

Item 6

(Action Item)

Consideration of Institutional Appeals for 2022-23 Cal Grant Participation

SUMMARY:

This item considers three institutional appeals for Cal Grant participation in the 2022-23 academic year (AY). The following institutions present their appeals to the California Student Aid Commission (Commission) under California Education Code Section 69432.7 which authorizes the Commission to grant an appeal for an academic year if it determines that the institution has a cohort size of 20 individuals or less and the cohort is not representative of the overall institutional performance. Commission staff have determined that the following institutions meet the statutory requirements:

- Charles R. Drew University of Medicine and Science (CDU)
- California Jazz Conservatory
- Visible Music College

RECOMMENDATION:

Commission staff recommends the following for these 2022-23 Cal Grant Participation appeals:

- Approve Charles R. Drew University of Medicine and Science's appeal pursuant to CEC Section 69432.7(l)(3)(l)(iv)(II) because the cohort is less than 20 students, and the graduation rate is not representative of the institution's overall graduation performance.
- Approve California Jazz Conservatory's appeal pursuant to CEC Section 69432.7(l)(3)(l)(iv)(II) because the cohort is less than 20 students, and the graduation rate is not representative of the institution's overall graduation performance.
- Approve Visible Music College's appeal pursuant to CEC Section 69432.7(l)(3)(l)(iv)(II) because the cohort is less than 20 students, and the graduation rate is not representative of the institution's overall graduation performance.

California Student Aid Commission

BACKGROUND:

CEC Section 69432.7(l)(3) provides in relevant part:

(A) The commission shall certify by November 1 of each year the institution's latest official three-year cohort default rate and graduation rate as most recently reported by the United States Department of Education. For purposes of this section, the graduation rate is the percentage of full-time, first-time degree or certificate-seeking undergraduate students who graduate in 150 percent or less of the expected time to complete degree requirements as most recently reported publicly in any format, including preliminary data records, by the United States Department of Education.

* * *

(C) For purposes of the 2012–13 academic year, and every academic year thereafter, an otherwise qualifying institution with a three-year cohort default rate that is equal to or greater than 15.5 percent, as certified by the commission on October 1, 2011, and every year thereafter, shall be ineligible for initial and renewal Cal Grant awards at the institution.

(F) For purposes of the 2012–13 academic year, and every academic year thereafter, an otherwise qualifying institution with a graduation rate of 30 percent or less as certified by the commission pursuant to subparagraph (A), shall be ineligible for initial and renewal Cal Grant awards at the institution, except as provided for in subparagraph (H).

Pursuant to Senate Bill (SB) 169, the Commission was required to utilize the three-year cohort default rates certified in 2020, rather than new 2021 rates, to determine an institution's eligibility to participate in the Cal Grant program in the 2022-23 award year. As such, there are no institutional appeals based on cohort default rates to be considered for 2022-23 Cal Grant participation.

The United States Department of Education (USDE) receives data via the Integrated Postsecondary Education Data System from institutions and calculates graduation rates. The USDE then notifies each institution of its draft rates and provides an appeal period in which the institution may seek changes in the calculations based on corrected data. If it agrees with the institution, the USDE will recalculate the relevant rate and report the corrected rate. Cal Grant law mandates that if the USDE corrects an institution's graduation rate, and that correction brings that rate within the statutory Cal Grant standards, the institution immediately regains its eligibility to participate in the Cal Grant Program (see CEC Section 69432.7(l)(3)(D)).

Graduation rate is defined as the percentage of full-time, first-time degree or certificate-seeking undergraduate students who graduate in 150 percent or less of the expected time to complete degree requirements. As described in the Integrated Postsecondary Education Data System – Graduation Rates attachment, graduation rates are published a couple of years after a cohort's 150 percent graduation rate is initially measured and submitted by the institution to the USDE via the Integrated Postsecondary Education

California Student Aid Commission

Data System. To determine graduation rates for the 2022-23 academic year, the data focuses on students who began their studies in the fall of 2014 and graduated by 2020.

Section 69432.7(l)(3) of the California Education Code requires the Commission to certify graduation rates calculated and reported by the USDE and establishes that these rates must be applied to determine whether institutions satisfy statutory standards to participate in the Cal Grant Program. Section 69432.7(l)(3)(i)(iv)(II) of the California Education Code authorizes the Commission to grant an appeal for an academic year if the Commission determines that the institution has a cohort size of 20 individuals or less and the cohort is not representative of the overall institution performance.

At its January 21, 2021, meeting, the Commission adopted regulations pursuant to Section 69432.7(l)(3)(i)(iv) of the California Education Code establishing the appeal process for an otherwise qualifying institution that fails to satisfy the three-year cohort default rate and graduation rate requirements specified in the Education Code. These regulations became effective on January 1, 2022, and delegate to staff the ministerial determination as to whether an institution has a cohort size of 20 individuals or less. Staff have determined that the three institutions appealing have a cohort size of 20 individuals or less.

Charles R. Drew University of Medicine and Science Appeal Request

- 2022-23 Graduation Rate: 0 percent
- Graduation Rate Requirement for Cal Grant Participation: Above 30 percent
- Cohort size of Full-Time, First-Time Degree Seeking Students: 1 student
- 2021-22 Cal Grant awardees: 81 students (per CSAC's latest roster)

CDU filed an appeal on December 9, 2021, asking for reconsideration from the Commission to allow CDU's participation in the Cal Grant Program during the 2022-23 academic year, even though CDU does not comply with the statutory Cal Grant Institution eligibility standards for graduation rates for the cohort year certified. The USDE reported CDU's graduation rate at 0 percent, which fails to meet the Cal Grant requirement that graduation rates be higher than 30 percent. CDU seeks to appeal this decision based on their very small cohort size (1 student) as authorized under Section 69432.7 of the California Education Code.

Staff Recommendation for Charles R. Drew University of Medicine and Science Appeal

Based on the data reported through the Integrated Postsecondary Education Data System, CDU's cohort of full-time, first-time degree-seeking undergraduate students is under 20 (1 student). The cohort in question equals three percent of the institution's overall student population and only accounts for first-time, full-time students. In addition, the graduation rate for the overall student population at this institution (33 students) is 73 percent. Therefore, the graduation rate of 0 percent for first-time, full-time students does not represent the institution's overall graduation rate of 73 percent. Additionally, the institution stated that the one student making up the cohort of full-

California Student Aid Commission

time, first-time students was an international student who returned to their home country later that year and never completed their degree at CDU. Furthermore, CDU only began admitting first-time undergraduate students in 2009 and began a three-year hiatus in admitting full-time, first-time undergraduate students in 2014 in order to redesign their undergraduate programs to better serve their students.

Pursuant to California Education Code Section 69432.7 (l)(3)(l)(iv)(II), Commission staff recommends approving CDU's participation appeal because the small cohort is fewer than 20 students and the graduation rate is not representative of the institution's overall graduation performance.

California Jazz Conservatory Appeal Request

- 2022-23 Graduation Rate: 0 percent
- Graduation Rate Requirement for Cal Grant Participation: Above 30 percent
- Cohort size of Full-Time, First-Time Degree Seeking Students: 3 students
- 2021-22 Cal Grant awardees: 0 students

California Jazz Conservatory filed an appeal on January 10, 2022, asking for reconsideration from the Commission to allow California Jazz Conservatory's participation in the Cal Grant Program during the 2022-23 academic year, even though California Jazz Conservatory does not comply with the statutory Cal Grant Institution eligibility standards for graduation rates for the cohort year certified. The USDE reported California Jazz Conservatory's graduation rate at 0 percent, which fails to meet the Cal Grant requirement that graduation rates be higher than 30 percent. California Jazz Conservatory seeks to appeal this decision based on their very small cohort size (3 students) as authorized under Section 69432.7 of the California Education Code.

Staff Recommendation for California Jazz Conservatory Appeal

Based on the data reported through the Integrated Postsecondary Education Data System, California Jazz Conservatory's cohort of full-time, first-time degree-seeking undergraduate students is under 20 (3 students). The cohort in question equals four percent of the institution's overall student population and only accounts for first-time, full-time students. In addition, the graduation rate for the overall student population at this institution (68 students) is 43 percent. Therefore, the graduation rate of 0 percent for first-time, full-time students does not represent the institution's overall graduation rate of 43 percent. Additionally, the California Jazz Conservatory is a small, non-profit institution that annually has a first-time, full-time cohort of fewer than 20 students. They stated that they hope by continuing participation in the Cal Grant program, they can continue recruiting first-generation students from economically disadvantaged backgrounds.

Pursuant to California Education Code Section 69432.7 (l)(3)(l)(iv)(II), Commission staff recommends approving California Jazz Conservatory's participation appeal because the

California Student Aid Commission

small cohort is fewer than 20 students and the graduation rate is not representative of the institution's overall graduation performance.

Visible Music College Appeal Request

- 2022-23 Graduation Rate: 11 percent
- Graduation Rate Requirement for Cal Grant Participation: Above 30 percent
- Cohort size of Full-Time, First-Time Degree Seeking Students: 17 students
- 2021-22 Cal Grant awardees: 5 students

Visible Music College filed an appeal on January 7, 2022, asking for reconsideration from the Commission to allow Visible Music College's participation in the Cal Grant Program during the 2022-23 academic year, even though Visible Music College does not comply with the statutory Cal Grant Institution eligibility standards for graduation rates for the cohort year certified. The USDE reported Visible Music College's graduation rate at 11 percent, which fails to meet the Cal Grant requirement that graduation rates be higher than 30 percent. Visible Music College seeks to appeal this decision based on their very small cohort size (17 students) as authorized under Section 69432.7 of the California Education Code.

Staff Recommendation for Visible Music College Appeal

Based on the data reported through the Integrated Postsecondary Education Data System, Visible Music College's cohort of full-time, first-time degree-seeking undergraduate students is under 20 (17 students). The cohort in question equals 40 percent of the institution's overall student population and only accounts for first-time, full-time students. In addition, the graduation rate for the overall student population at this institution (42 students) is 40 percent. Therefore, the graduation rate of 11 percent for first-time, full-time students does not represent the institution's overall graduation rate of 40 percent. Additionally, Visible Music College explains they are a specialist college with many students transferring in after having started college elsewhere, and therefore not considered in the full-time, first-time cohort of undergraduate students.

Pursuant to California Education Code Section 69432.7 (l)(3)(l)(iv)(II), Commission staff recommends approving Visible Music College's participation appeal because the small cohort is fewer than 20 students and the graduation rate is not representative of the institution's overall graduation performance.

RESPONSIBLE PERSON(S):

Tae Kang, Deputy Director
Program Administration and Services Division

Alessandra Morrison, Assistant Deputy Director
Program Support Services Branch

Julia Blair, General Counsel
Executive Office

California Student Aid Commission

ATTACHMENT(S):

Appeal from Charles R. Drew University
Appeal from California Jazz Conservatory
Appeal from Visible Music College
Integrated Postsecondary Education Data System – Graduation Rates