

**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 MANDATORY SYSTEMWIDE FEES
(EDUCATION CODE §§ 66021.2, 69430-69460)**

NOTICE OF PROPOSED RULEMAKING

NATURE OF PROCEEDING

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

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.

Following the public hearing, if one is requested, or following the written comment period, if no public hearing is requested, the Commission, upon its own motion or at the instance of any interested party, may thereafter adopt the proposals substantially as described below or may modify the proposals if the modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days before its adoption from the persons designated in this Notice as contact persons and will be mailed to those persons who submit written comments related to this proposal, or who provide oral testimony if a public hearing is held, or who have requested notification of any changes to the proposal.

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
P. O. Box 419029
Rancho Cordova, CA 95741-9029

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 January 17, 2012.

AUTHORITY AND REFERENCE

Pursuant to the authority vested by section 69433.7 of the Education Code, and to implement, interpret, or make specific sections 66021.2 and 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 to add section 30001.5, for clarification.

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 define those fees.

For the 2011-12 academic year, the University of California (UC) and California State University (CSU) systems adopted the use of "tuition" and/or "tuition fee" as part of the description of the fees that these institutions charge to students; similar to the nomenclature used by other non-public institutions to describe the cost of instruction. Adopting this description helps postsecondary students better understand and evaluate the costs of attending a postsecondary institution.

Education Code Section 66021.2 indicates that, for UC and CSU, a Cal Grant award covers the mandatory systemwide fees charged by those institutions. The Student Aid Commission wants to interpret and make specific that "tuition" and/or a "tuition fee" are considered to be among the "mandatory systemwide fees" which are eligible for coverage by a Cal Grant award at UC and CSU.

The proposed regulations would implement, interpret, and make specific the elements of the Cal Grant Program. Specifically, the proposal would add a definition for mandatory systemwide fees.

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

OTHER STATUTORY REQUIREMENT: None

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

EFFECT ON HOUSING COSTS: None

BUSINESS IMPACT/SMALL BUSINESSES

The Commission has made an initial 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.

ASSESSMENT REGARDING EFFECT ON JOBS/BUSINESSES

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.

COST IMPACT ON REPRESENTATIVE PERSON OR BUSINESS

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

BUSINESS REPORT

This regulatory proposal does not require a report.

ALTERNATIVES

The Commission must determine that no reasonable alternative considered by the agency, or that has otherwise been identified and brought to the agency's attention, would be more effective in carrying out the purpose for which the adoption of this regulation is proposed, or would be as effective as and less burdensome to affected private persons than the proposed action.

CONTACT PERSONS

Inquiries concerning the proposed adoption of this regulation and written comment may be directed to:

California Student Aid Commission
Attention: Kristen Trimarche
P. O. Box 419029
Rancho Cordova, CA 95741-9029
Phone (916) 464-6439; Facsimile (916) 464-8033

Or alternately to:

California Student Aid Commission
Attention: Kathleen Stanley
P. O. Box 419029

Rancho Cordova, CA 95741-9029
Phone (916) 464-8271; Facsimile (916) 464-8033

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.

INITIAL STATEMENT OF REASONS AND INFORMATION

The Commission has prepared an initial statement of reasons for the proposed action and has available all the information upon which the proposal is based.

AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named above.

You may obtain a copy of the final statement of reasons once it has been prepared, by making a written request to the contact person named above.

WEBSITE ACCESS

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