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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)
(Coauthor: Senator Correa)

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 institutions and programs 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 ~~qualifies for Cal Grants or 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, as specified, and satisfies the other~~ *satisfies specified* criteria for qualification for Title 38 awards in the bill. *The bill would, if another specified bill is enacted, deem an institution that may claim a specified exemption from the requirements of the California Private Postsecondary Education Act of 2009 eligible for Title 38 awards if the institution satisfies other criteria for qualification for Title 38 awards in this bill.* The bill would deem a private postsecondary educational institution ~~that does not meet the Cal Grant qualification requirement, or 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, *as specified*, 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:

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 educational institution
10 headquartered or operating in California desiring to enroll veterans
11 or persons eligible for Title 38 awards in accredited institutions
12 and programs to make application for approval of these courses
13 to the California State Approving Agency for Veterans Education,
14 commonly known as CSAAVE, as the state approving agency
15 legally designated pursuant to Section 3671 of Subchapter I of
16 Chapter 36 of Title 38 of the United States Code.

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

21 (c) It is reasonable pursuant to Section 21.4253 for CSAAVE
22 to require ~~an a postsecondary educational institution, public or~~
23 ~~private, to maintain a three-year cohort default rate and graduation~~
24 ~~rate that satisfies the requirements of the Cal Grant Program, or~~
25 ~~for the private postsecondary educational institution to be approved~~
26 ~~by the Bureau for Private Postsecondary Education, and to require~~
27 ~~the institution, public or private, obtain accreditation for its degree~~
28 ~~programs, to comply with all federal and state laws and regulations,~~
29 ~~and to comply with any additional reasonable criteria established~~
30 ~~by CSAAVE, in order for the institution to be eligible for initial~~
31 ~~and renewal Title 38 awards. CSAAVE. It is reasonable pursuant~~
32 ~~to Section 21.4253 for CSAAVE to require a private postsecondary~~

1 *institution to be issued an approval to operate from the Bureau*
 2 *for Private Postsecondary Education.*

3 67101. The Title 38 Funding Program is hereby established,
 4 under the administration of the California State Approving Agency
 5 for Veterans Education. The California State Approving Agency
 6 for Veterans Education shall approve qualifying institutions
 7 desiring to enroll veterans or persons eligible for Title 38 awards
 8 in accordance with federal law, this chapter, and other reasonable
 9 criteria established by the California State Approving Agency for
 10 Veterans Education.

11 67102. As used in this chapter, the following terms have the
 12 following meanings:

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

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

18 (c) (1) “Qualifying institution” means ~~an~~ *a degree-granting*
 19 *institution that complies with paragraphs (2) and (3), and either*
 20 ~~paragraph (4) or (5): (2), (3), and (4), or a nondegree-granting~~
 21 *institution that complies with paragraphs (2) and (4).*

22 (2) (A) The institution shall provide information on where to
 23 access California license examination passage rates for the most
 24 recent available year from graduates of its undergraduate programs
 25 leading to employment for which passage of a California licensing
 26 examination is required, if that data is electronically available
 27 through the Internet Web site of a California licensing or regulatory
 28 agency. For purposes of this paragraph, “provide” may exclusively
 29 include placement of an Internet Web site address labeled as an
 30 access point for the data on the passage rates of recent program
 31 graduates on the Internet Web site where enrollment information
 32 is also located, on an Internet Web site that provides centralized
 33 admissions information for postsecondary educational systems
 34 with multiple campuses, or on applications for enrollment or other
 35 program information distributed to prospective students.

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

38 (3) ~~The (A)~~ *A degree-granting* institution shall provide evidence
 39 of accreditation of the institution and of all degree programs to
 40 CSAAVE. The accrediting agency shall be recognized by the

1 United States Department of Education. ~~An unaccredited institution~~
2 ~~participating in Title 38 award programs on January 1, 2015, shall~~
3 ~~have until January 1, 2016, to~~ *An unaccredited degree-granting*
4 *institution participating in the Title 38 award program on January*
5 *1, 2015, shall satisfy both of the following to remain eligible to*
6 *receive Title 38 awards:*

7 (i) *The institution shall obtain and provide evidence to CSAAVE*
8 *of its candidacy or preaccreditation—status status, with an*
9 *accrediting agency recognized by the United States Department*
10 *of—Education in order Education, by January 1, 2016, for the*
11 *institution to be eligible for Title 38 awards for the academic year*
12 *of 2015–16, or 2016–17, or both, and to both.*

13 (ii) *The institution shall obtain and provide evidence to*
14 *CSAAVE of accreditation from the accrediting agency with which*
15 *it had candidacy or preaccreditation status by January 1, 2017,*
16 *for the institution to be eligible for Title 38 awards for the academic*
17 *year of 2017–18, and each academic year thereafter.*

18 (4) (A) ~~The institution is either a Cal Grant qualifying institution~~
19 ~~that meets the requirements of subdivision (l) of Section 69432.7,~~
20 ~~or an institution that meets the school performance standards~~
21 ~~required in this paragraph. CSAAVE shall verify by November 1~~
22 ~~of each year the institution's latest three-year cohort default rate~~
23 ~~and graduation rate as most recently reported by the United States~~
24 ~~Department of Education.~~

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

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

37 (D) ~~Notwithstanding subparagraph (B), an otherwise qualifying~~
38 ~~institution with a three-year cohort default rate that is less than 10~~
39 ~~percent and a graduation rate above 20 percent for students taking~~
40 ~~150 percent or less of the expected time to complete degree~~

1 requirements, as verified by CSAAVE pursuant to subparagraph
2 (A), shall remain eligible for initial and renewal Title 38 awards
3 at the institution through the 2018–19 academic year.

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

13 (F) A private postsecondary educational institution that becomes
14 ineligible for initial and renewal Title 38 awards pursuant to this
15 paragraph shall be provided an opportunity to gain eligibility under
16 the requirements of paragraph (5). CSAAVE shall establish rules
17 and procedures to govern the institution's transition to eligibility
18 to ensure students who would otherwise receive initial and renewal
19 awards are not adversely affected during the transition.

20 (5) (A) The institution is a private postsecondary educational
21 institution issued an approval to operate from the Bureau for Private
22 Postsecondary Education and is subject to the regulatory oversight
23 and enforcement of student protections provided by the bureau.

24 (B) CSAAVE shall certify by November 1 of each year whether
25 a private postsecondary educational institution has been issued an
26 approval to operate from the Bureau for Private Postsecondary
27 Education, if that institution fails to satisfy the requirements of
28 paragraph (4).

29 (B) *If an unaccredited degree-granting institution participating*
30 *in the Title 38 award program fails to satisfy the accreditation*
31 *requirements provided in clause (i) of subparagraph (A), a veteran*
32 *enrolled in a degree program offered by the institution prior to*
33 *January 1, 2016, shall remain eligible for Title 38 awards through*
34 *his or her completion of that degree program. If an unaccredited*
35 *degree-granting institution participating in the Title 38 award*
36 *program fails to satisfy the accreditation requirements provided*
37 *in clause (ii) of subparagraph (A), a veteran enrolled in a degree*
38 *program offered by the institution prior to January 1, 2017, shall*
39 *remain eligible for Title 38 awards through his or her completion*
40 *of that degree program.*

1 (C) An unaccredited degree-granting institution that does not
2 satisfy the accreditation requirements provided in clause (i) of
3 subparagraph (A), shall not enroll any new Title 38 eligible
4 students to any of its degree programs after January 1, 2016. An
5 unaccredited degree granting institution that does not satisfy the
6 accreditation requirements provided in clause (ii) of subparagraph
7 (A), shall not enroll any new Title 38 students to any of its degree
8 programs after January 1, 2017, without first providing these
9 prospective students with the following written disclosure:

10
11 “If you choose to attend this institution, you will not be eligible
12 to receive a Title 38 award because this institution did not satisfy
13 one or more of the accreditation requirements to receive Title 38
14 awards.”

15
16 (4) The institution shall be one of the following to be eligible
17 for Title 38 awards:

18 (A) A campus of the California Community Colleges, the
19 California State University, or the University of California.

20 (B) An independent institution of higher education, as defined
21 in subdivision (b) of Section 66010.

22 (C) (i) For purposes of the 2015–16 award year, a private
23 postsecondary educational institution, as defined in Section 94858.

24 (ii) For purposes of the 2016–17 award year, and every award
25 year thereafter, a private postsecondary educational institution,
26 as defined in Section 94858, that has an approval to operate from
27 the Bureau for Private Postsecondary Education, is subject to the
28 regulatory oversight and enforcement of student protections
29 provided by the bureau, and has its approval to operate certified
30 by CSAAVE.

31 (D) (i) An institution described in subdivision (i) of Section
32 94874 that satisfies all of the requirements provided in Section
33 94947.

34 (ii) This subparagraph shall become operative only if Senate
35 Bill 1247 of the 2013–14 Regular Session is enacted and adds
36 Section 94947 to this code.

37 67103. CSAAVE shall do all of the following:

38 (a) Notify initial Title 38 recipients seeking to attend, or
39 attending, an institution that is ineligible for ~~initial and renewal~~
40 Title 38 awards under this chapter that the institution is ineligible

1 for ~~initial~~ Title 38 awards for the academic year for which the
2 student received ~~an initial~~ a Title 38 award.

3 (b) Provide initial and renewal Title 38 recipients seeking to
4 attend, or attending, an institution that is ineligible for ~~initial and~~
5 ~~renewal~~ Title 38 awards at the institution under this chapter with
6 a complete list of all California postsecondary educational
7 institutions at which the student would be eligible to receive a Title
8 38 award.

9 (c) *Commencing for purposes of the 2016–17 award year, and*
10 *every award year thereafter, certify whether a private*
11 *postsecondary educational institution has been issued an approval*
12 *to operate from the Bureau for Private Postsecondary Education.*

13 67104. Compliance with this chapter, in and of itself, shall not
14 be construed as satisfying the requirements for participation in
15 programs authorized by the federal Higher Education Act,
16 including, but not limited to, Section 600.9 of Title 34 of the Code
17 of Federal Regulations.