



February 3, 2009

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

RECEIVED

FEB 10 2009

**COMMISSION ON
STATE MANDATES**

Dear Ms. Higashi:

Commission on State Mandates Draft Staff Analysis—*Cal Grants* (02-TC-28)

We reviewed the Commission on State Mandates (Commission) November 21, 2008 draft staff analysis of the *Cal Grants* test claim (02-TC-28) and agree that Education Code Sections 69432.8, 69433, 69433.5, 69433.6, 69433.7, 69434, 69434.5, 69435, 69435.3, 69436, 69436.5, 69437, 69437.3, 69437.6, 69439, 69440, 69514.5, and California Code of Regulations Title 5 Sections 30002, 30027, and 30032 do not constitute a reimbursable state mandate. However, we disagree with the staff analysis that the following activities are a reimbursable state mandate:

- Calculating a college or community college grade point average (Education Code Section 69432.9(b)(3)(C) and California Code of Regulations, Title 5, Section 30007, 30023(a), and 30026).
- Certifying under penalty of perjury to the best of his or her knowledge from the school official filing the report that the grade point average is accurately reported and that it is subject to review by the Student Aid Commission or its designee (Education Code Section 69432.9(b)(3)(C) and California Code of Regulations, Title 5, Section 30007 and 30026).
- Completing or correcting a grade point average upon notice that the original submitted grade point average was not complete or correct (California Code of Regulations, Title 5, Section 30023(d)).

We disagree that these activities constitute a reimbursable state mandate because the existing statutes and regulations do not require a community college to perform these activities. California Code of Regulation, Title 5 section 30007 clearly states that it is the student's responsibility that his or her college reports a grade point average (GPA) when requested by the student. It is the student compelling the action by the college, not the state. Community colleges are not required to participate in the Cal Grant Program; as a result, there is no compulsion for them to comply with any reporting requirements. When considering the Commission's assessment that community colleges are compelled to comply because in some instances the college is the only viable avenue for a student to have a GPA submitted when applying for a Cal Grant, we question whether this would create a higher level of service since the college would be meeting a basic student need. Community college general apportionment

funding has increased from approximately \$1.6 billion in 2000-01 to approximately \$3 billion in 2008-09. Community colleges use the apportionment funding to provide instruction and to serve their students. We believe that calculating a GPA that allows students to further their education is a basic activity that should not be considered a higher level of service since helping students achieve their academic goals strikes at the core mission of community colleges. Furthermore, community colleges receive approximately \$50 million annually for student financial aid administration per Budget Act Item 6870-101-0001. Since 2003-04, approximately \$34 million has been dedicated annually to assist students with obtaining financial aid as noted in subdivision (b) of Provision 30 of Item 6870-101-0001 of the Budget Act of 2003:

Of the amount appropriated in Schedule (5) for financial aid administration and outreach, \$34,200,000 shall be for direct contact with potential and current financial aid applicants. Each CCC campus shall receive a minimum allocation of \$50,000. The remainder of the funding shall be allocated to campuses based upon a formula reflecting full-time equivalent students (FTES) weighted by a measure of low-income populations as demonstrated by Board of Governor's fee waiver program participation within a district. It is the intent of the Legislature with the funds provided in this section that all California Community Colleges campuses provide additional staff resources to increase both financial aid participation and student access to low-income and disadvantaged students who must overcome barriers in accessing postsecondary education. Funds may be used for screening current students for possible financial aid eligibility and offering these students personal assistance in accessing financial aid, providing individual help in multiple languages for families and students in filling out the necessary paperwork to apply for financial aid and increasing financial aid staff to process additional financial aid forms.

The Commission notes that this funding is not specifically dedicated to the activities related to the Cal Grant Program, and therefore, the funding cannot be considered as offsetting any cost that may be incurred by community colleges. This funding was added to the annual budget act shortly after the implementation of the Ortiz-Pacheco-Poochigian-Vaconcellos Cal Grant Program. The legislative intent of this funding is to provide community colleges with additional resources to help students obtain financial aid. Although the Cal Grant Program is not specifically mentioned as part of the intent of this augmentation, it does not mean its related activities are not funded. The lack of specificity with regard to financial aid programs was intentional to allow flexibility at the local level since there are multiple financial aid programs available to community college students.

Additionally, we disagree that correcting an incomplete or incorrect GPA is a reimbursable state mandated activity. Frankly, we fail to see how expecting accuracy is a higher level of service in any professional environment. We believe that it is reasonable to expect that by certifying under penalty of perjury that errors and missing calculations should be minimal, if not nonexistent. Furthermore, Title 5 Section 30023(d) simply affords colleges the opportunity to correct an incomplete or incorrect GPA. The regulation does not require a college to correct its own error.

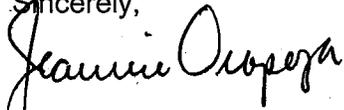
Ms. Paula Higashi
February 3, 2009
Page 3

Notwithstanding, our assessment that we do not believe the identified activities constitute a reimbursable state mandate; we concur with the California Student Aid Commission's comments from December 11, 2008 that the costs of the identified activities are *de minimis* given the current electronic processes utilized by community colleges. In fact, we believe the implementation of the Ortiz-Pacheco-Poochigian-Vaconcellos Cal Grant Program is cost neutral considering that community colleges no longer perform activities such as submitting transcripts to the Student Aid Commission as performed under the previous Cal Grant Program. Such activities should be considered a cost reduction against any *de minimis* costs related to the staff's findings.

As required by the Commission's regulations, a "Proof of Service" has been enclosed indicating that the parties included on the mailing list which accompanied your November 21, 2008 letter have been provided with copies of this letter via either United States Mail or, in the case of other state agencies, Interagency Mail Service.

If you have any questions regarding this letter, please contact Ed Hanson, Principal Program Budget Analyst at (916) 445-0328.

Sincerely,



JEANNIE OROPEZA
Program Budget Manager

Attachment

Attachment A

DECLARATION OF ED HANSON
DEPARTMENT OF FINANCE
CLAIM NO. CSM-02-TC-28

1. I am currently employed by the State of California, Department of Finance (Finance), am familiar with the duties of Finance, and am authorized to make this declaration on behalf of Finance.
2. We concur that the Cal Grants sections relevant to this claim are accurately quoted in the test claim submitted by claimants and, therefore, we do not restate them in this declaration.

I certify under penalty of perjury that the facts set forth in the foregoing are true and correct of my own knowledge except as to the matters therein stated as information or belief and, as to those matters, I believe them to be true.

2/3/09

at Sacramento, CA

Edmund N. Hanson

Ed Hanson

PROOF OF SERVICE

Test Claim Name: Cal Grants
Test Claim Number: CSM-02-TC-28

I, the undersigned, declare as follows:

I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within titled cause; my business address is 915 L Street, 7 Floor, Sacramento, CA 95814.

On February 3, 2009, I served the attached recommendation of the Department of Finance in said cause, by facsimile to the Commission on State Mandates and by placing a true copy thereof: (1) to claimants and nonstate agencies enclosed in a sealed envelope with postage thereon fully prepaid in the United States Mail at Sacramento, California; and (2) to state agencies in the normal pickup location at 915 L Street, 7 Floor, for Interagency Mail Service, addressed as follows:

A-16
Ms. Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
Facsimile No. 445-0278

Education Mandated Cost Network
C/O School Services of California
Attention: Dr. Carol Berg, PhD
1121 L Street, Suite 1060
Sacramento, CA 95814

Sixten & Associates
Attention: Keith Petersen
5252 Balboa Avenue, Suite 807
San Diego, CA 92117

E-8
Department of Education
Fiscal Policy Division
Attention: Amy Tang-Paterno
1430 N Street
Sacramento, CA 95814

Mandated Cost Systems, Inc.
Attention: Steve Smith
2275 Watt Avenue, Suite C
Sacramento, CA 95825

San Diego Unified School District
Attention: Arthur Palkowitz
4100 Normal Street, Room 3159
San Diego, CA 92103-2682

E-8
State Board of Education
Attention: Debora Merle, Executive Director
1430 N Street
Sacramento, CA 95814

California Teachers Association
Attention: Steve DePue
2921 Greenwood Road
Greenwood, CA 95635

Girard & Vinson
1676 N. California Blvd., Suite 450
Walnut Creek, CA 95496

Long Beach Community College District
4901 E. Carson Street
Lon Beach, CA 90808

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on February 3, 2009 at Sacramento, California.

A handwritten signature in cursive script, appearing to read "Annette Waite", written over a horizontal line.

Annette Waite