

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

**AMENDMENT TO TITLE 5, DIVISION 4, CHAPTER 1, ARTICLE 15  
CA CODE OF REGULATIONS**

**California National Guard Education Assistance Award Program  
AMENDED INITIAL STATEMENT OF REASONS**

**INTRODUCTION**

Assembly Bill 12 of the Fourth Extraordinary Session, the local government trailer bill to the 2009 Budget Act Amendments, was signed by the Governor and chaptered into law on July 28, 2009. It established the California National Guard Education Assistance Award Program (CNG EAAP) to be jointly administered by the Office of the Adjutant General and the Student Aid Commission (Commission).

Based on the authority provided in Education Code Section, 69999.22, Commission staff, in consultation with the Military Department adopted California Code of Regulations Title V, Division 4, Chapter 1 Sections 30730 et seq. to implement, interpret, and construct the requirements established in Education Code sections 69999.10-69999.30, which became effective on January 10, 2011.

The Legislature's stated intent for the CNG EAAP is to provide an inducement to members of the California National Guard to maintain the required strength in the California National Guard. This is a state-funded program designed to provide an educational incentive to improve skills, competencies, and abilities for service members to remain active in the National Guard, the State Military Reserve, or the Naval Militia. The Office of the Adjutant General may select up to 1,000 participants for the program. This program authorizes the Commission to make payments to eligible program participants who attend Cal Grant participating institutions.

Participants can receive up to the amount of the Cal Grant A award for attending the University of California or the California State University, up to the Cal Grant B award for attending a community college, up to the Cal Grant A amount for a recipient attending a non-public institution, or up to the Cal Grant A award plus \$500 for books and supplies for graduate studies.

The proposed amendment to the existing regulations shall implement, interpret, and specify the requirements established in Education Code Sections 69999.10-69999.30.

The California Student Aid Commission published its Notice of Proposed Rulemaking on May 11, 2012, in the California Regulatory Notice. No hearing was scheduled and no hearings were requested by any member of the public.

The last day for written comment on the Notice of Proposed Rulemaking was June 25, 2012. The Commission received no written comments.

This Amended Initial Statement of Reasons is being noticed to the public along with the 15-day Notice to provide the opportunity for public review and comment on the post-notice changes made to the proposed regulations.

## **Economic Impact Analysis**

In accordance with Government Code Section 11346.3(b), the Commission has performed the following analysis regarding the proposed regulations and did not rely on any other technical, theoretical or empirical study, report or similar document in developing the proposed regulatory action.

The Commission has performed an economic analysis pursuant to Government Code section 11346.5(a) as set forth below.

Based on the foregoing analysis, the Commission has determined that:

- (1) The proposed action will not create or eliminate jobs within California;
- (2) The proposed action will not create new businesses or eliminate existing businesses within this state;
- (3) The proposed action will not affect the expansion of businesses currently doing businesses within California; and
- (4) The proposed action will provide benefits to the health and welfare of California residents by protecting the general welfare.

Specifically, the Commission has made a determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with business in other states as it affects only individuals participating in the CNG EAAP.

## **Alternatives Considered**

The Commission did not consider any alternatives to the proposed regulations because it believes the proposed regulations are the best way to implement CNG EAAP.

## **Proposed Amendments**

The specific purpose of each proposed amendment, and the rationale for the determination that each amendment is reasonably necessary to carry out the purpose for which it is proposed, is as follows:

**Proposed Section 30730** provides new definitions not previously included, as follows:

**“CNG EAAP”** - The acronym “CNG EAAP” is defined as the California National Guard Education Assistance Award Program, which is used throughout the article.

**“Eligible Applicant” (b)** - Specifies that program participants who have successfully completed the certificate, degree, or diploma sought when entering the program and who have remaining program eligibility, may continue to be considered eligible for the program and seek an additional certificate, degree, or diploma in a field needed by the California National Guard.

**“Enrollment Status” (c)** - Makes specific the parameters for undergraduate enrollment status to differentiate between undergraduate and graduate participants. It also allows an institution to define full-time or part-time status for graduate participants since different graduate programs have varying quantitative thresholds for this definition.

**“Leave of Absence” (LOA)** - Provide a new definition to specify that a program participant may retain their award eligibility for a period of time when they are not enrolled in courses when a leave of absence (LOA) request is submitted in writing to the Adjutant General (AG) for approval in order for that entity to confirm that the participant has cited an acceptable reason(s). The LOA may not exceed one calendar year in order to ensure that a “spot” is not held indefinitely for individuals who do not actively participate in the programs stated goals and since the number of participants may exceed the number of awards; however, the AG may approve exceptions to the term based on the needs of the California National Guard and waive the written requirement pursuant to new proposed Section 30737.

**“Qualifying Institution”** – Qualifying institution (a) – (c), as it presently exists in regulation, mirrors the language of Education Code section 69432.7 (l) as it existed when the regulation was promulgated. Rather than having to change the proposed regulations when the Education Code is changed, the Commission is referring to that section specifically.

All qualifying institutions must enter into an Institutional Participation Agreement with the Commission, which outlines the administrative and fiscal roles and responsibilities of both the Commission and the qualifying Institution to ensure program accountability.

**Proposed Section 30731** changes the initial application deadline to correlate with the timely administration of program processes.

**Proposed Section 30733** makes minor, non-substantive changes to correct grammatical errors.

**Proposed Section 30734(a)(1)** removes the Adjutant General’s requirement to certify a participant’s grade point average due to the fact that the educational institution provides this certification.

**Proposed Section 30734(d)** indicates that participants must contact the CNG EAAP Coordinator when changing their educational institution as the Coordinator has access to information to determine a participant’s remaining eligibility for the program.

**Proposed Section 30734(g)** clarifies that current program eligibility and availability of funds are requirements for participants to receive a payment under the program.

**Proposed Section 30734(h)(3)(E)** specifies that a participant wishing to renew participation in the program is required to complete a renewal application to provide information as to whether the participant wishes to continue in the program since the number of participants may exceed the number of awards.

**Proposed Section 30736** removes subsections (b) and (c), which are now included in proposed Section 30737.

**Proposed Section 30737** provides a new section to specify that a program participant may receive a leave of absence (LOA) if he/she makes the request in writing to the Adjutant General (AG) for approval. The LOA must be based on one of the cited reasons to be acceptable. The LOA may not exceed one calendar year in order to ensure that all eligible applicants for the program may be considered for an award and a “spot” is not held indefinitely for individuals who do not actively participate in the programs stated goals; however, the AG may approve exceptions to the term based on the needs of the CNG and waive the written requirement.

**Proposed Section 30738** incorporates a new section to define that if a participant is withdrawn from the program the appeal process must be initiated within ninety days, which would ensure that a determination is made before the award year is closed since the number of participants may exceed the number of awards.

## **Proposed Changes to Initial Application / Appendix A**

### QUESTION 11

This box has been corrected to reflect the current regulation, which does not specify a particular year but instead has an "XX" to denote that the year can be updated annually.

In addition, the Commission's website has changed and no longer provides "Quick Hits," so the text "School code can be found at <http://www.csac.ca.gov>. Look under Quick Hits Link for "Search For Cal Grant Eligible Schools" has been removed.

No substantive change is proposed to question 11.

### QUESTION 12

This box has been corrected to reflect the current regulation, which does not specify a particular academic year but instead has an "XX" to denote that the years can be updated annually.

No substantive change is proposed to question 12.

### QUESTION 16

This box has been changed in format only and no content has been changed.

No substantive change is proposed to question 16.

### QUESTION 17

This box has been updated to include the expanded list of ethnicity categories pursuant to AB 1088 regarding reporting requirements.

No substantive change is proposed to question 17.