

AMENDED IN ASSEMBLY APRIL 10, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2099

Introduced by Assembly Member Frazier
(Coauthors: Assembly Members Medina and Williams)

February 20, 2014

An act to add Chapter 12.5 (commencing with Section 67100) to Part 40 of Division 5 of Title 3 of the Education Code, relating to postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

AB 2099, as amended, Frazier. Postsecondary education: Title 38 awards.

Title 38 of the United States Code provides educational awards for eligible active duty members and veterans of the Armed Forces of the United States. Existing law requires an institution headquartered or operating in California desiring to enroll students eligible for federal Title 38 awards in accredited courses to make application for approval of these courses to the California State Approving Agency for Veterans Education, commonly known as CSAAVE, and authorizes CSAAVE to approve the application of the school when the school and its accredited courses satisfy the specified criteria and any additional reasonable criteria established by CSAAVE.

Unless an exception applies, this bill would deem ~~an~~ *a public or private postsecondary institution ineligible that is accredited by an accrediting agency recognized by the United States Department of Education eligible* for initial and renewal Title 38 awards if the institution has a 3-year cohort default rate ~~equal to or greater~~ *less* than 15.5% ~~or~~ *and* a graduation rate of *greater than 30%* ~~or less~~ for students

taking 150% or less of the expected time to complete degree requirements, ~~or does not satisfy~~ *and satisfies* the other criteria for qualification for Title 38 awards in the bill. *The bill would deem a private postsecondary institution that does not meet the cohort default rate or graduation rate requirement, but that is accredited by an accrediting agency recognized by the United States Department of Education, eligible for initial and renewal Title 38 awards if the institution is issued an approval to operate from the Bureau for Private Postsecondary Education and satisfies the other criteria for qualification for Title 38 awards in the bill.*

The bill would require CSAAVE to certify by ~~October~~ *November 1* of each year ~~as a public or private institution's latest 3-year cohort default rate and graduation rate as most recently reported by the United States Department of Education, Education and a private postsecondary institution's approval to operate issued by the Bureau for Private Postsecondary Education if that private postsecondary institution fails to satisfy the cohort default rate or graduation rate requirement.~~ *The bill would require CSAAVE to notify initial Title 38 recipients seeking to attend, or attending, an institution that is ineligible for initial and renewal Title 38 awards that the institution is ineligible for Title 38 awards for the academic year, and to provide initial and renewal Title 38 recipients at an ineligible institution with a complete list of all California postsecondary institutions at which the student would be eligible to receive a Title 38 award.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 12.5 (commencing with Section 67100)
2 is added to Part 40 of Division 5 of Title 3 of the Education Code,
3 to read:

4
5 CHAPTER 12.5. TITLE 38 AWARDS
6

7 67100. The Legislature finds and declares the following:

8 (a) Section 21.4253 *of Title 38* of the Code of Federal
9 Regulations requires a postsecondary institution headquartered or
10 operating in California desiring to enroll veterans or persons
11 eligible for Title 38 awards in accredited courses to make

1 application for approval of these courses to the California State
2 Approving Agency for Veterans Education, commonly known as
3 CSAAVE, as the state approving agency legally designated
4 pursuant to Section 3671 of Subchapter I of Chapter 36 of Title
5 38 of the United States Code.

6 (b) Section 21.4253 authorizes CSAAVE to approve the
7 application of the school when the school and its accredited courses
8 satisfy the criteria provided in Section 21.4253 and additional
9 reasonable criteria established by CSAAVE.

10 (c) It is reasonable pursuant to Section 21.4253 for CSAAVE
11 to require an institution, *public or private*, to maintain a three-year
12 cohort default rate and graduation rate that satisfies the three-year
13 cohort default rate and graduation rate requirements of the Cal
14 Grant Program, *or for the private postsecondary institution to be*
15 *approved by the Bureau for Private Postsecondary Education, and*
16 *to require the institution, public or private, to comply with all*
17 *federal and state laws and regulations, in order for the institution*
18 *to be eligible for initial and renewal Title 38 awards.*

19 67101. The Title 38 Funding Program is hereby established,
20 under the administration of the California State Approving Agency
21 for Veterans Education. *The California State Approving Agency*
22 *for Veterans Education shall approve courses at public or private*
23 *postsecondary educational institutions desiring to enroll veterans*
24 *or persons eligible for Title 38 awards in accordance with federal*
25 *law, this chapter, and other reasonable criteria established by the*
26 *California State Approving Agency for Veterans Education.*

27 67102. As used in this chapter, the following terms have the
28 following meanings:

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

32 (b) “CSAAVE” is the California State Approving Agency for
33 Veterans Education.

34 (c) (1) “Qualifying institution” means an institution that
35 complies with paragraphs ~~(2) and (3)~~ and is any of the following:
36 ~~(2), (3), (4), and (5), and either paragraph (6) or (7).~~

37 ~~(A) A California private or independent postsecondary~~
38 ~~educational institution that participates in the Pell Grant Program~~
39 ~~and in at least two of the following federal campus-based student~~
40 ~~aid programs:~~

1 (i) ~~Federal Work-Study.~~
 2 (ii) ~~Perkins Loan Program.~~
 3 (iii) ~~Supplemental Educational Opportunity Grant Program.~~
 4 (B) ~~A nonprofit institution headquartered and operating in~~
 5 ~~California that certifies to CSAAVE that 10 percent of the~~
 6 ~~institution's operating budget, as demonstrated in an audited~~
 7 ~~financial statement, is expended for purposes of institutionally~~
 8 ~~funded student financial aid in the form of grants, that demonstrates~~
 9 ~~to the CSAAVE that it has the administrative capacity to administer~~
 10 ~~the funds, that is accredited by the Western Association of Schools~~
 11 ~~and Colleges, and that meets any other state-required criteria~~
 12 ~~adopted by regulation by the CSAAVE in consultation with the~~
 13 ~~Department of Finance. A regionally accredited institution that~~
 14 ~~was deemed qualified by the CSAAVE to participate in the Cal~~
 15 ~~Grant Program for the 2013-14 academic year shall retain its~~
 16 ~~eligibility as long as it maintains its existing accreditation status.~~
 17 (C) ~~A California public postsecondary educational institution.~~
 18 (2) (A) The institution shall provide information on where to
 19 access California license examination passage rates for the most
 20 recent available year from graduates of its undergraduate programs
 21 leading to employment for which passage of a California licensing
 22 examination is required, if that data is electronically available
 23 through the Internet Web site of a California licensing or regulatory
 24 agency. For purposes of this paragraph, "provide" may exclusively
 25 include placement of an Internet Web site address labeled as an
 26 access point for the data on the passage rates of recent program
 27 graduates on the Internet Web site where enrollment information
 28 is also located, on an Internet Web site that provides centralized
 29 admissions information for postsecondary educational systems
 30 with multiple campuses, or on applications for enrollment or other
 31 program information distributed to prospective students.
 32 (B) The institution shall be responsible for certifying to ~~the~~
 33 ~~CSAAVE~~ compliance with the requirements of subparagraph (A).
 34 (3) *The institution shall provide evidence of accreditation to*
 35 *CSAAVE from an accrediting agency recognized by the United*
 36 *States Department of Education. An institution offering an*
 37 *unaccredited degree that is participating in Title 38 award*
 38 *programs on January 1, 2015, shall have until January 1, 2016,*
 39 *to obtain and provide evidence to CSAAVE of its candidacy status*
 40 *for accreditation with an accrediting agency recognized by the*

1 *United States Department of Education in order for the institution*
2 *to be eligible for Title 38 awards for the academic year of 2015–16,*
3 *or 2016–17, or both, and to obtain and provide evidence to*
4 *CSAAVE of full accreditation from the accrediting agency by*
5 *January 1, 2017 to be eligible for Title 38 awards for the academic*
6 *year of 2017–18, and each academic year thereafter.*

7 (4) *The institution shall provide, in a manner prescribed by*
8 *CSAAVE, information on the institution’s veteran student retention*
9 *rate and graduation rate, time to degree, cohort default rate, and*
10 *graduate placement and graduate starting salary for its veteran*
11 *students. CSAAVE shall require that, to the extent feasible, the*
12 *collection of information and reporting calculations pursuant to*
13 *this paragraph comply with federal and state reporting*
14 *requirements.*

15 (5) *The institution shall provide to CSAAVE evidence of*
16 *compliance with the federal Principles of Excellence program.*

17 ~~(3) (A) The~~

18 (6) (A) *CSAAVE shall certify by ~~October~~ November 1 of each*
19 *year the institution’s latest three-year cohort default rate and*
20 *graduation rate as most recently reported by the United States*
21 *Department of Education.*

22 (B) *For purposes of the 2015–16 academic year, and every*
23 *academic year thereafter, ~~an otherwise qualifying~~ the institution*
24 *~~with~~ maintains a three-year cohort default rate that is equal to or*
25 *greater less than 15.5 percent, as certified by ~~the CSAAVE~~ shall*
26 *be deemed ineligible by CSAAVE for initial and renewal of Title*
27 *38 awards at the institution CSAAVE.*

28 (C) (i) ~~An otherwise qualifying institution that becomes~~
29 ~~ineligible under this paragraph for initial and renewal of Title 38~~
30 ~~awards shall regain its eligibility for the academic year for which~~
31 ~~it satisfies the requirements established in subparagraph (B) or~~
32 ~~(E), as applicable.~~

33 (ii) ~~If the United States Department of Education corrects or~~
34 ~~revises an institution’s three-year cohort default rate or graduation~~
35 ~~rate that originally failed to satisfy the requirements established~~
36 ~~in subparagraph (B) or (E), as applicable, and the correction or~~
37 ~~revision results in the institution’s three-year cohort default rate~~
38 ~~or graduation rate satisfying those requirements, that institution~~
39 ~~shall immediately regain its eligibility for the academic year to~~

1 which the corrected or revised three-year cohort default rate or
2 graduation rate would have been applied.

3 ~~(D) An otherwise qualifying institution for which no three-year~~
4 ~~cohort default rate or graduation rate has been reported by the~~
5 ~~United States Department of Education shall be provisionally~~
6 ~~eligible to participate in the Title 38 Funding Program until a~~
7 ~~three-year cohort default rate or graduation rate has been reported~~
8 ~~for the institution by the United States Department of Education.~~

9 ~~(E)~~

10 (C) For purposes of the 2015–16 academic year, and every
11 academic year thereafter, ~~an otherwise qualifying~~ *the* institution
12 ~~with~~ *maintains* a graduation rate of *greater than* 30 percent ~~or less~~
13 for students taking 150 percent or less of the expected time to
14 complete degree requirements, as reported by the United States
15 Department of Education and as certified by the CSAAVE pursuant
16 to subparagraph (A), ~~shall be deemed by CSAAVE to be ineligible~~
17 ~~for initial and renewal of Title 38 awards at the institution, except~~
18 ~~as provided for in subparagraph (G) (A).~~

19 ~~(F)~~

20 (D) Notwithstanding any other law, the requirements of this
21 paragraph shall not apply to institutions with 40 percent or less of
22 undergraduate students borrowing federal student loans, using
23 information reported to the United States Department of Education
24 for the academic year two years before the year in which ~~the~~
25 CSAAVE is certifying the three-year cohort default rate or
26 graduation rate pursuant to subparagraph (A).

27 ~~(G)~~

28 (E) Notwithstanding subparagraph ~~(E)~~, (C) an otherwise
29 qualifying institution with a three-year cohort default rate that is
30 less than 10 percent and a graduation rate above 20 percent for
31 students taking 150 percent or less of the expected time to complete
32 degree requirements, as certified by ~~the~~ CSAAVE pursuant to
33 subparagraph (A), shall remain eligible for initial and renewal Title
34 38 awards at the institution through the 2018–19 academic year.

35 ~~(H) The CSAAVE shall do all of the following:~~

36 ~~(i) Notify initial Title 38 recipients seeking to attend, or~~
37 ~~attending, an institution that is ineligible for initial and renewal~~
38 ~~Title 38 awards under subparagraph (B) or (E) that the institution~~
39 ~~is ineligible for initial Title 38 awards for the academic year for~~
40 ~~which the student received an initial Title 38 award.~~

1 ~~(ii) Provide initial and renewal Title 38 recipients seeking to~~
2 ~~attend, or attending, an institution that is ineligible for initial and~~
3 ~~renewal Title 38 awards at the institution under subparagraph (B)~~
4 ~~or (E) with a complete list of all California postsecondary~~
5 ~~educational institutions at which the student would be eligible to~~
6 ~~receive a Title 38 award.~~

7 *(F) If the United States Department of Education corrects or*
8 *revises an institution's three-year cohort default rate or graduation*
9 *rate that would have otherwise failed to satisfy the requirements*
10 *established pursuant to subparagraph (B), (C), or (E), as*
11 *applicable, and the corrections or revision results in the*
12 *institution's three-year default rate or graduation rate satisfying*
13 *those requirements, the institution shall immediately regain its*
14 *eligibility for the academic year to which the corrected or revised*
15 *three-year default rate or graduation rate would have been applied.*

16 *(G) A private postsecondary institution that becomes ineligible*
17 *for initial and renewal Title 38 awards pursuant to this paragraph*
18 *shall be provided an opportunity to gain eligibility. CSAAVE shall*
19 *establish rules and procedures to govern the institution's transition*
20 *to eligibility to ensure students who would otherwise receive initial*
21 *and renewal awards are not adversely affected during the*
22 *transition.*

23 *(7) (A) The institution is a private postsecondary institution*
24 *issued an approval to operate from the Bureau for Private*
25 *Postsecondary Education.*

26 *(B) CSAAVE shall certify by November 1 of each year whether*
27 *a private postsecondary institution has been issued an approval*
28 *to operate from the Bureau for Private Postsecondary Education,*
29 *if that institution fails to satisfy the requirements of paragraph (6).*

30 *67103. CSAAVE shall do all of the following:*

31 *(a) Notify initial Title 38 recipients seeking to attend, or*
32 *attending, an institution that is ineligible for initial and renewal*
33 *Title 38 awards under this chapter that the institution is ineligible*
34 *for initial Title 38 awards for the academic year for which the*
35 *student received an initial Title 38 award.*

36 *(b) Provide initial and renewal Title 38 recipients seeking to*
37 *attend, or attending, an institution that is ineligible for initial and*
38 *renewal Title 38 awards at the institution under this chapter with*
39 *a complete list of all California postsecondary educational*

- 1 *institutions at which the student would be eligible to receive a Title*
- 2 *38 award.*

O