

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

**AMENDMENT TO TITLE 5, CA CODE OF REGULATIONS REGARDING  
THE CAL GRANT PROGRAM AND THE CAL GRANT ALTERNATIVE DELIVERY  
SYSTEM (ADS) PILOT PROGRAM  
(EDUCATION CODE §§ 69430-69460)**

**NOTICE OF PROPOSED RULEMAKING**

**NATURE OF PROCEEDING**

Government Code section 11346.1(a)(2) requires that, at least five working days prior to submission of the proposed emergency action to the Office of Administrative Law, the adopting agency provide a notice of the proposed emergency action to every person who has filed a request for notice of regulatory action with the agency. After submission of the proposed emergency to the Office of Administrative Law, the Office of Administrative Law shall allow interested persons five calendar days to submit comments on the proposed emergency regulations as set forth in Government Code section 11349.6.

Notice is given that the California Student Aid Commission (Commission) is proposing to take the action described in the Informative Digest.

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 the

OAL Reference Attorney  
300 Capitol Mall, Suite 1250  
Sacramento, CA 95814  
or by facsimile (FAX) to (916) 323-6826  
or by e-mail to [staff@oal.ca.gov](mailto:staff@oal.ca.gov)

**AND**

California Student Aid Commission  
Attention: Kathy Spencer  
P. O. Box 419029  
Rancho Cordova, CA 95741-9029  
or by FAX to (916) 464-8240  
or by e-mail to [CalGrantRegsComment@csac.ca.gov](mailto:CalGrantRegsComment@csac.ca.gov)

Comments submitted to both OAL and the Commission must be submitted by 5:00 p.m. on August 2, 2010.

**FINDING OF EMERGENCY**

The Commission is charged with providing educational opportunity by ensuring all students with financial need with access to, and choice of, an institution of higher education.

Education Code Section 69452(a) instructs the Commission to adopt emergency rules and regulations by July 1, 2010 for implementation of the Cal Grant Alternative Delivery System (ADS) Pilot Program.

The Commission finds that an emergency exists, and the need for immediate adoption of the proposed regulations is necessary to ensure unobstructed student access to Cal Grant awards, to ensure accountability for, and integrity of state funds authorized for the Cal Grant program.

With these emergency regulations adopted, the Commission will be able to ensure Cal Grant awards and services to students will not be disrupted in the implementation of the ADS Pilot Program. Additionally, the Commission will establish the criteria for the ADS Pilot Program to receive participation commitments from the minimum number of qualifying institutions that will pay the costs associated with developing and implementing the ADS Pilot Program.

## **AUTHORITY AND REFERENCE**

Pursuant to the authority vested by section 69452(a) of the Education Code, and to implement, interpret, or make specific sections 69430-69460 of the Education Code, the Commission is considering changes to Division 4 of Title 5 of the California Code of Regulations as follows: amend sections 30000-30002, 30005, 30009, 30020-30023, 30030, 30032-30033 for clarification and consistency and adding sections 30010-30019 and 30034-30046 to implement, interpret, and make specific sections 69430-69460 of the Education Code establishing the Cal Grant Alternative Delivery System (ADS) Pilot Program.

## **INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW**

The Commission performs an essential public purpose in protecting and providing educational opportunity by ensuring all students with financial need with access to, and choice of, an institution of higher education. In order to fulfill its objectives, it is necessary for the Commission to establish eligibility requirements and criteria for participating ADS Pilot Program institutions and to provide program functions consistent within the Cal Grant Program. Further, the Commission will need to ensure that the participating ADS Pilot Program institutions function as a one-stop shop for financial aid information by providing assistance to students, parents, and high school and community college counselors seeking information about the Cal Grant Program and other student financial aid.

The program requires participating ADS Pilot Program institutions to meet all of the eligibility criteria included in section 69454 of the Education Code. Institutional applicants are required:

1. To submit an application to the Commission;
2. To acknowledge the qualifying institution satisfies the requirements for the ADS;
3. To maintain compliance with program requirements ;
4. To make eligibility determinations consistent with the requirements of the Cal Grant Program and requirements adopted by the Commission;
5. To inform the student of his or her Cal Grant award before the student is required to make an enrollment decision for the following academic year;
6. To provide notice to the student that he or she may be eligible to use the Cal Grant award at another qualifying institution to which he or she is admitted;
7. To function as a one-stop shop for student financial aid by:
  - a. providing assistance to all students, parents, high school counselors and community college counselors inquiring or seeking information about Cal Grant awards and other student financial aid;
  - b. providing information about the availability of, requirements for, and the amount of, Cal Grant awards that may be available at other qualifying institutions in all segments of postsecondary education.

The Commission shall review and approve applications from qualifying institutions that comply with all applicable requirements. The Commission shall not implement the ADS Pilot Program until at least 30,

but no more than 35, qualifying institutions have committed to participating in the ADS Pilot Program. Costs incurred by the Commission for developing and implementing the ADS Pilot Program are to be paid by the selected participating institutions.

The proposed regulations would implement, interpret, and make specific the elements of ADS Pilot Program. Specifically, the proposal would:

1. Define terms used in the regulations;
2. Establish a deadline for application submission;
3. Establish the requirements for applications to participate in the program;
4. Establish the applicants' choice of program methodology (Institutional or Commission Determination)
5. Specify the process by which the Commission will select ADS Pilot Program institutions from among the eligible applicants;
6. Specify the ADS Pilot Program institutions are responsible for all costs associated with developing, implementing, maintaining, and improving the ADS;
7. Specify the consequences of an ADS Pilot Program institution's failure to comply with applicable laws and regulations and establish the appeal process for institutions that are withdrawn from the program;
8. Establish that all costs associated do not constitute a cost that is reimbursable under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code;
9. Establish participation in the ADS Pilot Program is voluntary;
10. Establish the requirement for ADS Pilot Program institutions to design a web service client as specified for program requirements;
11. Establish the Cal Grant Grade Point Average (GPA) Web Service access process; and
12. Specify the ADS Pilot Program institutions responsibilities and notification requirements.

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

### **OTHER STATUTORY REQUIREMENT**

Education Code section 69452(b) instructed the Commission to convene an advisory task force to assist in understanding the technical and data requirements necessary for the implementation of the pilot program. The task force was convened within the time frame of 15 days and continues to meet on a regular basis. The task force is composed of commission staff and representatives of institutions interested in participating in the pilot program.

### **LOCAL MANDATE**

This proposal does not impose a mandate on local agencies or school districts.

### **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.

### **COSTS OR SAVINGS TO STATE AGENCIES**

None

## **SUBMITTING COMMENTS ON PROPOSED EMERGENCY REGULATIONS**

If you wish to comment on proposed emergency regulations, you must submit the comment directly to OAL within five calendar days of when OAL posts the proposed emergency regulation on the OAL Web site. You may submit comments on proposed emergency regulations to:

OAL Reference Attorney  
300 Capitol Mall, Suite 1250  
Sacramento, CA 95814

or by FAX to (916) 323-6826, or by e-mail to [staff@oal.ca.gov](mailto:staff@oal.ca.gov).

When you submit a comment to OAL, you must also submit a copy of your comment to the Commission. The comment must state that it is about an emergency regulation currently under OAL review and include the topic of the emergency. You may direct comments to the Commission concerning the proposed emergency regulations to:

Kathy Spencer  
California Student Aid Commission  
P. O. Box 419029  
Rancho Cordova, CA 95741-9029

or by FAX to (916) 464-8240, or by e-mail to [CalGrantRegsComment@csac.ca.gov](mailto:CalGrantRegsComment@csac.ca.gov)

Comments submitted to both OAL and the Commission must be submitted by 5:00 p.m. on August 2, 2010.

The Commission is not required to respond to comments submitted. If the Commission chooses to respond, however, it must submit its response to OAL within eight **calendar** days after the date of submission of the proposed emergency regulation(s) to OAL.

### **TEXT OF PROPOSAL**

Copies of the exact language of the proposed regulations and all the information upon which the proposal is based may be obtained upon request from the

California Student Aid Commission  
P. O. Box 419029  
Rancho Cordova, CA 95741-9029

These documents may also be viewed and downloaded from the Commission's Web site at [www.csac.ca.gov](http://www.csac.ca.gov).

### **WEBSITE ACCESS**

Materials regarding this proposal can be found at [www.csac.ca.gov](http://www.csac.ca.gov).