

AMENDED IN ASSEMBLY MAY 11, 2015

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

(Principal coauthor: Senator Block)

(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, *making an appropriation therefor*, 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~~ *would, until July 1, 2018, require* the board of governors to waive the fee for students who *meet prescribed requirements*, 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 at a California campus of a Corinthian Colleges, Inc., institution, and were either unable to complete an educational program offered by the campus due to the campus's closure on April 27, 2015, or withdrew from the institution an educational program offered by a campus within 120 days, or any a greater period determined by the bureau, of the closure or cessation.~~ *Bureau for Private Postsecondary Education, of the campus's closure on April 27, 2015. To the extent this provision would impose additional duties on community college districts, it would constitute a state-mandated local program.*

(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 *standing* task force to respond to the closure of ~~an institution~~ *institutions that does do* 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~~ *an institution that closes* in, among other things, obtaining refunds, loan discharges, and tuition recovery. *The bill would, upon the unlawful closure of an institution, require the bureau to provide timely grant funds to local legal aid organizations to assist students of that institution with loan discharge requests and tuition recovery related claims, as specified.*

(3) *This bill would appropriate the sum of \$1,300,000 from the Private Postsecondary Education Administration Fund to the Bureau of Private Postsecondary Education for the purposes of providing financial grants to legal aid organizations, as described above, for students affected by the closure of Corinthians Colleges, Inc., as specified, thereby making an appropriation.*

~~The~~

(4) *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. *By expanding the purpose for which moneys in the Student Tuition Recovery Fund may be used, this bill would make an appropriation.* The bill would raise the cap for the fund to \$50,000,000.

(3)

(5) 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 *and received a Cal Grant award* 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.

(6) *This bill would appropriate \$100,000 from the General Fund to the Chancellor of the California Community Colleges for allocation to a community college district for the purpose of conducting a statewide media campaign to inform students affected by the closure of Corinthian Colleges, Inc., of the education opportunities available at community colleges, thereby making an appropriation.*

Funds appropriated by this bill to a community college district would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.

(7) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state,

reimbursement for those costs shall be made pursuant to these statutory provisions.

(4)

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

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

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

1 SECTION 1. (a) 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,~~ *who* was enrolled at a California campus of
6 a Corinthian Colleges, ~~Inc. Inc.~~, institution, including Heald
7 College, or was a California student enrolled in one or more online
8 programs offered by an out-of-state campus of a Corinthian
9 Colleges, ~~Inc. institution. Inc.~~, *institution and was harmed by the*
10 *closure of Corinthian Colleges, Inc., that took place on April 27,*
11 *2015.*

12 (b) (1) *The sum of one hundred thousand dollars (\$100,000)*
13 *is hereby appropriated from the General Fund to the Chancellor*
14 *of the California Community Colleges for allocation to a*
15 *community college district to conduct a statewide media campaign*
16 *to inform students affected by the closure of Corinthian Colleges,*
17 *Inc., of education opportunities available at community colleges.*

18 (2) *For purposes of making the computations required by*
19 *Section 8 of Article XVI of the California Constitution, the funds*
20 *appropriated pursuant to this section shall be deemed to be*
21 *“General Fund revenues appropriated for community college*
22 *districts,” as defined in subdivision (d) of Section 41202 of the*
23 *Education Code, for the 2014–15 fiscal year, and included within*
24 *the “total allocations to school districts and community college*
25 *districts from General Fund proceeds of taxes appropriated*
26 *pursuant to Article XIII B,” as defined in subdivision (e) of Section*
27 *41202 of the Education Code, for the 2014–15 fiscal year.*

28 SEC. 2. It is the intent of the Legislature that unencumbered
29 restitution funds awarded to the ~~state~~ *students of the state, who*
30 *received funds pursuant to Section 5 of this act, from a lawsuit*

1 involving Corinthian Colleges, Inc. and its affiliate institutions,
2 including Heald College, shall be used to fund this act. *repay any*
3 *funds provided to those students pursuant to Section 5 of this act.*

4 SEC. 3. Section 69433.5 of the Education Code is amended to
5 read:

6 69433.5. ~~(a) Only a resident of California, as determined by~~
7 ~~the commission pursuant to Part 41 (commencing with Section~~
8 ~~68000), is eligible for an initial Cal Grant award. The recipient~~
9 ~~shall remain eligible for award renewal only if he or she is a~~
10 ~~California resident, in attendance, and making satisfactory~~
11 ~~academic progress at a qualifying institution, as determined by the~~
12 ~~commission.~~

13 (b) A part-time student shall not be discriminated against in the
14 selection of Cal Grant Program award recipients, and an award to
15 a part-time student shall be approximately proportional to the time
16 the student spends in the instructional program, as determined by
17 the commission. A first-time Cal Grant Program award recipient
18 who is a part-time student shall be eligible for a full-time renewal
19 award if he or she becomes a full-time student.

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

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

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

29 (2) Have obtained a baccalaureate degree before receiving a
30 Cal Grant Program award.

31 (e) A Cal Grant Program award, except as provided in Section
32 69440, may only be used for educational expenses of a program
33 of study leading directly to an undergraduate degree or certificate,
34 or for expenses of undergraduate coursework in a program of study
35 leading directly to a first professional degree, but for which no
36 baccalaureate degree is awarded.

37 (f) The commission shall, for students who accelerate college
38 attendance, increase the amount of award proportional to the period
39 of additional attendance resulting from attendance in classes that
40 fulfill requirements or electives for graduation during summer

1 terms, sessions, or quarters. In the aggregate, the total amount a
2 student may receive in a four-year period may not be increased as
3 a result of accelerating his or her progress to a degree by attending
4 summer terms, sessions, or quarters.

5 ~~(g) The commission shall notify Cal Grant award recipients of
6 the availability of funding for the summer term, session, or quarter
7 through prominent notice in financial aid award letters, materials,
8 guides, electronic information, and other means that may include,
9 but not necessarily be limited to, surveys, newspaper articles, or
10 attachments to communications from the commission and any
11 other published documents.~~

12 ~~(h) The commission may require, by the adoption of rules and
13 regulations, the production of reports, accounting, documents, or
14 other necessary statements from the award recipient and the college
15 or university of attendance pertaining to the use or application of
16 the award.~~

17 ~~(i) A Cal Grant Program award may be utilized only at a
18 qualifying institution.~~

19 ~~(j) A recipient who initially qualified for both a Cal Grant A
20 award and a Cal Grant B award, and received a Cal Grant B award,
21 may be awarded a renewal Cal Grant A award if that recipient
22 subsequently became ineligible for a renewal Cal Grant B award
23 and meets the applicable Cal Grant A financial need and income
24 and asset criteria.~~

25 ~~SEC. 4.~~

26 ~~SEC. 3.~~ Section 69433.61 is added to the Education Code, to
27 read:

28 69433.61. ~~A~~ *Notwithstanding any other law, a student who
29 was enrolled and received a Cal Grant award at a California
30 campus of a Corinthian Colleges, Inc., institution, including
31 Heald College, and was unable to complete an educational program
32 offered by the campus due to the campus's closure on April 27,
33 2015, shall be exempt from the limitation on Cal Grant Program
34 awards in paragraph (1) of subdivision (d) of Section 69433.5. not
35 have the award years used at a Corinthian Colleges, Inc., campus
36 considered for purposes of the limitation on the number of years
37 of Cal Grant award eligibility.*

38 ~~SEC. 5.~~

39 ~~SEC. 4.~~ Section 76300 of the Education Code is amended to
40 read:

1 76300. (a) The governing board of each community college
2 district shall charge each student a fee pursuant to this section.

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

6 (2) The board of governors shall proportionately adjust the
7 amount of the fee for term lengths based upon a quarter system,
8 and also shall proportionately adjust the amount of the fee for
9 summer sessions, intersessions, and other short-term courses. In
10 making these adjustments, the board of governors may round the
11 per unit fee and the per term or per session fee to the nearest dollar.

12 (c) For the purposes of computing apportionments to community
13 college districts pursuant to Section 84750.5, the board of
14 governors shall subtract, from the total revenue owed to each
15 district, 98 percent of the revenues received by districts from
16 charging a fee pursuant to this section.

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

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

21 (1) Students enrolled in the noncredit courses designated by
22 Section 84757.

23 (2) California State University or University of California
24 students enrolled in remedial classes provided by a community
25 college district on a campus of the University of California or a
26 campus of the California State University, for whom the district
27 claims an attendance apportionment pursuant to an agreement
28 between the district and the California State University or the
29 University of California.

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

36 (f) The governing board of a community college district may
37 exempt special part-time students admitted pursuant to Section
38 76001 from the fee requirement.

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

1 (A) Meets minimum academic and progress standards adopted
2 by the board of governors, which fulfill the requirements outlined
3 in this paragraph and paragraphs (2) to (5), inclusive. Any
4 minimum academic and progress standards adopted pursuant to
5 this section shall be uniform across all community college districts
6 and campuses. These standards shall not include a maximum unit
7 cap, and community college districts and colleges shall not impose
8 requirements for fee waiver eligibility other than the minimum
9 academic and progress standards adopted by the board of governors
10 and the requirements of subparagraph (B).

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

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

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

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

21 ~~(iv) Was enrolled in a private postsecondary educational
22 institution that provided educational services in California, or
23 online educational services to a California student, at the time the
24 institution closed or otherwise ceased to operate an academic
25 program in which the student was enrolled.~~

26 ~~(v) Withdrew from a private postsecondary educational
27 institution that provided educational services in California, or
28 online educational services to a California student, that closed or
29 otherwise ceased to operate an academic program in which the
30 student was enrolled, within 120 days of the closure or cessation,
31 or any greater period determined by the bureau pursuant to Section
32 94923.~~

33 *(iv) Was enrolled at a California campus of a Corinthian
34 Colleges, Inc. institution and was unable to complete an education
35 program offered by the campus due to the campus's closure on
36 April 27, 2015. This clause shall become inoperative on July 1,
37 2018.*

38 *(v) Was enrolled at a California campus of a Corinthian
39 Colleges, Inc. institution and withdrew from an education program
40 offered by the campus within 120 days, or a greater period*

1 *determined by the Bureau for Private Postsecondary Education*
2 *pursuant to Section 94923, of the campus's closure on April 27,*
3 *2015. This clause shall become inoperative on July 1, 2018.*

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.~~

32 *SEC. 5.* Section 94923 of the Education Code is amended to
33 read:

34 94923. (a) The Student Tuition Recovery Fund relieves or
35 mitigates economic loss suffered by a student while enrolled in an
36 educational program, as defined in Section 94837, at an institution
37 not exempt from this article pursuant to Article 4 (commencing
38 with Section 94874), who, at the time of his or her enrollment,
39 was a California resident or was enrolled in a California residency
40 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 requirement of subdivision (a) that the
4 institution not be exempt from this article, a student who was
5 enrolled at a California campus of a Corinthian Colleges, ~~Inc.~~
6 ~~institution, including Heald College, Inc.,~~ *institution* or was a
7 California student enrolled in an online program offered by an
8 out-of-state campus of a Corinthian Colleges, ~~Inc.~~ *Inc.*, institution,
9 who also meets all of the other ~~requirements in subdivision (a),~~
10 *eligibility requirements*, if the student was enrolled as of April 26,
11 2015, or withdrew within 120 days of that date or any greater
12 period determined by the bureau pursuant to 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.~~

10 *SEC. 6.* Section 94925 of the Education Code is amended to
 11 read:

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

14 (b) If the bureau has temporarily stopped collecting the Student
 15 Tuition Recovery Fund assessments because the fund has
 16 approached the fifty million dollar limit in subdivision (a), the
 17 bureau shall resume collecting Student Tuition Recovery Fund
 18 assessments when the fund falls below forty-five million dollars
 19 (\$45,000,000).

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

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

29 ~~SEC. 8.~~

30 *SEC. 7.* Section 94926.5 is added to the Education Code, to
 31 read:

32 94926.5. (a) (1) The bureau shall establish and coordinate a
 33 *standing* closed school task force to respond to the closure of ~~an~~
 34 ~~institution~~ *institutions* that ~~does~~ *do* not comply with the
 35 requirements, as applicable, of this article. The task force shall
 36 ensure that students who were enrolled at, or in an online program
 37 offered by, the institution receive accurate and ~~uniform~~ *timely*
 38 information regarding the school closure process and the students'
 39 rights and ~~responsibilities.~~ *responsibilities under federal and state*

1 *law. The task force shall ~~assist~~ ensure that these students are*
 2 *provided assistance* in all of the following:

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

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

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

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

17 (b) Upon the unlawful closure of an institution, the bureau shall
 18 ~~establish a provide timely grant fund in order to provide financial~~
 19 ~~grants, not to exceed one hundred dollars (\$100) per student, funds~~
 20 to local legal aid organizations, which may include local legal aid
 21 organizations designed specifically to assist veteran students, to
 22 assist the students of that ~~institution~~ *institution, for no less than*
 23 *one year following the closure of the institution, with completing*
 24 *loan discharge requests and tuition recovery related claims. The*
 25 *amount of grant funds shall be calculated by multiplying the*
 26 *number of students affected by the institution's closure by one*
 27 *hundred dollars (\$100). Legal aid organizations that receive grants*
 28 *should be located in the areas of the state affected by the*
 29 *institutional closure. Legal aid organizations that receive grants*
 30 *may give priority to low income students if demand exceeds*
 31 *available grant funds. Legal aid organizations that receive grants*
 32 *shall report to the bureau after completing their obligations under*
 33 *the grant on the number of students served from the date of the*
 34 *institution's closure.*

35 SEC. 8. (a) *The sum of one million three hundred thousand*
 36 *dollars (\$1,300,000) is hereby appropriated from the Private*
 37 *Postsecondary Education Administration Fund to the Bureau of*
 38 *Private Postsecondary Education for the purposes of providing*
 39 *financial grants pursuant to subdivision (b) of Section 94926.5 of*
 40 *the Education Code to legal aid organizations for students affected*

1 by the closure of Corinthians Colleges, Inc., Legal aid
2 organizations may use grant funds received pursuant to subdivision
3 (b) of Section 94926.5 of the Education Code for affected students
4 served from the date of closure. The Bureau of Private
5 Postsecondary Education shall ensure that these grant funds are
6 made available within 30 days of the enactment of this section.
7 The adoption of any regulation pursuant to this subdivision shall
8 be deemed to be an emergency and necessary for the immediate
9 preservation of the public, health, and safety, or general welfare.

10 (b) The amount appropriated in subdivision (a) may include
11 revenues derived from the assessment of fines and penalties
12 imposed, and expenditures of these funds is specifically authorized
13 for purposes of Section 13332.18 of the Government Code.

14 (c) The Private Postsecondary Education Administration Fund
15 reserve limit of six months of operating expenses pursuant to
16 subdivision (b) of Section 94930 of the Education Code shall be
17 suspended until July 1, 2016.

18 SEC. 9. If the Commission on State Mandates determines that
19 this act contains costs mandated by the state, reimbursement to
20 local agencies and school districts for those costs shall be made
21 pursuant to Part 7 (commencing with Section 17500) of Division
22 4 of Title 2 of the Government Code.

23 ~~SEC. 9.~~

24 SEC. 10. This act is an urgency statute necessary for the
25 immediate preservation of the public peace, health, or safety within
26 the meaning of Article IV of the Constitution and shall go into
27 immediate effect. The facts constituting the necessity are:

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