

AMENDED IN ASSEMBLY MAY 7, 2015

AMENDED IN ASSEMBLY MAY 4, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 573**

---

**Introduced by Assembly Members Medina and McCarty**  
**(Coauthors: Assembly Members Alejo, Atkins, Baker, Bonilla, Brown, Calderon, Chau, Chávez, Chiu, Chu, Cooley, Dababneh, Eggman, Frazier, Gipson, Kim, O'Donnell, Olsen, Quirk, Ridley-Thomas, Rodriguez, Santiago, and Thurmond)**

February 24, 2015

---

An act to amend Sections 69433.5, 76300, 94923, and 94925 of, and to add Sections 69433.61 and 94926.5 to, the Education Code, relating to higher ~~education~~ *education, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 573, as amended, Medina. Higher education: campus closures: Corinthian Colleges.

(1) Existing law establishes the California Community Colleges under the administration of the Board of Governors of the California Community Colleges, and establishes community college districts throughout the state that operate community colleges and provide instruction to students. Existing law requires community college districts to charge each student a fee of \$46 per unit per semester. Existing law requires the waiver of this fee for students meeting prescribed requirements.

This bill would authorize the board of governors to waive the fee for students who were enrolled in a private postsecondary educational

institution that provided educational services in California or online educational services to California students at the time the institution closed or otherwise ceased to operate an academic program in which they were enrolled, and for students who withdrew from the institution within 120 days, or any greater period determined by the bureau, of the closure or cessation.

(2) The California Private Postsecondary Education Act of 2009, provides for the regulation of private postsecondary educational institutions by the Bureau for Private Postsecondary Education in the Department of Consumer Affairs. The act requires an institution subject to its provisions to follow certain requirements prior to closing.

This bill would require the bureau to establish a task force to respond to the closure of an institution that does not comply with these requirements prior to closing. The bill would require the task force to assist the students who were enrolled at, or in an online program offered by, the institution in, among other things, obtaining refunds, loan discharges, and tuition recovery.

The act also establishes the Student Tuition Recovery Fund and requires the bureau to adopt regulations governing the administration and maintenance of the fund, including requirements relating to assessments on students and student claims against the fund, and establishes that the moneys in this fund are continuously appropriated to the bureau for specified purposes. The act caps the amount that may be in the fund at any time at \$25,000,000.

This bill would deem a student who was enrolled at a California campus of a Corinthian Colleges, Inc. institution, or a California student who was enrolled in an online program offered by an out-of-state campus of a Corinthian Colleges, Inc., institution, to be eligible for recovery from the fund under specified circumstances. The bill would raise the cap for the fund to \$50,000,000.

(3) The Cal Grant Program prohibits an applicant from receiving Cal Grant awards totaling in excess of the amount equivalent to the award level for a total of four years of full-time attendance in an undergraduate program, except as provided.

This bill would exempt from this limitation on Cal Grant awards a student who was enrolled at a California campus of a Corinthian Colleges, Inc. institution, and who was unable to complete an educational program offered by the campus due to its closure.

(4) *This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

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

1 SECTION 1. It is the intent of the Legislature that the  
2 California Community Colleges shall utilize available resources  
3 to provide matriculation services, including, but not limited to,  
4 assessments, counseling, and academic planning to a student who,  
5 as of April 26, 2015, was enrolled at a California campus of a  
6 Corinthian Colleges, Inc. institution, including Heald College, or  
7 was a California student enrolled in one or more online programs  
8 offered by an out-of-state campus of a Corinthian Colleges, Inc.  
9 institution.

10 SEC. 2. It is the intent of the Legislature that unencumbered  
11 funds awarded to the state from a lawsuit involving Corinthian  
12 Colleges, Inc. and its affiliate institutions, including Heald College,  
13 shall be used to fund this act.

14 SEC. 3. Section 69433.5 of the Education Code is amended to  
15 read:

16 69433.5. (a) Only a resident of California, as determined by  
17 the commission pursuant to Part 41 (commencing with Section  
18 68000), is eligible for an initial Cal Grant award. The recipient  
19 shall remain eligible for award renewal only if he or she is a  
20 California resident, in attendance, and making satisfactory  
21 academic progress at a qualifying institution, as determined by the  
22 commission.

23 (b) A part-time student shall not be discriminated against in the  
24 selection of Cal Grant Program award recipients, and an award to  
25 a part-time student shall be approximately proportional to the time  
26 the student spends in the instructional program, as determined by  
27 the commission. A first-time Cal Grant Program award recipient  
28 who is a part-time student shall be eligible for a full-time renewal  
29 award if he or she becomes a full-time student.

30 (c) Cal Grant Program awards shall be awarded without regard  
31 to race, religion, creed, sex, sexual orientation, gender identity,  
32 gender expression, or age.

33 (d) An applicant shall not receive more than one type of Cal  
34 Grant Program award concurrently. An applicant shall not:

1 (1) Receive one or a combination of Cal Grant Program awards  
2 in excess of the amount equivalent to the award level for a total  
3 of four years of full-time attendance in an undergraduate program,  
4 except as provided in Sections 69433.6 and 69433.61.

5 (2) Have obtained a baccalaureate degree before receiving a  
6 Cal Grant Program award.

7 (e) A Cal Grant Program award, except as provided in Section  
8 69440, may only be used for educational expenses of a program  
9 of study leading directly to an undergraduate degree or certificate,  
10 or for expenses of undergraduate coursework in a program of study  
11 leading directly to a first professional degree, but for which no  
12 baccalaureate degree is awarded.

13 (f) The commission shall, for students who accelerate college  
14 attendance, increase the amount of award proportional to the period  
15 of additional attendance resulting from attendance in classes that  
16 fulfill requirements or electives for graduation during summer  
17 terms, sessions, or quarters. In the aggregate, the total amount a  
18 student may receive in a four-year period may not be increased as  
19 a result of accelerating his or her progress to a degree by attending  
20 summer terms, sessions, or quarters.

21 (g) The commission shall notify Cal Grant award recipients of  
22 the availability of funding for the summer term, session, or quarter  
23 through prominent notice in financial aid award letters, materials,  
24 guides, electronic information, and other means that may include,  
25 but not necessarily be limited to, surveys, newspaper articles, or  
26 attachments to communications from the commission and any  
27 other published documents.

28 (h) The commission may require, by the adoption of rules and  
29 regulations, the production of reports, accounting, documents, or  
30 other necessary statements from the award recipient and the college  
31 or university of attendance pertaining to the use or application of  
32 the award.

33 (i) A Cal Grant Program award may be utilized only at a  
34 qualifying institution.

35 (j) A recipient who initially qualified for both a Cal Grant A  
36 award and a Cal Grant B award, and received a Cal Grant B award,  
37 may be awarded a renewal Cal Grant A award if that recipient  
38 subsequently became ineligible for a renewal Cal Grant B award  
39 and meets the applicable Cal Grant A financial need and income  
40 and asset criteria.

1 SEC. 4. Section 69433.61 is added to the Education Code, to  
2 read:

3 69433.61. A student who was enrolled at a California campus  
4 of a Corinthian Colleges, Inc. institution, including Heald College,  
5 and was unable to complete an educational program offered by  
6 the campus due to the campus's closure on April 27, 2015, shall  
7 be exempt from the limitation on Cal Grant Program awards in  
8 paragraph (1) of subdivision (d) of Section 69433.5.

9 SEC. 5. Section 76300 of the Education Code is amended to  
10 read:

11 76300. (a) The governing board of each community college  
12 district shall charge each student a fee pursuant to this section.

13 (b) (1) The fee prescribed by this section shall be forty-six  
14 dollars (\$46) per unit per semester, effective with the summer term  
15 of the 2012 calendar year.

16 (2) The board of governors shall proportionately adjust the  
17 amount of the fee for term lengths based upon a quarter system,  
18 and also shall proportionately adjust the amount of the fee for  
19 summer sessions, intersessions, and other short-term courses. In  
20 making these adjustments, the board of governors may round the  
21 per unit fee and the per term or per session fee to the nearest dollar.

22 (c) For the purposes of computing apportionments to community  
23 college districts pursuant to Section 84750.5, the board of  
24 governors shall subtract, from the total revenue owed to each  
25 district, 98 percent of the revenues received by districts from  
26 charging a fee pursuant to this section.

27 (d) The board of governors shall reduce apportionments by up  
28 to 10 percent to any district that does not collect the fees prescribed  
29 by this section.

30 (e) The fee requirement does not apply to any of the following:

31 (1) Students enrolled in the noncredit courses designated by  
32 Section 84757.

33 (2) California State University or University of California  
34 students enrolled in remedial classes provided by a community  
35 college district on a campus of the University of California or a  
36 campus of the California State University, for whom the district  
37 claims an attendance apportionment pursuant to an agreement  
38 between the district and the California State University or the  
39 University of California.

1 (3) Students enrolled in credit contract education courses  
2 pursuant to Section 78021, if the entire cost of the course, including  
3 administrative costs, is paid by the public or private agency,  
4 corporation, or association with which the district is contracting  
5 and if these students are not included in the calculation of the  
6 full-time equivalent students (FTES) of that district.

7 (f) The governing board of a community college district may  
8 exempt special part-time students admitted pursuant to Section  
9 76001 from the fee requirement.

10 (g) (1) The fee requirements of this section shall be waived for  
11 any student who meets all of the following requirements:

12 (A) Meets minimum academic and progress standards adopted  
13 by the board of governors, which fulfill the requirements outlined  
14 in this paragraph and paragraphs (2) to (5), inclusive. Any  
15 minimum academic and progress standards adopted pursuant to  
16 this section shall be uniform across all community college districts  
17 and campuses. These standards shall not include a maximum unit  
18 cap, and community college districts and colleges shall not impose  
19 requirements for fee waiver eligibility other than the minimum  
20 academic and progress standards adopted by the board of governors  
21 and the requirements of subparagraph (B).

22 (B) Meets at least one of the following criteria:

23 (i) At the time of enrollment, is a recipient of benefits under the  
24 Temporary Assistance for Needy Families program, the  
25 Supplemental Security Income/State Supplementary Payment  
26 Program, or a general assistance program.

27 (ii) Demonstrates eligibility according to income standards  
28 established by regulations of the board of governors.

29 (iii) Demonstrates financial need in accordance with the  
30 methodology set forth in federal law or regulation for determining  
31 the expected family contribution of students seeking financial aid.

32 (iv) Was enrolled in a private postsecondary educational  
33 institution that provided educational services in California, or  
34 online educational services to a California student, at the time the  
35 institution closed or otherwise ceased to operate an academic  
36 program in which the student was enrolled.

37 (v) Withdrew from a private postsecondary educational  
38 institution that provided educational services in California, or  
39 online educational services to a California student, that closed or  
40 otherwise ceased to operate an academic program in which the

1 student was enrolled, within 120 days of the closure or cessation,  
2 or any greater period determined by the bureau pursuant to Section  
3 94923.

4 (2) (A) The board of governors, in consultation with students,  
5 faculty, and other key stakeholders, shall consider all of the  
6 following in the development and adoption of minimum academic  
7 and progress standards pursuant to subparagraph (A) of paragraph  
8 (1):

9 (i) Minimum uniform academic and progress standards that do  
10 not unfairly disadvantage financially needy students in pursuing  
11 their education.

12 (ii) Criteria for reviewing extenuating circumstances and  
13 granting appeals that, at a minimum, take into account and do not  
14 penalize a student for circumstances outside his or her control,  
15 such as reductions in student support services or changes to the  
16 economic situation of the student.

17 (iii) A process for reestablishing fee waiver eligibility that  
18 provides a student with a reasonable opportunity to continue or  
19 resume his or her enrollment at a community college.

20 (B) To ensure that students are not unfairly impacted by the  
21 requirements of subparagraph (A) of paragraph (1), the board of  
22 governors shall establish a reasonable implementation period that  
23 commences no sooner than one year from adoption of the minimum  
24 academic and progress standards, or any subsequent changes to  
25 these standards, pursuant to subparagraph (A) of paragraph (1)  
26 and that is phased in to provide students adequate notification of  
27 this requirement and information about available support resources.

28 (3) It is the intent of the Legislature that minimum academic  
29 and progress standards adopted pursuant to subparagraph (A) of  
30 paragraph (1) be implemented only as campuses develop and  
31 implement the student support services and interventions necessary  
32 to ensure no disproportionate impact to students based on ethnicity,  
33 gender, disability, or socioeconomic status. The board of governors  
34 shall consider the ability of community college districts to meet  
35 the requirements of this paragraph before adopting minimum  
36 academic and progress standards, or any subsequent changes to  
37 these standards, pursuant to subparagraph (A) of paragraph (1).

38 (4) It is the intent of the Legislature to ensure that a student shall  
39 not lose fee waiver eligibility without a community college campus  
40 first demonstrating a reasonable effort to provide a student with

1 adequate notification and assistance in maintaining his or her fee  
2 waiver eligibility. The board of governors shall adopt regulations  
3 to implement this paragraph that ensure all of the following:

4 (A) Students are provided information about the available  
5 student support services to assist them in maintaining fee waiver  
6 eligibility.

7 (B) Community college district policies and course catalogs  
8 reflect the minimum academic and progress standards adopted  
9 pursuant to subparagraph (A) of paragraph (1) and that appropriate  
10 notice is provided to students before the policies are put into effect.

11 (C) A student does not lose fee waiver eligibility unless he or  
12 she has not met minimum academic and progress standards adopted  
13 pursuant to subparagraph (A) of paragraph (1) for a period of no  
14 less than two consecutive academic terms.

15 (5) The board of governors shall provide notification of a  
16 proposed action to adopt regulations pursuant to this subdivision  
17 to the appropriate policy and fiscal committees of the Legislature  
18 in accordance with the requirements of paragraph (1) of subdivision  
19 (a) of Section 70901.5. This notification shall include, but not be  
20 limited to, all of the following:

21 (A) The proposed minimum academic and progress standards  
22 and information detailing how the requirements of paragraphs (1)  
23 to (4), inclusive, have been or will be satisfied.

24 (B) How many students may lose fee waiver eligibility by  
25 ethnicity, gender, disability, and, to the extent relevant data is  
26 available, by socioeconomic status.

27 (C) The criteria for reviewing extenuating circumstances,  
28 granting appeals, and reestablishing fee waiver eligibility pursuant  
29 to paragraph (2).

30 (h) The fee requirements of this section shall be waived for any  
31 student who, at the time of enrollment, is a dependent or surviving  
32 spouse who has not remarried, of any member of the California  
33 National Guard who, in the line of duty and while in the active  
34 service of the state, was killed, died of a disability resulting from  
35 an event that occurred while in the active service of the state, or  
36 is permanently disabled as a result of an event that occurred while  
37 in the active service of the state. "Active service of the state," for  
38 the purposes of this subdivision, refers to a member of the  
39 California National Guard activated pursuant to Section 146 of  
40 the Military and Veterans Code.



1 (i) The fee requirements of this section shall be waived for any  
2 student who is the surviving spouse or the child, natural or adopted,  
3 of a deceased person who met all of the requirements of Section  
4 68120.

5 (j) The fee requirements of this section shall be waived for any  
6 student in an undergraduate program, including a student who has  
7 previously graduated from another undergraduate or graduate  
8 program, who is the dependent of any individual killed in the  
9 September 11, 2001, terrorist attacks on the World Trade Center  
10 and the Pentagon or the crash of United Airlines Flight 93 in  
11 southwestern Pennsylvania, if that dependent meets the financial  
12 need requirements set forth in Section 69432.7 for the Cal Grant  
13 A Program and either of the following applies:

14 (1) The dependent was a resident of California on September  
15 11, 2001.

16 (2) The individual killed in the attacks was a resident of  
17 California on September 11, 2001.

18 (k) A determination of whether a person is a resident of  
19 California on September 11, 2001, for purposes of subdivision (j)  
20 shall be based on the criteria set forth in Chapter 1 (commencing  
21 with Section 68000) of Part 41 of Division 5 for determining  
22 nonresident and resident tuition.

23 (l) (1) "Dependent," for purposes of subdivision (j), is a person  
24 who, because of his or her relationship to an individual killed as  
25 a result of injuries sustained during the terrorist attacks of  
26 September 11, 2001, qualifies for compensation under the federal  
27 September 11th Victim Compensation Fund of 2001 (Title IV  
28 (commencing with Section 401) of Public Law 107-42).

29 (2) A dependent who is the surviving spouse of an individual  
30 killed in the terrorist attacks of September 11, 2001, is entitled to  
31 the waivers provided in this section until January 1, 2013.

32 (3) A dependent who is the surviving child, natural or adopted,  
33 of an individual killed in the terrorist attacks of September 11,  
34 2001, is entitled to the waivers under subdivision (j) until that  
35 person attains 30 years of age.

36 (4) A dependent of an individual killed in the terrorist attacks  
37 of September 11, 2001, who is determined to be eligible by the  
38 California Victim Compensation and Government Claims Board,  
39 is also entitled to the waivers provided in this section until January  
40 1, 2013.

1 (m) (1) It is the intent of the Legislature that sufficient funds  
2 be provided to support the provision of a fee waiver for every  
3 student who demonstrates eligibility pursuant to subdivisions (g)  
4 to (j), inclusive.

5 (2) From funds provided in the annual Budget Act, the board  
6 of governors shall allocate to community college districts, pursuant  
7 to this subdivision, an amount equal to 2 percent of the fees waived  
8 pursuant to subdivisions (g) to (j), inclusive. From funds provided  
9 in the annual Budget Act, the board of governors shall allocate to  
10 community college districts, pursuant to this subdivision, an  
11 amount equal to ninety-one cents (\$0.91) per credit unit waived  
12 pursuant to subdivisions (g) to (j), inclusive. It is the intent of the  
13 Legislature that funds provided pursuant to this subdivision be  
14 used to support the determination of financial need and delivery  
15 of student financial aid services, on the basis of the number of  
16 students for whom fees are waived. It also is the intent of the  
17 Legislature that the funds provided pursuant to this subdivision  
18 directly offset mandated costs claimed by community college  
19 districts pursuant to Commission on State Mandates consolidated  
20 Test Claims 99-TC-13 (Enrollment Fee Collection) and 00-TC-15  
21 (Enrollment Fee Waivers). Funds allocated to a community college  
22 district for determination of financial need and delivery of student  
23 financial aid services shall supplement, and shall not supplant, the  
24 level of funds allocated for the administration of student financial  
25 aid programs during the 1992–93 fiscal year.

26 (n) The board of governors shall adopt regulations implementing  
27 this section.

28 (o) This section shall become operative on May 1, 2012, only  
29 if subdivision (b) of Section 3.94 of the Budget Act of 2011 is  
30 operative.

31 SEC. 6. Section 94923 of the Education Code is amended to  
32 read:

33 94923. (a) The Student Tuition Recovery Fund relieves or  
34 mitigates economic loss suffered by a student while enrolled in an  
35 educational program, as defined in Section 94837, at an institution  
36 not exempt from this article pursuant to Article 4 (commencing  
37 with Section 94874), who, at the time of his or her enrollment,  
38 was a California resident or was enrolled in a California residency  
39 program, prepaid tuition, and suffered economic loss.

1 (b) The bureau shall adopt by regulation procedures governing  
2 the administration and maintenance of the Student Tuition  
3 Recovery Fund, including requirements relating to assessments  
4 on students and student claims against the Student Tuition  
5 Recovery Fund. The regulations shall provide for awards to  
6 students who suffer economic loss.

7 The regulations shall ensure that the following students, and any  
8 other students deemed appropriate, are eligible for payment from  
9 the Student Tuition Recovery Fund:

10 (1) Any student who was enrolled at an institution, at a location  
11 of the institution, or in an educational program offered by the  
12 institution, at the time that institution, location, or program was  
13 closed or discontinued, as applicable, who did not choose to  
14 participate in a teach-out plan approved by the bureau or did not  
15 complete a chosen teach-out plan approved by the bureau.

16 (2) Any student who was enrolled at an institution or a location  
17 of the institution within the 120-day period before the closure of  
18 the institution or location of the institution, or who was enrolled  
19 in an educational program within the 120-day period before the  
20 program was discontinued, if the bureau determines there was a  
21 significant decline in the quality or value of that educational  
22 program during that time period.

23 (3) Any student who was enrolled at an institution or a location  
24 of the institution more than 120 days before the closure of the  
25 institution or location of the institution, in an educational program  
26 offered by the institution as to which the bureau determines there  
27 was a significant decline in the quality or value of the program  
28 more than 120 days before closure.

29 (4) A student to whom an institution has been ordered to pay a  
30 refund by the bureau but has failed to do so.

31 (5) A student to whom an institution has failed to pay or  
32 reimburse loan proceeds under a federal student loan program as  
33 required by law, or has failed to pay or reimburse proceeds received  
34 by the institution in excess of tuition and other costs.

35 (6) A student who has been awarded restitution, a refund, or  
36 other monetary award by an arbitrator or court, based on a violation  
37 of this chapter by an institution or representative of an institution,  
38 but who has been unable to collect the award from the institution.  
39 The bureau shall review the award or judgment and shall ensure

1 the amount to be paid from the fund does not exceed the student’s  
2 economic loss.

3 (7) Notwithstanding the ~~requirements~~ *requirement* of subdivision  
4 (a) that the institution not be exempt from this article, a student  
5 who was enrolled at a California campus of a Corinthian Colleges,  
6 Inc. institution, including Heald College, or was a California  
7 student enrolled in an online program offered by an out-of-state  
8 campus of a Corinthian Colleges, Inc. institution, who also meets  
9 all of the other requirements in subdivision (a), if the student was  
10 enrolled as of April 26, 2015, or withdrew within 120 days of that  
11 date or any greater period determined by the bureau pursuant to  
12 this section.

13 (c) Any student who is required to pay a Student Tuition  
14 Recovery Fund assessment who pays tuition equal to or greater  
15 than the required assessment shall be deemed to have paid the  
16 required assessment, whether or not his or her enrollment  
17 agreement specifies collection of the required assessment, and  
18 whether or not the institution identifies any money collected from  
19 the student as a Student Tuition Recovery Fund assessment.

20 (d) The bureau shall establish regulations ensuring, as  
21 permissible under California law, that a student who suffers  
22 educational opportunity losses, whose charges are paid by a  
23 third-party payer, is eligible for educational credits under the fund.

24 (e) The bureau may seek repayment to the Student Tuition  
25 Recovery Fund from an institution found in violation of the law  
26 for which a student claim was paid. An institution shall not be  
27 eligible to renew its approval to operate with the bureau if the  
28 repayment is not made to the bureau as requested.

29 (f) The bureau shall, by regulation, define “economic loss.” The  
30 regulation shall ensure that the definition of “economic loss”  
31 includes, but is not necessarily limited to, pecuniary loss, which  
32 is the sum of the student’s tuition, all other institutional charges  
33 as defined in Section 94844, the cost of equipment and materials  
34 required for the educational program as defined in Section 94837,  
35 interest on any student loan used to pay for such charges, collection  
36 costs, penalties, and any license or examination fees the student  
37 paid to the institution but is unable to recover. Economic loss shall  
38 also include the amount the institution collected and failed to pay  
39 to third parties on behalf of the student for license fees or any other  
40 purpose. Economic loss does not include Student Tuition Recovery

1 Fund assessments, unless the student is entitled to a full refund  
2 under Section 94919 or 94920, room and board, supplies,  
3 transportation, application fees, or nonpecuniary damages such as  
4 inconvenience, aggravation, emotional distress, or punitive  
5 damages. Economic loss does not include legal fees, attorney fees,  
6 court costs, or arbitration fees. Nothing in this subdivision shall  
7 prevent the bureau from further defining economic loss to include  
8 loss of educational opportunity.

9 SEC. 7. Section 94925 of the Education Code is amended to  
10 read:

11 94925. (a) The amount in the Student Tuition Recovery Fund  
12 shall not exceed fifty million dollars (\$50,000,000) at any time.

13 (b) If the bureau has temporarily stopped collecting the Student  
14 Tuition Recovery Fund assessments because the fund has  
15 approached the fifty million dollar limit in subdivision (a), the  
16 bureau shall resume collecting Student Tuition Recovery Fund  
17 assessments when the fund falls below forty-five million dollars  
18 (\$45,000,000).

19 (c) An otherwise eligible student who enrolled during a period  
20 when institutions were not required to collect Student Tuition  
21 Recovery Fund assessments is eligible for Student Tuition  
22 Recovery Fund payments despite not having paid any Student  
23 Tuition Recovery Fund assessment.

24 (d) A student who is eligible for recovery from the Student  
25 Tuition Recovery Fund pursuant to paragraph (7) of subdivision  
26 (b) of Section 94923 shall be eligible for payments despite not  
27 having paid any Student Tuition Recovery Fund assessment.

28 SEC. 8. Section 94926.5 is added to the Education Code, to  
29 read:

30 94926.5. (a) (1) The bureau shall establish and coordinate a  
31 closed school task force to respond to the closure of an institution  
32 that does not comply with the requirements, as applicable, of this  
33 article. The task force shall ensure that students who were enrolled  
34 at, or in an online program offered by, the institution receive  
35 accurate and uniform information regarding the school closure  
36 process and the students' rights and responsibilities. The task force  
37 shall assist these students in all of the following:

38 (A) Obtaining refunds, loan discharges, and tuition recovery  
39 for which the student is eligible.

1 (B) Obtaining information regarding the option to transfer credits  
2 that the student earned while attending the institution, including  
3 information necessary to help the student make an informed  
4 decision about whether to seek a loan discharge or to transfer  
5 credits.

6 (C) Providing other support deemed necessary by the task force  
7 in accordance with the bureau's consumer protection mission.

8 (2) The members of the task force should include, but not  
9 necessarily be limited to, representatives on behalf of the Student  
10 Aid Commission, the Department of Justice, the Office of the  
11 Chancellor of the California Community Colleges, the Department  
12 of Veterans Affairs, and one or more legal aid organizations.

13 (b) Upon the unlawful closure of an institution, the bureau shall  
14 establish a grant fund in order to provide financial grants, not to  
15 exceed one hundred dollars (\$100) per student, to local legal aid  
16 organizations, which may include local legal aid organizations  
17 designed specifically to assist veteran students, to assist the students  
18 of that institution with completing loan discharge requests and  
19 tuition recovery claims.

20 *SEC. 9. This act is an urgency statute necessary for the*  
21 *immediate preservation of the public peace, health, or safety within*  
22 *the meaning of Article IV of the Constitution and shall go into*  
23 *immediate effect. The facts constituting the necessity are:*

24 *In order to provide immediate educational and economic relief*  
25 *to the thousands of students harmed by the closure of Corinthian*  
26 *Colleges, Inc., it is necessary for this act to take effect immediately.*