

NOTICE OF PROPOSED ACTION

CALIFORNIA STUDENT AID COMMISSION
P. O. Box 419026
Rancho Cordova, CA 95741

Title 5. Education
Division 4. California Student Aid Commission
Chapter 1. California Student Aid Commission
Article 19. Public Interest Attorney Loan Repayment Program (PIALR Program)

Adopt new Article, Sections 30928 – 30931, California Code of Regulations

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

PUBLIC HEARING

A public hearing regarding this proposal is currently not scheduled. However, any interested person or duly authorized representative may request, no later than 15 days before the close of the written comment period that a public hearing be scheduled.

WRITTEN COMMENT PERIOD AND SUBMITTAL OF COMMENTS

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

California Student Aid Commission
Attention: Synequeen Alasa-as, Legal Services
P. O. Box 419026
Rancho Cordova, CA 95741

Comments may also be submitted by facsimile (FAX) at (916) 464-6411 or by e-mail to Rulemaking@csac.ca.gov. The public comment period for this regulatory action will **begin on Friday, February 2, 2024**. Comments must be **submitted by Tuesday, April 9, 2024**, to be considered.

AUTHORITY AND REFERENCE

This document presents the California Student Aid Commission's (Commission) proposed regulations to implement the Public Interest Attorney Loan Repayment (PIALR) Program, in accordance with the provisions of Education Code Sections 69740 through 69746.5.

The provisions of the PIALR Program were initially adopted and established within the Education Code in 2001 (Assembly Bill 935, Statutes of 2001). These Education Code provisions direct the Commission to adopt regulations to administer the program within one year of the initial program funding appropriation.

Senate Bill 101 (Chapter 12, Statutes of 2023) included the first funding appropriation for the PIALR Program in the amount of \$667,000, as part of the “Budget Act of 2023”. Thus, under the Education Code, the Commission is charged with adopting initial regulations to administer the PIALR Program by July 1, 2024. Specifically, Education Code Section 69742(b) provides:

The Commission shall adopt initial regulations for the program within one year of the effective date of the initial appropriation funding the program.

The proposed regulations discussed in this document were developed by staff to interpret, implement, and make specific the statutory provisions of the Education Code relative to the PIALR Program and to govern the Commission’s administration of the Program. The proposed draft regulations developed by staff are shown in “Appendix A: Proposed Regulations.”

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

As described above, Education Code Section 69742(b) directs the Commission to develop regulations to administer the PIALR Program by July 1, 2024. The regulations are necessary for the Commission to establish the programmatic provisions for its administration of the PIALR Program within the California Code of Regulations, in accordance with the statutory provisions of the Education Code. These Education Code provisions direct the Commission to establish the eligibility criteria for making program awards to eligible Program participants based on “need and merit”, among other things.

Staff developed these proposed regulations in consultation with an Advisory Committee established in accordance with Education Code section 69740(i). The Advisory Committee included representatives from the State Bar of California, Legal Aid Association of California, the California on Access to Justice Commission, the Universities of California at Davis and Irvine, and the Thomas Jefferson School of Law. Advisory Committee representatives included Law School Deans, and Professors, Program Directors, and others with an interest in the PIALR Program.

Staff consultations with the Advisory Committee included an October 2023 working-group meeting where the Committee helped staff interpret and define regulatory terms relative to public interest law, review and comment on provisions of the proposed application scoring matrix and respond to staff questions about the proposed regulations. Advisory Committee representatives continued to provide review assistance to staff as the proposed regulations were finalized.

Objectives and Benefits of the Proposed Regulation

The proposed regulations are necessary to clarify statutory provisions and implement the Public Interest Attorney Loan Repayment Program. The Program provides financial assistance towards reducing the remaining law school debt of licensed

attorneys who agree to work in certain defined areas of “public interest law”. The Program may further the interest of the State by encouraging attorneys to pursue careers in public interest law, including in those areas of the State underrepresented by licensed and/or practicing attorneys.

Evaluation of Inconsistency or Incompatibility with Existing State Regulations

After conducting a review of for any related regulations in this area, the Commission has determined that no other regulations exists concerning the Public Interest Attorney Loan Repayment Program. Therefore, the proposed regulations are neither inconsistent nor incompatible with existing state regulations.

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 costs or savings on local agencies. This proposal does not result in any cost or savings in federal funding to the state. With respect to potential costs or savings to State agencies, the California Student Aid Commission may incur minor absorbable costs relative to preparing the proposed regulations.

Housing Cost: None

Cost Impact on Representative Private Person or Business:

The Commission is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Other Business Impacts:

The Commission has determined 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.

Cost or Savings in Federal Funding to the State: None

Results of the Economic Impact Analysis:

The proposed regulations would clarify and implement program provisions and application requirements for the Public Interest Attorney Loan Repayment Program.

Participating in this educational grant funding program is a voluntary option available to eligible students and employers. As such, the proposed regulations place no new or substantial requirements on businesses, individuals, or government agencies within California.

The proposed regulations are not expected to create or eliminate any jobs within the state. The proposed regulation is not expected to create new businesses or eliminate existing businesses within the state or cause an expansion to businesses currently doing business within the state. Therefore, the proposed regulations have no potential for adverse economic or fiscal impact. Furthermore, there is no significant statewide adverse economic impact directly affecting businesses, including California businesses' ability to compete with businesses in other states or on representative private persons.

The benefits of this regulation, as discussed above, would be to improve the efficient implementation and administration of this program by the Commission on behalf of student applicants. This should enable more students to take advantage of this source of educational grant funding in support of their educational goals. The regulation is not expected to directly impact California residents' health and welfare, worker safety, or the state's environment.

FEDERAL MANDATE

The proposed regulation would only apply within California and specifically to attorneys residing and practicing law in California who elect to participate in the PIALR Program. The provisions of the proposed regulations would neither affect nor conflict with any federal regulations, or federal education or work study programs.

CONSIDERATION OF ALTERNATIVES

The Commission must determine that no reasonable alternative it considered, or that has otherwise been identified and brought to its attention, 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 or other provision of law. The Commission invites interested parties to submit statements or arguments with respect to alternatives to the proposed regulatory action during the written comment period or at the public hearing.

CONTACT PERSONS

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

Synequeen Alasa-as
California Student Aid Commission
11120 International Drive, STE. 100
Rancho Cordova, CA 95670
Telephone: (916) 464-6411

Fax: (916) 464-6411
Email: salasa-as@csac.ca.gov

The back-up contact person for these inquiries is:

Gary Collord
California Student Aid Commission
11120 International Drive, STE. 100
Rancho Cordova, CA 95670
Telephone: (916) 347-0632
Fax: (916) 464-8033
Email: gcollord@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, an economic and fiscal analysis, and other reference information upon which the proposed rulemaking is based. Copies may be obtained by making a written request to Synequeen Alasa-as.

These documents may also be viewed and downloaded from the Commission's Web site at <https://www.csac.ca.gov/proposed-regulations-rulemaking-documents>.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After 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 Synequeen Alasa-as 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 Synequeen Alasa-as at the above address.

WEBSITE ACCESS

Materials regarding this proposal can be found at <https://www.csac.ca.gov/proposed-regulations-rulemaking-documents>.