

AMENDED IN ASSEMBLY MAY 23, 2014

AMENDED IN ASSEMBLY MAY 7, 2014

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CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2099

**Introduced by Assembly Member Frazier
(Principal coauthor: Assembly Member Chávez)
(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 a public or private postsecondary educational institution 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 less than 15.5% and a graduation rate of greater than 30% for students taking 150% or less of the expected time to complete degree requirements, and satisfies the other criteria for qualification for Title 38 awards in the bill. The bill would deem a private postsecondary educational 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 verify by November 1 of each year 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, and a private postsecondary educational institution’s approval to operate issued by the Bureau for Private Postsecondary Education if that private postsecondary educational 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 educational 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:

CHAPTER 12.5. TITLE 38 AWARDS

67100. The Legislature finds and declares the following:

(a) Section 21.4253 of Title 38 of the Code of Federal Regulations requires a postsecondary educational institution headquartered or operating in California desiring to enroll veterans or persons eligible for 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, as the state approving agency legally designated pursuant to Section 3671 of Subchapter I of Chapter 36 of Title 38 of the United States Code.

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

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

67101. The Title 38 Funding Program is hereby established, under the administration of the California State Approving Agency for Veterans Education. The California State Approving Agency for Veterans Education shall approve courses at qualifying institutions desiring to enroll veterans or persons eligible for Title 38 awards in accordance with federal law, this chapter, and other reasonable criteria established by the California State Approving Agency for Veterans Education.

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

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

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

3 (c) (1) “Qualifying institution” means an institution that
4 complies with paragraphs (2), (3), ~~(4), and (5)~~, and (4) and either
5 paragraph ~~(6) or (7)~~ (5) or (6).

6 (2) (A) The institution shall provide information on where to
7 access California license examination passage rates for the most
8 recent available year from graduates of its undergraduate programs
9 leading to employment for which passage of a California licensing
10 examination is required, if that data is electronically available
11 through the Internet Web site of a California licensing or regulatory
12 agency. For purposes of this paragraph, “provide” may exclusively
13 include placement of an Internet Web site address labeled as an
14 access point for the data on the passage rates of recent program
15 graduates on the Internet Web site where enrollment information
16 is also located, on an Internet Web site that provides centralized
17 admissions information for postsecondary educational systems
18 with multiple campuses, or on applications for enrollment or other
19 program information distributed to prospective students.

20 (B) The institution shall be responsible for certifying to
21 CSAAVE compliance with the requirements of subparagraph (A).

22 (3) The institution shall provide evidence of accreditation of all
23 degree programs to CSAAVE from an accrediting agency
24 recognized by the United States Department of Education. An
25 institution offering an unaccredited degree that is participating in
26 Title 38 award programs on January 1, 2015, shall have until
27 January 1, 2016, to obtain and provide evidence to CSAAVE of
28 its candidacy or preaccreditation status with an accrediting agency
29 recognized by the United States Department of Education in order
30 for the institution to be eligible for Title 38 awards for the academic
31 year of 2015–16, or 2016–17, or both, and to obtain and provide
32 evidence to CSAAVE of accreditation from the accrediting agency
33 by January 1, 2017, to be eligible for Title 38 awards for the
34 academic year of 2017–18, and each academic year thereafter.

35 ~~(4) The institution shall provide, in a manner prescribed by~~
36 ~~CSAAVE, information on the institution’s veteran student~~
37 ~~outcomes. The data shall include, to the extent feasible, as~~
38 ~~determined by CSAAVE, the retention rate and graduation rate,~~
39 ~~time to degree, cohort default rate, and graduate placement and~~
40 ~~graduate starting salary for its veteran students. CSAAVE shall~~

1 ~~require that, to the extent feasible, the collection of information~~
2 ~~and reporting calculations pursuant to this paragraph comply with~~
3 ~~federal and state reporting requirements.~~

4 ~~(5)~~

5 (4) The institution shall provide to CSAAVE evidence of
6 compliance with the federal Principles of Excellence program.

7 ~~(6)~~

8 (5) (A) The institution shall meet the school performance
9 standards required in this paragraph. CSAAVE shall verify by
10 November 1 of each year the institution's latest three-year cohort
11 default rate and graduation rate as most recently reported by the
12 United States Department of Education.

13 (B) For purposes of the 2015–16 academic year, and every
14 academic year thereafter, the institution shall maintain a three-year
15 cohort default rate that is less than 15.5 percent, and a graduation
16 rate of greater than 30 percent for students taking 150 percent or
17 less of the expected time to complete degree requirements.

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

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

32 (E) If the United States Department of Education corrects or
33 revises an institution's three-year cohort default rate or graduation
34 rate that would have otherwise failed to satisfy the requirements
35 established pursuant to subparagraph (B) or (D), as applicable,
36 and the corrections or revision results in the institution's three-year
37 default rate or graduation rate satisfying those requirements, the
38 institution shall immediately regain its eligibility for the academic
39 year to which the corrected or revised three-year default rate or
40 graduation rate would have been applied.

1 (F) A private postsecondary educational institution that becomes
 2 ineligible for initial and renewal Title 38 awards pursuant to this
 3 paragraph shall be provided an opportunity to gain eligibility under
 4 the requirements of paragraph ~~(7)~~ (6). CSAAVE shall establish
 5 rules and procedures to govern the institution’s transition to
 6 eligibility to ensure students who would otherwise receive initial
 7 and renewal awards are not adversely affected during the transition.

8 ~~(7)~~

9 (6) (A) The institution is a private postsecondary educational
 10 institution issued an approval to operate from, and is subject to the
 11 regulatory oversight and enforcement of student protections
 12 provided by, the Bureau for Private Postsecondary Education.

13 (B) CSAAVE shall certify by November 1 of each year whether
 14 a private postsecondary educational institution has been issued an
 15 approval to operate from the Bureau for Private Postsecondary
 16 Education, if that institution fails to satisfy the requirements of
 17 paragraph ~~(6)~~ (5).

18 67103. CSAAVE shall do all of the following:

19 (a) Notify initial Title 38 recipients seeking to attend, or
 20 attending, an institution that is ineligible for initial and renewal
 21 Title 38 awards under this chapter that the institution is ineligible
 22 for initial Title 38 awards for the academic year for which the
 23 student received an initial Title 38 award.

24 (b) Provide initial and renewal Title 38 recipients seeking to
 25 attend, or attending, an institution that is ineligible for initial and
 26 renewal Title 38 awards at the institution under this chapter with
 27 a complete list of all California postsecondary educational
 28 institutions at which the student would be eligible to receive a Title
 29 38 award.

30 67104. Compliance with this chapter, in and of itself, shall not
 31 be construed as satisfying the requirements for participation in
 32 programs authorized by the federal Higher Education Act,
 33 including, but not limited to, Section 600.9 of Title 34 of the Code
 34 of Federal Regulations.