

**2012-16
Cal Grant Program
Institutional Participation Agreement
Proposed Changes**

Welcome!

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Presented by the California Student Aid Commission

Introduction

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Cal Grant Program Institutional Participation Agreement 2012-16

Timeline for IPA revisions and implementation

November 17, 2011 at 9 a.m. - California Student Aid Commission meeting.

September - December 2011 - Review and discussion of proposed changes and public comment.

January 2012 - Commission meeting agenda item, discussion on revised draft.

February 2012 - Adoption of revised IPA.

February – June 2012 – Implementation and new agreements completed.

July 1, 2012 - Effective date of IPA 2012-16.



Article II: General Provisions

Qualifying Institution, page 2

Current:

A. The Institution must satisfy the minimum requirements for participation in the Cal Grant Program for postsecondary institutions in California established in California Education Code 69432.7(l) and Title 5 of the California Code of Regulations, Division 4, Section 30009. To that end, the Institution certifies that it satisfies one of the following subsections:

Proposed Change:

A. The Institution understands and agrees that it is subject to and will comply with the program statutes and implementing regulations for participation in the Cal Grant Program as set forth in California Education Code 69432.7(l).

Why:

To comply with Senate Bill 70 (SB 70) which is now California Education Code 69432.7(l).

Article II: General Provisions

Consortium & Contractual Agreements, page 4

Current:

Did not exist in the IPA 2008-12.

Proposed Change:

K. The institution agrees to inform and provide the Commission with copies of the consortium and contractual agreements under which another institution provides all or part of the education program of Cal Grant participants.

Why:

The California Student Aid Commission is reviewing the subject of consortium and contractual agreements.

Article III: Account Maintenance -Institutional Responsibilities Interest Earned on State Funds, page 5

Current:

Did not exist in the IPA 2008-12.

Proposed Change:

3) The institution agrees that no bank fees nor negative interest shall be deducted nor offset against the interest earned by the advance of State funds for the Cal Grant Program.

Why:

To provide guidance to institutions regarding the submission of earned interest.

Article III: Account Maintenance -Institutional Responsibilities Interest Calculation Methodology, page 5

Current:

Did not exist in the IPA 2008-12.

Proposed Change:

4) Institutions shall calculate interest on Cal Grant funds in the same manner used by its financial institution or investment pool.

Why:

To provide consistency between earning, calculating and returning interest.

Article IV: Disbursement – Institutional Responsibilities

Identification of California Campus Attended by Cal Grant Recipient, page 6

Current:

Did not exist in the IPA 2008-12.

Proposed Change:

A. Identify which of the California campuses the Cal Grant recipient attends and report this information to the Commission.

Why:

To identify Cal Grant recipients who attend Cal Grant institutions in California whose main campuses are located out-of-state.

Article IV: Disbursement – Institutional Responsibilities Non Residential Status, page 6

Current:

B. 1. The recipient is a U.S. citizen or an eligible non-citizen [California Education Code 69433.9(a)].

Proposed Change:

B. 1. The recipient is a U.S. citizen or an eligible non-citizen [California Education Code 69433.9(a)] or is a student who attends the California State University, the California Community Colleges, or the University of California who is exempt from paying nonresident tuition under the provision described in California Education Code 68130.5

Why:

Interpretation of Assembly Bill 131 (Dream Act) is under current review.

Article IV: Disbursement – Institutional Responsibilities

Enrollment Status on Grant Roster, page 7

Current:

10. The enrollment status for each recipient on the grant roster is at least part time as defined in California Education Code 69432.7. and in accordance with the established institutional policies and requirements in the CGPM, including manual updates, policy bulletins, operations memos, special alerts, and this Agreement. [California Education Code 69434(b)(6), 69435.3(a)(6), 69436(b)(6), 69437.3(c)].

Proposed Change:

10. The enrollment status for each recipient on the grant roster must be as defined in California Education Code 69432.7 (f). ~~and in accordance with the established institutional policies and requirements in the CGPM, including manual updates, policy bulletins, operations memos, special alerts, and this Agreement. [California Education Code 69434(b)(6), 69435.3(a)(6), 69436(b)(6), 69437.3(c)].~~

Why:

To comply with California Education Code 69432.7. (f).

Article IV: Disbursement – Institutional Responsibilities

New & Renewal Cal Grant Recipients: Minimum Financial Need, page 7

Current:

11) The recipient demonstrates financial need at the Institution according to federal financial need methodology.

Proposed Change:

11) The new and renewal recipient demonstrates the minimum financial need required for a new or renewal Cal Grant award at the Institution according to federal financial need methodology [California Education Code 69432.9(b)].

Why:

To comply with Senate Bill 70, which is now California Education Code 69432.9(b).

Article IV: Disbursement – Institutional Responsibilities

New & Renewal Cal Grant Recipients: Family Income & Assets Ceiling, page 7

Current:

12) The recipient with a new award has family income and assets at/below the published Cal Grant ceilings.

Proposed Change:

12) The recipient with a new or renewal award has family income and assets at/below the published Cal Grant ceilings [California Education Code 69432.7(k)].

Why:

To comply with Senate Bill 70, which is now California Education Code 69432.7(k).

Article IV: Disbursement – Institutional Responsibilities

Disbursement Policy: Include Add / Drop Date or Census Date, Or Its Equivalent, page 8

Current:

C. 1) Establish and maintain a written disbursement policy and schedule that includes the Institution's enrollment/payment periods reported to the Commission and is in accordance with the applicable requirements specified for each educational program.

Proposed Change:

C. 1) Establish and maintain a written disbursement policy and schedule that includes the Institution's enrollment/payment periods reported to the Commission and is in accordance with the applicable requirements specified for each educational program. The disbursement policy should also include the institution's add/drop date or census date, or its equivalent.

Why: To provide clarity and align with disbursements of federal student aid.

Article IV: Disbursement – Institutional Responsibilities

Disburse “Access” and “Books and Supplies” Payments, page 8

Current:

B. 1) i. Disburse “Access” and “Books and Supplies” payments within ten (10) business days of determination of enrollment status.

Proposed Change:

B. 1) i. Disburse “Access” and “Books and Supplies” payments within fifteen (15) business days of determination of enrollment status.

Why:

To provide additional time for institutions to disburse.

Article IV: Disbursement – Institutional Responsibilities

Non-full Time Award Prorated, page 8

Current:

B. 1. ii. Disburse no more than that which the recipient is eligible to receive per academic term.

Proposed Change:

B. 1. ii. Disburse no more than that which the recipient is eligible to receive per payment period. The award to a non-full-time recipient shall be prorated based on the participant's enrollment status. [California Education Code 69433.5 (b), California Education Code 69432.7 (f), 69433 (b)].

Why:

To ensure that institutions are disbursing based on enrollment status and to comply with the statute.

Article IV: Disbursement – Institutional Responsibilities

Tuition/Fee Portion of Award Based on Enrollment, page 8

Current:

Did not exist in the IPA 2008-12.

Proposed Change:

B. 1) vi. Make tuition/fees portion of the award based on the participant's enrollment status as of the institution's add/drop date, census date, or its equivalent.

Why:

To ensure that institutions are disbursing based on enrollment status and to comply with the statute.

Article IV: Disbursement – Institutional Responsibilities

Certify Accuracy of Payment to Reflect Recipient's Final Enrollment Status, page 8

Current:

Did not exist in the IPA 2008-12.

Proposed Change:

~~B. 1) vii. Certify the accuracy of the tuition/fee portion of the payment transactions submitted to the Commission to reflect the final status of the participant's at the add/drop date, census date, or the equivalent.~~

Why:

This will be deleted as it is redundant.

Article IV: Disbursement – Institutional Responsibilities

Cal Grant Refund Policy, page 8

Current:

B. 2) Establish and maintain a written Refund Policy that includes the Cal Grant Program(s).

Proposed Change:

B. 2) Establish and maintain a written Cal Grant Program Refund Policy that includes the following:

2) i. Once the Institution becomes aware that a participant has ceased attendance, the Institution must apply its institutional refund policy.

2) ii. The Institution must report to the commission the withdrawal date. This date should correspond with the withdrawal date used for Federal Title IV program purposes.

2) iii. If a participant ceases to be enrolled prior to the end of a term that a Cal Grant payment was made, the Institution shall determine the tuition and fee charges for the term.

2) iv. Cal Grant tuition/fees payments cannot be greater than the amount of tuition/fees due or charged incurred up to the date the recipient withdraws.

Article IV: Disbursement – Institutional Responsibilities

Cal Grant Refund Policy Components, pages 8-9

Proposed Change:

2) v. If the recipient received more Cal Grant funds than tuition/fees charged for the payment term, the excess funds must be returned to the Commission.

2) vi. If the recipient received less Cal Grant funds than eligible, the Institution may disburse the funds that were not received.

2) vii. If the recipient is due a post-withdrawal of access, books, and supplies disbursement, these funds may be directly disbursed to the recipient.

Why:

The Cal Grant Refund Policy section is under review.

Article IV: Disbursement – Institutional Responsibilities

Cal Grant Options, page 9

Current:

B. 2. i. In the case of a refund (i.e. 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 refund policy and determine the portion to be returned to the Commission on behalf of the State.

Proposed Change:

~~B. 2. i. In the case of a refund (i.e. 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 refund policy and determine the portion to be returned to the Commission on behalf of the State.~~

Why:

This section will be deleted as it is redundant.

Article IV: Disbursement – Institutional Responsibilities

Cal Grant Options, page 9

Current:

Did not exist in the IPA 2008-12.

Proposed Change:

B.2. ix. The Institution must return Cal Grant funds to the Commission before refunding any other funding sources other than refunds of Title IV program funds required by the Return of Title IV funds regulations.

Why:

This will be deleted - - redundant.

Article IV: Disbursement – Institutional Responsibilities

Cal Grant Options, page 9

Current:

B. 3) Establish and publish a policy that informs students of their options regarding receipt of Cal Grant “Access” or “Books and Supplies” funds and their ability to rescind their option at any time (i.e. If institutional policy is to apply “Access” or “Books and Supplies” to outstanding balances on the student’s account, the recipients must have the ability to request personal receipt of the funds prior to disbursement.)

Proposed Change:

B. 3) Establish and publish a policy that informs recipients of their options regarding receipt of Cal Grant “Access” or “Books and Supplies” funds and their subsequent ability to rescind their option at any time (i.e. If institutional policy is to apply “Access” or “Books and Supplies” to outstanding balances on the student’s account, the students must have the ability to request personal receipt of the funds prior to disbursement.)

Why:

To provide Cal Grant recipients the ability to modify their option for the “Access” or “Books and Supplies” funding.

Article IV: Disbursement – Institutional Responsibilities

Undisbursed Cal Grant Funds, page 10

Current:

C. vii. The Institution may not apply excess Cal Grant fund to any other student's account to any prior or future year accounts.

Proposed Change:

C. vii. The Institution may not apply carryover undisbursed Cal Grant funds from prior year to any other recipient's account or carryover undisbursed Cal Grant funds to any subsequent award years.

Why:

To ensure that Cal Grant funds for a specific award year are processed for that award year.

Article V: Commission's Responsibilities

Inclusion of Institutional Student Information Record (ISIR) & Other Forms, page 11

Current:

D. Make a preliminary determination of an applicant's eligibility for Commission-administered grant programs by evaluating his or her 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 criteria.

Proposed Change:

D. Make a preliminary determination of an applicant's eligibility for Commission-administered grant programs by evaluating his or her financial information and program specific data as provided on the Free Application for Federal Student Aid (FAFSA) or Institutional Student Information Record (ISIR), the verified Grade Point Average (GPA), and any other selection criteria and forms used to determine Cal Grant program eligibility.

Why:

To update this section with current Commission operational processes.

Article V: Commission's Responsibilities

Cohort Default Rate: Certification by October 1, page 12

Current:

Did not exist in the IPA 2008-12.

Proposed Change:

R. Certify by October 1 of each year the Institution's latest three-year cohort default rate as most recently reported by the United States Department of Education. (California Education Code 69432.7(l)(3))

Why:

To comply with Senate Bill 70 which is now California Education Code 69432.7(l)(3).

Article V: Commission's Responsibilities

Cohort Default Rate: Notification if Equal to or Over 30 Percent, page 12

Current:

Did not exist in the IPA 2008-12.

Proposed Change:

S. Notify the Institution with a three-year cohort default rate that is equal to or greater than 30 percent as reported by the U.S. Department of Education that future Cal Grant advances will cease and that supplemental payments are required for renewal students attending the Institution.

Why:

To inform institutions that the Commission is complying with SB 70 and to inform institutions of their status.

Article VI: Information Security

Annual Renewal by June 30 of Information Security and Confidentiality Agreement & System Administrator's Access Request Form, page 13

Current:

Did not exist in the IPA 2008-12.

Proposed Change:

E. The "Information Security and Confidentiality Agreement" and "System Administrator's Access Request Form" must be renewed annually. All users including the AO and SA will lose access to the Commission's network and data if the Institution does not submit the renewal forms by June 30.

Why:

To comply with California Government Code 11019.9, California Civil Code 1798, et seq. and the State Administrative Manual Section 5300.3

Article VI: Information Security

Institutional Policy on Accessing Data / Network, page 14

Current:

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.

Proposed Change:

K. The Institution will establish and enforce policies to ensure that Commission data and network access are conducted from secured systems on site within the Institution, or using the authorized IP address. Access to the Commission data and network from off site locations is not authorized.

CORRECTION:

K. The Institution will establish and enforce policies to ensure that Commission data and network WebGrants access are conducted from secured systems onsite within the Institution, or using the authorized IP address. Access to the Commission data and network from off site locations is not authorized. or via encrypted secure 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. Offsite access to WebGrants must be accessed through equipment authorized, owned, and managed by institutions. Offsite locations shall have encrypted hard drives and storage devices and shall not provide a bridging capability from unsecured networks into Commission networks.

Why:

To comply with State Administrative Manual Sections 5310 and 5320.5

November 2011

Article VII: Corrective Measures

Failure to Maintain Administrative Capability and Financial Stability: Restrictions on Non-Public Institutions, page 15

Current:

Did not exist in the IPA 2008-12.

Proposed Change:

4) The Commission may impose the following restrictions on non-public institutions that have failed to maintain standards of administrative capability and financial stability:

- i. The institution will be classified as “at-risk” and placed in the Reimbursement Program and no longer benefit from term advances.
- ii. The at-risk institution (Institution) shall maintain Cal Grant funds in a separate bank account.
- iii. Cal Grant funds will only be released after the Institution has verified a recipient’s eligibility and has posted the request for payment on WebGrants.
- iv. The Commission will approve disbursement of Cal Grant funds
- v. The Institution must submit documentation to the Commission such as account/ledgers within two weeks of disbursement to confirm that each student has received Cal Grant funds.

Why:

To provide institutions with guidance on the At-Risk Reimbursement Program which was adopted by the Commission in 2008.

Article VIII: Agreement Duration

Termination of this Agreement, page 17

Current:

Did not exist in the IPA 2008-12.

Proposed Change:

B. 4. The institution fails to meet the definition of a qualifying institution. [California Education Code 69473.7(l)].

Why:

To update this section.

Article IX: Certification

Assurances: License Examination Passage Rates, page 21

Current:

Did not exist in the IPA 2008-12.

Proposed Change:

Section 69432.7(l)(2)(A) of the California Education Code states:

“The institution shall provide information on where to access California license examination passage rates for the most recent available year from graduates of its undergraduate programs leading to employment for which passage of a California licensing examination is required, if that data is electronically available through the Internet Web site of a California licensing or regulatory agency.”

Why:

To comply with Assembly Bill 2086, which is now the California Education Code 69432.7(l)(2)(A).

Appendix A

Definitions: Updates are ongoing

Appendix C

Proposed change to remove Community College Residency Regulations; California Code of Regulations (CCR) Sections 54020 – 54024

Why: Referenced in Article IV B 6 iii

Questions?

Submit questions

Through the “Chat” feature

Or to

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