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December 10, 2008

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DEC 11 2008

COMMISSION ON
STATE MANDATES

Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

RE: 02-TC-28
Long Beach Community College District
Cal Grants

Dear Ms. Higashi:

I have received the Commission Draft Staff Analysis (DSA) dated November 21, 2008, to which I respond on behalf of the test claimant.

The threshold issue, and our assertion, is that since community college districts are statutorily (Education Code Section 76000) compelled to admit any California resident, and that community college students are statutorily (Education Code Section 66021.2) entitled to access to the Cal Grant program, and that community college districts are statutorily (Education Code Section 69433.5, subdivision (a)) required to participate in the administration of the Cal Grant as a condition for the disbursements of the funds to the students, the statutory and regulatory administrative duties required of the colleges to implement the Cal Grant programs are costs mandated by the state.

The DSA (21) concludes otherwise:

"Here, there is no evidence in the law or in the record that community colleges that elect not to participate in the Cal Grant Program and administer grant funds to their students face certain and severe penalties such as double taxation or other draconian consequences. As acknowledged by the Student Aid Commission, students that need financial aid may be affected by a community college's decision not to participate."

The detriment mentioned, of course, is that the students cannot received the grant. The issue is not whether the community colleges would be subject to severe penalties (*Sacramento II* and *Kern*) but whether the colleges have the authority to frustrate the purposes of the law and Legislature and deny their students access to this financial aid entitlement program.

Community Colleges are Required to Participate in the Cal Grant Program

The May 21, 2008 response from the Student Aid Commission states that all community colleges participate in the Cal Grant program. The DSA (9) quotes the Student Aid Commission which believes (without citation) that community colleges "elect" to participate in the program to "attract financially needy students." Why a community college district would want to "attract" more students in times when enrollment growth exceeds enrollment growth funding is an unanswered question.

Education Code Sections 69432.8, 69433.5, 69433.6, and California Code of Regulations (CCR), Title 5, Section 30032 require community colleges to receive, account for, and disburse advance payments of Cal Grant funds, to designate a student's educational level upon receipt of the first grant payment, to return unused awards, and to provide reports to the Student Aid Commission. The DSA (19) concludes that these sections do not impose mandated activities because community college participation in the Cal Grant program is voluntary. However, community colleges are both legally required and practically compelled to participate in the Cal Grant program.

Community Colleges are Legally Required to Participate in the Cal Grant Program

The DSA (19, 20) relies on the Cal Grant Program Manual published by the Student Aid Commission for the proposition that a community college must complete an Institutional Participation Agreement (IPA) to be considered a "qualifying institution" under the test claim statutes, and therefore a community college can choose whether or not to enter this agreement and participate in the Cal Grant program. However, the Cal Grant Program Manual has not been adopted as a regulation, nor does it even cites the source for much of its guidance, and therefore it cannot be relied on as a source of law.

Contrary to the representations of the DSA (19), Education Code Section 69432.7 (l) defines a "qualifying institution" as a private or non-profit institution operating in California and meeting various requirements or "(3) *Any California public postsecondary educational institution*" (Emphasis supplied). A California community college is a California public postsecondary educational institution pursuant to Education Code Section 66700. California Code of Regulations, Title 5, Section 30009 (a) reaffirms that a "qualifying institution" is defined by Education Code Section 69432.7 (l).

There are no statutes or regulations that require any additional acts on the part of the

community college in order to be considered a participant in the Cal Grant program. There is also no evidence that a community college has the ability to opt out of participation in the Cal Grant program or, in other words, to cease being a qualifying institution.

The fact that the Student Aid Commission may impose additional requirements on qualifying institutions does not make participation in the Cal Grant program by public community colleges discretionary. If anything, this imposes additional mandates on the community colleges. Further, there is no indication that the IPA is truly voluntary. In its response to the Commission dated March 21, 2008, the Student Aid Commission states that the IPA "is a form document" that is not tailored to each school. It also states that it believes all California community colleges have entered into an IPA, and there is no additional funding or other incentive provided in exchange for the agreement.

The DSA (20) goes on to list a variety of documents reviewed by the Student Aid Commission in conjunction with the IPA. These items only "document" eligibility. There is no evidence that the Student Aid Commission has the discretion to prohibit a California community college from participating in the Cal Grant program. Therefore, since the community colleges are identified as qualifying institutions by the test claim statutes, and neither the community colleges nor the Student Aid Commission have any discretion to decide otherwise, the community colleges are legally required to participate in the Cal Grant program.

Community Colleges are Practically Compelled to Participate in the Cal Grant Program

Students who demonstrate financial need and comply with the requirements of the Cal Grant program have a statutory right to the award. A community college cannot enroll a student who has received a Cal Grant award and then deny that student the ability to use it by declining to participate in the Cal Grant program, because the student has a right to use that award at any public postsecondary educational institution in California.

The DSA (21) concludes that community colleges are not practically compelled to participate in the Cal Grant program because ". . . the Cal Grant program is intended to supplement and not replace the federal Pell Grant program and other existing institutional student aid." It appears that this statement is offered to counter the fact that students who have demonstrated financial need will be affected by a community college's choice not to participate in the Cal Grant program. The Cal Grant program is indeed intended to supplement other sources of student aid. However, this does not mean that it is superfluous or that students who benefit from it could afford to attend college without the aid it provides. According to the California Community Colleges Chancellor's Office, over \$74 million was provided to community college students during the 2006-2007 year via Cal Grant B & C awards. This amounts to substantial assistance and places the Cal Grant program as the second largest source of aid for community college students.

If a community college were to opt out of the Cal Grant program, this action would be in direct opposition to the stated intent of the Legislature for students to have both economic and academic freedom when selecting a college¹. The very purpose of the Cal Grant program - to provide access to higher education for those who could not otherwise afford it² - would be thwarted if a publicly funded community college could simply opt out because it did not want the burden of complying with related reporting and administration requirements.

The Legislature has acknowledged that the community colleges are integral to achieving this goal.³ However, if it were possible for a community college to decline participation in the Cal Grant program, this would effectively be the same as if the college were declining to accept those who qualify for Cal Grants as students, because the student would no longer be able to afford to attend that college. This would eliminate the freedom of choice intended by the Legislature and could result in public community colleges discriminating based on the source of a student's financial aid. Therefore, community colleges are practically compelled to participate in the Cal Grant program in order to give effect to the stated intent of the Legislature.

Thus, community colleges are both legally required and practically compelled to participate in the Cal Grant program. Therefore, Education Code Sections 69432.8, 69433.5, 69433.6, and CCR, title 5, Section 30032 impose mandated duties on community colleges to receive, account for, and disburse advance payments of Cal

¹ Education Code Section 66014.5 (b) provides:

The Legislature hereby finds and declares that there is a need of providing students with *economic* and academic freedom of choice in selecting a college or university they wish to attend. The Legislature further finds that an important means of meeting this need is through offering financial assistance to students who wish to attend public or independent colleges and universities and who have demonstrated financial need. (Emphasis supplied)

² Education Code Section 66021.2 states:

Consistent with the state's historic commitment to provide educational opportunity by ensuring both student access to and selection of an institution of higher education for students with financial need, the long-term policy of the Ortiz-Pacheco-Poohigian-Vasconcellos Cal Grant Program . . .

³ Education Code Section 69538 (b) states:

The Legislature recognizes that the role of the community colleges, as the least expensive level of California higher education, is a crucial role in increasing the higher education opportunities for disadvantaged students . . .

Grant funds, to designate a student's educational level upon receipt of the first grant payment, to return unused awards, and to provide reports to the Student Aid Commission.

The Activities Required by Education Code Sections 69432.8, 69433.5, and 69433.6 and CCR, Title 5, Section 30032 Constitute a New Program or Higher Level of Service

The DSA (5) asserts, without citation, that the Cal Grant program "is intended" to replace a previous program. The DSA (20, 21) concludes that the activities required by the new sections do not constitute a new program or higher level of service because they were required under the previous Cal Grant program established by Education Code Section 69530 et seq. However, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant program is a separate and new program. The act that established it did not repeal the previous Cal Grant program and re-enact identical provisions. In fact, the sections governing the prior Cal Grant program are still in effect and applicable to students who received awards prior to December 31, 2000.

The statute that enacted the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant program provides further evidence that it was intended to establish a new and substantially different program, rather than extend or modify the previous Cal Grant program. Statutes of 2000, Chapter 403, Section (2)(b) states:

It is the intent of the Legislature, in enacting this act, to sunset the Cal Grant Program established pursuant to Article 3 (commencing with Section 69530) of Chapter 2 of Part 42 of the Education Code and to establish the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act, commencing with the 2001-02 academic year.

Community colleges participate in a variety of student financial aid programs. The requirements of the new Cal Grant program do not fail to qualify as a higher level of service simply because the colleges are already disbursing funds and remitting reports for their other financial aid programs. Community colleges could not possibly have been performing the activities required by the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant program prior to its enactment because the program did not exist. There were no awards to disburse or report on in connection with this program.

The test claimant requests that the Commission make findings of fact and law that community colleges are compelled to participate in the administration of the new Cal Grant program in order not to frustrate the purposes of the law and ensure that students have access to the program as intended by the Legislature.

CERTIFICATION

I certify by my signature below, under penalty of perjury under the laws of the State of California, that the statements made in this document are true and complete to the best of my own personal knowledge or information and belief.

Sincerely,

A handwritten signature in black ink, appearing to read "KB Petersen", written in a cursive style.

Keith B. Petersen

C: Per Mailing List Attached

1 **DECLARATION OF SERVICE**

2
3 Re: Test Claim 02-TC-28
4 Cal Grants
5 Long Beach Community College
6

7 I declare:

8
9 I am employed in the office of SixTen and Associates, which is the
10 appointed representative of the above named claimant. I am 18 years of
11 age or older and not a party to the entitled matter. My business address is
12 3841 North Freeway Blvd, Suite 170, Sacramento, CA 95834.
13

14 On the date indicated below, I served the attached letter dated December
15 10, 2008, with attachments, to Paula Higashi, Executive Director,
16 Commission on State Mandates, to the Commission mailing list dated
17 11/21/08 for this test claim, and to:
18

19 Paula Higashi, Executive Director
20 Commission on State Mandates
21 980 Ninth Street, Suite 300
22 Sacramento, CA 95814
23

24 **U.S. MAIL:** I am familiar with the business
25 practice at SixTen and Associates for the
26 collection and processing of
27 correspondence for mailing with the
28 United States Postal Service. In
29 accordance with that practice,
30 correspondence placed in the internal mail
31 collection system at SixTen and
32 Associates is deposited with the United
33 States Postal Service that same day in the
34 ordinary course of business.
35

36 **OTHER SERVICE:** I caused such
37 envelope(s) to be delivered to the office of
38 the addressee(s) listed above by:

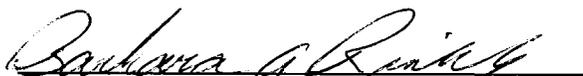
39 _____
40 (Describe)
41
42

FACSIMILE TRANSMISSION: On the
date below from facsimile machine
number (858) 514-8645, I personally
transmitted to the above-named person(s)
to the facsimile number(s) shown above,
pursuant to California Rules of Court
2003-2008. A true copy of the above-
described document(s) was(were)
transmitted by facsimile transmission and
the transmission was reported as
complete and without error.

A copy of the transmission report issued
by the transmitting machine is attached to
this proof of service.

PERSONAL SERVICE: By causing a true
copy of the above-described document(s)
to be hand delivered to the office(s) of the
addressee(s).

43 I declare under penalty of perjury under the laws of the State of California that the
44 foregoing is true and correct and that this declaration was executed on December 10,
45 2008, at Sacramento, California.
46

47 
48 Barbara A. Rinkle

Commission on State Mandates

Original List Date: 6/26/2003
Last Updated: 4/26/2007
List Print Date: 11/21/2008
Claim Number: 02-TC-28
Issue: Cal Grants

Mailing Information: Draft Staff Analysis

Mailing List

TO ALL PARTIES AND INTERESTED PARTIES:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.2.)

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Student Financial Aid Awards

Statewide Financial Aid Count and Amount By type For 2006-2007

Note: The Statewide figures represent 113 reported colleges out of total of 117 reporting entities statewide
Data Current As Of December 02, 2008 02:00:46

[Download The Result In Comma Delimited Format](#)

Financial Aid Type	Headcount	Total Amount
Academic Competitiveness Grant	1,915	1,364,927
Cal Grant B	60,575	72,036,882
Cal Grant C	5,523	2,201,526
EOPS Grant	39,002	14,520,800
CARE Grant	6,021	4,983,541
Chafee Grant	988	4,036,957
Pell Grant	247,297	574,222,396
SEOG (Supplemental Educational Opportunity Grant)	59,204	26,995,579
Other grant: institutional source	3,458	1,454,033
Other grant: non-institutional source	4,106	7,710,279
Bureau of Indian Affairs (BIA) Grant	144	316,135

Total Amount = \$ 709,843,055

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EDUCATION CODE

SECTION 66011-66025.8

66011. (a) It is hereby declared to be the policy of the Legislature that all resident applicants to California institutions of public higher education, who are determined to be qualified by law or by admission standards established by the respective governing boards, should be admitted to either (1) a district of the California Community Colleges, in accordance with Section 76000, (2) the California State University, or (3) the University of California.

(b) As used in this part, "governing boards" means the local boards of trustees and the Board of Governors of the California Community Colleges, the Trustees of the California State University, and the Regents of the University of California.

66012. It is hereby declared to be the intent of the Legislature that the fixed master plan approach in the development of public postsecondary education be replaced by a continuous planning process which includes:

(a) A legislative study of California postsecondary education at 10-year intervals to reevaluate the planning process and provide guidelines regarding goals, societal needs and general missions of public higher education and its components.

(b) Continuous planning by a state commission including a five-year plan which is to be updated annually.

66013. Each segment of public higher education shall strive for excellence in its sphere, as assigned in this part.

66014. The provisions of this part shall supersede the provisions of any other law which conflict with the provisions of this part.

66014.5. (a) It is the intent of the Legislature to recognize the role of independent, regionally accredited postsecondary education in California postsecondary education. Statewide planning, policy coordination, and review of postsecondary education shall include attention to the contributions of the independent institutions in meeting the state's goals of access, quality, educational equity, economic development, and student aid.

(b) The Legislature hereby finds and declares that there is a need of providing students with economic and academic freedom of choice in selecting a college or university they wish to attend. The Legislature further finds that an important means of meeting this need is through offering financial assistance to students who wish to attend public or independent colleges and universities and who have demonstrated financial need.

66015. It is the intent of the Governor and the Legislature, in cooperation with the Trustees of the California State University, to

do both of the following:

(a) Place a major priority on resolving the serious problem of impacted and overcrowded classes, not only with respect to the California State University, but throughout public postsecondary education.

(b) Ensure that needy students receive financial aid sufficient to cover the cost of fee increases for each academic year.

66015.1. The Legislature finds and declares all of the following:

(a) The 1986 Report on Lower Division Education at the University of California stated that "lower division (education) is something of a neglected child..." and suggested steps for improving the quality of teaching and academic support services.

(b) In 1991, the "Universitywide Task Force on Faculty Rewards Report" resulted in the adoption of policies to provide a greater emphasis on teaching. Policy revisions included broadening the range of evidence used in evaluation of teaching, peer review of teaching, and promotion policies that recognize great distinction in teaching as well as scholarship.

(c) In 1992, the University of California issued a number of "Presidential Initiatives to Protect and Improve Undergraduate Education."

(d) The Legislature, in the Supplemental Report of the 1992 Budget Act, declared its intent that University of California faculty alter the distribution of their workload by:

(1) Increasing the number of courses and sections offered that are required for normal progress toward a baccalaureate degree.

(2) Increasing the number of freshman and sophomore seminars.

(3) Increasing opportunities for undergraduate research.

(4) Reducing the size of classes when desirable.

These measures were expected to result in an increase in the average teaching load of one additional course every one to three years.

(e) The report entitled "Initiatives to Improve Undergraduate Education," prepared by the University of California in response to the 1992 Budget Act, is a commendable effort.

66015.5. (a) It is the intent of the Legislature that quality classroom instruction be continually improved and that courses required for normal progress to a baccalaureate degree be provided in sufficient numbers.

(b) It is the further intent of the Legislature that where necessary the average teaching responsibilities of tenured and tenure track faculty be sufficiently increased to meet the goals described in this section.

66015.7. (a) In order to maintain and strengthen the high quality of international education in California, the Legislature encourages all public and private institutions of higher education to further develop, as their resources permit, programs that support learning about other cultures, global issues, and the exchange of Californians and international students and scholars.

(b) For California students and scholars, institutions are encouraged, as resources permit, to accomplish all of the following:

(1) Develop courses of study in as many fields as possible to

increase students' understanding of global issues and cultural differences.

(2) Offer courses in languages other than English to train students to communicate effectively in other cultures and to enhance their understanding of other nations' values.

(3) Provide opportunities for students in all majors to participate in study abroad programs to enrich their academic training, perspectives, and personal development.

(4) Provide opportunities for domestic and international students to interact effectively and routinely share their views, perceptions, and experiences in educational settings.

(5) Develop innovative public educational forums and venues to explore global issues and showcase world cultures.

(c) For international students and scholars, institutions are encouraged, as resources permit, to accomplish all of the following:

(1) Encourage the presence of qualified students from other countries with sufficient geographic diversity to inspire an appreciation for differences among cultures and a deeper understanding of the values and perspectives of other people.

(2) Facilitate faculty exchange and collaborative partnership programs with institutions in other countries.

(3) Initiate collaborative research undertakings to address issues of global significance.

(4) Recruit and retain the world's best and brightest faculty to educate California's students as globally competent citizens.

66016. It is the intent of the Legislature that opportunities for participation in intercollegiate athletic programs in the community colleges, in the campuses of the California State University, and in the campuses of the University of California be provided on as equal a basis as is practicable to male and female students.

The costs of providing these equal opportunities may vary according to the type of sports contained within the respective men's and women's athletic programs. Therefore it is also the intent of the Legislature that additional sources of revenue should be determined to provide additional funds for these equal opportunity programs.

66017. The respective governing boards of the California Community Colleges, the California State University, or the University of California shall adopt appropriate procedures and designate appropriate persons to take disciplinary action against any student, member of the faculty, member of the support staff, or member of the administration of the community college, state college, or state university who, after a prompt hearing by a campus body, has been found to have willfully disrupted the orderly operation of the campus. Nothing in this section shall be construed to prohibit, where an immediate suspension is required in order to protect lives or property and to ensure the maintenance of order, interim suspension pending a hearing; provided that a reasonable opportunity be afforded the suspended person for a hearing within 10 days. The disciplinary action may include, but need not be limited to, suspension, dismissal, or expulsion. Sections 89538 to 89540, inclusive, shall be applicable to any state university or college employee dismissed pursuant to this section.

66018. Each institution of public higher education shall require that all applications for any type of financial aid for students shall disclose all taxable income and all nontaxable income.

66018.55. (a) As used in this section "college and university" shall include all institutions of public higher education and all independent institutions of higher education.

(b) The Office of Privacy Protection in the Department of Consumer Affairs shall establish a task force to conduct a review of the use by all colleges and universities of social security numbers in order to recommend practices to minimize the collection, use, storage, and retention of social security numbers in relation to academic and operational needs and applicable legal requirements.

(c) The task force shall be known as the "College and University Social Security Number Task Force." The Office of Privacy Protection shall determine the composition of the task force, which shall include, but not be limited to, all of the following:

(1) Two representatives from each of the three institutions of public higher education.

(2) Two representatives of the California Association of Independent Colleges and Universities.

(3) Two representatives each from two organizations devoted to the protection of personal privacy.

(4) One representative from a national organization devoted to the management of informational technology in higher education.

(5) One representative from the business community with expertise in technological solutions to privacy concerns.

(6) One representative each from the Assembly Committee on Judiciary and the Senate Committee on Judiciary.

(d) The task force shall seek input, as deemed necessary and appropriate, from all of the following:

(1) Representatives of organizations with expertise in technical policy and practices of Internet disclosure, private policy relevant to Internet disclosure, and fostering public integrity and accountability.

(2) The constituencies of the college and university communities, including students, staff, and faculty.

(e) The task force shall review and make recommendations to minimize the collection, use, storage, and retention of social security numbers by California colleges and universities and shall include, but not be limited to, all of the following:

(1) A survey of best practices at colleges and universities and the costs of implementing those best practices.

(2) The necessary use and protection of social security numbers for all of the following:

(A) Research purposes.

(B) Academic purposes, including, but not limited to, academic research, admission, financial aid, and other related operational uses.

(C) Operational uses by academic medical centers, including, but not limited to, patient identification, tracking, and care.

(D) Business purposes, including, but not limited to, the provision of employee benefits, tax purposes, loan programs, and other requirements imposed by current state and federal statutes and regulations.

(E) Any other operational need of the college or university.

(3) Current personal privacy protections provided to students, applicants, staff, and faculty of colleges and universities.

(4) Existing state and federal legal requirements, including regulatory requirements, mandating the use of social security numbers at colleges and universities.

(5) The possible use of personal identifiers or other substitutes for social security numbers that protect personal information and meet the operational needs of colleges and universities.

(6) The cost of funding any recommendations presented by the task force, including those that are of minimal cost and can be implemented immediately and those that require additional funding or time to implement.

(f) The task force shall commence meetings no later than May 1, 2008.

(g) (1) On or before July 1, 2010, the task force shall submit a final report of its findings and recommendations to the Office of Privacy Protection, and to the Assembly Committee on Judiciary and the Senate Committee on Judiciary.

(2) The final report shall also include a list of the existing uses of social security numbers common among colleges and universities for routine operations and compliance with state and federal laws.

(3) The findings and recommendations of the task force shall be informational only and shall not be binding on any college or university.

66019. (a) Each state university and college, when determining eligibility for any state university or college educational opportunity program, and each governing board of a community college district, when determining eligibility for any community college educational opportunity program, shall consider nontaxable income.

(b) The Regents of the University of California are requested to provide that nontaxable income be considered in all determinations of eligibility for any educational opportunity programs at the University of California.

66019.3. (a) It is the intent of the Legislature to encourage the California Community Colleges, the California State University, and the University of California to disseminate information to foster care agencies regarding admissions requirements and financial aid.

(b) The Legislature requests the Regents of the University of California and the Trustees of the California State University to explore methods of using the admissions-by-exemption category to assist the transition of students in foster care into four-year public institutions of higher education.

66021. It is the intent of the Legislature that the Budget Act for each fiscal year provide sufficient funding for financial aid for students with demonstrated financial need at the University of California, the California State University, and the California Community Colleges to offset increases in student charges at those institutions. The Legislature intends that funds for increased student financial aid be provided from sources other than student fees.

66021.2. Consistent with the state's historic commitment to provide educational opportunity by ensuring both student access to and selection of an institution of higher education for students with financial need, the long-term policy of the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program established pursuant to Chapter 1.7 (commencing with Section 69430) of Part 42 shall be as follows:

(a) Commencing with the 2001-02 academic year and every year thereafter, an applicant for a Cal Grant A or B award shall receive an award that is not in excess of the financial need amount determined by the Student Aid Commission pursuant to Section 69432.9 if he or she complies with all of the following requirements:

(1) Demonstrates financial need under the criteria adopted pursuant to Section 69432.9.

(2) Attains a grade point average, as defined in Section 69432.7, meeting the requirements of Chapter 1.7 (commencing with Section 69430) of Part 42.

(3) Complies with each of the eligibility criteria applicable to the type of Cal Grant award for which he or she is applying.

(b) (1) The maximum Cal Grant A award for a student attending the University of California or the California State University shall equal the mandatory systemwide fees in each of those segments.

(2) The maximum Cal Grant B award for a student to which this subdivision is applicable shall equal the mandatory systemwide fees in the segment attended by the student, except for community college students who receive waivers from the Board of Governors of the California Community Colleges, plus the access award calculated as specified in Article 3 (commencing with Section 69435) of Chapter 1.7 of Part 42, except that in the first year of enrollment in a qualifying institution, the maximum award shall be only for the amount of the access award.

(c) The maximum Cal Grant awards for students attending nonpublic institutions shall be as follows:

(1) The maximum Cal Grant A award shall equal the tuition award level established in the Budget Act of 2000, or the amount as adjusted in subsequent annual budget acts.

(2) The maximum Cal Grant B award shall equal the amount of the tuition award as established in the Budget Act of 2000, or the amount as adjusted in subsequent annual budget acts, plus the amount of the access costs specified in Section 69435, except that, in the first year of enrollment in a qualifying institution, the maximum award shall be only for the amount of the access award.

(d) Commencing with the 2000-01 academic year, and each academic year thereafter, the Cal Grant C award shall be utilized only for occupational or technical training.

(e) Commencing with the 2000-01 academic year, and each academic year thereafter, the Cal Grant T award shall be used only for one academic year of full-time attendance in a program of professional preparation that has been approved by the California Commission on Teacher Credentialing.

(f) An institution of higher education in this state that participates in the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program shall not reduce its level of per capita need-based institutional financial aid to undergraduate students, excluding loans, below the total level awarded in the 2000-01 academic year.

(g) The implementation of the policy set forth in this section shall maintain a balance between the state's policy goals of ensuring student access to and selection of an institution of higher education for students with financial need and academic merit.

(h) It is the policy of the State of California that the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program supplement the federal Pell Grant program.

(i) An award under the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program shall not guarantee admission to an institution of higher education or admission to a specific campus or program.

66021.4. It is the intent of the Legislature to support student

financial aid programs for eligible students enrolled in teacher credential and graduate degree programs, including an emphasis on increasing the number of graduate students from currently and historically underrepresented groups who are preparing to become future elementary and secondary teachers or postsecondary faculty members.

66022. (a) The governing board of every community college district, the Trustees of the California State University, the Regents of the University of California, and the Board of Directors of the Hastings College of the Law shall adopt regulations providing for the withholding of institutional services from students or former students who have been notified in writing at the student's or former student's last known address that he or she is in default on a loan or loans under the Federal Family Education Loan Program.

"Default," for purposes of this section, means the failure of a borrower to make an installment payment when due, or to meet other terms of the promissory note under circumstances where the guarantee agency finds it reasonable to conclude that the borrower no longer intends to honor the obligation to repay, provided that this failure persists for 180 days for a loan repayable in monthly installments, or 240 days for a loan repayable in less frequent installments.

(b) The regulations adopted pursuant to subdivision (a) shall provide that the services withheld may be provided during a period when the facts are in dispute or when the student or former student demonstrates to either the governing board of the community college district, the Trustees of the California State University, the Regents of the University of California, or the Board of Directors of the Hastings College of the Law, as appropriate, or to the Student Aid Commission, or both the Student Aid Commission and the appropriate entity or its designee, that reasonable progress has been made to repay the loan or that there exists a reasonable justification for the delay as determined by the institution. The regulations shall specify the services to be withheld from the student and may include, but are not limited to, the following:

- (1) The provision of grades.
- (2) The provision of transcripts.
- (3) The provision of diplomas.

The adopted regulations shall not include the withholding of registration privileges.

(c) When it has been determined that an individual is in default on a loan or loans specified in subdivision (a), the Student Aid Commission shall give notice of the default to all institutions through which that individual acquired the loan or loans.

(d) This section shall not impose any requirement upon the University of California or the Hastings College of the Law unless the Regents of the University of California or the Board of Directors of the Hastings College of the Law, respectively, by resolution, make this section applicable.

(e) Guarantors, or those who act as their agents or act under their control, who provide information to postsecondary educational institutions pursuant to this section, shall defend, indemnify, and hold harmless the governing board of every community college district, the Trustees of the California State University, the Regents of the University of California, and the Board of Directors of the Hastings College of the Law from action resulting from compliance with this section when the action arises as a result of incorrect, misleading, or untimely information provided to the postsecondary educational institution by the guarantors, their agents, or those acting under the control of the guarantors.

66023. Each segment of public higher education shall establish, and update as necessary, a written policy concerning students who are called to active military service. The policy shall do all of the following:

- (a) Ensure that those students do not lose academic credits or degree status.
- (b) Provide for a refund of fees paid by the student for the term in which he or she was called to active military service.

66024. The Legislature hereby affirms its commitment to the continuing quality and development of graduate and professional programs of the University of California, the California State University, and the independent institutions of higher education in this state.

It is the intent of the Legislature that each governing board of an institution of higher education periodically review the quality of the graduate and professional programs operated by the institution, and the need to add, discontinue, or enhance graduate and professional programs, including programs leading to the joint doctorate degree.

It is further the intent of the Legislature that the development of joint doctoral programs operated by the California State University and the University of California or one or more accredited independent institutions of higher education be established and expedited.

All graduate and professional programs, including joint doctoral programs, are expected to undergo careful evaluation and be approved only when it has been demonstrated that these programs meet the needs of students and the state.

66025. (a) Systemwide fees charged to resident undergraduate students at the University of California and the California State University shall be reduced for the 1998-99 fiscal year by 5 percent below the level charged during the 1997-98 fiscal year, and the systemwide fees charged to those students for the 1999-2000 fiscal year shall be reduced by 5 percent below the level charged during the 1998-99 fiscal year. Systemwide education and registration fees charged to resident graduate students at the University of California and the California State University for the 1999-2000 fiscal year shall be reduced by 5 percent below the level charged those resident students for the 1997-98 fiscal year. This subdivision does not apply to resident students pursuing a course of study leading to a professional degree who are subject to a supplemental fee pursuant to the policy of the University of California.

(b) No provision of this section shall apply to the University of California except to the extent that the Regents of the University of California, by appropriate resolution, make that provision applicable.

66025.3. (a) No campus of the University of California, the California State University, or the California Community Colleges shall charge any mandatory systemwide tuition or fees, including enrollment fees, registration fees, differential fees, or incidental fees, to any of the following:

- (1) Any dependent eligible to receive assistance under Article 2 (commencing with Section 890) of Chapter 4 of Division 4 of the

Military and Veterans Code.

(2) (A) Any child of any veteran of the United States military who has a service-connected disability, has been killed in service, or has died of a service-connected disability, where the annual income of the child, including the value of any support received from a parent, does not exceed the national poverty level as defined in subdivision (c).

(B) Notwithstanding Section 893 of the Military and Veterans Code, the Department of Veterans Affairs may determine the eligibility for fee waivers for a child described in subparagraph (A).

(3) Any dependent, or surviving spouse who has not remarried, of any member of the California National Guard who, in the line of duty, and while in the active service of the state, was killed, died of a disability resulting from an event that occurred while in the active service of the state, or is permanently disabled as a result of an event that occurred while in the active service of the state. For the purposes of this paragraph, "active service of the state" refers to a member of the California National Guard activated pursuant to Section 146 of the Military and Veterans Code.

(4) (A) Any undergraduate student who is a recipient of a Medal of Honor, commonly known as a Congressional Medal of Honor, or any undergraduate student who is a child of a recipient of a Medal of Honor and who is no more than 27 years old, if both of the following requirements are met:

(i) His or her annual income, including the value of any support received from a parent, does not exceed the national poverty level as defined in subdivision (c).

(ii) The recipient of the Medal of Honor who is or was the parent of the undergraduate student is, or at the time of his or her death was, a California resident as determined pursuant to Chapter 1 (commencing with Section 68000) of Part 41.

(B) The Department of Veterans Affairs shall determine the eligibility of any applicant for a fee waiver under this paragraph.

(b) A person who is eligible for a waiver of tuition or fees under this section may receive a waiver for each academic year during which he or she applies for that waiver, but an eligible person may not receive a waiver of tuition or fees for a prior academic year.

(c) As used in this section, the "national poverty level" is the poverty threshold for one person, as most recently calculated by the Bureau of the Census of the United States Department of Commerce.

(d) The waiver of tuition or fees under this section shall apply only to a person who is determined to be a resident of California pursuant to Chapter 1 (commencing with Section 68000) of Part 41.

(e) This section shall not apply to a dependent of a veteran within the meaning of paragraph (4) of subdivision (a) of Section 890 of the Military and Veterans Code.

(f) No provision of this section shall apply to the University of California except to the extent that the Regents of the University of California, by appropriate resolution, make that provision applicable.

66025.6. (a) As used in this section, the following terms have the following meanings:

(1) "Active duty" means either of the following:

(A) Active federal service or full-time national guard duty on behalf of the United States of America either voluntarily, or when involuntarily ordered to duty by appropriate authorities under Title 10 or Title 32 of the United States Code during a period of armed conflict, mobilization, contingency operations, or other crisis.

(B) (i) Active military duty in the service of the state when the Governor has issued a proclamation of a state of insurrection pursuant to Section 143 of the Military and Veterans Code or a

proclamation of a state of emergency; or

(ii) When the National Guard is on active duty pursuant to Section 146 of the Military and Veterans Code, or is called to active service or duty under Chapter 7.5 (commencing with Section 400) of Part 1 of Division 2 of the Military and Veterans Code, and a certificate of satisfactory service, or an equivalent thereof, is issued by the Military Department.

(2) "Qualifying member" means a person who:

(A) Is a resident, as defined in Section 68017.

(B) Is currently an active member of, and has satisfactorily served for at least one year in, the California National Guard, the State Military Reserve, or the Naval Militia, and maintains satisfactory service throughout the period that he or she receives consideration pursuant to this section, or throughout the period that his or her student loan payments are assumed under Article 12.5 (commencing with Section 69750) of Chapter 2 of Part 42, whichever is longer.

(C) Has completed a baccalaureate degree, or is currently enrolled, and in good standing, in an undergraduate program of instruction, or has been admitted to a program in which he or she will be enrolled, on at least a half-time basis, at an institution of higher education in this state, or is enrolled in or has completed a program of instruction in a vocational diploma program as defined in Section 94746 where enrollment qualifies a student for participation in the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.) or any loan program approved by the Student Aid Commission.

(b) (1) (A) Any qualifying member, and any member of the California National Guard, the State Military Reserve, or the Naval Militia who meets the qualifications of subparagraphs (A) and (B) of paragraph (2) of subdivision (a) and who is enrolled, and in good standing in a graduate program of instruction, who undertakes active duty is entitled to an academic leave of absence for any academic session that the person is unable to attend or complete because he or she is on active duty.

(B) It is the intent of the Legislature that a graduate or undergraduate student who is called to active military duty as a member of the California National Guard, the State Military Reserve, or the Naval Militia not be academically penalized as a result of any academic leave of absence that he or she takes in accordance with this paragraph.

(2) To the extent that it is feasible, graduation requirements for a qualifying member who, within one year of returning from active duty, resumes his or her studies at the same postsecondary educational institution shall be the same as the graduation requirements at the time the qualifying member initially enrolled.

(c) The Military Department shall determine whether an individual meets the requirements of "active duty" and "qualifying member," as they are set forth in subdivision (a). The department shall issue a certificate to individuals who meet those requirements.

(d) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2012, deletes or extends that date.

66025.8. The California State University and each community college district shall, and the University of California is requested to, with respect to each campus in their respective jurisdictions that administers a priority enrollment system, grant priority in that system for registration for enrollment to any member or former member of the Armed Forces of the United States for any academic term attended at one of these institutions within two years of leaving active duty. As used in this section, "member or former member of the

Armed Forces of the United States" includes, but is not necessarily limited to, any student who is called to active military duty compelling that student to take an academic leave of absence.

EDUCATION CODE
SECTION 66700

66700. The California Community Colleges are postsecondary schools and shall continue to be a part of the public school system of this state. The Board of Governors of the California Community Colleges shall prescribe minimum standards for the formation and operation of the California Community Colleges and exercise general supervision over the California Community Colleges.

EDUCATION CODE

SECTION 69430-69433.9

69430. This chapter shall be known, and may be cited, as the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program.

69431. There is hereby established the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program, which may also be referred to as the Cal Grant Program.

69432. (a) Cal Grant Program awards shall be known as "Cal Grant A Entitlement Awards," "Cal Grant B Entitlement Awards," "California Community College Transfer Entitlement Awards," "Competitive Cal Grant A and B Awards," "Cal Grant C Awards," and "Cal Grant T Awards."

(b) Maximum award amounts for students at independent institutions and for Cal Grant C and T awards shall be identified in the annual Budget Act. Maximum award amounts for Cal Grant A and B awards for students attending public institutions shall be referenced in the annual Budget Act.

69432.5. The Budget required by the California Constitution to be submitted by the Governor at each Regular Session of the Legislature shall take into consideration the amount of federal grant funds for student financial aid.

69432.7. As used in this chapter, the following terms have the following meanings:

(a) An "academic year" is July 1 to June 30, inclusive. The starting date of a session shall determine the academic year in which it is included.

(b) "Access costs" means living expenses and expenses for transportation, supplies, and books.

(c) "Award year" means one academic year, or the equivalent, of attendance at a qualifying institution.

(d) "College grade point average" and "community college grade point average" mean a grade point average calculated on the basis of all college work completed, except for nontransferable units and courses not counted in the computation for admission to a California public institution of higher education that grants a baccalaureate degree.

(e) "Commission" means the Student Aid Commission.

(f) "Enrollment status" means part-time status or full-time status.

(1) Part time, for purposes of Cal Grant eligibility, is defined as 6 to 11 semester units, inclusive, or the equivalent.

(2) Full time, for purposes of Cal Grant eligibility, is defined as 12 or more semester units or the equivalent.

(g) "Expected family contribution," with respect to an applicant, shall be determined using the federal methodology pursuant to subdivision (a) of Section 69506 (as established by Title IV of the federal Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1070

et seq.)) and applicable rules and regulations adopted by the commission.

(h) "High school grade point average" means a grade point average calculated on a 4.0 scale, using all academic coursework, for the sophomore year, the summer following the sophomore year, the junior year, and the summer following the junior year, excluding physical education, reserve officer training corps (ROTC), and remedial courses, and computed pursuant to regulations of the commission. However, for high school graduates who apply after their senior year, "high school grade point average" includes senior year coursework.

(i) "Instructional program of not less than one academic year" means a program of study that results in the award of an associate or baccalaureate degree or certificate requiring at least 24 semester units or the equivalent, or that results in eligibility for transfer from a community college to a baccalaureate degree program.

(j) "Instructional program of not less than two academic years" means a program of study that results in the award of an associate or baccalaureate degree requiring at least 48 semester units or the equivalent, or that results in eligibility for transfer from a community college to a baccalaureate degree program.

(k) "Maximum household income and asset levels" means the applicable household income and household asset levels for participants in the Cal Grant Program, as defined and adopted in regulations by the commission for the 2001-02 academic year, which shall be set pursuant to the following income and asset ceiling amounts:

CAL GRANT PROGRAM INCOME CEILINGS

	Cal Grant A, C, and T	Cal Grant B
Dependent and Independent students with dependents*		
Family Size		
Six or more	\$74,100	\$40,700
Five	\$68,700	\$37,700
Four	\$64,100	\$33,700
Three	\$59,000	\$30,300
Two	\$57,600	\$26,900
Independent		
Single, no dependents	\$23,500	\$23,500
Married	\$26,900	\$26,900

*Applies to independent students with dependents other than a spouse.

CAL GRANT PROGRAM ASSET CEILINGS

	Cal Grant A, C, and T	Cal Grant B
Dependent**	\$49,600	\$49,600
Independent	\$23,600	\$23,600

**Applies to independent students with dependents other than a spouse.

The commission shall annually adjust the maximum household income and asset levels based on the percentage change in the cost of living within the meaning of paragraph (1) of subdivision (e) of Section 8 of Article XIIIIB of the California Constitution. Any applicant who qualifies to be considered under the simplified needs test established by federal law for student assistance shall be presumed to meet the asset level test under this section. Prior to disbursing any Cal Grant funds, a qualifying institution shall be obligated, under the terms of its institutional participation agreement with the commission, to resolve any conflicts that may exist in the data the institution possesses relating to that individual.

(1) "Qualifying institution" means any of the following:

(1) Any California private or independent postsecondary educational institution that participates in the Pell Grant program and in at least two of the following federal campus-based student aid programs:

(A) Federal Work-Study.

(B) Perkins Loan Program.

(C) Supplemental Educational Opportunity Grant Program.

(2) Any nonprofit institution headquartered and operating in California that certifies to the commission that 10 percent of the institution's operating budget, as demonstrated in an audited financial statement, is expended for the purposes of institutionally funded student financial aid in the form of grants, that demonstrates to the commission that it has the administrative capacity to administer the funds, that is accredited by the Western Association of Schools and Colleges, and that meets any other state-required criteria adopted by regulation by the commission in consultation with the Department of Finance. A regionally accredited institution that was deemed qualified by the commission to participate in the Cal Grant Program for the 2000-01 academic year shall retain its eligibility as long as it maintains its existing accreditation status.

(3) Any California public postsecondary educational institution.

(m) "Satisfactory academic progress" means those criteria required by applicable federal standards published in Title 34 of the Code of Federal Regulations. The commission may adopt regulations defining "satisfactory academic progress" in a manner that is consistent with those federal standards.

69432.8. The commission may determine that an advance payment is essential to ensure that funds provided pursuant to this chapter to assist students to enroll in postsecondary education are available at the time students enroll. Upon making that determination, the commission may, on the basis of institutional academic calendars, advance, per term to authorized postsecondary educational institutions, the funds for eligible students who have indicated they will attend those institutions, less an amount based on historical claim enrollment attrition information. Each institution shall disburse the funds in accordance with the provisions set forth in the institutional agreement between the commission and the institution.

69432.9. (a) A Cal Grant applicant shall submit a complete official financial aid application pursuant to Section 69433 and applicable regulations adopted by the commission.

(b) Financial need shall be determined using the federal financial need methodology pursuant to subdivision (a) of Section 69506 and applicable regulations adopted by the commission, and as established

by Title IV of the Federal Higher Education Act of 1965 (20 U.S.C. Secs. 1070 et seq., as amended). The calculation of financial need shall be consistent with the commission's methodology for financial need for the 2000-01 academic year.

(1) "Expected family contribution," with respect to an applicant shall be determined using the federal methodology pursuant to subdivision (a) of Section 69506 (as established by Title IV of the federal Higher Education Act of 1965, as amended (20 U.S.C. Secs. 1070 et seq.)) and applicable rules and regulations adopted by the commission.

(2) Financial need is defined as the difference between the student's cost of attendance as determined by the commission and the expected family contribution. The calculation of financial need shall be consistent with the commission's methodology for determining financial need for the 2000-01 academic year as established by Title IV of the federal Higher Education Act of 1965, as amended (20 U.S.C. Secs. 1070 et seq.).

(3) (A) The minimum financial need required for receipt of an initial Cal Grant A or Cal Grant C award shall be not less than the maximum annual award value for the applicable institution, plus an additional one thousand five hundred dollars (\$1,500) of financial need.

(B) The minimum financial need required for receipt of an initial Cal Grant B award shall be no less than seven hundred dollars (\$700).

(c) The commission shall require that a grade point average be submitted for all Cal Grant A and B applicants, except for those permitted to provide test scores in lieu of a grade point average. The commission shall require that each report of a grade point average include a certification, executed under penalty of perjury, by a school official, that the grade point average reported is accurately reported. The certification shall include a statement that it is subject to review by the commission or its designee. 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. It is the intent of the Legislature that high schools and institutions of higher education certify the grade point averages of their students in time to meet the application deadlines imposed by this chapter.

69433. (a) (1) A Cal Grant Program award shall be based upon the financial need of the applicant, and shall not exceed the calculated financial need for any individual applicant. The minimum level of financial need of each applicant shall be determined by the commission pursuant to Section 69432.9. The commission may provide renewal awards.

(2) A student attending a nonpublic institution shall receive a renewal award for tuition or fees, or both, in an amount not to exceed the maximum allowable award amount that was in effect in the year in which the student first received a new award.

(b) A Cal Grant award authorized pursuant to this chapter shall be defined as a full-time equivalent grant. An award to a part-time student shall be a fraction of a full-time grant, as determined by the commission.

(c) (1) The commission shall prescribe the use of standardized student financial aid applications for California. These applications shall be simple in nature, and collect common data elements required by the federal government and those elements needed

to meet the objectives of state-funded and institutional financial aid programs.

(2) The applications prescribed in paragraph (1) shall be utilized for the Cal Grant Program, all other programs funded by the state or a public institution of postsecondary education (except for the Financial Assistance Program of the Board of Governors of the California Community Colleges authorized by Chapter 1118 of the Statutes of 1987, for which a simplified application designed for that sole purpose may be used), and all federal programs administered by a public postsecondary education institution.

(3) Supplemental application information may be utilized if the information is essential to accomplishing the objectives of individual programs. All supplemental application information used for the purposes of commission-administered programs shall be subject to approval by the commission, and applications shall be identical for programs with similar objectives, as determined by the commission.

(4) Public postsecondary institutions are encouraged to use, but may decide whether to use, the standard applications for funds provided by private donors.

(5) The Legislature finds and declares that it is in the best interest of students that all postsecondary education institutions in California participating in federal and state-funded financial aid programs accept the standard applications prescribed by the commission.

(d) Nothing in this chapter shall prevent an individual public postsecondary institution from processing, with its own staff and fiscal resources, the standard financial aid applications specified in subdivision (c) for student aid programs for which it has legal responsibility.

(e) The commission may enter into contracts with a public agency or a private entity to improve the processing and distribution of grants, fellowships, and loans through the use of electronic networks and unified data bases.

69433.4. (a) Notwithstanding any other provision of law, a recipient of a Cal Grant award who is a member of the National Guard, the State Military Reserve, or the Naval Militia on active duty within the meaning of Section 66025.6, who is obliged to withdraw from his or her studies because of that active duty, and who later resumes those studies no later than one year after completing that active duty, does not forfeit either any of the monetary value of the Cal Grant award or any of his or her period of eligibility for that award.

(b) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2012, deletes or extends that date.

69433.5. (a) Only a resident of California, as determined by the commission pursuant to Part 41 (commencing with Section 68000), is eligible for an initial Cal Grant award. The recipient shall remain eligible for award renewal only if he or she is a California resident, in attendance, and making satisfactory academic progress at a qualifying institution, as determined by the commission.

(b) A part-time student shall not be discriminated against in the selection of Cal Grant Program award recipients, and an award to a part-time student shall be approximately proportional to the time the student spends in the instructional program, as determined by the commission. A first-time Cal Grant Program award recipient who is a

part-time student shall be eligible for a full-time renewal award if he or she becomes a full-time student.

(c) Cal Grant Program awards shall be awarded without regard to race, religion, creed, sex, or age.

(d) No applicant shall receive more than one type of Cal Grant Program award concurrently. Except as provided in Section 69440, no applicant shall:

(1) Receive one or a combination of Cal Grant Program awards in excess of the amount equivalent to the award level for a total of four years of full-time attendance in an undergraduate program, except as provided in Section 69433.6.

(2) Have obtained a baccalaureate degree prior to receiving a Cal Grant Program award, except as provided in Section 69440.

(e) A Cal Grant Program award, except as provided in Section 69440, may only be used for educational expenses of a program of study leading directly to an undergraduate degree or certificate, or for expenses of undergraduate coursework in a program of study leading directly to a first professional degree, but for which no baccalaureate degree is awarded.

(f) Commencing in 1999, the commission shall, for students who accelerate college attendance, increase the amount of award proportional to the period of additional attendance resulting from attendance in classes that fulfill requirements or electives for graduation during summer terms, sessions, or quarters. In the aggregate, the total amount a student may receive in a four-year period may not be increased as a result of accelerating his or her progress to a degree by attending summer terms, sessions, or quarters.

(g) The commission shall notify Cal Grant award recipients of the availability of funding for the summer term, session, or quarter through prominent notice in financial aid award letters, materials, guides, electronic information, and other means that may include, but not necessarily be limited to, surveys, newspaper articles, or attachments to communications from the commission and any other published documents.

(h) The commission may require, by the adoption of rules and regulations, the production of reports, accounting, documents, or other necessary statements from the award recipient and the college or university of attendance pertaining to the use or application of the award.

(i) A Cal Grant Program award may be utilized only at a qualifying institution.

69433.6. (a) Cal Grant A awards and Cal Grant B awards may be renewed for a total of the equivalent of four years of full-time attendance in an undergraduate program provided that financial need continues to exist. Commencing with the 2001-02 academic year, the total number of years of eligibility for grants pursuant to this section shall be based on the student's educational level in his or her course of study as designated by the institution of attendance when the recipient initially receives payment for a grant.

(b) For a student enrolled in an institutionally prescribed five-year undergraduate program, Cal Grant A awards and Cal Grant B awards may be renewed for a total of five years of full-time attendance, provided that financial need continues to exist.

(c) (1) A Cal Grant Program award recipient who has completed a baccalaureate degree, and who has been admitted to and is enrolled in a program of professional teacher preparation at an institution approved by the California Commission on Teacher Credentialing is eligible for, but not entitled to, renewal of a Cal Grant Program award for an additional year of full-time attendance, if financial

need continues to exist.

(2) Payment for an additional year is limited to only those courses required for an initial teaching authorization. An award made under this subdivision may not be used for other courses.

(d) A student's Cal Grant renewal eligibility shall not have lapsed more than 15 months prior to the payment of an award for purposes of this section.

69433.7. The commission shall adopt regulations necessary to implement this chapter. Notwithstanding any other provision of law, the commission may adopt emergency regulations pursuant to Section 11346.1 of the Government Code in order to ensure that the program enacted by this chapter may function in its first academic year.

69433.8. An award under this chapter does not guarantee admission to an institution of higher education or admission to a specific campus or program.

69433.9. To be eligible to receive a Cal Grant award under this chapter, a student shall be all of the following:

(a) A citizen of the United States, or an eligible noncitizen, as defined for purposes of financial aid programs under Title IV of the federal Higher Education Act of 1965 (20 U.S.C. Secs. 1070 et seq., as from time to time amended).

(b) In compliance with all applicable Selective Service registration requirements.

(c) Not incarcerated.

(d) Not in default on any student loan within the meaning of Section 69507.5.

(e) (1) For purposes of Article 2 (commencing with Section 69434), Article 3 (commencing with Section 69435), and Article 4 (commencing with Section 69436), except as provided in subdivision (d) of Section 69436, at the time of high school graduation or its equivalent, be a resident of California.

(2) A student who does not meet the requirements for a high school diploma or its equivalent in the academic year immediately preceding the award year, but who meets the requirements for a high school diploma or its equivalent by December 31 of the academic year immediately following the date of application, satisfies any requirement for obtaining high school graduation or its equivalent for the purposes of this chapter as of the first day of the academic term immediately following the term in which the requirements for the high school diploma or its equivalent are met.

(3) No student shall receive an award for a term that begins prior to satisfying any requirement for obtaining high school graduation or its equivalent.

EDUCATION CODE

SECTION 69530-69547.9

69530. The Legislature finds and declares all of the following:

(a) The enactment of the Pell Grant Program requires substantial changes in current state student aid programs if state programs are to effectively supplement federal student assistance.

(b) The entire student aid system, due to a proliferation of programs, has resulted in substantial confusion and inefficiencies.

(c) One statewide student assistance program supplementary to the Pell Grant Program would increase simplicity and effectiveness. The most appropriate program for this purpose is the Cal Grant Program.

69531. There is hereby established a state educational opportunity grant program, which shall be known as the Cal Grant Program.

69532. Cal Grant Program awards shall be known as "Cal Grant A awards," "Cal Grant B awards," "Cal Grant C awards," and "Cal Grant T awards." The maximum award in each category shall be determined in the annual Budget Act.

(a) Cal Grant A awards shall be used only for tuition and student fees in an instructional program of no less than two academic years. Commencing as soon as feasible, but no later than the award cycle that provides awards for the 1999-2000 academic year, the eligibility criteria for first-time Cal Grant award recipients who are community college students and transfer to a four-year college or university shall be no more stringent than the eligibility criteria for other first-time Cal Grant award recipients attending a four-year college or university.

(b) Cal Grant B awards shall be used only for tuition, student fees, and subsistence costs in an instructional program of no less than one academic year. Subsistence costs are living expenses, transportation, supplies, and books. Commencing as soon as feasible, but no later than the award cycle that provides awards for the 1999-2000 academic year, the eligibility criteria for first-time Cal Grant award recipients who are community college students and transfer to a four-year college or university shall be no more stringent than the eligibility criteria for other first-time Cal Grant award recipients attending a four-year college or university.

(c) Cal Grant C awards shall be used only for occupational or technical training in a course of no less than four months. There shall be a minimum of 1,570 new Cal Grant C awards each year.

(d) Cal Grant T awards shall be used only for tuition and student fees for a maximum of one academic year of full-time attendance in a program of professional preparation that has been approved by the Commission on Teacher Credentialing. There shall be a minimum of 3,000 new Cal Grant T awards each year. As a condition of receiving a Cal Grant T award, a recipient shall teach for one year in a high-priority school as defined in subdivision (c) of Section 44765 for each two thousand dollar (\$2,000) incentive provided pursuant to Section 69532 through the Cal Grant T Program, for a period not to exceed four years. Any recipient who fails to meet his or her teaching obligation shall repay the Cal Grant T award.

(e) The California Student Aid Commission shall evaluate the Cal Grant T Award program from its inception to determine, of the total

number of recipients, the number of recipients who become employed as public school teachers. This evaluation shall be reported on an annual basis to the Governor and the Legislature beginning July 1, 2001.

69532.5. The Budget required by the State Constitution to be submitted by the Governor at each regular session of the Legislature shall take into consideration the amount of federal funds available through State Student Incentive Grants for the Cal Grant awards.

69533. Cal Grant awards authorized pursuant to Section 69532 shall be defined as full-time equivalent grants. Awards to part-time students shall be a fraction of a full-time grant, as determined by the commission.

69534.1. (a) The Student Aid Commission shall authorize the use of standardized student financial aid application forms for California. These forms shall be simple in nature and collect common data elements required by the federal government and those elements needed to meet the objectives of state-funded and institutional financial aid programs.

(b) These forms shall be utilized for the Cal Grant Program, all other programs funded by the state or a public institution of postsecondary education (except for the Board of Governors' Financial Assistance Program authorized by Chapter 1118 of the Statutes of 1987, for which a simplified form designed for that sole purpose may be used), and all federal programs administered by a public postsecondary education institution.

(c) Supplemental forms may be utilized if the forms are essential to accomplishing the objectives of individual programs. All supplemental forms utilized by public postsecondary educational institutions shall be subject to approval by the commission, and forms shall be identical for programs with similar objectives, as determined by the commission.

(d) Public postsecondary institutions are encouraged to, but may decide whether to, use the standard application forms for funds provided by private donors.

(e) The Legislature finds and declares that it is in the best interest of students that all postsecondary education institutions in California participating in federal and state-funded financial aid programs accept the standard application forms authorized by the Student Aid Commission.

69534.3. Nothing in this article shall prevent an individual public postsecondary institution from processing, with its own staff and fiscal resources, the standard financial aid application forms specified in Section 69534.1 for student aid programs for which it has legal responsibility.

69534.4. The Student Aid Commission may enter into contracts with a public agency or a private entity to improve the processing and distribution of grants, fellowships, and loans through the use of electronic networks and unified data bases.

69535. (a) Cal Grant Program awards shall be based upon the financial need of the applicant. The level of financial need of each applicant shall be determined by the commission pursuant to Article 1.5 (commencing with Section 69503).

(b) For the applicants so qualifying, academic criteria or criteria related to past performances shall be utilized as the criteria in determining eligibility for grants.

(c) All Cal Grant Program award recipients shall be residents of California, as determined by the commission pursuant to Part 41 (commencing with Section 68000), and shall remain eligible only if they are in attendance and making satisfactory progress through the instructional programs, as determined by the commission.

(d) Part-time students shall not be discriminated against in the selection of Cal Grant Program award recipients, and awards to part-time students shall be roughly proportional to the time spent in the instructional program, as determined by the commission. First-time Cal Grant Program award recipients who are part-time students shall be eligible for a full-time renewal award.

(e) Cal Grant Program awards shall be awarded without regard to age or the characteristics listed in Section 66270.

(f) No applicant shall receive more than one type of Cal Grant Program award concurrently. Except as provided in subdivisions (b) and (c) of Section 69535.1, no applicant shall:

(1) Receive one or a combination of Cal Grant Program awards in excess of a total of four years of full-time attendance in an undergraduate program.

(2) Have obtained a baccalaureate degree prior to receiving a Cal Grant Program award, except as provided in Section 69540.

(g) Cal Grant Program awards, except as provided in subdivision (c) of Section 69535.1, may only be used for educational expenses of a program of study leading directly to an undergraduate degree or certificate, or for expenses of undergraduate coursework in a program of study leading directly to a first professional degree, but for which no baccalaureate degree is awarded.

(h) Commencing in 1999, the commission shall, for students who accelerate college attendance, increase the amount of award proportional to the period of additional attendance resulting from attendance in classes that fulfill requirements or electives for graduation during summer terms, sessions, or quarters. In the aggregate, the total amount a student may receive in a four-year period may not be increased as a result of accelerating his or her progress to a degree by attending summer terms, sessions, or quarters.

(i) The commission shall notify Cal Grant award recipients of the availability of funding for the summer term, session, or quarter through prominent notice in financial aid award letters, materials, guides, electronic information, and other means that may include, but not be limited to, surveys, newspaper articles, or attachments to communications from the commission and any other published documents.

(j) The commission may provide by appropriate rules and regulations for reports, accounting, and statements from the award winner and college or university of attendance pertaining to the use or application of the award as the commission may deem proper.

(k) The commission may establish Cal Grant Program awards in one hundred dollar (\$100) increments.

(l) A Cal Grant Program award may be utilized only at the following institutions or programs:

(1) Any California private or independent postsecondary educational institution or program that participates in two of the three federal campus-based student aid programs and whose students

participate in the Pell Grant program.

(2) Any nonprofit regionally accredited institution headquartered and operating in California that certifies to the commission that 10 percent of the institution's operating budget, as demonstrated in an audited financial statement, is expended for the purposes of institutionally funded student financial aid in the form of grants and that demonstrates to the commission that it has the administrative capacity to administer the funds.

(3) Any California public postsecondary educational institution or program.

69535.1. (a) Cal Grant A awards and Cal Grant B awards may be renewed for a total of four years of full-time attendance in an undergraduate program provided that financial need continues to exist. Commencing with the 1989 -90 academic year, the total number of years of eligibility for grants pursuant to this section shall be based on the student's educational level in his or her course of study as designated by the institution of attendance when the recipient initially receives payment for a grant.

(b) For a student enrolled in an institutionally prescribed five-year undergraduate program, Cal Grant A awards and Cal Grant B awards may be renewed for a total of five years of full-time attendance, provided that financial need continues to exist.

(c) Cal Grant Program award recipients who have completed a baccalaureate degree and who have been admitted to and are enrolled in a program of professional teacher preparation at an institution approved by the California Commission on Teacher Credentialing are eligible for renewal of a Cal Grant Program award for an additional year of full-time attendance, if financial need continues to exist.

Payment for this additional year is limited to only those courses required for an initial teaching authorization. Awards under this section may not be used for other courses.

This section applies to those students who complete a baccalaureate degree in or after 1989. A student's Cal Grant renewal eligibility shall not have lapsed more than 15 months prior to the payment of an award for purposes of this section.

69535.5. The Student Aid Commission may determine that an advanced payment is essential to assure that funds provided pursuant to this chapter to assist students to enroll in postsecondary education are available at the time students enroll. Upon making that determination, the Student Aid Commission may, based on institutional academic calendars, advance per term to authorized postsecondary educational institutions the funds for eligible students who have indicated they will attend those institutions less an amount based on historical claim enrollment attrition information. Each institution shall disburse the funds in accordance with the provisions set forth in the Institutional Agreement between the Student Aid Commission and the institution.

69537. An individual selected for a Cal Grant A award who enrolls in a California community college may elect to have the award held in trust for him or her for a period not to exceed two academic years, except that the commission may extend the period in which his or her award may be held in trust for up to three academic years if, in the commission's judgment, the student's rate of academic progress has been as rapid as could be expected in light of the personal and

financial conditions that the student has encountered. The commission shall, in that case, hold the award in trust, to be granted to the award winner upon receipt of his or her request therefor within that period, provided that at the time of making the request he or she meets all of the requirements of this chapter. Upon receipt of the request the commission shall assess or reassess the financial needs of the award winner. The commission may prescribe the forms and procedures to be utilized for the purposes of this section. The commission may award to another eligible individual any award being so held in trust, subject to this section and any other conditions and restrictions that may be imposed by the commission, to the end that all authorized awards are being continually utilized. Following the first year for which any Cal Grant award is made, the awards shall be included in the number of the continuing awards available for any year and not the authorized new awards for the year.

69538. (a) To be eligible for a Cal Grant B award, the applicant shall be a disadvantaged student under criteria to be established by the commission, which shall take into consideration those financial, educational, cultural, language, home, community, environmental, and other conditions that hamper access to and persistence in postsecondary programs.

(b) The Legislature recognizes that the role of the community colleges, as the least expensive level of California higher education, is a crucial role in increasing the higher education opportunities for disadvantaged students, and it is the intent of the Legislature that the additional opportunities for higher education provided pursuant to this section shall be initiated primarily on the public community college level.

(c) Regarding the intent that the additional opportunities for higher education provided under this section be initiated primarily on the public community college level, the commission shall continue to allocate Cal Grant B awards as they were allocated up to and including the 1997-98 academic year.

(d) Awards under this section shall be for subsistence costs. The commission may also award these grants and an additional amount to pay tuition and fees to attend college at a public or private four-year college or university or other eligible postsecondary educational institution. No more than 2 percent of new recipients enrolling for the first time in an institution of postsecondary education shall be eligible for tuition payments and fees in their first academic year of attendance.

(e) An individual selected for a Cal Grant B award who enrolls in a public community college in his or her first year of attendance, and who is determined to be financially ineligible for renewal of the award in the second year of attendance at a public community college but would be financially eligible for renewal, if he or she had elected to attend a four-year college, may elect to have the award held in trust for a period not to exceed two academic years, except that the commission may extend the period in which the award is held in trust for up to three academic years, if, in the commission's judgment, the individual's rate of academic progress has been as rapid as could be expected for the personal and financial conditions that the individual has encountered. The commission shall, in this case, hold the award in trust, to be granted to the individual upon receipt of his or her request therefor within that period, provided that at the time of making the request the individual meets all the requirements of this chapter. Upon receipt of the request, the commission shall assess or reassess the financial needs of the individual. The commission may prescribe the forms and procedures to

be utilized for the purposes of this section. The commission may award to another eligible individual any award being so held in trust, subject to the provisions of this section and any other conditions and restrictions that may be imposed by the commission, to the end that all authorized awards are continually being utilized. Following the first year for which any award is made, the awards shall be included in the number of the continuing awards available for any year and not the authorized new awards for the year.

69539. (a) A Cal Grant C award shall be utilized for occupational or technical training.

(b) "Occupational or technical training" means that phase of education coming after the completion of a secondary school program and leading toward recognized occupational goals approved by the commission.

(c) The commission may use criteria it deems appropriate in selecting students with occupational talents to receive grants for occupational or technical training.

(d) The Cal Grant C recipients shall be eligible for renewal of their grants until they have completed their occupational or technical training in conformance with terms prescribed by the commission. In no case shall the grants exceed two calendar years.

(e) Cal Grant C awards shall be for institutional fees, charges, and other costs, including tuition, plus training-related costs, such as special clothing, local transportation, required tools, equipment, supplies, and books. In determining the amount of grants and training-related costs, the commission shall take into account other state and federal programs available to the applicant.

(f) Cal Grant C awards shall be awarded in areas of occupational or technical training as determined by the commission after consultation with appropriate state and federal agencies.

69540. (a) Students who have completed a baccalaureate degree and who have been admitted to a program of professional teacher preparation at an institution approved by the California Commission on Teacher Credentialing are eligible to receive a Cal Grant T award for the equivalent of one year of full-time attendance. Payment for this additional year is limited to only those courses required for an initial teaching authorization. An award under this section may not be used for other courses.

(b) The commission shall allocate Cal Grant T awards using academic criteria or criteria related to past performance similar to that used in awarding Cal Grant A awards.

69541. (a) The Student Aid Commission, to the extent funds are appropriated for the purposes of this section in the annual Budget Act, shall provide a supplemental grant equal to two thousand eight hundred dollars (\$2,800) to recipients of Cal Grant awards who fulfill the following requirements:

(1) The person has been declared a dependent or ward of the court pursuant to Section 300 or Section 602 of the Welfare and Institutions Code.

(2) The person, within the 60-day period immediately prior to his or her 18th birthday, had a permanent plan of long-term foster care or guardianship.

(3) The person received aid pursuant to Part 3 (commencing with Section 11000) of Division 9 of the Welfare and Institutions Code.

(b) The State Department of Social Services shall enter into an interagency agreement with the Student Aid Commission to allocate funds to the commission appropriated in the Budget Act for the purposes of this section.

69544. The commission from time to time shall adopt such rules and regulations as it may determine, not in conflict with this chapter, as may be necessary or appropriate for effectuating the provisions of this chapter.

69545. If any section, subdivision, sentence, clause or phrase of this chapter is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this chapter. The Legislature hereby declares that it would have passed this chapter, and each section, subdivision, sentence, clause or phrase thereof, irrespective of the fact that any one or more of the sections, subdivisions, sentences, clauses or phrases be declared unconstitutional.

69546. The Student Aid Commission shall each year recommend to the Legislature concerning the allocation of funds from the federal state student incentive grant program and the programs authorized in subdivisions (a), (b), and (c) of Section 69532.

69546.5. The Student Aid Commission shall allocate federal and state student incentive grant funds among the Cal Grant A, B, and C programs.

69547. As used in this division, "part-time student" means a student who is enrolled in not less than one-half of the course load of a full-time student as determined by the commission.

69547.5. Commencing on January 1, 2001, this article shall be applicable only to students who have received an award pursuant to this article on or before December 31, 2000.

69547.9. This article shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2010, deletes or extends that date.




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5 CA ADC § 30009

5 CCR § 30009

Cal. Admin. Code tit. 5, § 30009

BARCLAYS OFFICIAL CALIFORNIA CODE OF REGULATIONS
TITLE 5. EDUCATION
DIVISION 4. CALIFORNIA STUDENT AID COMMISSION
CHAPTER 1. CALIFORNIA STUDENT AID COMMISSION
ARTICLE 1. DEFINITION OF CERTAIN TERMS

This database is current through 11/24/08, Register 2008, No. 47

§ 30009. Qualifying Institution.

- (a) A "Qualifying Institution" means an institution as defined by Education Code section 69432.7(1).
- (b) An institution qualifying pursuant to section 69432.7(1)(1) must be participating in the Federal Pell Grant program and in at least two of the three federal campus-based programs specifically listed in subdivisions (A), (B) and (C) of that section. "Participating in federal campus-based programs" means the school has been allocated funds and is spending those funds at each California site which Cal Grant recipients attend.
- (c)(1) An institution qualifying pursuant to section 69432.7(1)(2) means a postsecondary nonprofit institution headquartered and operating in California which:
- (A) certifies to the Commission that 10 percent of the institution's operating budget is expended for institutionally funded student financial aid in the form of grants; and
 - (B) demonstrates to the Commission that it has the administrative capacity to administer the funds; and
 - (C) is accredited by the Western Association of Schools and Colleges; and
 - (D) meets such other standards adopted by regulation by the Commission in consultation with the Department of Finance.
- (2) A regionally accredited institution that was deemed qualified by the Commission to participate in the Cal Grant Program for the 2000-01 academic year shall retain its eligibility as long as it maintains its existing accreditation status.
- (d) A qualifying institution or a specific site of an otherwise qualifying institution shall be deemed disqualified if it no longer possesses all of the requirements for a qualifying institution.
- (e) An institution that becomes disqualified pursuant to Part 600 of Title 34 Code of Federal Regulations shall not be a "qualified institution" pursuant to this section.
- (f) An institution disqualified pursuant to this section may become a "qualifying institution" by complying with Education Code section 69432.7(1) and this section.

Note: Authority cited: Section 69433.7, Education Code. Reference: Section 69432.7(1), Education Code.

HISTORY

1. New section filed 1-16-2001 as an emergency; operative 1-16-2001 (Register 2001, No. 3). A Certificate of Compliance must be transmitted to OAL by 5-16-2001 or emergency language will be repealed by operation of law on the following day.
2. Editorial correction of History1 (Register 2001, No. 20).
3. New section refiled 5-15-2001 as an emergency; operative 5-16-2001 (Register 2001, No. 20). A Certificate of Compliance must be transmitted to OAL by 9-13-2001 or emergency language will be repealed by operation of law on the following day.
4. Certificate of Compliance as to 5-15-2001 order, including amendment of subsection (d), transmitted to OAL 7-25-2001 and filed 8-13-2001 (Register 2001, No. 33).

5 CCR § 30009, 5 CA ADC § 30009
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5 CA ADC § 30009

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