

**State of California
Office of Administrative Law**

In re:
California Student Aid Commission

Regulatory Action:

Title 5, California Code of Regulations

Adopt sections: 30010, 30011, 30012,
30013, 30014, 30015,
30016, 30017, 30018,
30019, 30034, 30035,
30036, 30037, 30038,
30039, 30040, 30041,
30042, 30043, 30044,
30045, 30046

Amend sections: 30000, 30001, 30002,
30005, 30020, 30021,
30022, 30023, 30030,
30032, 30033

Repeal sections:

**NOTICE OF APPROVAL OF EMERGENCY
REGULATORY ACTION**

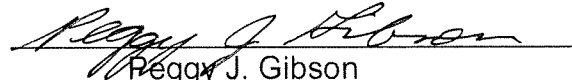
**Government Code Sections 11346.1 and
11349.6**

OAL File No. 2011-0111-01 EE

This is an emergency readopt of OAL file 2010-0728-01E that adopted 23 new sections and amends 9 sections in Title 5 to implement AB 187 that establishes a pilot program for an alternative Cal Grant delivery system under which a qualifying institution, if it elects to participate and meets specified requirements, would be authorized to voluntarily administer award grants under the Cal Grant A and B Entitlement Programs and the California Community College Transfer Cal Grant Entitlement Program. OAL approves this emergency regulatory action pursuant to sections 11346.1 and 11349.6 of the Government Code.

This emergency regulatory action is effective on 1/20/2011 and will expire on 4/21/2011. The Certificate of Compliance for this action is due no later than 4/20/2011.

Date: 1/20/2011


Peggy J. Gibson
Staff Counsel

For: DEBRA M. CORNEZ
Assistant Chief Counsel/Acting Director

Original: Diana Fuentes-Michel
Copy: Kathy Spencer

EMERGENCY

STD. 400 (REV. 01-09)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER	EMERGENCY NUMBER 2011-011-01EE
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ENDORSED FILED IN THE OFFICE OF

2011 JAN 20 PM 2:04

For use by Office of Administrative Law (OAL) only

2011 JAN 11 PM 12:14

OFFICE OF ADMINISTRATIVE LAW

NOTICE REGULATIONS

Jenna Bowen
JENNA BOWEN
SECRETARY OF STATE

AGENCY WITH RULEMAKING AUTHORITY
CALIFORNIA STUDENT AID COMMISSION

AGENCY FILE NUMBER (if any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	NOTICE REGISTER NUMBER	PUBLICATION DATE	

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) IMPLEMENT CAL GRANT ALTERNATIVE DELIVERY SYSTEM PILOT PROGRAM	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) 2010-0728-01E
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)										
<table border="1"> <tr> <td>TION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)</td> <td>ADOPT</td> </tr> <tr> <td></td> <td>30010-30019, 30034-30046</td> </tr> <tr> <td></td> <td>AMEND</td> </tr> <tr> <td></td> <td>30000-30002, 30005, 30020-30023, 30030, 30032-30033</td> </tr> <tr> <td>TITLE(S) TITLE 5</td> <td>REPEAL</td> </tr> </table>	TION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT		30010-30019, 30034-30046		AMEND		30000-30002, 30005, 30020-30023, 30030, 30032-30033	TITLE(S) TITLE 5	REPEAL
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	AMEND									
	30000-30002, 30005, 30020-30023, 30030, 30032-30033									
TITLE(S) TITLE 5	REPEAL									

3. TYPE OF FILING

<input type="checkbox"/> Regular Rulemaking (Gov. Code § 11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§ 11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input checked="" type="checkbox"/> Emergency Readopt (Gov. Code, § 11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, § 100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§ 11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, § 11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, § 11346.1(b))		<input type="checkbox"/> Other (Specify) _____	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, § 44 and Gov. Code § 11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, § 100)

<input type="checkbox"/> Effective 30th day after filing with Secretary of State	<input checked="" type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> § 100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify) _____
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6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM § 6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input checked="" type="checkbox"/> Other (Specify) AB 187 TASK FORCE		

7. CONTACT PERSON KATHY SPENCER	TELEPHONE NUMBER 916-464-3021	FAX NUMBER (Optional) 916-464-8240	E-MAIL ADDRESS (Optional) kspencer@csac.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE 	DATE 1/11/11
TYPED NAME AND TITLE OF SIGNATORY DIANA FUENTES-MICHEL, EXECUTIVE DIRECTOR, CALIFORNIA STUDENT AID COMMISSION	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

JAN 20 2011

Office of Administrative Law

STATE OF CALIFORNIA
CALIFORNIA STUDENT AID COMMISSION

TITLE 5, DIVISION 4, CHAPTER 1, CA CODE OF REGULATIONS
CAL GRANT PROGRAM
AND
CAL GRANT ALTERNATIVE DELIVERY SYSTEM PILOT PROGRAM
(EDUCATION CODE §§ 69430-69460)

TEXT OF EMERGENCY REGULATIONS
NO CHANGES TO INITIAL ADOPTION
READOPTION SUBMISSION

ARTICLE 1. DEFINITION OF CERTAIN TERMS

§ 30000. Academic Year

For Cal Grant A and B an academic year means two semesters or three quarters or their equivalent within a 12-month period. An academic year may include a summer quarter in those colleges which maintain a summer quarter comparable to either the fall, winter or spring quarters. For Cal Grant C an academic year means a period of time usually eight or nine months during which a full-time student would normally be expected to complete the equivalent of two semesters, two trimesters, or three quarters of instruction.

Note: Authority cited: Section 69433.7 Education Code. Reference: Sections 69432.7, 69432.9, Education Code.

§ 30001. Grant Recipient

A grant recipient is a person who has successfully met all of the applicable requirements set forth in Education Code Sections 69434, 69435.3, 69436, 69437.6, who has been selected for a grant by the Commission or pilot school, and who has accepted the grant in terms of attending a qualifying institution.

A Cal Grant A grant recipient whether entitlement or competitive, as defined in Education Code Section 69434 and 69436, 69437, 69437.6 may utilize a grant for tuition and fees as in Education Code Section 69434 and 69437.5; a Cal Grant B grant recipient whether entitlement or competitive, as defined in Education Code Section 69435 and 69435.3 69436, 69437.6, may utilize a grant for tuition, fees and subsistence as in Education Code Section 69435 and 69437.5; a Cal Grant C grant recipient, as defined in Education Code Section 69439, may utilize a grant for occupational or technical training for tuition and training-related costs as in Education Code Section 69439.

§ 30002. Eligible Applicant

An eligible applicant is any person who has successfully met the requirements set forth in Sections 69434, 69435.3, 69436, 69437.6, Education Code, and has submitted in proper form and prior to established deadlines such applications, supplements and grade point average, and financial and other information as the Commission or pilot school may direct.

Note: Authority cited: Section 69433.7, Education Code. Reference: Sections 69433, 69434, 69435, Education Code.

§ 30005. Eligibility Limitations

Undergraduate course means the first eight semesters or twelve quarters or their equivalent of full-time college attendance beyond the high school graduation and prior to a baccalaureate degree. Eligibility may be extended for two semesters or three quarters or their equivalent for students enrolled in a five-year undergraduate program.

Note: Authority cited: Section 69433.7, Education Code. Reference: Sections 69433.5, Education Code.

§ 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 qualifying institution 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 (l) and this section.

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

§ 30010. ADS Pilot Program

“ADS Pilot Program” means the Cal Grant Alternative Delivery System Pilot Program authorized by Chapter 644, Statutes of 2009 (AB 187).

Note: Authority cited: Section 69452, Education Code. Reference: Section 69450, Education Code.

§ 30011. Claim

“Claim” means that a pilot school has informed the Commission that a particular eligible applicant has been admitted to a pilot school and that the pilot school will perform all of the pilot school responsibilities, notification and reporting requirements set forth in Section 30044 with respect to that eligible applicant.

Note: Authority cited: Section 69452, Education Code. Reference: Section 69452, Education Code

§ 30012. Claiming Date

“Claiming Date” means the date an eligible applicant must be claimed by a pilot school to invoke the correspondence blackout. For purposes of the ADS Pilot Program, the claiming date is April 1.

Note: Authority cited: Section 69452, Education Code. Reference: Section 69452, Education Code.

§ 30013. Commission

“Commission” means California Student Aid Commission.

Note: Authority cited: Section 69452, Education Code. Reference: Section 69432.7, Education Code.

§ 30014. Correspondence Blackout

“Correspondence blackout” means the period of time that the Commission will not contact potential pilot participants that have an Institutional Student Information Report (ISIR) indicating potential attendance at a pilot school.

Note: Authority cited: Section 69452, Education Code. Reference: Section 69452, Education Code

§ 30015. Entitlement Participant

(a) An Entitlement participant has been offered either a Cal Grant A Entitlement Award or a Cal Grant B Entitlement Award pursuant to Education Code Section 69434 and 69435.3, 66021.2, 69432.7, 69435.

Note: Authority cited: Section 69452, Education Code. Reference: Section 69452, Education Code.

§ 30016. Transfer Entitlement Participant

A Transfer Entitlement participant has been offered a California Community College Transfer Entitlement Award pursuant to Education Code Section 69436;

Note: Authority cited: Section 69452, Education Code. Reference: Sections 69436, Education Code.

§ 30017. One Stop Shop

Pilot schools must act as a One Stop Shop for student financial aid.

- (a) The Pilot school must provide assistance to all students, parents, high school and community college counselors inquiring about Cal Grant awards and other student financial aid. This includes, but is not limited to:
- (1) information about the availability of Cal Grant awards;
 - (2) requirements for Cal Grant awards; and
 - (3) the amount of Cal Grant awards that may be available at other qualifying institutions in all segments of postsecondary education.
- (4) The qualifying institution may also provide comparable information on federal and other student financial aid.

Note: Authority cited: Section 69452, Education Code. Reference: Section 69450, 69454, Education Code.

§ 30018. Pilot Participant

“Pilot Participant” means an Entitlement or Transfer Entitlement participant who was admitted to, and extended a Cal Grant award offer by, a pilot school.

Note: Authority cited: Section 69452, Education Code. Reference: Section 69452, Education Code.

§ 30019. Pilot School

“Pilot school” means a qualifying institution approved by the Commission to participate in the ADS Pilot Program.

Note: Authority cited: Section 69452, Education Code. Reference: Sections 69452, Education Code.

ARTICLE 2. APPLICANT QUALIFICATIONS

§ 30020. Academic Record

The Commission may establish minimum standards of academic achievement and potential and may adopt criteria for selecting grant recipients from among applicants to qualify for a Cal Grant and may require applicants to submit grade point averages pursuant to section 30007, 30008 or 30026 or other evidence of potential.

Note: Authority cited: Section 69433.7, Education Code. Reference: Sections 69434, 69435.3, Education Code.

§ 30021. Choice of Qualifying Institution

A Cal Grant shall be granted in terms of the applicant's selection of qualifying institution at the time he or she is selected for a grant.

Note: Authority cited: Section 69433.7, Education Code. Reference: Sections 69433, Education Code.

§ 30022. Change in School or College Choice

Whenever a grant recipient changes his or her choice of qualified institution, the Commission must re-determine his or her financial need eligibility if the student will be attending a non-pilot school. If the student will be attending a pilot institution, that

institution will re-determine the student's financial need. Subject to such redetermination, a grant recipient may change his or her choice of college (a) prior to the time of actual enrollment, (b) at the conclusion of a quarter or semester, provided that any loss of tuition and fee payments shall be borne by the student.

Note: Authority cited: Section 69433.7, 69452, Education Code. Reference: Sections 69433, 69434, 69435, Education Code.

§ 30023. In Lieu of Test Scores; Grace Period

- (a) All Cal Grant A and B applicants shall submit a grade point average pursuant to sections 30007, 30008 or 30026.
 - (1) For a Competitive Cal Grant award pursuant to Article 5 (beginning with Education Code section 69437) of the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act, a student who does not have a grade point average pursuant to section 30007 or 30008 or whose grade point average is more than 5 years old may submit a test score from the General Educational Development test (GED), the American College Test (ACT) or the Scholastic Aptitude Test (SAT).
 - (2) It is the responsibility of the applicant to have a grade point average or test score reported.
- (b) A standardized test score for each approved test shall be converted to an equivalent grade point average by the Commission using the national distribution of test scores as compared to the distribution of grade point averages on a 0.00 to 4.00 scale. The grade point equivalencies shall be calculated based upon research from the testing agency for each approved test.
- (c) The Commission may, on a case-by-case basis, accept the submission of grade point average(s) from an applicant or reporting institution after the March 2 or September 2 deadline if, in the opinion of the Executive Director, circumstances beyond the control of the applicant delayed or prevented the timely submission of the grade point average(s) by the applicant or reporting institution(s) by the March 2 or September 2 deadline.
 - (1) Such circumstances must be shown by a certification: (i) from the reporting institution of the circumstances beyond the control of the applicant that delayed or prevented the timely submission of the grade point average by the reporting institution by the March 2 or September 2 deadline; (ii) from the applicant or reporting institution with proof that the grade point average was originally mailed by the applicant or reporting institution before the deadline; or (iii) from the applicant with a written description, under penalty of perjury, of the facts showing that circumstances beyond the control of the applicant delayed or prevented the timely submission of the grade point average.
 - (2) In the case of an application for an entitlement award under Education Code sections 69434, 69435, 69435.3, or 69436, any request to accept grade point average(s) after the March 2 deadline shall be received by the Commission no

later than May 16 seventy-five (75) days after the March 2 deadline) and the computed grade point average(s) and certification specified in subsection (1) shall be included with the request. No later than April 16 forty-five (45) days after the March 2 deadline), the Commission shall inform students who are potentially eligible for entitlement awards based on application information the Commission has received, that their grade point average(s) had not been received by the Commission by the March 2 deadline, and shall notify them that they have until May 16 (75 days from the March 2 deadline) to request the Commission to accept their late grade point average(s) on the conditions specified above, including the submission of the certification specified in subsection (1).

- (3) In the case of an application for a competitive grant award under Education Code sections 69437, 69437.3, or 69437.6, any request to the Executive Director to accept grade point average(s) after the March 2 or September 2 deadline shall be received by the Commission no later than March 22 or September 22 (twenty (20) days after the March 2 or September 2 deadline) and the computed grade point average(s) and the certification specified in subsection (1) shall be included with the request.
- (4) Pursuant to Government Code section 6707, in such cases where the March 22 or September 22 deadline to request late submittal of grade point average(s) on behalf of competitive applicants or the May 16 deadline to request late submittal of grade point average(s) on behalf of entitlement applicants falls upon a Saturday, Sunday, or state holiday, the request for late submittal must be postmarked or received by the Commission by the following business day.
- (d) Applicants or officials who submit a timely but incomplete or incorrect grade point average shall have a grace period of ten (10) days after the mailing of notice by the Commission to file a corrected or completed grade point average. A corrected or completed submission postmarked within the 10 day period shall be deemed to comply with this requirement.

Note: Authority cited: Sections 69432.9(c) and 69433.7, Education Code. Reference: Sections 69432.9(c), 69434, 69435, 69435.3, 69436, 69437, 69437.3 and 69437.6, Education Code.

ARTICLE 3. USE OF CAL GRANTS

§ 30030. Application of Cal Grants

New Cal Grant A and B awards are made for use during a specified academic year, and shall be put into effect in no earlier than the fall term of the specified academic year. Students newly awarded in the Cal Grant C program may activate their new award starting in the summer term proceeding the award year if the summer term begins July 1 or later. Award activation in all Cal Grant programs may be postponed when a student has been granted a leave or in such other instances as the Commission may otherwise provide.

Note: Authority cited: Section 69433.7, Education Code. Reference: Sections 69500-69515 and 69530-69547, Education Code.

§ 30032. Refund of Grant Payments

Refund of unused award funds previously paid to a qualifying institution shall be based on the published regulations of the qualifying institution concerned, as certified to the Commission by such qualifying institution.

Note: Authority cited: Section 69433.7, Education Code. Reference: Sections 69432.8, Education Code.

§ 30033. Withdrawal of a Cal Grant

The Commission may withdraw a Cal Grant if the grant recipient:

- (a) Fails to enroll in qualifying institution and attend classes.
- (b) Withdraws from a qualifying institution without making a request for a leave of absence.
- (c) Fails to maintain a full-time or part-time program in accordance with the regulations of the qualifying institution he or she is attending and the Commission.
- (d) Loses his or her status as a resident in California.
- (e) Fails to continue to demonstrate financial need according to Commission criteria.
- (f) Is in violation of Commission regulations.

Note: Authority cited: Section 69433.7 Education Code. Reference: Sections 69432.7 and 69433.5.

ARTICLE 3.5. CAL GRANT ALTERNATIVE DELIVERY SYSTEM PILOT PROGRAM

§ 30034. Procedures for Submitting ADS Pilot Program Application

- (a) Qualifying institutions may submit an application to the Commission to participate in the ADS Pilot Program after the effective date of these regulations.
- (b) An application for participation in the ADS Pilot Program shall be submitted to the Commission no later than October 1, 2010. The Commission may at its discretion, extend the period of time to apply if (1) the Commission does not receive sufficient applications from qualifying institutions to meet the statutorily mandated minimum number of participants established by Education Code Section 69453 or (2) if additional qualifying institutions beyond the minimum, and up to the maximum permitted by Education Code section 69453, allow participation by qualifying institutions from all postsecondary segments.
- (c) The qualifying institution is responsible for submitting a complete application in order to be considered for participation in the ADS Pilot Program. Completed applications submitted by the application deadline will be considered by the Commission in the order received until either (1) the maximum number of participants permitted in the program is achieved, or (2) for the University of California, the California State

University and the California Community Colleges, the maximum number of qualifying institutions permitted within their respective segments is achieved.

Note: Authority cited: Section 69452, Education Code. Reference: Section 69453, 69454, Education Code.

§ 30035. Application to Participate in the ADS Pilot Program

- (a) A qualifying institution may elect to participate in the ADS Pilot Program. Applications to participate in the ADS Pilot Program shall include the following information on a form provided by the Commission (Appendix A):
- (1) Qualifying institution information including:
 - (A) Name of the Institution;
 - (B) Address of the Institution;
 - (C) Office of Postsecondary Education Identification Number (OPE ID);
 - (D) The method of awarding by which the institution will determine awards is either:
 - (1) Institutional Determination – Method by which the participating institution selects award participants from available FAFSA and the Commission’s GPA data; or
 - (2) Commission Determination – Method by which the institution uses the Commission’s existing awards engine to identify eligible participants.
 - (2) Qualifying institution’s representation that the institution will:
 - (A) Make eligibility determinations using Institutional Determination or Commission Determination consistent with the requirements of the Cal Grant program and requirements adopted by the Commission;
 - (B) Inform a pilot participant of his or her Cal Grant award no later than the date the pilot participant must make his or her enrollment decision for the following academic year. The award shall be made as part of the qualifying institutions complete financial aid award so that the pilot participant is aware of all the student aid that he or she is eligible to receive;
 - (C) Provide information to the pilot participant that he or she may be eligible to use the Cal Grant award at another qualifying institution to which he or she is or may be admitted;
 - (D) Report to the Commission by December 10 of the award year:
 - (1) Aggregate information on applicants for Cal Grant awards and pilot participants, by income level, gender, age, and ethnicity;
 - (2) Aggregate information on pilot participants who have withdrawn from their qualifying institutions;
 - (3) Aggregate information on pilot participants whose awards have not been disbursed;
 - (4) Information on the total amount of institutional aid available for students at the qualifying institution, the total number of pilot participants of institutional aid, the total amount of institutional aid provided to pilot participants of Cal Grant awards at the qualifying institution, and the amount of institutional aid awarded to pilot participants;

- (5) Information on the amount of other financial aid, including, but not necessarily limited to, fee waivers, federal loans, private loans, and work study awarded to pilot participants;
- (E) Report to the Commission any other information determined by the Commission to be necessary to fulfill its responsibilities under the Cal Grant Program including, but not limited to, information necessary to determine Cal Grant funding projections for the State Budget.
- (3) The qualifying institution's certification that it understands:
 - (A) Data files to communicate with the Commission will be sent in the manner prescribed in the Grant Delivery System (GDS) for ADS Pilot Program participation;
 - (B) It shall function as a one-stop shop for student financial aid;
 - (C) All costs associated with developing, implementing, maintaining, and improving the pilot alternative delivery system shall be paid by the qualifying institutions that elect to participate in the ADS Pilot Program;
 - (D) Participation in the ADS Pilot Program is voluntary and does not constitute a cost that is reimbursable under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code;
 - (E) All cost associated with a qualifying institution's election to participate in the ADS Pilot Program shall be paid by the qualifying institution and , if the qualifying institution is a public institution, shall not require any additional state funds.
- (4) The application shall be signed and dated by the qualifying institution's Chancellor, Chief Executive Officer, or President of the institution.
- (5) The application shall include the typed or printed name and title, address, email address, phone number and fax number of Chancellor, Chief Executive Officer, or President of the institution.
- (6) The application shall include an institutional contact person's name, title, address, phone number, fax number and email address.
- (b) The Commission shall review, and may conditionally approve, the application if the Commission determines the institution complies with all application requirements.
- (c) A qualifying institution may not award Cal Grants until the Commission has given final approval of its application.

Note: Authority cited: Section 69452, Education Code. Reference: Sections 69453, 69454, 69456, 69458, Education Code.

§ 30036. Process for Conditional Approval of the ADS Pilot Program Application

- (a) The Commission shall evaluate the adequacy of a qualifying institution's application for participation in the ADS Pilot Program.
- (b) The Commission shall, within 15 calendar days of receipt of the application, act to:
 - (1) notify the applicant that it is conditionally approved to participate in the pilot program;
 - (2) advise the applicant that the application contains deficiencies which must be remedied in order to be considered for participation in the pilot program prior; or
 - (3) reject the application and specify the reason for the application rejection.

- (c) In the event a letter of deficiency is sent to the applicant, the applicant will be given 10 calendar days to correct all deficiencies and re-submit its completed application to the Commission. If the applicant fails to remedy its application within the time allotted, the Commission shall reject the application on the next business day following the expiration of the time given. The Commission shall have 15 calendar days to conduct its review of the re-submitted application to determine if the application is:
 - (1) complete and either notify the applicant that it is conditionally approved to participate in the ADS Pilot Program; or
 - (2) reject the application and specify the reason for the application rejection.
- (d) The applicant shall be notified of the Commission's determination in writing.

Note: Authority cited: Section 69452 Education Code. Reference: Sections 69454, 69456 and 69458.

§ 30037. Process for Final Approval of an ADS Pilot Program Application

- (a) After an applicant has received conditional approval to participate in the ADS Pilot Program, the Commission shall evaluate the technological capabilities of the applicant to implement the technological requirements of the ADS Pilot Program. Technological requirements would include, but are not limited to, an existing technological capability or resources needed to modify existing Financial Aid Management system to:
 - (1) Make the Cal Grant Awards using all the required eligibility requirements for the Cal Grant A/B entitlement and Community College Transfer Entitlement Awards;
 - (2) Provide electronic award information to the Grant Delivery System (GDS) and insure that rejected transactions can be handled by providing system;
 - (3) Download electronic GPA information from GDS to process the awards; and
 - (4) Download current student status on the Cal Grant System prior to awarding.
- (b) The Commission shall, within 15 calendar days of receipt of all information necessary to determine whether a qualifying applicant has the technological capability to implement the ADS Pilot Program,
 - (1) notify the applicant that it is approved to participate in the ADS Pilot Program;
 - (2) advise the applicant of any deficiencies which must be remedied in order to be considered for participation in the ADS Pilot Program prior; or
 - (3) reject the application and specify the reason for the application rejection.
- (c) In the event a letter of deficiency is sent to the applicant, the applicant will be given 30 calendar days to correct all deficiencies and re-submit its completed application to the Commission. If the applicant fails to remedy its application within the time allotted, the Commission shall reject the application on the next business day following the expiration of the time given. The Commission shall have 15 calendar days to conduct its review of the re-submitted application to determine if the application is complete and either notify the applicant that it is:
 - (1) approved to participate in the ADS Pilot Program; or
 - (2) reject the application and specify the reason for the application rejection.
- (d) The applicant shall be notified of the Commission's determination in writing.

Note: Authority cited: Section 69452 Education Code. Reference: Sections 69454, 69456 and 69458.

§ 30038. Commission Initial Contact Letter with potential Grant Recipients

To establish direct contact with potential Cal Grant participants upon timely filing of their Free Application for Federal Student Aid (FAFSA), the Commission will send each on-time FAFSA filer appearing to meet the basic Cal Grant Entitlement and Transfer Entitlement selection criteria an electronic or hardcopy letter to provide information on the state financial aid application process and to specifically report on Cal Grant application requirements. The initial contact letter shall include, but is not limited to:

- (a) An acknowledgement that the Commission has received the applicant's FAFSA information;
- (b) A request for the applicant to open a WebGrants for Students (WGS) account to monitor his or her Cal Grant application;
- (c) An explanation of the Cal Grant application process, including the requirement that a Cal Grant GPA be sent by the March 2 filing deadline;
- (d) Instruction to the applicant to check with the schools he or she may attend and keep the Commission informed of his or her school of attendance using WGS.

Note: Authority cited: Section 69452, Education Code. Reference: Sections 69452, Education Code.

§ 30039. Correspondence Blackout and Blackout Cancellation by Commission

- (a) For students indicating one or more pilot schools on his or her FAFSA, the Commission will invoke a correspondence blackout period. The correspondence blackout for students indicating pilot school attendance will be cancelled if:
 - (1) A student previously claimed by a pilot school is released by the pilot school;
 - (2) The student informs the Commission he or she will be attending a qualified institution not participating in the ADS pilot program;
 - (3) The student is claimed by a qualified institution not participating in the ADS pilot program that has initiated a school change request to the Commission; or
 - (4) The student is not claimed by a pilot school by the claiming date.
- (b) Upon cancellation of the correspondence blackout period, the Commission will provide eligible applicants with Cal Grant award information.

Note: Authority cited: Section 69452, Education Code. Reference: Sections 69452, Education Code.

§ 30040. Commission Promotion of Student Access and Choice

To ensure unobstructed student access to Cal Grant awards, the Commission shall determine all entitlement applicants' preliminary Cal Grant eligibility. Students indicating potential attendance at a qualifying institution not participating in the ADS

pilot program will be notified by the Commission of their potential eligibility. The Commission will also provide Cal Grant award eligibility information to eligible applicants for whom the blackout period has been cancelled pursuant to Section 30039.

Note: Authority cited: Section 69452, Education Code. Reference: Sections 69452, Education Code.

§ 30041. Cal Grant GPA Web Service

Pilot schools shall design a web service client that allows secure online access to the Commission's applicant GPA and test score data to use to determine applicant eligibility. The web service shall have the ability to code and pass this eligibility determination to the Commission.

Note: Authority cited: Section 69452, Education Code. Reference: Section 69452, Education Code.

§ 30042. Cal Grant GPA Web Service Access Process

- (a) The Commission shall:
 - (1) be the central repository for grade point averages and test scores;
 - (2) process the grade point averages and test scores received;
 - (3) determine if the grade point average or test score was received by the established deadline.
- (b) Pilot schools may request the grade point averages and converted test scores for applicants enrolled, admitted to, or currently attending the pilot school to determine Cal Grant eligibility. The pilot school must provide the applicants social security number through the web services to retrieve the grade point averages or converted test score.
- (c) The Commission will provide pilot schools with the following information:
 - (1) A "Matched GPA" data file that contains:
 - (A) The student's Social Security Number;
 - (B) The student's last name, first name, middle initial, and date of birth;
 - (C) The student's GPA and GPA type or the student's converted test score and type;
 - (D) Whether the GPA is a high school GPA (H), reestablished or Community College (C).
 - (2) Or, a "No Match" data file that contains only the student's Social Security Number.

Note: Authority cited: Section 69452, Education Code. Reference: Sections 69452, Education Code

§ 30043. Commission Tracking and Reconciliation Responsibilities

- (a) The Commission will track remaining program eligibility by fractions of full-time equivalent attendance for all grant recipients attending pilot and non-pilot schools.
- (b) The Commission will track funds released to qualifying institutions for grant recipients. Funding requests will be sent to the State Controllers Office for release to all qualifying institutions.
- (c) The Commission will reconcile the information, confirm the applicants who have been selected for a Cal Grant award, and provide the pilot schools with a list of any students who appear to not be eligible for an award.

Note: Authority cited: Section 69452, Education Code. Reference: Sections 69452, Education Code.

§ 30044. Pilot School Responsibilities, Notification and Reporting Requirements

- (a) Pilot schools shall provide assistance to and information for students, parents, high school and community counselors about Cal Grant awards and other student financial aid, including information about the availability of, requirements for, and the amount of, Cal Grant awards that may be available at other qualifying institutions in all segments of postsecondary education. The pilot school is to act as a one-stop shop for student financial aid by providing assistance to all inquiring or seeking information.
- (b) The pilot schools shall:
 - (1) determine whether the applicant's FAFSA was received by the application deadline;
 - (2) notify pilot participants of their Cal Grant award no later than the date the pilot participant is required to make an enrollment decision for the following academic year. An exemption for this provision is granted to pilot schools for pilot participants who make early decision commitments prior to the usual enrollment decision date for other students. The award shall be made as part of the pilot school's complete financial aid award and must include information that the students may be eligible to use the Cal Grant award other qualifying institution to which he or she is admitted. This notice will include other qualifying institutions that were listed on the ISIR. The Commission will provide pilot schools with the name of qualifying institutions and eligibility information for those schools.
 - (3) require that applicants affirm, in writing, under penalty of perjury, that he or she meets the requirement set forth in Section 69433.9(e)(1) of the Education Code;
 - (4) notify each person who receives a preliminary award under this paragraph that his or her award is subject to an audit.
 - (5) submit by the claiming date the following information to the Commission regarding all eligible applicants admitted to the pilot school and awarded a Cal Grant:
 - (A) Social Security Number;
 - (B) Last name, First name, Middle Initial;

- (C) ISIR version the pilot school used;
 - (D) Cal Grant Program; and
 - (E) Date of Birth.
- (6) provide the Commission with notification of all previously claimed students who are no longer attending the pilot school.
- (c) Pilot schools shall report all of the following to the Commission by December 10th of the award year:
- (1) Aggregate information on applicants for Cal Grant awards and pilot participants, by income level, gender, age, and ethnicity;
 - (2) Aggregate information on pilot participants who have withdrawn from their qualifying institutions;
 - (3) Aggregate information on pilot participants for whom awards have not been disbursed.
 - (4) Information on the total annual dollar amount of institutional aid available for students at the qualifying institution, the total number of recipients of institutional aid, the total amount of institutional aid provided to pilot participants at the qualifying institution, and the amount of institutional aid awarded to each pilot participants.
 - (5) Information on the amount of other financial aid, including, but not necessarily limited to, fee waivers, federal loans, private loans, and work study awarded to each pilot participants.
- (d) Pilot school shall report any other information determined by the Commission to be necessary to fulfill its responsibilities under the Cal Grant program including but not limited to information necessary to determine Cal Grant funding projections for the State Budget.

Note: Authority cited: Section 69452, Education Code. Reference: Sections 69436, 69450, 69452, 69454, 69460, Education Code

§ 30045. Programmatic Noncompliance with the Requirements of the Cal Grant Alternative Delivery Pilot Program

- (a) If a pilot school demonstrates programmatic noncompliance with the requirements of the ADS pilot program, the Commission shall inform the pilot school of the following in writing:
- (1) specific items of noncompliance which must be corrected;
 - (2) the specific corrective action which must be taken;
 - (3) the time period within which the pilot school must complete the corrections;
 - (4) notice that failure to timely make required corrections may result in suspension from the ADS Pilot Program; and
 - (5) the process by which the noncompliance may be appealed.

Note: Authority cited: Section 69452, Education Code. Reference: Section 69452, Education Code.

§ 30046. Suspension or Termination from the Cal Grant Alternative Delivery Pilot Program

- (a) Any pilot school suspended from the ADS pilot program will be unable to award Cal Grants to its pilot participants or eligible applicants during the time of suspension. Eligible applicants and pilot participants attending a pilot school suspended from the ADS pilot program shall be awarded by the Commission during the time the pilot school remains suspended.
- (b) Any pilot school suspended from the program that thereafter fails to correct its items of noncompliance within 90 days will be terminated from the ADS pilot program. The pilot school will be responsible for all costs associated with participation in the ADS pilot program until the date of termination.

Note: Authority cited: Section 69452, Education Code. Reference: Section 69452, Education Code.

CAL GRANT ALTERNATIVE DELIVERY SYSTEM (ADS) PILOT PROGRAM APPLICATION TO PARTICIPATE



A signed **Application to Participate** is required by the California Student Aid Commission (Commission) from any qualifying post-secondary educational institution to participate in the Cal Grant Alternative Delivery System (ADS) Pilot Program.

I. Institution Section

Primary Institution Name and Address

Office of Postsecondary Education Identification (OPE ID)

Additional Institution Names *(If the Authorized Official is different at each institution, a separate Application must be completed.)*

Additional Institutions OPE ID

II. Participation Requirements

The qualifying institution represents, understands and certifies that the institution will:

- a. Function as a one-stop shop for student financial aid by providing assistance to all students, parents, and high school and community college counselors inquiring or seeking information about Cal Grant awards that may be available at other qualifying institutions in all segments of post-secondary education;
- b. Make eligibility determinations consistent with the requirements of the Cal Grant Program using the Institutional Determination or Commission Determination method and requirements adopted by the Commission;
- c. Inform students of their Cal Grant award no later than the date the student must make their enrollment decision for the following academic year. The award shall be made as part of the qualifying institutions complete financial award so that the student is aware of all the student aid they are eligible to receive;
- d. Provide to the student that he or she may be eligible to use the Cal Grant award at another qualifying institution to which he or she are or may be admitted;
- e. Report to the Commission by December 10 of each award year:
 1. Information necessary to determine Cal Grant funding projections for the State Budget;
 2. Aggregate information on applicants for Cal Grant awards and students who have been awarded Cal Grant awards, by income level, gender, age, and ethnicity;
 3. Aggregate information on students who have been awarded Cal Grant awards, but have withdrawn from their qualifying institutions;
 4. Aggregate information on students who have been awarded Cal Grant awards but for whom awards have not been disbursed;
 5. Information on the total amount of institutional aid available for students at the qualifying institution, the total number of recipients of institutional aid, the total amount of institutional aid provided to recipients of Cal Grant awards at the qualifying institution, and the amount of institutional aid awarded to each student receiving a Cal Grant award;
 6. Information on the amount of other financial aid, including, but not necessarily limited to, fee waivers, federal loans, private loans, and work study awarded to each student receiving a Cal Grant award;
 7. Any other information determined by the Commission to be necessary to fulfill its responsibilities under the Cal Grant Program.

Data files to communicate with the Commission will be sent in the manner prescribed in the Grant Delivery System (GDS) for the ADS Pilot Program.

III. Financial Responsibility

The qualifying institution further understands and agrees that:

- a. All costs associated with developing, implementing, maintaining, and improving the ADS Pilot Program shall be paid by the qualifying institutions that elect to participate in the ADS;
- b. Participation in the pilot program in voluntary and does not constitute a cost that is reimbursable under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code;
- c. All costs associated with a qualifying institution's election to participate in the ADS Pilot Program shall be paid by the qualifying institution and, if the qualifying institution is a public institution, shall not require any additional state funds.

IV. Pilot Participant Determination Method (Choose One)

A qualifying institution must select the method of awarding by which the institution will determine awards.

- Institutional Determination – Method by which the participating institution selects award participants from available FAFSA and the Commission's GPA data.
- Commission Determination – Method by which the institution uses the Commission's existing awards engine to identify eligible participants.

, the undersigned, certify that I am, as named in this application, an official of the qualifying institution and am authorized to act on its behalf. I have read and understand this application and certify the institution will comply with the requirements stated herein.

Signature – Chancellor, Chief Executive Officer or President of Institution	Print Name / Title
Mailing Address	E-Mail Address
	Date
Phone Number	FAX Number

ADS Pilot Program Institution's Contact

Print Name	Title
Mailing Address	E-Mail Address
	Fax Number
Phone Number	

For US Postal Service, return to:

California Student Aid Commission
Program Administration & Services Division
ATTN: ADS Pilot Program Processing
P.O. Box 419028
Rancho Cordova, CA 95741-9028

For UPS or overnight delivery ONLY, return to:

California Student Aid Commission
Program Administration & Services Division
ATTN: ADS Pilot Program Processing
10834 International Drive
Rancho Cordova, CA 95670