



INSTITUTION ELIGIBILITY FOR CAL GRANT PARTICIPATION IN THE 2013-14 ACADEMIC YEAR FREQUENTLY ASKED QUESTIONS

The California Student Aid Commission is required to certify by October 1 of each year a student loan cohort default rate (CDR) and a graduation rate for each institution of higher education that seeks to participate in the Cal Grant Program. The CDR and graduation rate are taken directly from federal data published by the U.S. Department of Education.

These two requirements are used to determine if an interested institution of higher education is eligible to participate in the Cal Grant Program.

1. What are the two required thresholds for an otherwise qualifying institution to participate in the Cal Grant Program?

For the 2013-14 academic year, the two required thresholds for an otherwise qualifying institution are:

- A three-year cohort default rate (CDR) below 15.5 percent, as reported by the United States Department of Education (USED) and as certified by the California Student Aid Commission (Commission), is eligible for new and renewal Cal Grant awards. The 2009 three-year CDR used for the 2013-14 academic year was certified for each institution by the Commission on October 1, 2012, in accordance with California Education Code (CEC) Section 69432.7(l)(3)(C).
- A graduation rate above 30 percent for students taking 150 percent or less of the expected time to complete degree requirements, as reported by the USED and as certified by the Commission, is eligible for new and renewal Cal Grant awards. The 2010 graduation rate used for the 2013-14 academic year was certified for each institution by the Commission on October 1, 2012, in accordance with CEC Section 69432.7(l)(3)(G). The 2010 graduation rates were previously certified in late July 2012 for the 2012-13 academic year.

The three-year CDR and graduation rate thresholds do not apply to qualifying institutions with 40 percent or less of undergraduate students borrowing federal student loans.

If a three-year CDR or graduation rate has not been reported by the USED, the institution may be provisionally eligible to participate in the Cal Grant Program until a three-year CDR or graduation rate has been reported by the USED.

Institutions with a three-year CDR below 10 percent and a graduation rate above 20 percent may remain eligible for new and renewal Cal Grants through the 2016-17 academic year.

2. How does an institution find out if it is affected by these two required thresholds?

California Education Code Section 69432.7(l)(3) indicates that the Commission shall certify by October 1 of each year an institution's latest three-year cohort default rate (CDR) and graduation rate as most recently reported by the United States Department of Education to determine eligibility for the Cal Grant Program in the following academic year.

The Commission has posted the lists of Eligible Cal Grant Schools and Ineligible Cal Grant Schools for the 2013-14 academic year on the Commission's website at www.csac.ca.gov (click on Cal Grant Eligible Schools under the "Colleges" tab on the homepage).

Prior to notifying students and the public, ineligible schools are informed of their status. A letter is sent to the signer of the Institutional Participation Agreement (President, Chancellor, CEO) with a courtesy copy and email sent to the financial aid office. For the 2013-14 academic year, the ineligible schools were notified about their status in late December 2012.

3. Can a school appeal its three-year cohort default rate or graduation rate?

Because three-year cohort default rates (CDR) and graduation rates are set by the United States Department of Education (USED), an institution may only appeal its three-year CDR or graduation rate to USED. If USED corrects or revises an institution's three-year CDR or graduation rate that originally failed to satisfy the requirements established by California Education Code Section 69432.7(l)(3)(C) or (G), as applicable, and the correction or revision results in the institution's three-year CDR or graduation rate satisfying the requirements, that institution shall immediately regain its eligibility for the academic year to which the corrected or revised three-year CDR or graduation rate would have applied.

4. When does an ineligible institution regain its eligibility?

The Commission will certify a student loan cohort default rate (CDR) and a graduation rate for each institution every year by October 1 for the following academic year. California Education Code Section 69432.7(l)(3)(D)(i) states that an ineligible institution shall regain its eligibility for the academic year for which it satisfies the requirements.

The chart below uses an example of an institution that fails the three-year CDR and/or graduation rate thresholds for the 2013-14 academic year, but meets the thresholds for the 2014-15 academic year. As indicated in the chart, students would be able to use their Cal Grants at the institution in the 2014-15 academic year.

Academic Year	Certification Date	Meets Required Thresholds	Eligible for Cal Grant Program
2013-14	October 1, 2012	No	No
2014-15	October 1, 2013	Yes	Yes

5. How does being an ineligible institution affect the institution and a student's ability to use a Cal Grant award at that institution?

Since an ineligible institution will not be participating in the Cal Grant Program, it cannot receive Cal Grant funds for any Cal Grant student in the 2013-14 academic year. This includes both prospective and continuing Cal Grant recipients. Continuing Cal Grant recipients can receive Cal Grant benefits by transferring to an eligible institution.

6. Will the Commission communicate to students about their inability to use their Cal Grant at the ineligible institutions?

Yes. California Education Code Section 69432.7(l)(3)(J) states that the Commission is to notify new and continuing Cal Grant students who indicated they were planning to attend, or attending, an ineligible institution in the 2013-14 academic year that the institution is ineligible to participate in the Cal Grant Program. Students can access the list of eligible institutions on the Commission's website at www.csac.ca.gov (click on Cal Grant Eligible Schools under the "Colleges" tab on the homepage).

7. If the Commission is sending communication to students informing them that some institutions are not eligible for Cal Grants because those institutions do not meet the two required thresholds, will the Commission share the communication with institutions?

Yes. The Commission will send a Grant Operations Memo with a copy(ies) of the student letter(s) to institutions prior to students being notified.

8. What is the source for the three-year cohort default rate?

For each institution, the Commission obtained the three-year cohort default rate (CDR) information, along with the institution control information, from the United States Department of Education Federal Student Aid website: <http://www2.ed.gov/offices/OSFAP/defaultmanagement/cdr.html>.

For the 2013-14 academic year, the Commission certified on October 1, 2012, the 2009 three-year CDR for each qualifying institution for the Cal Grant Program.

9. Why doesn't the Commission certify a two-year cohort default rate?

California Education Code Section 69432.7(l)(3)(A) indicates that the Commission shall certify an institution's latest three-year, not two-year, cohort default rate (CDR) as most recently reported by the United States Department of Education (USED). For the 2013-14 academic year, the latest three-year CDR information reported by the USED is 2009.

10. What is the source for the graduation rate?

The Commission downloaded the 2010 graduation rate information from the United States Department of Education (USED) Integrated Postsecondary Education Data System (IPEDS) Data Center website: <http://nces.ed.gov/ipeds/datacenter/> under the topic "Generate Pre-Defined Reports."

The IPEDS Help Desk provided the 2010 graduation rate information for some schools not listed in the data file downloaded from the USED IPEDS Data Center.

To look up the graduation rate of a particular school, go to the USED IPEDS Data Center website <http://nces.ed.gov/ipeds/datacenter/InstitutionByName.aspx>, type in the "institution name," and click on "SELECT". Under the "Institution Profile" (after selecting an institution), click on "Graduation Rates" to get an overall graduate rate. The overall graduate rate is a rounded version of the graduation rate the Commission certified.

11. Why doesn't the Commission certify a more recent graduation rate?

California Education Code Section 69432.7(l)(3) indicates that the Commission shall certify an institution's latest graduation rate as most recently reported by the United States Department of Education (USED).

On August 14, 2012, the USED Integrated Postsecondary Education Data System (IPEDS) Data Center announced that it is now releasing data in three stages:

- Preliminary Data has been edited but is subject to further NCES quality control procedures.
- Provisional Data has undergone all NCES data quality control procedures. Provisional data were previously referred to as "final" or "public release data".
- Final Data includes revisions to the provisional data that have been made by institutions during the subsequent data collection year. Final data were previously referred to as "revised data".

The Commission uses the Final or Provisional Data as it has undergone all NCES data quality control procedures. Based on the IPEDS Graduation Rate Schedule, the Provisional Data 2011 graduation rate information will not be available until April 2013.

For the 2013-14 academic year, the Commission certified on October 1, 2012 the Provisional Data 2010 graduation rate for each qualifying institution for the Cal Grant Program. These same graduation rates were previously certified in late July 2012 for the 2012-13 academic year.

12. For which academic year and from which report year does the Commission certify the three-year cohort default rate and the graduation rate?

California Education Code Section 69432.7(l)(3)(A) indicates that the Commission shall certify by October 1 of each year an institution's latest three-year cohort default rate (CDR) and graduation rate as most recently reported by the United States Department of Education (USED).

An "academic year" is July 1 to June 30 inclusive per California Education Code Section 69432.7(a). The starting date of a session shall determine the academic year in which it is included.

The chart below indicates the academic year, certification date and applicable CDR and graduation rate information.

Academic Year	Certification Date	As of the Certification Date, Latest Available Year Reported by USED	
		Three-Year CDR	Graduation Rate
2013-14	October 1, 2012	2009	2010
2014-15	October 1, 2013	2010	2011

13. What is the definition of "undergraduate students" in the section excepting institutions with 40 percent or less of undergraduate students borrowing federal student loans from the cohort default rate provisions?

The Commission is not defining "undergraduate students". The Commission will be using the undergraduate, borrower, three-year cohort default rates, and graduation rates published by the United States Department of Education (USED). USED uses the undergraduate numbers reported by institutions to the Integrated Postsecondary Education Data System (IPEDS) and borrower data from the National Student Loan Data System (NSLDS).

14. What is the source for the information on undergraduate students borrowing federal student loans?

From the United States Department of Education (USED) Integrated Postsecondary Education Data System (IPEDS) Data Center website: <http://nces.ed.gov/ipeds/datacenter/> under the topic "Download Survey Data Files", the Commission downloaded the following two data files: (1) 2009-10 student financial aid and net price (revised April 2012) for the year 2010 and the survey *Student Financial Aid and Net Price* and (2) directory information for the year 2010 and the survey *Institutional Characteristics*.

The Commission calculated the percent of federal student loan borrowers for each school by using the "number of undergraduate students receiving federal student loans" and the "total number of undergraduates – financial aid cohort" data from the 2009-10 student financial aid and net price file. While the 2009-10 student financial aid and net price file identifies a school by an "unique identification number of the institution", the Commission crosswalked or mapped the 2009-10 student financial aid and net price file with the directory information file by using the "unique identification number of the institution" and "Office of Postsecondary Education (OPE) ID number" data from the directory information file.

15. How do the required student loan cohort default and graduation rates affect institutions participating in the Cal Grant Program for the 2013-14 academic year?

At the beginning of the 2013-14 academic year, there were 435 institutions of higher education seeking to participate in the Cal Grant Program. Of the 435 institutions, the Commission determined that 304 institutions are eligible and 131 institutions are ineligible to participate in the Cal Grant Program.

For additional information:

Institutions should contact the Commission's School Services Branch at schoolsupport@csac.ca.gov.
Media should call (916) 464-8271.