

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

Cal Grant Program Participating Institution Data Reporting Requirements

INITIAL STATEMENT OF REASONS

INTRODUCTION

On March 24, 2011, Senate Bill (SB) 70 (Chapter 7, Statutes of 2011) was signed by the Governor and chaptered into California law. Among other changes, SB 70 added section 69433.2 to the Education Code. Section 69433.2 was later amended by SB 1103 (Chapter 273, Statutes of 2012).

Education Code section 69433.2 requires Cal Grant participating institutions to report to the Commission certain information relating to their undergraduate programs and for the Commission to publish this data, along with other information useful to students and parents, on its website. Education Code section 69433.2 provides:

- (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.

In order to implement SB 70's reporting requirements, in 2013, the Student Aid Commission (Commission) adopted regulations interpreting and making specific, among other sections, Education Code section 69433.2. As part of that process, the Commission received comments from stakeholders and other members of the public expressing concerns over certain aspects of the proposed reporting process. To address these concerns, the Commission agreed to consider some changes to the enrollment, persistence and graduation reporting and agreed to delete certain provisions relating to the job placement and salary and wage reporting while further consultation was held.

After further consultation, the Commission is now proposing amendments to the regulations. With respect to the enrollment, persistence and graduation reporting, institutions expressed a concern that "visiting students" would be included in the enrollment, persistence and graduation data. Generally speaking, students attending an institution as a visiting student usually enroll in classes for no more than one academic year and do not complete a program at that institution. Requiring an institution to include visiting students in the enrollment data increases the number of students in attendance but, because these students do not continue for multiple academic years and do not graduate from the institution, it negatively impacts the persistence and graduation data of the institution visited. The proposed regulations address this issue by excluding visiting students from the types of students captured by the enrollment, persistence and graduation reporting.

As for the job placement rate and wage and salary reporting, currently, many postsecondary institutions in California report data on their vocational education certificates and degrees either voluntarily or by statutory mandate. Many of these schools are also Cal Grant participating institutions. To lessen the burden for institutions that are already reporting this type of data but are also subject to reporting to the Commission, the Commission is proposing two different methodologies that an institution may choose from when reporting a job placement rate and salary and wage data.

The first of these methodologies addresses institutions that are already legally required to report job placement rates and salary and wage data. Unless an exception applies, private postsecondary institutions operating in California are subject to the authority of the Bureau of Private Postsecondary Education (BPPE). BPPE institutions are required, by statute, to report job placement rate and salary and wage data. (See Article 16 (commencing with section 94928) of Chapter 8 of Part 59 of Division 10 of Title 3 of the Education Code.) For the 2014-15 academic year, more than 50 Cal Grant participating institutions are subject to BPPE's reporting requirements. The Commission's proposed regulations will allow institutions subject to BPPE authority to report the same job placement and salary and wage data to the Commission to meet Cal Grant reporting requirements. Not only will this lessen the reporting burden on the institutions, but it will allow students to receive consistent data from both the Commission's website and the institution.

The second methodology being proposed for job placement rate and salary and wage data reporting is based upon the approach taken by the California Community College Chancellor's Office (CCCCO). The CCCCCO has created a data mart on the internet with data from the community colleges on student demographics, course characteristics, student services and outcomes. Among the data available is the College Wage Tracker which provides wage outcomes based on an eight-year cohort by program. The College Wage Tracker data mart collects wages of students who completed credit awards at a particular California Community College over a series of academic years using California Employment Development Unemployment Insurance wage data. The total annual median wages for students three years

after completion of award are then calculated and categorized by college and type of award. The percentage of students for whom this data was available, or an “award to match rate”, is also calculated. The Commission is proposing to allow the California community colleges to utilize this extensive data as the job placement rate and salary and wage data for the community college. This will lessen the burden on the community colleges from having to create another reporting structure for participation in the Cal Grant program while still providing valuable information to the students on the types of wages earned by program.

Institutions that do not report to BPPE and are not a community college may choose between either of the two proposed methodologies for reporting job placement rate and salary and wage data to the Commission. It should be noted that while the California Community Colleges utilize EDD data for its calculations, the regulations do not require EDD as a source of wage data. An institution may develop other reliable methods for collecting the wage data necessary for submission of upon which to base its use of that particular methodology.

Pursuant to the authority provided in Education Code Section 69433.7, Commission staff, in consultation with Cal Grant qualifying institutions and other interested stakeholders considered changes to the California Code of Regulations Title V, Division 4, Chapter 1 Sections 30040 and 30042.5 to implement, interpret, and construct the requirements established in Education Code section 69433.2, which became effective on March 24, 2011.

Economic Impact Analysis

In accordance with Government Code Section 11346.3(b), the Commission has made the following assessments 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 proposed regulations are designed to provide a framework for Cal Grant participating institutions to complete data reporting to the Commission. In clarifying and interpreting Education Code section 69433.2 no jobs will be created or eliminated; no new businesses will be created or existing businesses eliminated; nor will any existing businesses be expanded or eliminated in California.

The Commission has made a determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business as it affects only institutions of postsecondary education that voluntarily elect to participate in the Cal Grant Program and only requires that such institutions report certain data electronically to the Commission.

Alternatives Considered

The Commission did not consider any alternatives to the proposed regulations because it believes the proposed regulations are the most effective way to implement the statute. The proposed regulations ensure that students and parents receive the necessary data to make informed educational choice as required by the statute while also being the least burdensome reporting method for affected institutions.

Benefits to the Welfare of California Residents

Helping students make informed 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.

By requiring higher education institutions to report enrollment, persistence, graduation and employment data, these proposed regulations allow the Commission to bring valuable information for students together in one easily accessible location. By using this data as the cornerstone for a new user-friendly website, CSAC can provide a model for the rest of the nation in empowering students to understand their options and select the best opportunity that supports their aspirations.

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 30040 to include "visiting students" among those students who are excluded from an institution's student population for purposes of enrollment, persistence and graduation reporting.

Factual basis / rationale: Subsection 30040(a) identifies the students that are to be included within the enrollment, persistence and graduation reporting. The current regulation allows certain students to be excluded from the reporting provisions so as to best capture data for certificate and degree-seeking students. This amendment adds visiting students to the categories of students that are excluded from the enrollment, persistence and graduation data submitted by the institution. Visiting students are generally taking classes at an institution for a limited amount of time, but are not seeking to complete a program and are not likely to persist in their studies from one academic year to the next. As a result, including these students in the enrollment numbers negatively impacts the persistence and graduation data for the institution.

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

Factual basis / rationale: This section restates the requirements found in Education Code section 69433.2 that requires that Cal Grant participating institutions report annual job placement rate and salary and wage data to the Commission on all of the institution's undergraduate programs, including aggregate data on Cal Grant recipients. It establishes reporting deadlines and the methodologies by which an institution can calculate its job placement rate and compile its salary and wage data. It is necessary for the Commission to provide a methodology by which the institutions calculate the "job placement rate and salary and wage data". Certain language which has been rendered unnecessary because of these amendments has been deleted and the section renumbered to account for these changes.

New subsection (a) has been added. It re-states the requirements of Education Code section 69433.2 that each undergraduate qualifying institution shall report to the Commission the job placement rate and 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 also establishes a deadline of December 31st for the submission of data from the academic year ending the preceding June 30th. The deadline is necessary to permit students and parents to evaluate data across the same academic years to make informed postsecondary education choices.

Existing subsections (a), (b) and (c) have been renumbered to (b), (c), and (d), respectively.

New subsection (e) establishes two methodologies by which an institution may calculate its job placement rate. Subsection (e)(1) incorporates the job placement rate and salary and wage reporting requirements established by Article 16 of the California Private Postsecondary Act of 2009 (Chapter 310, Statutes of 2009) Chapter 8 of Part 59 of Division 10 of Title 3 of the Education Code as first methodology by which an institution may report its data. This subsection will allow more than 50 Cal Grant reporting institutions to provide to the Commission the same data that they are required to report to BPPE; thereby creating reporting consistency for the institutions and lessening the burden associated with creating different reports based on different methodologies for two different state entities which use the exact same terminology. Reporting consistency will also provide data uniformity for students and parents researching postsecondary institutions that are subject to BPPE jurisdiction and are also Cal Grant participating institutions.

New subsection (e)(2) establishes the second methodology permits institutions to utilize an approach taken by the CCCCCO for demonstrating student outcomes. The CCCCCO College Wage Tracker provides wage outcomes based on an eight-year cohort by program. Data from these eight-year cohorts is combined to calculate an annual median wage for students three years after completion of an award categorized by college, type of award and program. The percentage of students for whom this data was available, or an “award to match rate”, is also calculated. The Commission has determined that this data is equivalent to a “job placement rate and salary and wage data” and that this data provides the type of information students and parents need to make informed postsecondary education choices.

In addition, allowing the community colleges to utilize current reporting for purposes of the Cal Grant program will greatly lessen the reporting burden for the community colleges. They will not have to try to develop another reporting structure solely for purposes of participation in the Cal Grant program and with 112 colleges, the California Community Colleges are the largest group of institutions that will be reporting job placement rate and salary and wage data to the Commission (followed next by the BPPE reporters).

Lastly, for the Cal Grant participating institutions that are either not BPPE reporters or not a California community college, those institutions have the opportunity to choose either of the methodologies to report their job placement rate and salary and wage data to the Commission. This allows those institutions to evaluate how best they can meet their reporting obligation through data they may already possess or by developing new processes for gathering the needed data in a manner that is the least burdensome.

Subsection (e)(2)(a) provides needed definitions in support of the methodology proposed and subsection (e)(2)(b) provides the framework for completing the calculation of the median wage three years after award and the adjustment for inflation. It also eliminates reporting for programs in which fewer than 10 students are included in the reporting to protect the privacy of the student.

Subsection (e)(2)(c) establishes that an institution will calculate an award to match rate for each program by Classification of Instruction Program (CIP) Code as part of the job placement rate and salary and wage data.

Existing subsection (d) has been renumbered to (f).

Existing subsection (e) has been deleted.

Existing subsection (f) has been renumbered to (g).

Existing Subsection (g) has been renumbered to (h) and language permitting the community colleges to submit data to the Commission so as to permit the Commission to prepare reports on their behalf has been deleted in light of the amendments proposed in new subsection (e).