

CALIFORNIA STUDENT AID COMMISSION
P.O. Box 419029
Rancho Cordova, CA 95741-9029

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

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

NOTICE OF PROPOSED RULEMAKING

NATURE OF PROCEEDING

NOTICE IS HEREBY GIVEN that the California Student Aid Commission (Commission) proposes to adopt the regulations described below after considering all comments, objections, or recommendations regarding the proposed action.

PUBLIC HEARING

The Commission will hold a public hearing at 10:30 a.m. on August 27, 2014, at 11040 White Rock Road, Rancho Cordova, California. The room is wheelchair accessible. At the hearing, any person may present statements or arguments, orally or in writing, relevant to the proposed action described in the Informative Digest. The Commission requests, but does not require, that persons who make oral comments at the hearing also submit a written summary of their statements. No oral statements will be accepted subsequent to this public hearing.

WRITTEN COMMENT PERIOD

Notice is also given that any interested person, or his or her authorized representative, may submit written comments relevant to the proposed emergency regulatory action to:

California Student Aid Commission
Attention: Kristen Trimarche, Legal Services
P. O. Box 419026
Rancho Cordova, CA 95741-9026

Comments may also be submitted by facsimile (FAX) at (916) 464-8033 or by e-mail to CalGrantRegsComment@csac.ca.gov. Comments must be submitted before 5:00 P.M. on August 27, 2014 to be considered.

AUTHORITY AND REFERENCE

Pursuant to the authority vested by section 69433.7 of the Education Code, the proposed regulations implement, interpret and make specific sections 69433.2 of the Education Code.

The Commission is considering changes to Division 4 of Title 5 of the California Code of Regulations as follows:

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Existing law establishes the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program as a state educational opportunity grant program for postsecondary study. The program establishes Cal Grant A and Cal Grant B Entitlement Awards, Competitive Cal Grant A and B Awards, California Community College Transfer Entitlement Awards, Cal Grant C Awards, and Cal Grant T Awards, under the administration of the Student Aid Commission. (Education Code § 69430 et seq.)

On March 24, 2011, Senate Bill 70 (Chapter 7, Statutes of 2011) (hereinafter "SB 70") was chaptered into California law. Among other things, SB 70 added section 69433.2 to the Education Code which created new institutional reporting requirements for Cal Grant participating institutions. Education Code section 69433.2 was later amended by Senate Bill 1103 (Chapter 273, Statutes of 2012) to require the Commission to publish the data reported on its internet website.

On July 1, 2013, the Commission adopted Article 4, Sections 30040 through 30044.5, in Title 5 of the California Code of Regulations (CCR), Division 4, Chapter 1, Reporting of Program Data. This regulation package proposes an amendment to section 30040 to further clarify and make specific the requirements for Cal Grant qualifying institutions to report data on enrollment, persistence, and graduation to the Commission. This regulation package also proposes amendments to section 30042.5 on the reporting of job placement rate and salary and wage information to the Commission.

The Commission anticipates that these proposed amendments will benefit California residents by providing important information that will allow students and parents to compare educational programs at the certificate/degree level across segments to make better informed educational and financial choices for postsecondary education.

BENEFITS TO THE WELFARE OF CALIFORNIA RESIDENTS

Helping students make informed choices about higher education is critical to their success, not only as scholars but as the State's future workforce. Students and their parents need pertinent information that is easy to access, easy to understand and easy to compare. They can search for information today, but it is often difficult to locate, fragmented across different sources, and steeped in the jargon of higher education professionals.

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

Consistency with Existing State Regulations: The Commission does not believe that the proposed regulations are inconsistent or incompatible with existing state regulations.

FEDERAL MANDATE

There are no comparable provisions of federal law related to this proposal.

OTHER STATUTORY REQUIREMENT: None

DISCLOSURES REGARDING THE PROPOSED ACTION

The Commission has made the following initial determinations:

MANDATE ON LOCAL AGENCIES AND SCHOOL DISTRICTS: None

FISCAL IMPACT ESTIMATES

This proposal does not impose costs on any local agency or school district for which reimbursement would be required pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code. This proposal does not impose other nondiscretionary cost or savings on local agencies. This proposal does not result in any cost or savings in federal funding to the state.

This proposal has potential costs for state agencies, namely the California Community Colleges. However, the current proposal permits the California Community Colleges to submit data to the Commission that is currently being collected and compiled by the community colleges. In the future should the community colleges stop collecting and compiling this data for its own purposes, there may be costs associated with having to create it specifically for purposes of reporting to the Commission. If any additional costs were to be incurred, the California Community Colleges would be able to absorb these costs within their existing budget and resources.

EFFECT ON HOUSING COSTS: None

RESULTS OF THE ECONOMIC IMPACT ANALYSIS

ASSESSMENT REGARDING EFFECT ON JOBS / BUSINESSES

The Commission has made a determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The proposal would impose no costs upon business. The proposal does not affect small businesses as defined by California Government Code Section 11342.610. This proposal would not affect private sector or small business as defined by California Government Code Section 11342.610. The Commission has determined that this regulatory proposal will not have any impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California.

By requiring higher education institutions to report enrollment, persistence, graduation and employment data, these regulations would allow the Commission to bring valuable information for students together in one spot to benefit the welfare of California residents.

COST IMPACT ON REPRESENTATIVE PERSON OR BUSINESS

Implementation of the reporting requirements may have some cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. Institutions that are currently subject to job placement reporting to the Bureau of Private Postsecondary Education (BPPE) pursuant to Education Code section 94929.5 and its accompanying section will be able to submit these reports to the Commission without any additional cost. Institutions that are not currently subject to BPPE reporting may incur costs to create a report under either the California Community College methodology or the BPPE methodology. However, the statute requires that an institution absorb any costs incurred in the reporting as part of its voluntary participation in the Cal Grant Program.

BUSINESS REPORT

This regulatory proposal may require a report. The Commission has determined that the report is necessary for the health, safety, and welfare of the people of the state.

ALTERNATIVES

The Commission has consulted with stakeholders and interested parties by holding webinars, teleconferences, and meetings to develop the proposed action.

In accordance with Government code section 11346.5, subdivision (a)(13), the Commission must determine that no reasonable alternative considered by the Commission or that has been identified and brought to the attention of the Commission would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy.

The Commission invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations during the hearing to be scheduled and the written comment period.

CONTACT PERSONS

Inquiries concerning the proposed adoption of the regulations and written comments may be directed to:

Kristen Trimarche
California Student Aid Commission
11040 White Rock Road
Rancho Cordova, CA 95670
Telephone: (916) 464-6439
Fax: (916) 464-8033 Facsimile
Email: CalGrantRegsComment@csac.ca.gov

The back-up contact person for these inquiries is:

Kathleen Stanley
California Student Aid Commission
11040 White Rock Road
Rancho Cordova, CA 95670
Telephone: (916) 464-7203
Fax: (916) 464-8033 Facsimile
Email: CalGrantRegsComment@csac.ca.gov

AVAILABILITY OF THE STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, AND RULEMAKING FILE

The Commission will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office listed at the address above. As of the date this notice is published, the rulemaking file consists of this notice, the proposed text of regulations, the initial statement of reasons, and the information upon which the proposed rulemaking is based. Copies may be obtained by making a written request to Kristen Trimarche.

These documents may also be viewed and downloaded from the Commission's Web site at www.csac.ca.gov.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After holding the hearing and considering all timely and relevant comments received, the Commission may adopt the proposed regulations substantially as described in this notice. If the Commission makes modifications which are sufficiently related to the originally proposed text, it will make the modified text, with changes clearly indicated, available to the public for at least 15 days before the Board adopts the regulations as revised. Please send requests for copies of any modified regulations to the attention of Kristen Trimarche at the above address. The Commission will accept written comments on the modified regulations for 15 days after the date on which they are made available.

AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, copies of the final statement of reasons may be obtained by making a written request to Kristen Trimarche at the above address.

WEBSITE ACCESS

Materials regarding this proposal can be found at www.csac.ca.gov.