

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 2

Amend Article 2, Sections 30023 and 30026, California Code of Regulations.

NOTICE IS HEREBY GIVEN that the California Student Aid Commission (Commission) proposes to amend 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, September 23, 2022**. Comments must be **submitted by Monday, November 7, 2022**, to be considered.

AUTHORITY AND REFERENCE

Pursuant to the authority vested by Section 69433.7 of the Education Code, the proposed regulations implement, interpret and make specific Section 69435.5 of the Education Code. In addition, Section 69432.9(c)(2)(B)(iii)(I) requires the Commission to promulgate regulations that address a grace period for submitting a grade point average or a test score in lieu of a grade point average. The California Community College Expanded Entitlement Program is governed by both of these provisions, and the Commission is considering changes to Division 4 of Title 5 of the California Code of Regulations to establish a deadline for when the Commission to receive a grade point

average (s) for the California Community College Expanded Entitlement Program under Education Code Section 69435.5.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Education Code Section 69435.5 was added by Assembly Bill 132 (AB 132), Chapter 144, Statutes of 2021, and amended in 2022 by Assembly Bill 183 (Chapter 54, Statutes of 2022). One of the stated purposes of AB 132 was to: *“establish a California Community College Expanded Entitlement Award for students who were not awarded a Cal Grant A or B award at the time of the student’s high school graduation but who will be enrolled at a California community college during the award year and who meet all of the criteria, as specified.”*

With respect to this goal, Education Code Section 69435.5(c)(1) now provides that: *The commission shall use the standardized student financial aid application described in Section 69432.9.* Education Code Section 69432.9(a) requires: *A Cal Grant applicant shall submit a complete official financial aid application pursuant to Section 69433 and applicable regulations adopted by the commission.* Included within the statutory requirements is that an applicant must include information related to their grade point average.

Education Code section 69432.9(c)(2)(B)(iii) provides: *the Commission shall adopt regulations that establish a grace period for receipt of the grade point average and any appropriate corrections, and that set forth the circumstances under which a student may submit a specified test score designated by the Commission, by regulation, in lieu of submitting a qualifying grade point average.*

The proposed regulatory amendments were developed to satisfy these provisions of the Education Code as they apply to the newly established California Community College Expanded Entitlement Program pursuant to Education Code Section 69435.5.

Objectives and Benefits of the Proposed Regulation

The proposed regulatory amendments will support the effective administration of the newly established California Community College Expanded Entitlement Program by the Commission on behalf of student applicants. The proposed regulations will add program clarity and specificity concerning the corrective application grace period, the conditions under which in-lieu test scores may be submitted by program applicants, and the method to reestablish a grade point average. Efficient administration of this program should enable the Commission to increase the number of entitlement awards made available to Community College students, in a timely manner, to support student educational goals. There are no expected benefits to worker safety, and public health and safety resulting from this rulemaking.

Evaluation of Inconsistency or Incompatibility with Existing State Regulations

After conducting a review of the related State regulations in this area, the Commission has determined that other regulations exist with respect to high school students, who may qualify for financial aid under the existing Cal Grant Program. However, the Cal

Grant program applies to recent high school graduates and is not available to older or returning students who may be entering a Community College. The proposed regulations establishing the California Community Entitlement Program would extend CAL Grant financial aid opportunity to such students. 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 cost 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 program provisions and application requirements for the California Community College Expanded Entitlement Program. Participating in this educational grant funding program is a voluntary option available to eligible students. As such, the proposed regulations place no new or substantial requirements on businesses, individuals, or government agencies within California.

The regulatory amendments are not expected to create or eliminate any jobs within the

state. The 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 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

There are no comparable provisions of federal law related to this proposal. The regulation would only apply in California and specifically to establishing the California Community College Expanded Entitlement Program. The regulations would neither affect nor conflict with any federal regulations or federal education 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
PO Box 419026, Rancho Cordova, CA 95741
Telephone: (916) 464-6411
Fax: (916) 464-6411
Email: Rulemaking@csac.ca.gov

The back-up contact person for these inquiries is:

Gary Collord
California Student Aid Commission

PO Box 419026, Rancho Cordova, CA 95741
Telephone: (916) 347-0632
Fax: (916) 464-8033
Email: Rulemaking@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>.