceding January 1, there is a vacancy rate in clinical registered nurse positions that exceeds 10 percent.

70122. The commission shall commence loan assumption payments, as specified in Section 70123, upon verification that the applicant has fulfilled all of the following:

(a) The applicant has become a registered nurse licensed to practice in California.

(b) The applicant is working full time as a clinical registered nurse in a state-operated 24-hour facility that employs registered nurses and that, at the time the applicant commenced employment there, had a clinical registered nurse vacancy rate of greater than 10 percent as reported, pursuant to Section 70121, by the Department of Personnel Administration in its most recent annual report to the commission.

(c) The applicant has met the requirements of the agreement and all other pertinent conditions of this article.

70123. The terms of a loan assumption granted under this article shall be as follows, subject to the specific terms of each agreement:

(a) After a program participant has completed one year of full-time employment as described in subdivision (b) of Section 70122, the commission shall assume up to five thousand dollars ($5,000) of the participant's outstanding liability under one or more of the designated loan programs.

(b) After a program participant has completed two years of full-time employment as described in subdivision (b) of Section 70122, the commission shall assume up to an additional five thousand dollars ($5,000) of the participant's outstanding liability under one or more of the designated loan programs, for a total loan assumption of up to ten thousand dollars ($10,000).

(c) After a program participant has completed three years of full-time employment as described in subdivision (b) of Section 70122, the commission shall assume up to an additional five thousand dollars ($5,000) of the participant's outstanding liability under one or more of the designated loan programs, for a total loan assumption of up to fifteen thousand dollars ($15,000).

(d) After a program participant has completed four years of full-time employment as described in subdivision (b) of Section 70122, the commission shall assume up to an additional five thousand dollars ($5,000) of the participant's outstanding liability under one or more of the designated loan programs, for a total loan assumption of up to twenty thousand dollars ($20,000).

70124. (a) Except as provided in subdivision (b), if a program participant fails to complete a minimum of four consecutive years of full-time employment as required by this article, under the terms of the agreement pursuant to paragraph (5) of subdivision (b) of Section 70120, the participant shall assume full liability for all student loan obligations remaining after the commission's assumption of loan liability for the last year of qualifying clinical registered nursing service pursuant to Section 70123.

(b) Notwithstanding subdivision (a), if a program participant becomes unable to complete one of the four consecutive years of qualifying clinical registered nursing service due to serious illness, pregnancy, or other natural causes, the term of the loan assumption agreement shall be extended for a period not to exceed one year. The commission shall make no further payments under the loan assumption agreement until the applicable work requirements as specified in Section 70122 have been satisfied.

(c) If a natural disaster prevents a program participant from completing one of the required years of work due to the interruption of employment at the employing state facility, the term of the loan assumption agreement shall be extended for the period of time equal to the period from the interruption of employment at the employing state facility to the resumption of instruction. The commission shall make no further payments under the loan assumption agreement until the applicable teaching requirements specified in Section 70103 have been satisfied.

70125. The commission shall administer this article, and shall adopt rules and regulations for that purpose. The rules and regulations shall include, but need not be limited to, provisions regarding the period of time during which an agreement shall remain valid, the reallocation of resources in light of agreements that are not utilized by program participants, the failure, for any reason, of a program participant to complete a minimum of four consecutive years of qualifying clinical registered nursing service, and the development of projections for funding purposes.

70126. On or before January 31, 2008, and on or before each January 31 thereafter until, and including, January 31, 2012, the commission shall report annually to the Legislature regarding both of the following, on the basis of sex, age, and ethnicity:

(a) The total number of program participants and the type of program of professional preparation they are attending or have attended.

(b) The numbers of participants who complete one, two, three, or four years of qualifying clinical registered nursing service, respectively.

70127. On or before May 1, 2011, the Office of the Legislative Analyst shall submit a report to the Legislature that includes the findings and recommendations of the Legislative Analyst with respect to the efficacy of the program established by this article.

70128. In selecting applicants for participation in this program, the commission shall grant priority to applicants who, in the determination of the commission, are included in any of the following categories:

(a) Persons who possess a baccalaureate degree at the time of initial application.

(b) Persons who are enrolled in an accelerated program of professional preparation for licensing as a registered nurse in California.

(c) Persons who are recipients of federally subsidized student loans or other need-based student loans.

70129. This article shall become inoperative on July 1, 2012, and, as of January 1, 2013, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2013, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 18. Article 3.51 (commencing with Section 78260) is added to Chapter 2 of Part 48 of the Education Code, to read:

Article 3.51. Nursing Faculty

78260. (a) (1) In order to further the state's interests in a major expansion in the number of educated nurses in California, the Legislature finds that it is necessary to ensure a significant expansion in the number of qualified nursing faculty at California Community Colleges. Therefore, the Legislature hereby creates the California Community Colleges Nursing Faculty Recruitment and Retention Program in the Chancellor's Office of the California Community Colleges for purposes of facilitating the recruitment and retention of qualified nursing faculty. The Chancellor of the California Community Colleges shall allocate funds on a competitive grant basis to community college districts that commit to sustained increases in the number of full-time equivalent students taught in the district's nursing programs, as specified by the chancellor, and that also commit to the terms and conditions specified in this section.

(2) It is the intent of the Legislature that the grants awarded under this article should be one-time grants and that the total amount of the funding for this article in any fiscal year should be limited to the amount appropriated for that purpose in the annual Budget Act. The Legislature finds and declares that the initial funding for this article is the appropriation contained in paragraph (30) of subdivision (a) of Section 43 of Chapter 79 of the Statutes of 2006.

(b) (1) (A) The grant amount to each participating district shall be based on the number of full-time faculty at the district who are in their first through fifth year of service as an instructor in a California Community College registered nursing program in the fiscal year for which funds are disbursed. Notwithstanding any other provision of law, a community college district that receives an allocation for the making of grants under this article shall have up to five years to disburse these funds.

(B) Except as provided in paragraph (3), the amount granted to any person under this article shall not exceed a total of twenty thousand dollars ($20,000) disbursed over a five-year period with a maximum of six thousand dollars ($6,000) in any one year.

(2) Disbursements under this section shall be based on the following schedule:

(A) Six thousand dollars ($6,000) for each instructor in his or her first year.

(B) Five thousand dollars ($5,000) for each instructor in his or her second year.

(C) Four thousand dollars ($4,000) for each instructor in his or her third year.

(D) Three thousand dollars ($3,000) for each instructor in his or her fourth year.

(E) Two thousand dollars ($2,000) for each instructor in his or her fifth year.

(3) Notwithstanding the amounts listed in paragraph (2), the amount granted to a person under this article may be supplemented, in any year of the five-year cycle of disbursements under paragraph (2), by up to one thousand dollars ($1,000) in local matching funds, plus an equal amount of funds disbursed pursuant to this program.

(4) A person who receives a grant under this article shall not be eligible for participation in the State Nursing Assumption Program of Loans for Education Chapter 3 (commencing with Section 70100) of Part 42.

(c) Each district is authorized, through its shared governance and collective bargaining relationships, to allocate actual payments to faculty in their first through fifth years of service as a nursing instructor on a different basis if the district finds that its ability to recruit and retain nursing faculty is thereby enhanced.

(d) Each district may use a portion of the grant proceeds to offer incentives to either full-time or part-time nursing instructors for the purpose of instruction in clinical settings during weekends and evenings. This subdivision shall not construed to be limited to faculty in their first through fifth years of service as nursing instructors.

(e) As a condition of receiving grant funds under this article, each district agrees to provide the chancellor with all data requested by the chancellor on the expenditure of funds and program outcomes.

(f) The chancellor shall report annually by March 1 to the Legislature and the Governor on program expenditures and outcomes by participating district and college.

SEC. 19. Article 3.52 (commencing with Section 78261) is added to Chapter 2 of Part 48 of the Education Code, to read:

Article 3.52. Nursing Students

78261. (a) The Legislature finds and declares both of the following:

(1) The Legislature intends to facilitate both the expansion of associate degree nursing programs and the improvement in completion rates in those programs.

(2) The Legislature also intends that community colleges employ nationally validated diagnostic assessment tools that are aligned with national nursing certification requirements. Both students and the state benefit when diagnostic assessments are supplemented with educational opportunities to assist students in meeting skill levels.

(b) It is the intent of the Legislature to create a Nursing Enrollment Growth and Retention program in the Chancellor's Office of the California Community Colleges. The purpose of this program shall be to provide grants to community college associate degree of nursing programs that meet either of the following conditions:

(1) The nursing program has low or moderate program attrition levels.

(2) The nursing program provides a comprehensive program of diagnostic assessment, prenursing preparation, and program-based support to students.

(c) It is the intent of the Legislature that this program shall be funded, beginning in the 2006–07 fiscal year, by a redirection of the ten million dollars ($10,000,000) provided annually pursuant to the Budget Act of 2005, along with an additional investment of two million eight hundred eighty-six thousand dollars ($2,886,000) annually, for a total program budget of twelve million eight hundred eighty-six thousand dollars ($12,886,000) annually. Unencumbered funds that were appropriated in the Budget Act of 2005 may be used for capacity building and equipment in the 2006–07 fiscal year.

(d) The Board of Governors of the California Community Colleges and the Chancellor of the California Community Colleges may award grants to community college districts with associate degree nursing programs to expand enrollment, reduce program attrition, or both. Funds shall be used only for the following purposes: expanding enrollment, providing diagnostic assessments, and developing and offering preentry coursework to prospective nursing students and diagnostic assessments and supportive services to enrolled nursing students. For purposes of this section, supportive services include, but are not necessarily limited to, tutoring, case management, mentoring, and counseling services. Funds may also be used to develop alternative delivery models such as part-time, evening, weekend, and summer program offerings. In order to qualify for these funds, a community college associate degree nursing program shall do either of the following:

(1) Have a program attrition rate, as determined by the Board of Registered Nursing's Annual School Report or the Information Program Data System of the Chancellor's Office of the California Community Colleges, of 15 percent or less for the year prior to application for funding.

(2) Commit to implement a comprehensive program of diagnostic assessment, prenursing enrollment preparation, and program-based support to enrolled students, as defined in this article.

(e) Prior to awarding any funds to be used for reducing program attrition, the chancellor's office shall do all of the following:

(1) Identify, in collaboration with community college associate degree nursing programs, nationally validated diagnostic assessment tools that determine the likelihood of academic success in registered nursing education programs.

(2) Establish, in collaboration with community college associate degree nursing programs, the systemwide proficiency level necessary for academic success for each diagnostic assessment tool.

(3) Define the kinds of educational and support services that qualify for funding under this program.

(f) As a condition of receiving grants under paragraph (2) of subdivision (d), a community college district shall, at a minimum, do all of the following:

(1) Utilize diagnostic assessment tools prior to enrollment to determine readiness for community college associate degree nursing programs.

(2) Develop educational preentry coursework, including, but not necessarily limited to, tutorials or noncredit instruction, aligned to the entry level nursing standards and curriculum for students who fail to demonstrate readiness based upon the diagnostic assessment tools.

(3) Provide access to prenursing coursework for all students who do not demonstrate readiness based upon the diagnostic assessment tools.

(4) Require that students demonstrate readiness through the diagnostic assessment or successful completion of the prenursing coursework specified above prior to commencing the registered nursing program.

(5) Ensure that students that participate in educational preentry coursework in order to demonstrate readiness based upon the diagnostic assessment tools are not disadvantaged in the program enrollment process.

(g) As a condition of receiving grant funds pursuant to paragraph (2) of subdivision (d), each recipient district shall report to the chancellor's office the following data for the academic year on or before a date determined by the chancellor's office:

(1) The number of students enrolled in the nursing program.

(2) The number of students taking diagnostic assessments.

(3) The number of students failing to meet proficiency levels as determined by diagnostic assessment tools.

(4) The number of students failing to meet proficiency levels that enroll in preentry preparation classes.

(5) The number of students who successfully complete preentry preparation classes.

(6) The average number of months between initial diagnostic assessment, demonstration of readiness, and enrollment in the nursing program for students failing to meet proficiency standards on the initial diagnostic assessment.

(7) The average number of months between diagnostic assessment and program enrollment for students meeting proficiency standards on the initial diagnostic assessment.

(8) The number of students who completed the associate degree nursing program and the number of students who pass the National Council Licensure Examination (NCLEX).

(h) (1) Data reported to the chancellor under this article shall be disaggregated by age, gender, ethnicity, and language spoken at home.

(2) The chancellor's office shall compile and provide this information to the Legislature and the Governor by March 1 of each year.

(i) It is the intent of the Legislature that, pursuant to funding to be provided in the annual Budget Act, in the 2009–10 academic year, the California Community Colleges should increase the statewide enrollment of full-time equivalent registered nursing students by 450 and, beginning in the 2010–11 academic year and continuing each academic year thereafter, add 900 new full-time equivalent registered nursing students.

SEC. 20. Article 3.53 (commencing with Section 78262) is added to Chapter 2 of Part 48 of the Education Code, to read:

Article 3.53. Nursing Resource Centers

78262. (a) The Chancellor's Office of the California Community Colleges shall fund the development of regional nursing resource centers that bring together school, hospital, and faculty needs and availability in a regionalized, online format to help schools match their student clinical needs to available openings, assist hospitals to manage their clinical rotation schedules, and facilitate the filling of vacant nursing faculty positions.

(b) The chancellor's office shall fund regional nursing resource center startup grants to develop clinical placement and clinical faculty resource systems. Each startup grant shall last for no more than 30 months. An applicant for a grant under this article shall do all of the following:

(1) Select an entity for managing the grant.

(2) Ensure the participation of at least 75 percent of the nursing programs and hospitals in the coverage area.

(3) Provide matching funds on a 1:1 basis.

(4) Demonstrate the sustainability of the system after the grant terminates.

(c) The chancellor's office shall be responsible for developing a request for funding application from hospital and school regional partnerships seeking grant funds and providing technical assistance to communities for the purpose of developing proposals.

SEC. 21. Section 87482 of the Education Code is amended to read:

87482. (a) (1) Notwithstanding Section 87480, the governing board of a community college district may employ any qualified individual as a temporary faculty member for a complete school year but not less than a complete semester or quarter during a school year. The employment of those persons shall be based upon the need for additional faculty during a particular semester or quarter because of the higher enrollment of students

during that semester or quarter as compared to the other semester or quarter in the academic year, or because a faculty member has been granted leave for a semester, quarter, or year, or is experiencing long-term illness, and shall be limited, in number of persons so employed, to that need, as determined by the governing board.

(2) Employment of a person under this subdivision may be pursuant to contract fixing a salary for the entire semester or quarter.

(b) No person, other than a person serving as clinical nursing faculty and exempted from this subdivision pursuant to subdivision (c), shall be employed by any one district under this section for more than two semesters or three quarters within any period of three consecutive years.

(c) (1) Notwithstanding subdivision (b), a person serving as clinical nursing faculty may be employed by any one district under this section for up to four semesters or six quarters within any period of three consecutive academic years between July 1, 2007, and June 30, 2014, inclusive.

(2) A district that employs faculty pursuant to this subdivision shall provide data to the chancellor's office as to how many faculty members were hired under this subdivision, and what the ratio of full-time to part-time faculty was for each of the three academic years prior to the hiring of faculty under this subdivision and for each academic year for which faculty is hired under this subdivision. This data shall be submitted, in writing, to the chancellor's office on or before June 30, 2012.

(3) The chancellor shall report, in writing, to the Legislature and the Governor on or before September 30, 2012, in accordance with data received pursuant to paragraph (2), how many districts hired faculty under this subdivision, how many faculty members were hired under this subdivision, and what the ratio of full-time to part-time faculty was for these districts in each of the three academic years prior to the operation of this subdivision and for each academic year for which faculty is hired under this subdivision.

(4) A district may not employ a person pursuant to this subdivision if the hiring of that person results in an increase in the ratio of part-time to full-time nursing faculty in that district.

SEC. 22. Article 7.7 (commencing with Section 89267) is added to Chapter 2 of Part 55 of the Education Code, to read:

Article 7.7. Baccalaureate Degree Nursing Programs

89267. It is the intent of the Legislature:

(a) That, pursuant to funding to be appropriated in the Budget Act of 2007, the trustees should increase, by at least 340, the number of full-time equivalent students in baccalaureate degree nursing programs, beginning in the 2007–08 fiscal year.

(b) That the trustees provide a report to the Governor and the Legislature on or before March 15, 2007, on the proposed expenditure plans to expand nursing programs to enroll an additional 340 full-time

equivalent students as a result of the funds appropriated in the Budget Act of 2007.

(c) To support the expansion of future baccalaureate degree nursing enrollment with annual appropriations in the State Budget Act.

SEC. 23. Article 5.5 (commencing with Section 92645) is added to Chapter 6 of Part 57 of the Education Code, to read:

Article 5.5. Baccalaureate and Master's Degree Nursing Programs

92645. It is the intent of the Legislature that all of the following occur:

(a) That, pursuant to funding to be appropriated in the Budget Act of 2007, the Regents of the University of California should offer at least 175 full-time equivalent students in baccalaureate degree nursing programs, at least 140 state-supported full-time equivalent students in accelerated master's level nursing programs, including entry-level master's programs and entry-level master's clinical programs, at least 41 full-time equivalent associate degree nursing (ADN) transitional to bachelor's of science of nursing (BSN) and full-time equivalent master of science of nursing (MSN) students, and at least 40 full-time equivalent students in traditional master of science in nursing (MSN) degree programs by the 2007–08 academic year.

(b) That the regents provide a report to the Governor and the Legislature on or before March 15, 2007, on the proposed expenditure plans to expand nursing programs to enroll the additional students identified in subdivision (a).

(c) That the expansion of future baccalaureate, accelerated master's degree, ADN transitional to BSN and MSN degrees, and traditional MSN degree nursing enrollment be supported with appropriations in the annual Budget Act.

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Information/Action Item

GRANT ADVISORY COMMITTEE

State and Federal Legislative Update

This agenda item is to provide summaries of recent legislation that have implications for the Commission's programs or services.

Enclosed are 1) an update on the state budget as it pertains to the Commission's programs; 2) a summary of bills currently being tracked by Commission staff and considered during the second half of the 2005-06 State Legislative session; and 3) a brief update on federal issues.

Recommended Action: For information and consideration of actions on bills affecting the Commission's programs.

Responsible Staff: Steve Caldwell, Chief
Governmental and Public Affairs Division

STATE LEGISLATIVE UPDATE

During the 2006 legislative session, the Governor signed 910 bills and vetoed 262 bills. All bills presented to the Governor had to be signed or vetoed on or before September 30, 2006. The Governor did not have any bills remain on his desk.

The general election is on November 7th and the 2007-08 legislative session begins December 4th.

AB 358 Liu (D-La Canada – Flintridge) **Position: Support**
Subject: Maximum Award for Non-Public Colleges and Universities
Version: As enrolled September 6, 2006

Under current law, the maximum award for students at non-public colleges and universities is stipulated in the annual Budget Act. Students receiving a Cal Grant B award receive only the access grant ($1,551) in the first year of attendance and the access grant plus tuition and fee assistance in the remaining three years. The top two percent of Cal Grant B Entitlement students receive full funding in the first year of attendance.

This bill would have established in statute an award formula linking the Cal Grant A and B award for tuition and fees at independent colleges and universities to the General Fund subsidy the state provides for each student at public four-year universities.

Status: Vetoed. The Governor's veto message is provided below.

Governor's Veto Message:

I am returning Assembly Bill 358 without my signature. This bill limits budgetary flexibility by statutorily specifying the maximum amount of the Cal Grant award for those recipients attending private postsecondary institutions as well as a formula for computing subsequent increases. It would simply lead to spending. Current law allows the Governor and Legislature to adjust the award amount in the annual Budget Act. Legislation is not necessary either to set the maximum award amount or to adjust it in future years.

For these reasons, I am unable to sign this bill.

AB 751 Chu (D-Monterey Park) **Position:** None
Subject: Purveyors of Private College Financial Aid Services
Version: As enrolled September 7, 2006

This bill would have authorized the Commission to regulate all matters and functions related to the state operations of purveyors of private college financial aid services for the purposes of preventing financial aid and scholarship fraud and;

- Required a purveyor, as specified, of private college financial aid services to register, pay a fee, and file a bond with the Commission;
- Provided that moneys from the fee would be used to fund the duties and responsibilities under this Act;
- Provided that contracts entered into by California citizens with purveyors who have not registered with the Commission and filed the appropriate bond would be unenforceable by the contractor; and
- Required a contract for aid be in the language of the parent or student.

Status: Vetoed. The Governor's veto message is provided below.

Governor's Veto Message:

I am returning Assembly Bill 751 without my signature. I do not condone the unscrupulous behavior of those private purveyors of college student financial aid services that provide fraudulent or useless scholarship and financial aid information. Many of them are not based in California and come here specifically to take advantage of parents and students struggling to navigate the process of obtaining financial aid. However, this bill does not provide the appropriate mechanism to address this issue. This bill charges the California Student Aid Commission (CSAC) with the responsibility of regulating these purveyors of services, registering them, collecting fees and levying fines, and enforcing compliance with all applicable state and federal laws. The CSAC's expertise lies in financial aid administration and it is not equipped to perform these duties. It is not a regulatory or enforcement body.

For these reasons, I am unable to sign this bill.

AB 2578 Frommer (D-Los Feliz) **Position:** None
Subject: Hope Public Trust
Version: As enrolled September 11, 2006

This bill would have established the Hope Public Trust in state government. It would have required a complete and thorough inventory of all state-owned real estate and property, all lease agreements between any state agency and private or nonpublic management groups, and would have authorized revenue bonds.

Status: Vetoed. The Governor's veto message is provided below.

Governor's Veto Message:

I am returning Assembly Bill 2578 without my signature. In 2004, the voters approved Proposition 60A which provided that the revenue generated by the sale of surplus property is to be used to pay off the debt from the Economic Recovery Bonds. This bill attempts to redirect those funds to other purposes. As admirable as those purposes are, it remains that the intent of the electorate was to reduce the State's debt, and the Administration intends to abide by their will.

In addition, this bill would delegate important decisions regarding the allocation of State resources to a new entity, unaccountable to the people, and outside the annual budget process. In doing so, it would hamper the ability of the Legislature and the Governor to make such resource decisions that take into account all of the State's needs.

For these reasons, I am unable to sign this bill.

AB 2813 De La Torre (D-South Gate) **Position: Support**
Subject: Cal Grants – Transfer Entitlement Age Limit
Version: As enacted on September 30, 2006

This bill would increase the age limit for the Cal Grant Transfer Entitlement award program from under 24 years of age to not more than 27 years of age (under 28).

Status: Signed. Chapter 822. Filed with the Secretary of State: September 30, 2006.

Laws Affecting California Student Aid Commission: Section 69436 of the Education Code.

SB 160 Cedillo (D-Los Angeles) **Position:** None
Subject: Financial Aid for Undocumented Students
Version: As enrolled September 7, 2006

This bill would have enacted the California Dream Act as follows:

- Required the Trustees of the CSU, the Board of Governors of the California Community Colleges, and requested the Regents of the UC to establish procedures and forms that enable persons who are exempt from paying nonresident tuition under the provision (per AB 540) or who meet equivalent requirements adopted by the regents, to apply for and participate in, all student aid programs administered by these segments to the full extent permitted by federal law;
- Authorized community college districts to waive the fees of persons who are exempt from nonresident tuition to apply to the Board of Governors to receive the fee waiver under this provision; and
- Required the Board of Governors to modify existing forms and establish a procedure for applications made pursuant to this provision, and who otherwise qualify for a waiver under this provision, under regulations.

Status: Vetoed. The Governor's veto message is provided below.

Governor's Veto Message:

I am returning Senate Bill 160 without my signature. I applaud all young people who work hard, graduate high school and attend college.

Current law allows undocumented students who have attended a California high school for three years and graduate from a California high school to attend a state college and get a reduced "in state tuition rate" but not be eligible for public financial aid to attend college. California has over 100,000 students here legally who apply annually for financial aid to attend college, and our state has limited funds available for this important purpose.

While I do not believe that undocumented children should be penalized for the acts of their parents, this bill would penalize students here legally by reducing the financial aid they rely on to allow them to go to college and pursue their dreams.

For this reason, I am unable to sign this bill.

SB 1309 Scott (D-Altadena) **Position:** None
Subject: State Nursing Assumption Program of Loans for Education
Version: As enacted on September 30, 2006

This act makes various technical, nonsubstantive changes in the State Nursing Assumption Program of Loans for Education (SNAPLE) Act. It also does the following:

- Establishes the State Facilities Assumption Program of Loans for Education under the administration of the commission to provide loan assumption benefits to persons who fulfill agreements to work full-time for 4 consecutive years as clinical registered nurses in state-operated 24-hour facilities that employ registered nurses as specified;
- Requires the Commission to report specified data about program participants annually to the Legislature.
- Requires the Office of the Legislative Analyst to submit, on or before May 1, 2011, a report to the Legislature that includes the findings and recommendations of the Legislative Analyst with respect to the efficacy of the program.

The act provides that the State Facilities Assumption Program of Loans for Education becomes inoperative on July 1, 2012, and is repealed as of January 1, 2013.

Status: Signed. Chapter Number: 837. Filed with the Secretary of State: September 30, 2006. Please see the Governor's signing message below.

Governor's Message:

I am signing Senate Bill 1309, because I continue to be supportive of efforts to expand and strengthen nursing programs to address critical shortages in this occupational area. However, I want to work with the author of this measure on clean-up legislation in the next session to resolve certain drafting errors contained in the bill regarding the loan assumption program for recruitment of state nurses and to make the number of new awards provided under this program subject to an appropriation in the annual Budget Act.

Additionally, it is my understanding that the author submitted a letter to the journal that attempted to reflect agreements with my Administration on the intent language specified in sections 22 and 23 of this bill. Section 22 relates to the funding of baccalaureate students at CSU. It is my intent that these students be funded in the 2007-08 fiscal year from within the funding provided for 2.5 percent enrollment growth. Section 23 relates to the funding of baccalaureate and master's degree nursing students at UC. It is my intent that the specified baccalaureate students be funded in the 2007-08 fiscal year from within the funding provided for 2.5 percent enrollment growth, consistent with CSU.

Further, of the number of specified master's degree nursing students, additional funding is not needed in the 2007-08 fiscal year for the 65 entry-level master's degree students and the 20 traditional master's degree students that were funded in the 2006 Budget Act and that funding for the remainder of the specified master's degree students be considered as part of the annual budget process.

Laws Affecting California Student Aid Commission: Sections 69616, 69616.1, 69616.2, 69616.3, 69616.4, 69616.5, 69616.6, 69616.7, 69616.8, 69616.9, and 69617 of the Education Code.

SB 1383 Ortiz (D-Oceanside) **Position:** None
Subject: CAHSEE – Eligibility for Cal Grant Awards
Version: As enacted September 29, 2006

This act specifies that a student who does not meet the requirements for a high school diploma or its equivalent in the academic year immediately preceding the award year, but who meets the requirements for a high school diploma or its equivalent by December 31 of the academic year immediately following the date of application, satisfies the requirement of obtaining the equivalent of high school graduation or its equivalent for the purposes of the act.

Reporting Requirements: The act requires the Commission to report specified data about students who qualify for Cal Grant awards under the provisions of this bill.

Status: Signed. Chapter 652. Filed with the Secretary of State September 29, 2006.

Laws Affecting California Student Aid Commission: Sections 69433.9 and 69514 of the Education Code.

SB 1592 Romero (D-Los Angeles) **Position:** None
Subject: CAHSEE –Report by Superintendent of Public Instruction
Version: As enacted on September 29, 2006

This act requires the Superintendent of Public Instruction, by June 30, 2007, to report to the Legislature and the Governor on the number and percentage of pupils who failed to receive a diploma of graduation from high school in 2006 due to the failure of those pupils to pass the high school exit examination, aggregated by ethnicity, English learner status, and other information as may be determined to be necessary to understanding the meaning and consequences of the failure to pass the high school exit examination.

Status: Signed. Chapter 674. Filed with the Secretary of State: September 29, 2006.

Laws Affecting California Student Aid Commission: N/A.

BILLS THAT WERE HELD IN COMMITTEE
(DIED BEFORE THE END OF SESSION)

1. **AB 476** Baca (D-Rialto): Expansion of the APLE Program

Status: Held in the Senate Appropriations Committee.

2. **AB 1315** Liu (D-La Canada): Cal Grant B Access Stipend

Status: Held in the Senate Appropriations Committee.

3. **AB 1399** Garcia (R-Cathedral City): National Guard – Cal Grant Competitive Program

Status: Held in the Senate Appropriations Committee.

4. **AB 1532** Bass (D-Los Angeles): Foster Youth: Cal Grant Access

Status: Held in the Senate Appropriations Committee.

5. **AB 2040** Chu (D-Monterey Park): High School Exit Examination – Additional Exam Dates

Status: Held in the Senate Appropriations Committee.

6. **AB 2262** Baca (D-Rialto): APLE Awards/Vocational Education

Status: Held the Senate Appropriations Committee.

7. **AB 2489** Leno (D-San Francisco): Foster Youth Services and Cal Grant benefits

Status: Held in the Senate Appropriations Committee.

8. **AB 2532** Karnette D-Long Beach): Adult Education Funding (CAHSEE)

Status: Not heard on the Senate Appropriations Committee –sent back to Assembly.

9. **AB 2551** Blakeslee (R-San Luis Obispo): National Guard APLE

Status: Held in the Senate Appropriations Committee.

10. **SB 1264** Alquist (D-Santa Clara): Additional Cal Grant Competitive Awards

Status: Held in the Assembly Appropriations Committee.

FEDERAL ISSUES UPDATE

The Higher Education Act:

House and Senate staff worked on the short term Higher Education Act bill intended to extend higher education programs scheduled to expire on September 30, 2006. The bill had to pass before Congress went into recess. Rumors circulated that the extension would be through March 31, 2007, a date which would effectively signal the end of hopes for the HEA reauthorization, H.R. 609/S. 1614, to be completed in 2006.

On the Hill:

The Senate and the House of Representatives are both in recess until November 9. On September 30, programs under the Higher Education Act of 1965 (HEA) were extended through June 30, 2007, by the Third Higher Education Extension Act of 2006 (P.L. 109 - 292).

The nine-month HEA extension bill signed into law by President Bush on Saturday makes several changes to the HEA, including loan forgiveness to survivors of victims of the 9/11 attacks and further restrictions to institutions ability to participate in the school-as-lender program.

1. 9/11 Loan Forgiveness: The HEA extension bill includes a provision extending student loan forgiveness to the spouses and parents of those who died or became disabled in the terrorist attacks of September 11, 2001.

   Under this provision the Department of Education will discharge federal student loans; (1) of the spouses of an eligible public servant, including any consolidation loan used jointly by the spouse and the eligible public servant; (2) the portion incurred on behalf of the eligible victim (other than an eligible public servant), of a consolidation loan that was used jointly by the eligible victim and his or her spouse; (3) the portion of the consolidation loan of an eligible parent that was incurred on behalf of an eligible victim; and (D) the PLUS loan indebtedness of an eligible parent that was incurred on behalf of an eligible victim. For the purposes of this provision:

   - *Eligible Public Servants* are individuals who served as a police officer, firefighter, other safety or rescue personnel, or as a member of the Armed Forces who died or became permanently and totally disabled due to the injuries suffered in the 9/11 terrorist attack
   - *Victims* are individuals who died or became permanently or totally disabled due to injuries suffered in the attacks
   - *Eligible Parents* are parents of an eligible victim with a PLUS loan or a consolidation loan used to repay a PLUS loan incurred on behalf of an eligible victim.

   The law requires the Department to establish procedures to apply for loan cancellation under this provision by regulations that must be prescribed and published by Dec. 29, 2006.

2. Eligible Lender Trustee Restrictions: The law eliminates the ability of schools to circumvent recent school-as-lender restrictions by forming an eligible lender-trustee relationship.

   During remarks on the House floor, Rep. Ric Keller (R-FL), chairman of the Subcommittee on 21st Century Competitiveness made it clear that all schools that have an eligible lender-trustee agreement in place may continue to operate, but they must comply with the school-as-lender program requirements.

   Under the provision an eligible lender can't make or hold a loan as a trustee for an institution or an organization affiliated with an institution unless:

   - The lender is serving as trustee for that institution or organization before Sept. 30
   - The institution or organization and the lender comply with the school-as-lender requirements established by the HERA by Jan. 1, 2007.

3. Hispanic Institutions: The HEA extension law eliminates the two-year waiting period for Hispanic-serving institutions applying for grants and a requirement that these institutions document the percentage of low income students enrolled at the institution.

   Howard "Buck" McKeon (R-CA) chairman of the House Education and the Workforce Committee said eliminating the two-year waiting period would reduce red tape for Hispanic-serving institutions and described the low-income reporting requirement as "outdated and burdensome"

4. Guaranty Agencies: The bill corrected a legislative error by continuing current law with respect to payments made to guaranty agencies. McKeon said this would enable guaranty agencies to continue working to help students avoid loan default.

Report on College Costs and Financial Aid:

According to a new report from the Advisory Committee on Student Fiancial Assistance, college costs have prevented, and if left unaddressed, will continue to prevent millions of “college qualified” students from pursuing a bachelor’s degree. The report estimates that in the 1990’s costs prohibited between 800,000 and 1.6 million qualified students from earning a degree and the estimate rises to 1.4 million to 2.4 million for the current decade.

Even more alarming, according to the Advisory Committee these estimates are quite conservative due to the methodology of the report. Using complex research methods, the figures presented by the Committee try to focus on students for whom costs was the main, if not sole, contributor to not obtaining a degree.

The report cites “impressive gains made by K-12 educators, professionals in early intervention programs, states, colleges, Congress, and the Department of Education from 1992-2004,” but asserts that “net price at four-year public colleges increased over that time period and appears to have undermined these improvements.” It also warns that if college costs are not addressed by policymakers and the higher education community, the trend will coninue. To combat these issues, the report offered the following six recommendations:

- Reinvigorate the access and persistence partnership to increase need-based aid from all sources,

- Restrain increases in the price of college and offset increases with need-based student aid,
- Moderate the trend - at all levels - toward merit-based aid and increasing reliance on loans,
- Reduce financial barriers to transfer from two-year to four-year colleges,
- Strengthen early intervention programs for low- and moderate-income students,
- Invest in efficient and productive remediation.

Although the makeup of the Advisory Committee is bipartisan and the report did not seek to place blame with any administration or agency, Democrats and Republicans had very differing views on the report. Both House Education and the Workforce Committee Chairman Howard "Buck" McKeon (R-CA) and Ranking Member George Miller (D-CA) lamented the rising costs of college and both referenced the report in regards to the Higher Education Reconciliation Act. However, in one of those "only in Washington" situations, Miller used the report to criticize the legislation, while McKeon used it to support it.

For more information on the Advisory Committee on Student Financial Assistance and to access the report, please click here: http://www.ed.gov/about/bdscomm/list/acsfa/edlite-whatnew.html

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Information/Action Item

GRANT ADVISORY COMMITTEE

Election of Chair and Vice Chair

Nominations for Chair and Vice Chair for the Grant Advisory Committee will be solicited during the Committee's October meeting. The Chair and Vice Chair are elected by the Committee membership for a 12-month term.

After receipt of nominations, each member will receive a ballot. Ballots will then be collected and tallied by Staff. The member with the most votes will be elected Chair; the member with the second-most votes will be elected Vice Chair. The current Chair will announce the results before adjournment of the Committee meeting. The new Chair and Vice Chair will assume their new roles at the next scheduled meeting of the Grant Advisory Committee.

Enclosed is a Committee list with the expiration date of each member's term. At the time of the meeting, any updates regarding changes in membership will be made.

Responsible Staff: Mary Lindsey, Chair
Grant Advisory Committee

CALIFORNIA STUDENT AID COMMISSION

GRANT ADVISORY COMMITTEE

MARY T. LINDSEY – CHAIR
MARIA HERNANDEZ – VICE CHAIR

SEGMENTAL REPRESENTATIVE	BUSINESS INFORMATION	DATE APPOINTED	TERM EXPIRES
University of California Representative			
Ms. Kate Jeffery Director, Student Financial Support University of California Office of the President	1111 Franklin Street, 9th Floor Oakland, CA 94607-5200 **(510) 987-9530** ***FAX*: (510) 987-9546** **E-mail:** kate.jeffery@ucop.edu Asst. Katy (510) 987-9517 **E-mail:** katy.lindsey@ucop.edu	05-24-91	N/A
University of California Representative			
Ms. Lora Jo Bossio Director, Financial Aid University of California, Davis	1 Shields Avenue Davis, CA 95616-8596 **(530) 725-2396** ***FAX*: (530) 752-7339** **E-mail:** ljbossio@ucdavis.edu Asst. Joyce (530) 752-2396	06-25-04 Seat: Reappointed	06-25-06
University of California Student Representative			
Mr. Gregory Allan Cendana Chief of Staff Office of the External V.P.	1111 Franklin Street, 9th Floor Oakland, CA 94607-5200 **(916) 284-9839** *FAX:* **E-mail:** Gregory.cendana@gmail.com	08-29-05 Seat: **Replacing:**	08-29-07 **Unfinished term of Tomasa Duena**
California State University Representative			
Ms. Mary L. Robinson Associate Director, Academic Affairs, Student Academic Support Office of the Chancellor	401 Golden Shore, 6th Floor Long Beach, CA 90802-4210 **(562) 951-4737** ***FAX*: (562) 951-4867** **E-mail:** mlrobinson@calstate.edu	11-19-93	N/A

California State University

SEGMENTAL REPRESENTATIVE	BUSINESS INFORMATION	DATE APPOINTED	TERM EXPIRES
California State University Representative			
Ms. Maria Hernandez Director of Financial Aid California State University Fresno	5150 No. Maple Avenue Fresno, CA 93740 **(559) 278-6550** ***FAX*: (559) 278-4833** **E-mail:** mariah@csufresno.edu	11-18-05 Seat: Reappointed	11-18-07
California State University Student Representative			
VACANT		09-08-05 Seat: Kenneth Evans	09-10-06
California Community Colleges Chancellor's Office Representative			
Mr. Timothy P. Bonnel Coordinator, Student Financial Assistance Programs California Community College Chancellor's Office	1102 Q Street 3rd Floor Sacramento, CA 95814 **(916) 445-0104** ***FAX:* (916) 327-8232** **E-mail:** tbonnel@ccccco.edu	03-08-04 Seat:	03-08-06
California Community Colleges Representative			
VACANT		06-25-04 Seat: Craig Yamamoto	06-25-06
California Community Colleges Student Representative			
Vacant		11-16-01 Seat:	11-16-03

SEGMENTAL REPRESENTATIVE	BUSINESS INFORMATION	DATE APPOINTED	TERM EXPIRES
Independent California Colleges and Universities Representative			
Ms. Veronica Villalobos Vice President, Public Affairs, AICCU	1100 11th Street, Suite 10 Sacramento, CA 95814 **(916) 446-7626** ***FAX*: (916) 446-7948** **E-mail:** veronica@aiccu.org	05/23/06	05/23/08
Independent California Colleges and Universities Representative			
Ms. Catherine Thomas Associate Dean, Enrollment Services University of Southern California	700 Childs Way University Park Campus Los Angeles, CA 90089-0914 **(213) 740-5462** ***FAX*: (213) 740-0311** **E-mail:** ccthomas@usc.edu	07/14/06 Seat: Reappointed	07/14/08
Independent California Colleges and Universities Student Representative			
Vacant		03-16-05 Seat:	03-16-07
Propriety Institution Representative ***Chair***			
Ms. Mary T. Lindsey Director, Financial Aid Special Projects The Fashion Institute of Design And Merchandising	580 Black Hills Drive Claremont, CA 91711 ***Cell*: (951) 235-0671** **E-mail:** mtlindsey@comcast.net	03-15-04 Seat: Barbara Bickett	03-15-06
Proprietary Institution Representative			
Ms. Laura Cunha Director, National Career Education	6060 Sunrise Vista Drive, Ste 3000 Citrus Heights, CA 95610 **(916) 969-4900** ***FAX*: (916) 969-4904** **E-mail:** lcunha@gryphoncolleges.edu	06-23-05 Seat: Gary Byers	06-23-07

SEGMENTAL REPRESENTATIVE	BUSINESS INFORMATION	DATE APPOINTED	TERM EXPIRES

Proprietary Institution Student Representative

Vacant		Seat:	11-01-01

K-12 Schools Representative

Vacant

K-12 Schools Representative

Vacant

California Postsecondary Education Commission Representative

Vacant		Seat:	

California Association of Student Financial Aid Administrators (CASFAA) Executive Council Representative

Ms. Noelia Gonzalez Senior Counselor, Financial Aid and Scholarships California State University, Northridge	18111 Nordhoff Street Northridge, CA 91330 **(818) 677-7074** ***FAX*: (818) 677-4665** **E-mail:** noelia.gonzalez@csun.edu	06/24/06 Seat: Reappointed	06/24/08

SEGMENTAL REPRESENTATIVE	BUSINESS INFORMATION	DATE APPOINTED	TERM EXPIRES
High School Counselor Representative			
Ms. Sharon Bowles Head Counselor Skyline Senior High School Oakland Unified School District	Skyline Senior High School 12250 Skyline Blvd. Oakland, CA 94619 **(510) 879-3060 ext. 110** **(510) 325-1602** ***FAX*: (510) 879-3069** **E-mail:** airshay2@cs.com	05/23/06 Seat: Reappointed	05/23/08
## *Commission Liaison*			
California Secondary Schools Representative (Governor Appointee)			
Ms. Louise McClain Head Counselor, Granite Hills High School	1719 East Madison Avenue El Cajon, CA 92019 **(619) 593-5547** ***FAX*: (619) 588-9389** **E-mail:** lmcclain@cox.net	01-25-02 Seat: Dr. Joseph Watson	N/A

Tab 13