

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

**AMENDMENT TO TITLE 5, DIVISION 4, CHAPTER 1  
CALIFORNIA CODE OF REGULATIONS**

**Cal Grant Program and Participating Institution Data Reporting Requirements**

**ADDENDUM TO INITIAL STATEMENT OF REASONS**

**UPDATED INTRODUCTION**

The California Student Aid Commission published its Notice of Proposed Rulemaking on July 6, 2012, in the California Regulatory Notice Register. One public hearing was scheduled for August 20, 2012 but was rescheduled for August 22, 2012. This rescheduled hearing date was published in the California Regulatory Notice Register on August 17, 2012. No additional hearings were requested by any member of the public.

The last day for written comment on the Notice of the Proposed Rulemaking was August 20, 2012. The Commission received 22 timely written comments. Three additional written comments were received after the conclusion of the 45-day public comment period.

The Commission's Student Impact Committee held the public hearing on the proposed regulations on August 22, 2012. The Committee heard oral testimony from 10 commenters. The Commission held further discussion of the regulations at its regularly scheduled meeting on September 13-14, 2012. At that time, the Commission was provided with all of the comments received during the regulatory process. It also allowed public comment on the agenda item under the Bagley-Keene Open Meeting Act, Government Code section 11120 et seq.

On September 7, 2012, Governor Brown signed SB 1103 (Wright) which amended Education Code section 69432.2, to read as follows:

- (a) As a condition for its voluntary participation in the Cal Grant Program, each Cal Grant participating institution shall, beginning in 2012, annually report to the commission, and as further specified in the institutional participation agreement, both of the following for its undergraduate programs:
  - (1) Enrollment, persistence, and graduation data for all students, including aggregate information on Cal Grant recipients.
  - (2) The job placement rate and salary and wage information for each program that is either designed or advertised to lead to a particular type of job or advertised or promoted with a claim regarding job placement.

- (b) Commencing the year after the commission begins to receive reports pursuant to subdivision (a), the commission shall provide both of the following on its Internet Web site:
- (1) The information submitted by a Cal Grant participating institution pursuant to subdivision (a), which shall be made available in a searchable database.
  - (2) Other information and links that are useful to students and parents who are in the process of selecting a college or university. This information may include, but not be limited to, local occupational profiles available through the Employment Development Department's Labor Market Information Data Library.

At its September 13-14, 2012 meeting, the Commission heard a staff presentation of the proposed regulations and heard comments from members of the public under the Bagley-Keene Open Meeting Act. The Commission requested that staff meet further with interested stakeholders and schedule an additional Commission meeting in October 2012 to discuss the proposed regulations.

On October 4, 2012, Commission staff met with representatives from the University of California, California State University, California Community Colleges, the Association of Independent California Colleges and Universities, the California Coalition of Accredited Career Schools, representatives from the two financial aid administrator organizations – the California Association of Student Financial Aid Administrators and California Community Colleges Student Financial Aid Administrators Association, Representatives from the Governor's Office, the Legislative Analyst's Office, and the Assembly Republican Caucus – and others to discuss and gain consensus on the regulations, including the decision to remove the 2013 job placement rate and salary and wage reporting requirements from the current rulemaking file and for the Commission to proceed with these items in a separate, future rulemaking filing.

Following the meeting the Commission made some limited changes to the text at the request of the stakeholders and deleted certain proposed sections which will be the subject of a new rulemaking process in 2013. The Commission deleted sections 30042, 30042.5(a), 30042.5(b), 30042(c)(1), 30042(c)(2), 30042(c)(4), 30042(c)(5), 30042(d)(3), 30042(e)(3), 30043, 30043.5, and 30044 from the proposed rulemaking and renumbered where appropriate.

These amendments to the proposed regulations on the SB 70 reporting requirements demonstrates that the Commission's goal to help students make good choices about higher education is critical to their success, not only as scholars but as the State's future workforce. Students and their parents need pertinent information that is easy to access, easy to understand and easy to compare. They can search for information today, but it is often difficult to locate, fragmented across different sources, and steeped in the jargon of higher education professionals. With the rising costs of higher education and the increasing length of time to graduation occurring at many institutions, the ability to accurately compare the actual cost and time to degree across institutions has never been more critical.

By establishing specific timeframes for reporting data within six months of the end of an academic year, the Commission will be able to provide to students and parents up-to-date data on an institution for students and parents to evaluate prior to making an enrollment decision. In addition, the proposed regulations gather enrollment, persistence and graduation data on part-

time students, who are currently not included in many areas of the federal Integrated Postsecondary Education Data System (IPEDS) reporting, particularly the graduation reporting. With the number of part-time students increasing, the data is of particular interest to thousands of students considering postsecondary education.

These proposed regulations also define key terms and add consequences to an institution's failure to report data timely and accurately. This ensures that all institutions are reporting the same metrics, and that students and parents making enrollment decisions are being given equivalent data from which to evaluate potential educational choices. Institutions that fail to report data, or that report inaccurate or misleading data will be determined to be out of compliance with its Institutional Participation Agreement.

Lastly, the Commission has deleted certain provisions to obtain further public comment. As originally proposed, the proposed regulations largely mirrored similar reporting that certain private postsecondary institutions operating under the jurisdiction of the Bureau of Private Postsecondary Education are statutorily required to report. These deleted provisions will become the subject of a separate rulemaking following further consultation.

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

## **UPDATED ECONOMIC IMPACT ANALYSIS**

The Commission has performed an economic analysis pursuant to Government Code section 111346.5(a) as set forth below.

The total statewide dollar costs that businesses may incur to comply with this regulation over its lifetime are unknown, but are limited, and could be virtually eliminated by an institution. For reporting the enrollment, persistence and graduation data, all Cal Grant participating institutions have the option within the regulations to submit electronically to the Commission the student unitary data necessary to permit the Commission to prepare the report on behalf of the institution and thereby satisfy the reporting requirement. It is likely that most institutions already capture the student data necessary to create the report and all Cal Grant participating institutions already utilize the Commission's WebGrants system to provide data to the Commission, thus any additional costs incurred by an institution would be negligible, if any, if the institution chooses this method to report its data. For institutions that choose to compile data and submit the report without the assistance of the Commission, any additional data not currently being captured by an institution would need to be added to the institution's information technology system so that it could be routinely captured by the institution and reported, but after the first report it would become an electronic transfer of data requiring no cost to the institution. The cost for an institution to add the additional fields of data necessary should be negligible.

Where there may be additional costs associated with reporting occurs with the job placement data and salary and wage reporting. The costs associated with this report are also unknown and will depend upon the method the institution chooses to collect the data. Institutions that choose to conduct student surveys may use free survey tools that are available through the internet and send electronic mail to students. Institutions may choose other methods, but the cost would be within the institution's control based upon the method selected; i.e. postage for a mailed survey; staff time to make phone calls, etc. The Commission, by regulation, is offering to perform this reporting for the California Community Colleges if the institution will share student

unitary data to allow the Commission to conduct student surveys on job placement following graduation.

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 proposed action would protect the public by increasing transparency on the actual costs associated with time-to-degree and on the graduation rates at institutions of higher education in California. It further protects the public from possible long-term financial harm by providing students and parents with greater opportunity to examine their choices for higher education by determine which institutions may best suit both their higher education goals and their financial circumstances. Increasingly, students and parents are utilizing student loans to assist, or in some cases cover, the costs of higher education. Student loans are not dischargeable in bankruptcy and the consequences of failing to pay student loans can be financially detrimental for many years. The searchable database that will be available to students and parents under the proposed action will also provide information to students on the student loan default rates for reporting institutions, allowing students and parents to make informed higher education choices.

#### **UPDATED SPECIFIC PURPOSE OF EACH ADOPTION OR AMENDMENT:**

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 Sections**

1. Amend section 30000 to identify that an academic year is the twelve month period between “July 1 and June 30.”

Factual basis / rationale: This change is necessary to clarify and align section 30000 with the definition of “academic year” found in Education Code section 69432.7.

2. Add section 30000.5 providing for a definition of “Commission” for purposes of identifying the California Student Aid Commission within the regulations.

Factual basis / rationale: Section 30000.5 restates the definition found in Education Code section 69432.7. For ease of reference, the terms “California Student Aid Commission” and “Commission” are used interchangeably in Title 5, Division 4, Chapter 1 of the California Code of Regulations that applies to the California Student Aid Commission.

3. Amend section 30001 to update the legal citations to reflect current law and to clarify existing language for consistency with other regulations affecting the Cal Grant Program.

Factual basis / rationale: The proposed amendments remove citations to sections of the Education Code which have been repealed and provide clarification that each of the definitions within section 30001 applies to both the entitlement and competitive Cal Grant programs.

4. Amend section 30002 to update the legal citations to reflect current law.

Factual basis / rationale: The proposed amendments remove citations to sections of the Education Code which have been repealed and provide the current statutory basis for the regulation.

5. Amend section 30005 to update the legal citations to reflect current law.

Factual basis / rationale: The proposed amendments remove citations to sections of the Education Code which have been repealed and provide the current statutory basis for the regulation.

6. Amend section 30009 to reflect changes to Education Code section 69432.7(l).

Factual basis / rationale: Education Code section 69432.7(l) has been amended necessitating that 30009(b) also be amended to reflect those changes. Also, 30009(c)(1) has been deleted and the following paragraphs renumbered accordingly.

7. Add section 30010 to establish a common reporting scheme, the Classifications of Instructional Programs Code, for qualifying institutions to report the enrollment, persistence, graduation, job placement and salary and wage reporting to the Commission as required by Education Code section 69433.2.

Factual basis / rationale: In order to provide the best information to students and parents, the data reported to the Commission must be consistent across institutions and undergraduate programs. Postsecondary institutions that participate in the federal Title IV programs – which are the overwhelming majority of Cal Grant participating institutions – are already required to report certain program data based upon the Classification of Instructional Programs (CIP) code. The CIP code was originally developed by the U.S. Department of Education's National Center for Education Statistics (NCES) in 1980, with revisions occurring in 1985, 1990, 2000, and most recently, in 2010. By using an already established taxonomic scheme that institutions are already familiar with, the Commission can receive more accurate tracking and reporting of fields of study and program completions activity.

8. Amend section 30020 to update the legal citations to reflect current law.

Factual basis / rationale: The proposed amendments remove citations to sections of the Education Code which have been repealed and provide the current statutory basis for the regulation.

9. Amend section 30021 to reflect changes made to the definition of “qualifying institution” found in Education Code section 69432.7(l).

Factual basis / rationale: The proposed amendment is a non-substantive technical change to maintain consistency of terms throughout the regulations. Education Code section 69432.7(l) uses the term “qualifying institution” not “school or college.” In addition, SB 70

changed the definition of “qualifying institution” and now limits and/or eliminates the participation of certain institutions in the Cal Grant Program who fail to meet the cohort default rate limits established by that section. As a result, a Cal Grant recipient’s ability to receive a Cal Grant could be limited by the recipient’s choice of qualifying institution.

10. Amend section 30022 to reflect changes made to the definition of “qualifying institution” found in Education Code section 69432.7(l) and to clarify the circumstances under which a Cal Grant recipient’s award may be modified in the event the recipient changes qualifying institution.

Factual basis / rationale: Cal Grant recipients are permitted to change institutions after having been awarded a Cal Grant; however because a recipient’s eligibility for an award is based upon the financial need of the student, of which cost of attendance is a factor, changing institutions can potentially impact a student’s Cal Grant eligibility. The proposed amendment corrects the terminology from “School or College” to “Qualifying institution” and additionally specifies that the Commission will redetermine a Cal Grant recipient’s financial need eligibility based upon a change in the cost of attendance as required by Education Code section 69432.9.

11. Amend section 30030 to clarify the timing in which various initial Cal Grant awards are activated, or when initial award activation may be postponed. In addition, the amendment removes citations to sections of the Education Code which have been repealed and provide the current statutory basis for the regulation.

Factual basis / rationale: Subsection 30030(a) establishes that an initial Cal Grant A or B award may be activated no earlier than the fall term of the applicable award year.

Subsection 30030(b) establishes that a Cal Grant C award may be activated in the summer term of the award year if the summer term begins July 1 or later.

Subsection 30030(c) establishes that a student may be granted a postponement of award activation if granted a leave of absence or other basis for postponement by the Commission.

These amendments bring Section 30030 into conformance with current Commission practice. The educational programs for which students are eligible to receive a Cal Grant C award tend to be of limited duration; some programs are only one year. In addition, many schools that offer Cal Grant C eligible programs offer classes that begin in the summer following a student’s graduation from high school. The Commission has found that requiring the Cal Grant C students to wait until the fall term to receive a payment from their Cal Grant C award results in many students receiving less than the full benefit of their Cal Grant C award before they complete their educational program. Furthermore, the proposed amendments remove citations to sections of the Education Code which have been repealed and provide the current statutory basis for the regulation.

12. Amend section 30032 to change the term “school or college” to “qualifying institution.”

Factual basis / rationale: The proposed amendment is a non-substantive technical change to maintain consistency of terms throughout the regulations. Education Code section 69432.7(l) uses the term “qualifying institution” not “school or college.”

13. Amend section 30033 change the term “school or college” to “qualifying institution”; update the residency language to reflect current law, and provide clarification on the withdrawal of a Cal Grant for failure to make satisfactory academic progress.

Factual basis / rationale: The proposed amendment contains non-substantive technical changes to maintain consistency of terms throughout the regulations. Section 30001 establishes the definition for a “grant recipient”, while Education Code section 69432.7(l) uses the term “qualifying institution” not “school or college.”

Subsection 30033(d) has been changed to reflect the 2011 legislation (AB 131) permitting students who are exempt from paying nonresident tuition under Education Code section 68130.5, or who meet equivalent requirements adopted by the regents, are eligible to apply for, and participate in, any student financial aid program administered by the State of California, including the Cal Grant Program, to the full extent permitted by law.

Subsection 30033(f) has been added to interpret and clarify that for purposes of withdrawing a student from the Cal Grant Program for failure to meet satisfactory academic progress, a student must fail to meet the institution’s satisfactory academic progress policy in excess of two consecutive semesters or three consecutive quarters before the student is withdrawn from the Cal Grant Program. By placing this time frame in regulation, a student will have adequate notice that failure to meet the institution’s satisfactory academic progress, as indicated in the regulation, may result in the student’s withdrawal from the Cal Grant Program and loss of the student’s Cal Grant award. California Education Code section 69433.5(a) provides that a Cal Grant recipient “shall remain eligible only if he or she is ... making satisfactory academic progress at a qualifying institution, as determined by the Commission.” Education Code section 69432.7(m) further defines “satisfactory academic progress” as “those criteria required by applicable federal standards published in Title 34 of the Code of Federal Regulations.” The Commission has referenced part 668 of Title 34 of the Code of Federal Regulations as containing the applicable federal regulations on student satisfactory academic progress.

14. Adopt Article 4. Reporting of Program Data, commencing with section 30040 and implementing the annual enrollment, persistence and graduation data report.

Factual basis / rationale: SB 70 added Section 69433.2 to the Education Code. Section 69433.2(a) requires that Cal Grant participating institutions report enrollment, persistence and graduation data to the Commission on all of its undergraduate programs, including aggregate data on Cal Grant recipients beginning in 2012. Senate Bill 1103 (Wright) which was signed by the Governor on September 7, 2012, amended section 69433.2 to require that the Commission provide on its website the SB 70 data submitted by the Cal Grant participating institutions and to make that information available in a searchable database, along with other information, which is useful to students and parents who are in the process of selecting a college or university.

While the statute provides a framework for the type of data to be collected, without these proposed regulations the specific details of what is required and what data is and is not permitted to be reported will be open to the interpretation of the reporting institution. For example, the statute does not provide a definition of “persistence” nor does it provide any guidance how or when an institution submits its report. This would permit an institution to choose on a case-by-case basis what it considers to be the appropriate data and to submit

its data well beyond a timeframe that would be useful for students and parents considering enrollment in a particular institution for the following academic year.

Without clear definitions for reporting the data, the data collected by the Commission will be inconsistent from institution to institution thereby making it of limited use to the students and parents who may find the information to be a valuable resource in making a decision about attending a particular institution. Without clear guidance on how and when an institution submits its report, or what information is necessary for the Commission to generate the report on an institution's behalf, the Commission's ability to timely process the data/report and provide it in a searchable database, as required by the statute, is limited and hinders the Commission's ability to provide to students and parents the most recent information available.

Furthermore, the statute requires that institution report its data "beginning in 2012". The Commission has interpreted this to mean that institutions will report data to the Commission for the 2011/12 academic year, which ended June 30, 2012, no later than December 31, 2012. By selecting the 2011/12 academic year, institutions will not have to retrieve and/or re-create their data collection metrics to align with the SB 70 reporting. The Commission has consulted with representatives from the University of California, the California State University, the California Community Colleges, the Association of Independent California Colleges and Universities, and others and has reached consensus with these representatives that their institutions have, or can easily obtain, the data elements as they are currently being proposed in this rulemaking, for the 2011/12 academic year.

Lastly, the Institutional Participation Agreement governs an institution's participation in the Cal Grant Program. Institutions are audited on their administration of the Cal Grant program by the Commission's Program Compliance Staff. Because the Commission will need to monitor institutional compliance with the SB 70 data reporting, having uniform definitions and methodologies will eliminate any ambiguity related to 1) whether or not a qualifying institution has met its statutory reporting obligation and 2) whether the information provided to the Commission and made available to the public is independently verifiable and correct.

New subsection 30040(a) identifies which students should be that are to be included within the report and establishes the reporting deadline for the qualifying institutions.

Subsection 30040(b) established the time frame and criteria for receiving an extension from the filing date. The Commission will evaluate an institution's request for an extension on a case-by-case basis.

Subsection 30040(c) provides the methods by which an institution may prepare and submit its report either by compiling its own data and submitting it to the Commission through the existing WebGrants system, or it may choose to send student unitary data to the Commission so as to permit the Commission to prepare the report on the institution's behalf.

For those institutions that choose to have the Commission prepare the report on its behalf, the Commission will require unitary data to track a student's enrollment, persistence and graduation over the course of the student's attendance at the institution in order to compile the required reports. The Commission and the Cal Grant participating institutions currently share personally identifying information through the Commission's WebGrants system. In addition, the Commission is authorized under both federal and state law to receive student unitary data for purposes of determining an individual's eligibility for financial aid. The



Commission receives unitary data from the federal database which contains data received from the student's submission of the Free Application for Federal Student Aid to determine whether a student is eligible to receive the Cal Grant or any other student financial aid programs administered by the Commission. To determine whether a student has received a Cal Grant for purposes of the required aggregate reporting on Cal Grant recipients and ensure that it is the same student, the Commission will be able to match the student's personal information, including social security number, with the federal data on the Commission's WebGrants System. The use of social security numbers is authorized by laws which permit its use for record keeping systems established prior to January 1, 1975, pursuant to the authority of the Commission, the California State University, and California Community Colleges contained in Title 5, California Code of Regulations Section 41201, and the authority of the Regents of the University of California under Article IX, Section 9, of the California Constitution.

Student unitary data that is submitted for purposes of allowing the Commission to prepare the reports required by section 69433.2, will not be used for purposes other than creating the required reports. In collecting and storing personal information, the Commission utilizes physical, electronic, and procedural safeguards that comply with privacy and security requirements mandated by state and federal law.

For those institution's electing to have the Commission prepare the report, subsection 30040(c)(2)(A) establishes a timeline and process for the report to be completed.

Subsection 30040(d) establishes that an institution that fails to timely report its data shall be considered out of compliance with its Institutional Participation Agreement (IPA) with the Commission. Under the terms of the IPA, an institution agrees that it is subject to and must comply with all current and applicable federal and state law and regulations in its implementation of the terms of this Agreement. The Institution agrees that noncompliance with any of these provisions may result in the termination of this Agreement and the privileges that are afforded under it.

15. Adopt section 30040.2 which provides the definition of "cohort" for the purposes of determining the appropriate group of students who should be included in a particular reporting period for the different reporting requirements.

Factual basis / rationale: In order to determine the appropriate group of students to include for the reports required by Section 69433.2, the Commission has clarified that for purposes of reporting enrollment, persistence and graduation data, all students who first attend the institution during the same academic year are considered as single cohort, who remain together for reporting purposes until the reporting for that academic year cohort has been completed. Collecting data by cohort provides for a progression of data from initial enrollment, through a student's attendance at the institution and persistence in their educational program, until the student completes or graduates from the program, or the reporting period for that program has ended.

For reporting job placement and salary and wage data, the cohort consists of all students who completed their program within the same academic year. Collecting job placement and salary and wage data on students who complete within the same academic year permits better comparisons between institutions as graduates within the same academic year cohort are more likely to face more equivalent job prospects, or similar economic factors, than students who may have graduated earlier, or later, than other students in the same field. In

addition, having a graduation cohort for job placement and salary and wage reporting, eliminates any type of cut off associated with how long it took the student to actually complete his or her program and captures data for all graduates, not just those who completed within a prescribed time frame.

16. Adopt section 30040.6 which provides the definition of “published program length” for purposes of calculating graduation data required by Education Code section 69433.2.

Factual basis / rationale: Graduation data is being collected based upon the “published program length” which the Commission has defined to include both the terms “normal” and “expected” time for completion of a program. For example, a baccalaureate degree may have an expected time to completion of four years for a student attending full-time. As a result, a student who takes four years to complete a baccalaureate degree will be found to have graduated within 100% of the published program length; a student taking five years will be considered to have taken 150% of the published program length. As noted previously, the overwhelming majority of Cal Grant participating institutions participate in the federal Title IV programs. To participate in Title IV, those institutions are required to report to the U.S. Department of Education the “normal” or “expected” time for each of their eligible programs. The Commission is aligning its “published program length” definition with the federal usage/definition to facilitate institutional reporting and maintain consistent reporting between the federal and state definition of the length of undergraduate programs.

17. Adopt section 30041 interpreting and clarifying the term “enrollment data” for purposes of the SB 70 reporting requirements found in Education Code section 69433.2.

Factual basis / rationale: It is necessary to provide specificity to the institutions on the elements of data which are intended by the term “enrollment” data to ensure that there is consistency and reliability in the data being reported to the Commission pursuant to Education Code section 69433.2. The Commission’s goal is capture enrollment data, which because of its equivalency across higher education segments and institutions, can be used by students and parents to compare institutions. Allowing an institution to self-determine what is meant by enrollment data, may result in pertinent data not being reported, or otherwise limited in some fashion, by the institution. Such an inconsistent reporting result would largely negate the value the data would have for students and parents who are seeking information about a particular institution. The Commission has interpreted and clarified that “enrollment data” includes aggregate data on the total number of students enrolling in a particular academic year cohort, including the total number of Cal Grant recipients. Further aggregation of data on the cohort’s race/ethnicity, gender and enrollment status is included in the definition.

18. Adopt section 30041.5 defining the term “persistence” for purposes of the SB 70 reporting requirements found in Education Code section 69433.2.

Factual basis / rationale: It is necessary to provide specificity to the institutions on the elements of data which are intended by the term “persistence” data to ensure that there is consistency and reliability in the data being reported to the Commission; and that because of its equivalency, the data can be used by students and parents to compare institutions. Allowing an institution to self-determine what is meant by persistence data, may result in pertinent data not being reported, or otherwise limited in some fashion by the institution. Such an inconsistent reporting result would largely negate the value the data would have for students and parents who are seeking information about a particular institution. The

Commission has interpreted and clarified that “persistence data” includes the total number of students who have enrolled in and completed at least one course at the institution during the academic year following initial enrollment, and every academic year thereafter, until the institution has reported at least 200% of the published program length. By allowing an institution to report a student who enrolls in and completes at least one course during an academic year as “persisting”, the institution will be able to include those part-time students who may have gaps in attendance (for financial, health or other reasons), but who are still attending the institution and completing units in its “persistence” reporting, rather than having that student erroneously appear to have ceased attendance at an institution.

The Commission is requiring institution’s to report at least 200% of published program length to account for the fact that data on part-time students is being collected, and that for a student who attends half-time, a program would be completed at 200% of published program length. Further aggregation of data on the total number of Cal Grant recipients, and the race/ethnicity, gender and enrollment status of the cohort is included in the definition.

19. Adopt section 30042 defining the term “graduation data” for purposes of the SB 70 reporting requirements found in Education Code section 69433.2.

Factual basis / rationale: It is necessary to provide specificity to the institutions on the elements of data which are intended by the term “graduation data” to ensure that there is consistency and reliability in the data being reported to the Commission for this purpose; and that because of its equivalency, the data can be used by students and parents to compare institutions. Allowing an institution to self-determine what is meant by graduation data, may result in pertinent data not being reported, or otherwise limited in some fashion by the institution. Such an inconsistent reporting result would largely negate the value the data would have for students and parents who are seeking information about a particular institution and the length of time its students take to complete its programs. The Commission has interpreted and clarified that “graduation data” includes the total number of students who completed the program within 100%, 150% and 200% of the published program length for the particular program which the student has completed identified by its CIP Code. The Commission has determined that reporting at the 100%, 150% and 200% thresholds captures significant data on both full-time and part-time students, since 100% of published program length is the considered to be the length of time that a full-time student would need to complete a program, i.e. four years for a baccalaureate degree, or two years for an associate’s degree. Collecting data to 200% of published program length will capture graduation data for those part-time students who attend at least half-time over the course of their studies.

Institutions are given the option of reporting data for students completing at 250%, 300%, 350% and 400% of published program length if they so choose. During the consultation process, some institutions indicated that these additional data points would more accurately capture, in particular, students who attend on a part-time basis and also students who stop-out from attendance for a year or more before completing their degree. To provide an institution with the ability to accurately demonstrate the graduation patterns of its student population, the Commission agreed to collect this data and provide it to students and parents as part of the searchable database.

The California community college are given an additional option to report data on students that transfer to a baccalaureate degree granting institution because many California

community college students transfer without having completed or graduated from a particular program. Further aggregation of data based upon the total number of Cal Grant recipients, and the race/ethnicity, gender and enrollment status of the cohort is included in the definition.

20. Adopt section 30042.5 implementing the annual job placement rate and salary and wage reporting established by Education Code section 69433.2.

Factual basis / rationale: New section 30042.5 provides definitions to assist institutions in determining which of its programs are subject to reporting under Education Code section 69433.2, and provides information on the timing and mechanism of the reporting. It is necessary for the Commission to provide specificity to the institutions to ensure that there is consistency and reliability in the data being reported to the Commission; and that because of its equivalency, the data can be used by students and parents to compare institutions and programs. Allowing an institution to self-determine what is meant by the terms found in section 69433.2, may result in incomplete and/or inconsistent data reporting. Such an inconsistent reporting result would largely negate the value the data would have for students and parents who are seeking information about a particular institution and the length of time its students take to complete its programs prior to enrolling at a particular institution.

Subsections (a), (b) and (c) interpret and clarify whether a particular program at an institution is either “designed or advertised to least to a particular type of job” or “advertised or promoted with any claims regarding job placement” as required for reporting by Section 69433.2 of the Education Code. These definitions are necessary to ensure that institutions are providing data in a manner that is consistent across institutions and programs. Collecting comparable data and including that data on the Commission’s searchable database has value for students and parents who are using the information to determine which institution may best meet their educational needs.

Subsection (d) clarifies that the report shall be filed electronically with the Commission.

Subsection (e) establishes, for those California community colleges electing to have the Commission prepare the report, a timeline and process for the report to be completed.

Subsection (f) establishes a process for, and clarifies that, an institution may be granted an extension of up to 90 days to file its report if it demonstrates to the Commission that it has a substantial need for the extension. The Commission will evaluate an institution’s request for an extension on a case-by-case basis.

Subsection (g) clarifies that an institution that fails to timely report its data may be considered out of compliance with its Institutional Participation Agreement (IPA) with the Commission. Under the terms of the IPA, an institution agrees that it is subject to and must comply with all current and applicable federal and state law and regulations in its implementation of the terms of this Agreement. The Institution agrees that noncompliance with any of these provisions may result in the termination of this Agreement and the privileges that are afforded under it.

21. Adopt section 30044 implementing the salary and wage reporting established by Education Code section 69433.2 and establishing the criteria and format for reporting the salary and wage information.

Factual basis / rationale: Subsection 30044(a) re-states the requirements of Education Code section 69433.2 that each undergraduate qualifying institution shall report to the Commission the salary and wage information for each program that is either (1) designed or advertised to lead to a particular type of job; or (2) advertised or promoted with any claim regarding job placement. It is necessary to provide specificity to the institutions on the elements of data which are intended by the term "salary and wage information" to ensure that there is consistency and reliability in the data being reported to the Commission; and that because of its equivalency, the data can be used by students and parents to compare institutions and programs. Allowing an institution to self-determine what is meant by "salary and wage information" may result in pertinent data not being reported, or otherwise limited in some fashion by the institution. Such an inconsistent reporting result would largely negate the value the data that the Commission is statutorily required to make available to students and parents who are seeking information about a particular institution and the length of time its students take to complete its programs.

Subsection 30044(b) establishes the particular data that should be included in the report and the format and breadth of the reporting requirement.

22. Adopt section 30044.5 implementing a requirement that reporting institutions maintain the data used to create the reports required by Education Code section 69433.2 and clarify that such data may be subject to audit.

Factual basis / rationale: To ensure that the data the Commission is providing to students and their parents is as accurate as possible, is not misleading, and provides students with the information necessary to help them achieve success in their higher education, the Commission is establishing a requirement that the information underlying the data being submitted to the Commission pursuant to Education Code section 69433.2 be retained so that it may be audited to ascertain that it was calculated and reported correctly. This section of the proposed regulations also provides clarity and consistency between the retention timelines applicable to similar reporting required by the Bureau of Private Postsecondary Education established in Education Code section 94929.7. In the event that an institution fails to accurately report its data, or does not retain the information necessary to substantiate its data, an institution may be found to be out of compliance with its institutional participation agreement.