CALIFORNIA STUDENT AID COMMISSION
P.O. Box 419029
Rancho Cordova, CA 95741-9029

PROPOSED AMENDMENTS TO ARTICLE 15, OF CHAPTER 1, OF DIVISION 4, OF TITLE 5 OF CA CODE OF REGULATIONS OF THE CALIFORNIA MILITARY DEPARTMENT GI BILL AWARD PROGRAM (FORMERLY THE CALIFORNIA NATIONAL GUARD EDUCATION ASSISTANCE AWARD PROGRAM)

NOTICE OF PROPOSED RULEMAKING

NOTICE IS HEREBY GIVEN that the California Student Aid Commission (Commission) proposes to adopt the regulations described below after considering all comments, objections, or recommendations regarding the proposed action.

PUBLIC HEARING

The Commission will hold a public hearing on Thursday, March 11, 2021, or as soon after that as business before the Commission will permit, via teleconference. Details about the hearing, including the meeting time, agenda items, staff presentation materials, and options to participate in the hearing by telephone or computer will be available prior to the hearing on the Commission's website at: https://www.csac.ca.gov/commission-meeting-materials

In accordance with the guidance from Executive Order N–29–20, a physical location will not be provided. Members of the public are strongly encouraged to participate using the teleconference phone number provided on the Commission website in the meeting agenda for the above specified date so as to minimize the spread of COVID–19 and reduce the risk of infection during this current state of emergency. At the hearing, any person may present statements or arguments orally or in writing about the proposed action described in the informative digest. It is requested, but not required, that persons making oral comments at the hearing submit a written copy of their testimony

WRITTEN COMMENT PERIOD AND SUBMITTAL OF COMMENTS

Notice is also given that any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to:

California Student Aid Commission
Attention: Gary Collord, Legal Services
P. O. Box 419026
Rancho Cordova, CA 95741-9026

Comments may also be submitted by facsimile (FAX) at (916) 464-8033 or by e-mail to Rulemaking@csac.ca.gov. The public comment period for this regulatory action will begin on January 22, 2021. Comments must be submitted before 5:00 P.M. on March 9, 2021 to be considered.

AUTHORITY AND REFERENCE
Pursuant to the authority vested by Section 69999.22 of the Education Code, the proposed regulations implement, interpret, and make specific Sections 69999.10 through 69999.24 of the Education Code, as amended by AB 2722 (Ch. 547, Stats. 2018). The Commission is considering changes to Article 15, of Chapter 1, of Division 4, of Title 5 of the California Code of Regulations as follows:

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW
Existing law established the California National Guard Education Assistance Award Program (CNG EAAP) to be jointly administered by the Office of the Adjutant General and the California Student Aid Commission (Commission). Based on the authority provided in Education Code Section 69999.22, Commission staff, in consultation with California Military Department staff, adopted Article 15 of Chapter 1 of Division 4 of Title 5 of the California Code of Regulations, Sections 30730 et seq. to implement, interpret, and construct the requirements established in Education Code Sections 69999.10 to 69999.30, which became effective on January 10, 2011.

The Legislature's stated intent for the CNG EAAP was to maintain the strength of the California National Guard, and affiliated militia members, by providing an educational inducement for various members. The CNG EAAP is a state-funded program designed to provide an educational incentive to improve the skills, competencies, and abilities of service members, and encourage service members to remain active in the California Army or Air National Guard, the California State Guard (formerly the State Military Reserve), or the California Naval Militia.

Assembly Bill 2722 (Medina, Chapter 547, Statutes of 2018) was signed by the Governor and chaptered into law on September 19, 2018. Assembly Bill 2722 (AB 2722) amended Sections 69999.10 through 69999.24, and repealed Sections 69999.26 and 69999.30 of the Education Code, and makes the following modifications to the prior CNG EAAP, which will apply to new or renewal applicants first accepted to the program during or after the 2020-2021 academic year:

- Revises the name of the CNG EAAP, to the "California Military Department GI Bill Award Program" (CMD GI Bill);
- Deletes a two-year prior service requirement for participants;
- Adds a post two-year service commitment for participants;
- Limits participants to obtaining one undergraduate, graduate, or doctoral degree;
- Requires participants to complete their studies within ten years, unless extended due to military activation or other unexpected circumstances;
- Removes an allowance for books and supplies for graduate school participants;
- Extends the program indefinitely; and
- Deletes a provision to prepare a 2016 report by the Legislative Analyst.

The proposed regulations were prepared in response to direction provided by the Commission at its July 23, 2020 meeting, where it discussed the revised Education Code provisions and requirements for the CMD GI Bill Award Program established under AB 2722. The proposed regulations were developed to satisfy the amended Education Code requirements by incorporating appropriate regulatory amendments and additions to the California Code of Regulations necessary to implement the CMD GI Bill Award Program, and to allow for continued joint administration of the program by the Commission and the California Military Department.

Objectives and Benefits of the Proposed Regulation

The Commission is proposing to update the revised and renamed CMD GI Bill Award Program regulations to incorporate the legislative changes enacted by AB 2722. The proposed regulatory amendments detail the procedures the Commission and the Office of the Adjutant General will use to administer this educational funding program for service members and increase program clarity and specificity. The proposed amendments are designed to bring greater efficiency and transparency to program administration, applicant eligibility requirements, and participant responsibilities.

Evaluation of Inconsistency or Incompatibility with Existing State Regulations

After conducting a review for any related regulations in this area, the Commission has determined that no other regulations exist concerning the Commission's revised and renamed CMD GI Bill Award Program (formerly the California National Guard Education Assistance Award Program). Therefore, the proposed regulations are neither inconsistent nor incompatible with existing state regulations.

DISCLOSURES REGARDING THE PROPOSED ACTION

The Commission has made the following initial determinations:

Mandate on Local Agencies and School Districts: None

Fiscal Impact Estimates:

This proposal does not impose costs on any local agency or school district for which reimbursement would be required pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code. This proposal does not impose other nondiscretionary costs or savings on local agencies. This proposal does not result in any cost or savings in federal funding to the state.

With respect to potential cost or savings to State agencies, the Commission and California Military Department will incur minor absorbable costs relative to preparing the proposed regulations and for ongoing administrative costs associated with this extended educational funding program.

Cost Impact on Representative Private Person or Business:

The Commission is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Other Business Impacts:

The Commission has determined the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The proposal would impose no costs upon business. The proposal does not affect small businesses as defined by California Government

Code Section 11342.610. This proposal would not affect private sector or small business as defined by California Government Code Section 11342.610.

Effect on Housing Costs: None

Cost or Savings in Federal Funding to the State: None

Results of the Economic Impact Analysis:
The Commission has determined that this regulatory proposal will not have any effect on the creation of jobs or new businesses, on the elimination of jobs or existing businesses, or on the expansion of businesses in the State of California. The regulation is not expected to adversely affect or benefit California residents' health and welfare, worker safety, or the State's environment.

FEDERAL MANDATE

The regulation would only apply in California and would neither affect nor conflict with any federal regulations. There are no federal regulations that address the same issues as this regulation.

CONSIDERATION OF ALTERNATIVES

The Commission must determine that no reasonable alternative it considered, or that has otherwise been identified and brought to its attention, would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. The Commission invites interested parties to submit statements or arguments with respect to alternatives to the proposed regulatory action during the written comment period.

CONTACT PERSONS

Inquiries concerning the proposed adoption of the regulations and written comments may be directed to:

Gary Collord
California Student Aid Commission
11040 White Rock Road, Rancho Cordova, CA 95670
Telephone: (916) 347-0632
Fax: (916) 464-8033 Facsimile
Email: Rulemaking@csac.ca.gov

The back-up contact person for these inquiries is:

Julia Blair
California Student Aid Commission
11040 White Rock Road, Rancho Cordova, CA 95670
Telephone: (916) 616-0863
Fax: (916) 464-8033 Facsimile
Email: Rulemaking@csac.ca.gov

AVAILABILITY OF THE STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, AND RULEMAKING FILE

The Commission will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office listed at the address above. As of the date this notice is published, the rulemaking file consists of this notice, the proposed text of regulations, the initial statement of reasons, an economic and fiscal analysis, and other reference information upon which the proposed rulemaking is based. Copies may be obtained by making a written request to Gary Collord.

These documents may also be viewed and downloaded from the Commission's website at www.csac.ca.gov.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After considering all timely and relevant comments received, the Commission may adopt the proposed regulations substantially as described in this notice. If the Commission makes modifications which are sufficiently related to the originally proposed text, it will make the modified text, with changes clearly indicated, available to the public for at least 15 days before the Board adopts the regulations as revised. Please send requests for copies of any modified regulations to the attention of Gary Collord at the above address. The Commission will accept written comments on the modified regulations for 15 days after the date on which they are made available.

AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, copies of the final statement of reasons may be obtained by making a written request to Gary Collord at the above address.

WEBSITE ACCESS

Materials regarding this proposal can be found at www.csac.ca.gov.