

AMENDED IN SENATE SEPTEMBER 4, 2015

AMENDED IN SENATE AUGUST 31, 2015

AMENDED IN SENATE AUGUST 18, 2015

AMENDED IN SENATE JULY 9, 2015

AMENDED IN SENATE JUNE 2, 2015

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, Hadley, Kim, O'Donnell, Olsen, Quirk, Ridley-Thomas, Rodriguez, Santiago, Thurmond, and Ting)

(Coauthors: Senators Gaines, Galgiani, Hill, Runner, and Wieckowski)

February 24, 2015

An act to amend Sections 76300, 94925, and 94926 *Section 94925* of, to amend the heading of Article 15 (commencing with Section 94926) of Chapter 8 of Part 59 of Division 10 of Title 3 of, and to add Sections 69433.61, 69999.19, 94051, 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, until July 1, 2018, require the board of governors to waive the fee for students who meet prescribed requirements, were enrolled 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 an educational program offered by a Corinthian Colleges campus after the earlier of either (A) 120 days before the closure, or an earlier date as may determined by the Bureau for Private Postsecondary Education, or (B) the date set by the United States Department of Education for closed school loan discharge eligibility, and have demonstrated financial need, as determined by the enrolling campus. 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 provide that, until January 1, 2020, the Governor shall establish a single point of contact to respond to each closure of an institution that does not comply with these closure and related requirements prior to closing. The bill would require the single point of contact to assist the students who were enrolled at, or in an online program offered by, an institution that closes in, among other things, receiving information on obtaining refunds, loan discharges, and tuition recovery.~~

~~(3)~~

(1) *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 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 raise the cap for the fund to \$50,000,000. The bill would, upon the unlawful closure of an institution, require the Attorney General, or a qualified entity under contract with the Attorney General, to provide timely grant funds to eligible nonprofit community service organizations, as defined, to assist students of that institution with loan discharge and other student loan-related requests and tuition recovery-related claims, as specified. The bill would provide that the aggregate amount of these grants and the reasonable administrative costs to the Attorney General's office related to the grants would be made available from the Student Tuition Recovery Fund, thereby making an appropriation: \$30,000,000.~~

(4)

(2) This bill would appropriate the sum of \$1,300,000 from the Student Tuition Recovery Fund to the ~~Bureau of Private Postsecondary Education~~ *Attorney General* for the purposes of providing grants to eligible nonprofit community service organizations to assist *eligible* students affected by the closure of Corinthian Colleges, Inc., as defined, with loan discharge and other student loan-related requests and tuition recovery-related claims, and to pay *an amount not to exceed \$150,000* for the reasonable administrative costs of the Attorney General's office related to these grants, as specified, thereby making an appropriation. ~~The bill would require the bureau to ensure that these grant funds are made available within 30 days of its enactment. The bill would require the bureau to notify the Attorney General of all unlawful Corinthian Colleges, Inc., closures within 15 days of the effective date of these provisions. The bill would require the Attorney General to, among other things, within 90 days of the notification, solicit grant applications from eligible nonprofit community service organizations, select one or more of these organizations deemed to be qualified, and set additional terms and conditions of the grants as necessary. The bill would set a schedule~~

for how grant funds are to be distributed. The bill would require the grantee to submit specified information to the Attorney General on a quarterly basis, and require the Attorney General to make these reports available to the Legislature and the bureau upon request. The bill would require the Attorney General to provide the Legislature and the bureau a final report summarizing all the information submitted to it by grantees, promptly following the time when all funds are expended by the grantees, or by August, 1, 2018, whichever is earlier. The bill would authorize the Attorney General to contract with another qualified entity to perform the Attorney General's duties under these provisions.

(3) This bill would, for a period not to exceed 2 years from April 27, 2015, authorize state agencies that provide certification, registration, or licensure necessary to promote the safety and protection of the public to, on a case-by-case basis, consider for certification, registration, or licensure students who were enrolled in a program of Corinthian Colleges, Inc., that provided education or training aimed towards these students receiving certification, registration, or licensure from the state agency, and who did not receive that certification, registration, or licensure due to the closure of that institution.

~~(5)~~

(4) 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 partially exempt from this limitation on Cal Grant awards a student who was enrolled and received a Cal Grant award at a California campus of Heald College, and who was unable to complete an educational program offered by the campus due to its closure.

~~(6)~~

(5) The California National Guard Education Assistance Award Program authorizes the renewal of California National Guard Education Assistance Awards, for a maximum of the greater of either four years of full-time equivalent enrollment or the duration for which the qualifying member would otherwise be eligible pursuant to the Cal Grant Program, if specified conditions are met.

This bill would partially exempt from this limitation on California National Guard Education Assistance Awards a student who was enrolled and received a California National Guard Education Assistance Award at a California campus of Heald College, and who was unable

to complete an educational program offered by the campus due to its closure.

~~(7) 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.

~~(8) 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:

~~(9)~~

~~(6) This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.

State-mandated local program: ~~yes~~-no.

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

11 ~~(b) (1) The sum of one hundred thousand dollars (\$100,000)~~
12 ~~is hereby appropriated from the General Fund to the Chancellor~~
13 ~~of the California Community Colleges for allocation to a~~

1 community college district to conduct a statewide media campaign
2 to inform students affected by the closure of Corinthian Colleges,
3 Inc., of education opportunities available at community colleges.

4 (2) ~~For purposes of making the computations required by Section~~
5 ~~8 of Article XVI of the California Constitution, the funds~~
6 ~~appropriated pursuant to this section shall be deemed to be~~
7 ~~“General Fund revenues appropriated for community college~~
8 ~~districts,” as defined in subdivision (d) of Section 41202 of the~~
9 ~~Education Code, for the 2014–15 fiscal year, and included within~~
10 ~~the “total allocations to school districts and community college~~
11 ~~districts from General Fund proceeds of taxes appropriated pursuant~~
12 ~~to Article XIII B,” as defined in subdivision (e) of Section 41202~~
13 ~~of the Education Code, for the 2014–15 fiscal year.~~

14 ~~SEC. 2:~~

15 *SECTION 1.* It is the intent of the Legislature that
16 unencumbered restitution funds awarded to the state from a lawsuit
17 involving Corinthian Colleges, Inc., and its affiliate institutions,
18 including Heald College, shall be used to repay any funds provided
19 to those students pursuant to this act.

20 ~~SEC. 3:~~

21 *SEC. 2.* Section 69433.61 is added to the Education Code, to
22 read:

23 69433.61. (a) Notwithstanding any other law, a student who
24 was enrolled and received a Cal Grant award in the 2013–14 or
25 2014–15 academic year at a California campus of Heald College,
26 and was unable to complete an educational program offered by
27 the campus due to the campus’s *campus*’ closure on April 27,
28 2015, shall not have the award years used at a Heald College
29 campus considered for purposes of the limitation on the number
30 of years of Cal Grant award eligibility. This restoration of award
31 years for Cal Grant eligibility shall not exceed two years.

32 (b) A student shall be eligible for the restoration of award years
33 if the student was enrolled at a campus of Heald College on April
34 27, 2015, or withdrew from enrollment between July 1, 2014, and
35 April 27, 2015. The Bureau for Private Postsecondary Education
36 shall provide the commission with ~~confirmation of information,~~
37 *if available, to confirm* student enrollment for purposes of this
38 section.

39 (c) An eligible student shall, before January 1, 2017, notify the
40 commission of his or her intent to use the restoration of award

1 years provided under this section and to enroll in an institution
2 eligible for initial and renewal Cal Grant awards to be eligible for
3 that restoration.

4 ~~SEC. 4.~~

5 *SEC. 3.* Section 69999.19 is added to the Education Code, to
6 read:

7 69999.19. (a) Notwithstanding any other law, a student who
8 was enrolled and received a California National Guard Education
9 Assistance Award in the 2013–14 or 2014–15 academic year at a
10 California campus of Heald College, and was unable to complete
11 an educational program offered by the campus due to the campus's
12 *campus'* closure on April 27, 2015, shall not have the award years
13 used at a Heald College campus considered for purposes of the
14 limitation on the number of years of California National Guard
15 Education Assistance Award eligibility. This restoration of award
16 years for California National Guard Education Assistance Award
17 eligibility shall not exceed two years.

18 (b) A student shall be eligible for the restoration of award years
19 if the student was enrolled at a campus of Heald College on April
20 27, 2015, or withdrew from enrollment between July 1, 2014, and
21 April 27, 2015. The Bureau for Private Postsecondary Education
22 shall provide the commission with ~~confirmation of information,~~
23 *if available, to confirm* student enrollment for purposes of this
24 section.

25 (c) An eligible student shall, before January 1, 2017, notify the
26 commission of his or her intent to use the restoration of award
27 years provided under this section and to enroll in an institution
28 eligible for initial and renewal California National Guard Education
29 Assistance Awards to be eligible for that restoration.

30 ~~SEC. 5.~~ Section 76300 of the Education Code is amended to
31 read:

32 ~~76300.~~ (a) ~~The governing board of each community college~~
33 ~~district shall charge each student a fee pursuant to this section.~~

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

37 (2) ~~The board of governors shall proportionately adjust the~~
38 ~~amount of the fee for term lengths based upon a quarter system,~~
39 ~~and also shall proportionately adjust the amount of the fee for~~
40 ~~summer sessions, intersessions, and other short-term courses. In~~

1 making these adjustments, the board of governors may round the
2 per unit fee and the per term or per session fee to the nearest dollar.

3 (e) ~~For the purposes of computing apportionments to community
4 college districts pursuant to Section 84750.5, the board of
5 governors shall subtract, from the total revenue owed to each
6 district, 98 percent of the revenues received by districts from
7 charging a fee pursuant to this section.~~

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

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

12 (1) ~~Students enrolled in the noncredit courses designated by
13 Section 84757.~~

14 (2) ~~California State University or University of California
15 students enrolled in remedial classes provided by a community
16 college district on a campus of the University of California or a
17 campus of the California State University, for whom the district
18 claims an attendance apportionment pursuant to an agreement
19 between the district and the California State University or the
20 University of California.~~

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

27 (f) ~~The governing board of a community college district may
28 exempt special part-time students admitted pursuant to Section
29 76001 from the fee requirement.~~

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

32 (A) ~~Meets minimum academic and progress standards adopted
33 by the board of governors, which fulfill the requirements outlined
34 in this paragraph and paragraphs (2) to (5), inclusive. Any
35 minimum academic and progress standards adopted pursuant to
36 this section shall be uniform across all community college districts
37 and campuses. These standards shall not include a maximum unit
38 cap, and community college districts and colleges shall not impose
39 requirements for fee waiver eligibility other than the minimum~~

1 academic and progress standards adopted by the board of governors
2 and the requirements of subparagraph (B):

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

4 (i) ~~At the time of enrollment, is a recipient of benefits under the
5 Temporary Assistance for Needy Families program, the
6 Supplemental Security Income/State Supplementary Payment
7 Program, or a general assistance program.~~

8 (ii) ~~Demonstrates eligibility according to income standards
9 established by regulations of the board of governors.~~

10 (iii) ~~Demonstrates financial need in accordance with the
11 methodology set forth in federal law or regulation for determining
12 the expected family contribution of students seeking financial aid.~~

13 (iv) ~~Was enrolled at a California campus of a Corinthian
14 Colleges, Inc., institution, was unable to complete an education
15 program offered by the campus due to the campus's closure on
16 April 27, 2015, and has demonstrated financial need, as determined
17 by the enrolling campus. This clause shall become inoperative on
18 July 1, 2018.~~

19 (v) ~~Was enrolled at a California campus of a Corinthian
20 Colleges, Inc., institution, withdrew from an education program
21 offered by the campus after the earlier of either (1) 120 days before
22 the April 27, 2015, closure, or an earlier date as may be determined
23 by the Bureau for Private Postsecondary Education pursuant to
24 Section 94923, or (2) the date set by the United States Department
25 of Education for closed school loan discharge eligibility, and has
26 demonstrated financial need, as determined by the enrolling
27 campus. This clause shall become inoperative on July 1, 2018.~~

28 (2) (A) ~~The board of governors, in consultation with students,
29 faculty, and other key stakeholders, shall consider all of the
30 following in the development and adoption of minimum academic
31 and progress standards pursuant to subparagraph (A) of paragraph
32 (1):~~

33 (i) ~~Minimum uniform academic and progress standards that do
34 not unfairly disadvantage financially needy students in pursuing
35 their education.~~

36 (ii) ~~Criteria for reviewing extenuating circumstances and
37 granting appeals that, at a minimum, take into account and do not
38 penalize a student for circumstances outside his or her control,
39 such as reductions in student support services or changes to the
40 economic situation of the student.~~

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

4 (B) To ensure that students are not unfairly impacted by the
5 requirements of subparagraph (A) of paragraph (1), the board of
6 governors shall establish a reasonable implementation period that
7 commences no sooner than one year from adoption of the minimum
8 academic and progress standards, or any subsequent changes to
9 these standards, pursuant to subparagraph (A) of paragraph (1)
10 and that is phased in to provide students adequate notification of
11 this requirement and information about available support resources.

12 (3) It is the intent of the Legislature that minimum academic
13 and progress standards adopted pursuant to subparagraph (A) of
14 paragraph (1) be implemented only as campuses develop and
15 implement the student support services and interventions necessary
16 to ensure no disproportionate impact to students based on ethnicity,
17 gender, disability, or socioeconomic status. The board of governors
18 shall consider the ability of community college districts to meet
19 the requirements of this paragraph before adopting minimum
20 academic and progress standards, or any subsequent changes to
21 these standards, pursuant to subparagraph (A) of paragraph (1).

22 (4) It is the intent of the Legislature to ensure that a student shall
23 not lose fee waiver eligibility without a community college campus
24 first demonstrating a reasonable effort to provide a student with
25 adequate notification and assistance in maintaining his or her fee
26 waiver eligibility. The board of governors shall adopt regulations
27 to implement this paragraph that ensure all of the following:

28 (A) Students are provided information about the available
29 student support services to assist them in maintaining fee waiver
30 eligibility.

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

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

39 (5) The board of governors shall provide notification of a
40 proposed action to adopt regulations pursuant to this subdivision

1 to the appropriate policy and fiscal committees of the Legislature
2 in accordance with the requirements of paragraph (1) of subdivision
3 (a) of Section 70901.5. This notification shall include, but not be
4 limited to, all of the following:

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

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

11 (C) The criteria for reviewing extenuating circumstances,
12 granting appeals, and reestablishing fee waiver eligibility pursuant
13 to paragraph (2).

14 (h) The fee requirements of this section shall be waived for any
15 student who, at the time of enrollment, is a dependent or surviving
16 spouse who has not remarried, of any member of the California
17 National Guard who, in the line of duty and while in the active
18 service of the state, was killed, died of a disability resulting from
19 an event that occurred while in the active service of the state, or
20 is permanently disabled as a result of an event that occurred while
21 in the active service of the state. "Active service of the state," for
22 the purposes of this subdivision, refers to a member of the
23 California National Guard activated pursuant to Section 146 of
24 the Military and Veterans Code.

25 (i) The fee requirements of this section shall be waived for any
26 student who is the surviving spouse or the child, natural or adopted,
27 of a deceased person who met all of the requirements of Section
28 68120.

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

38 (1) The dependent was a resident of California on September
39 11, 2001.

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

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

8 ~~(l) (1) “Dependent,” for purposes of subdivision (j), is a person~~
9 ~~who, because of his or her relationship to an individual killed as~~
10 ~~a result of injuries sustained during the terrorist attacks of~~
11 ~~September 11, 2001, qualifies for compensation under the federal~~
12 ~~September 11th Victim Compensation Fund of 2001 (Title IV~~
13 ~~(commencing with Section 401) of Public Law 107-42).~~

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

17 ~~(3) A dependent who is the surviving child, natural or adopted,~~
18 ~~of an individual killed in the terrorist attacks of September 11,~~
19 ~~2001, is entitled to the waivers under subdivision (j) until that~~
20 ~~person attains 30 years of age.~~

21 ~~(4) A dependent of an individual killed in the terrorist attacks~~
22 ~~of September 11, 2001, who is determined to be eligible by the~~
23 ~~California Victim Compensation and Government Claims Board,~~
24 ~~is also entitled to the waivers provided in this section until January~~
25 ~~1, 2013.~~

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

30 ~~(2) From funds provided in the annual Budget Act, the board~~
31 ~~of governors shall allocate to community college districts, pursuant~~
32 ~~to this subdivision, an amount equal to 2 percent of the fees waived~~
33 ~~pursuant to subdivisions (g) to (j), inclusive. From funds provided~~
34 ~~in the annual Budget Act, the board of governors shall allocate to~~
35 ~~community college districts, pursuant to this subdivision, an~~
36 ~~amount equal to ninety-one cents (\$0.91) per credit unit waived~~
37 ~~pursuant to subdivisions (g) to (j), inclusive. It is the intent of the~~
38 ~~Legislature that funds provided pursuant to this subdivision be~~
39 ~~used to support the determination of financial need and delivery~~
40 ~~of student financial aid services, on the basis of the number of~~

1 students for whom fees are waived. It also is the intent of the
2 Legislature that the funds provided pursuant to this subdivision
3 directly offset mandated costs claimed by community college
4 districts pursuant to Commission on State Mandates consolidated
5 Test Claims 99-TC-13 (Enrollment Fee Collection) and 00-TC-15
6 (Enrollment Fee Waivers). Funds allocated to a community college
7 district for determination of financial need and delivery of student
8 financial aid services shall supplement, and shall not supplant, the
9 level of funds allocated for the administration of student financial
10 aid programs during the 1992-93 fiscal year.

11 ~~(n) The board of governors shall adopt regulations implementing~~
12 ~~this section.~~

13 ~~(o) This section shall become operative on May 1, 2012, only~~
14 ~~if subdivision (b) of Section 3.94 of the Budget Act of 2011 is~~
15 ~~operative.~~

16 ~~SEC. 6.~~

17 *SEC. 4.* Section 94051 is added to the Education Code, to read:

18 94051. Notwithstanding any provision of law, for a period not
19 to exceed two years from the date of the closure of Corinthian
20 Colleges, Inc., a state agency that provides certification,
21 registration, or licensure necessary to promote the safety and
22 protection of the public may, on a case-by-case basis, consider for
23 certification, registration, or licensure students who were enrolled
24 in a program of Corinthian Colleges, Inc., that provided education
25 or training aimed towards these students receiving certification,
26 registration, or licensure from the state agency, and who did not
27 receive that certification, registration, or licensure due to the closure
28 of Corinthian Colleges, Inc. This consideration shall be provided
29 at the discretion of the state agency in accordance with its public
30 protection mandate and applicable criteria established by the
31 agency for consumer safety.

32 ~~SEC. 7.~~

33 *SEC. 5.* Section 94925 of the Education Code is amended to
34 read:

35 94925. (a) The amount in the Student Tuition Recovery Fund
36 shall not exceed ~~fifty thirty~~ million dollars ~~(\$50,000,000)~~
37 ~~(\$30,000,000)~~ at any time.

38 (b) If the bureau has temporarily stopped collecting the Student
39 Tuition Recovery Fund assessments because the fund has
40 approached the ~~fifty thirty~~ million dollar ~~(\$50,000,000)~~

1 (30,000,000) limit in subdivision (a), the bureau shall resume
 2 collecting Student Tuition Recovery Fund assessments when the
 3 fund falls below ~~forty twenty~~ million dollars ~~(\$40,000,000).~~
 4 (\$20,000,000).

5 (c) An otherwise eligible student who enrolled during a period
 6 when institutions were not required to collect Student Tuition
 7 Recovery Fund assessments is eligible for Student Tuition
 8 Recovery Fund payments despite not having paid any Student
 9 Tuition Recovery Fund assessment.

10 ~~SEC. 8. The heading of Article 15 (commencing with Section~~
 11 ~~94926) of Chapter 8 of Part 59 of Division 10 of Title 3 of the~~
 12 ~~Education Code is amended to read:~~

13
 14 ~~Article 15. Institutional Closure and Teach-outs~~

15
 16 ~~SEC. 9. Section 94926 of the Education Code is amended to~~
 17 ~~read:~~

18 ~~94926. (a) At least 30 days prior to closing, the institution~~
 19 ~~shall notify the bureau in writing of its intention to close. The~~
 20 ~~notice shall be accompanied by a closure plan, which shall include,~~
 21 ~~but not necessarily be limited to, all of the following:~~

22 ~~(1) A plan for providing teach-outs of educational programs,~~
 23 ~~including any agreements with any other postsecondary educational~~
 24 ~~institutions to provide teach-outs.~~

25 ~~(2) If no teach-out plan is contemplated, or for students who do~~
 26 ~~not wish to participate in a teach-out, arrangements for making~~
 27 ~~refunds within 45 days from the date of closure, or for institutions~~
 28 ~~that participate in federal student financial aid programs~~
 29 ~~arrangements for making refunds and returning federal student~~
 30 ~~financial aid program funds.~~

31 ~~(3) If the institution is a participant in federal student financial~~
 32 ~~aid programs, it shall provide students information concerning~~
 33 ~~these programs and institutional closures.~~

34 ~~(4) A plan for the disposition of student records.~~

35 ~~(b) Until January 1, 2020, the Governor shall establish a single~~
 36 ~~point of contact to respond to each closure of an institution that~~
 37 ~~does not comply with closure and related requirements established~~
 38 ~~under state and federal law. The goal of the point of contact shall~~
 39 ~~be to ensure that students who were enrolled at, or in an online~~
 40 ~~program offered by, an institution that has closed receive accurate~~

1 and timely information regarding the school closure process and
2 the students' rights and responsibilities under federal and state
3 law. The point of contact's primary duty shall be to advocate on
4 behalf of and represent the interest of California students who
5 attended the closed institutions; other duties shall include, but not
6 necessarily be limited to, all of the following:

7 (1) ~~Coordinating and working in consultation with state and~~
8 ~~federal agencies, including, but not limited to, the Bureau for~~
9 ~~Private Postsecondary Education, the Student Aid Commission,~~
10 ~~the Attorney General's Office, the Office of the Chancellor of the~~
11 ~~California Community Colleges, the Department of Veterans~~
12 ~~Affairs, the federal Consumer Financial Protection Bureau, and~~
13 ~~the United States Department of Education to determine both of~~
14 ~~the following:~~

15 (A) ~~Options and resources available to students.~~

16 (B) ~~Criteria which indicate additional steps are necessary for~~
17 ~~state agencies to take to ensure the protection of the public from~~
18 ~~school closures.~~

19 (2) ~~Establishing and maintaining an Internet Web site to provide~~
20 ~~information to students about options available in the event of a~~
21 ~~school closure, including information necessary to help a student~~
22 ~~make an informed decision about whether to seek a loan discharge~~
23 ~~or to transfer credits. The Internet Web site shall list the names of~~
24 ~~institutions that are on the United States Department of Education's~~
25 ~~list for heightened cash monitoring.~~

26 (3) ~~Assisting students in obtaining important documentation~~
27 ~~from a closed institution, including, but not limited to, their~~
28 ~~enrollment agreements, records, transcripts, and loan information.~~

29 (e) (1) ~~For unlawful closures of large institutions regarding~~
30 ~~which the Attorney General has a pending investigation or ongoing~~
31 ~~litigation, consideration should be given to establishing the single~~
32 ~~point of contact within the Attorney General's office.~~

33 (2) ~~The Legislature finds that the Attorney General's office has~~
34 ~~expertise in complex legal situations such as those facing students~~
35 ~~impacted by the sudden and abrupt closure of their educational~~
36 ~~institutions and has established an online tool for students to receive~~
37 ~~a personalized resource sheet regarding the types of relief available~~
38 ~~to them.~~

1 ~~(3) The Legislature finds that the Attorney General's office is~~
2 ~~situated to continue playing a central role in the effort to assist~~
3 ~~students of an institution that has unlawfully closed.~~

4 ~~(4) This subdivision shall not be construed to authorize the~~
5 ~~Attorney General's office to breach any of its responsibilities or~~
6 ~~to provide individual legal assistance or representation to students~~
7 ~~of an institution that has closed. If the single point of contact is~~
8 ~~established within the Attorney General's office, the responsibilities~~
9 ~~of the single point of contact shall be separate and distinct from~~
10 ~~the office's efforts to uphold state law, represent state agencies,~~
11 ~~and undertake related actions.~~

12 ~~SEC. 10.~~

13 ~~SEC. 6.~~ Section 94926.5 is added to the Education Code, to
14 read:

15 94926.5. (a) *The Legislature finds and declares all of the*
16 *following:*

17 *(1) Corinthian Colleges, Inc., has been the target of consumer*
18 *and taxpayer protection enforcement efforts by the federal*
19 *government, the Attorney General, and other state and federal*
20 *authorities.*

21 *(2) Based on findings of harm to students enrolled at Corinthian*
22 *Colleges, Inc., campuses, the United States Department of*
23 *Education has announced debt relief programs to assist students,*
24 *including all of the following:*

25 *(A) A student who attended a Corinthian Colleges, Inc., campus*
26 *that closed on April 27, 2015, and withdrew any time after June*
27 *20, 2014, is eligible to apply for a closed school loan discharge,*
28 *so long as the student does not transfer earned credit and*
29 *subsequently complete a comparable program at another*
30 *institution.*

31 *(B) A student who believes he or she was a victim of fraud or*
32 *other violations of state law by Corinthian Colleges, Inc., can*
33 *apply for debt relief under borrower defense to repayment. The*
34 *United States Department of Education has determined that*
35 *Corinthian Colleges, Inc., misrepresented job placement rates for*
36 *a majority of programs at its Heald College campuses between*
37 *2010 and 2014 and is in the process of establishing a specific*
38 *process for federal loan discharge for these Heald students.*

1 (C) A Corinthian student who intends to submit a borrower
2 defense claim may request loan forbearance while a claims review
3 process is established and his or her claim is reviewed.

4 (3) Pursuant to Section 94923, the Student Tuition Recovery
5 Fund exists to relieve or mitigate a student's economic loss caused
6 by a documented violation of certain laws or by institutional
7 closure, as specified.

8 (4) On October 10, 2013, the Attorney General filed a lawsuit
9 against Corinthian Colleges, Inc., for false and predatory
10 advertising, intentional misrepresentations to students, securities
11 fraud, and unlawful use of military seals in advertisements, in
12 violation of the 2007 final judgment of the Los Angeles Superior
13 Court in the People of the State of California v. Corinthian Schools,
14 Inc.

15 (5) On April 16, 2015, the bureau issued an emergency decision
16 ordering Corinthian Colleges, Inc., to cease enrollment of any
17 new students in all programs at Everest College and WyoTech
18 locations in California effective upon close of business April 23,
19 2015.

20 (6) It is consistent with the purpose of the Student Tuition
21 Recovery Fund to provide assistance to Corinthian Colleges, Inc.,
22 students to obtain federal and private loan discharge and other
23 financial aid relief.

24 (b) Upon appropriation by the Legislature, in response to the
25 student harm caused by the practices and unlawful closure of an
26 institution, Corinthian Colleges, Inc., grant funds shall be timely
27 provided in accordance with this section to eligible nonprofit
28 community service organizations, including, but not limited to,
29 legal aid organizations and organizations offering free services for
30 counseling on student financial aid and loan debt problems,
31 organizations, to assist the eligible students of that closed
32 institution, including veterans, for no less than one year following
33 the closure of the institution, by relieving or mitigating the
34 economic and educational opportunity loss associated with the
35 closure of the incurred by eligible students of that institution.
36 Services

37 (c) Services provided by eligible nonprofit community services
38 organizations shall include assistance with loan discharge and
39 other student financial aid, veterans education benefits, loan-related
40 relief, and tuition recovery-related claims. Assistance may include,

1 but is not limited to, outreach and education, screening requests
 2 for assistance, referring students for additional legal assistance
 3 through pro bono referral programs, and legal services. The

4 ~~(d) The terms and conditions of the grant funds may permit~~
 5 ~~recipients to use excess grant funds to provide assistance to other~~
 6 ~~clients related to school closure or student debt. For agreements~~
 7 ~~shall ensure that grant funds are used for the exclusive purpose~~
 8 ~~of assisting eligible students with federal and private loan~~
 9 ~~discharge and other financial aid relief, and that students eligible~~
 10 ~~to claim recovery through the Student Tuition Recovery Fund are~~
 11 ~~referred to the bureau for assistance with claim processing.~~

12 (e) For purposes of this section, an “eligible nonprofit
 13 community service organization” is an organization that satisfies
 14 all of the following conditions:

15 (1) The organization is a 501(c)(3) tax-exempt organization in
 16 good standing with the Internal Revenue Service and in compliance
 17 with all applicable laws and requirements.

18 (2) The organization demonstrates expertise in assisting students
 19 with, and currently provides free direct legal services to students
 20 for, or will work in partnership with or under the supervision of
 21 an attorney or a nonprofit legal services organization that has
 22 demonstrated expertise in assisting students with, student loan and
 23 tuition recovery-related matters.

24 (3) The organization does not charge students for services,
 25 including services provided pursuant to this section.

26 ~~(b) (1) The aggregate amount of these grant funds, which shall~~
 27 ~~be made available from the Student Tuition Recovery Fund, shall~~
 28 ~~be calculated by multiplying the number of students affected by~~
 29 ~~the institution’s closure by one hundred dollars (\$100).~~

30 ~~(2) The reasonable administrative costs of the Attorney~~
 31 ~~General’s office pursuant to this section shall be made available~~
 32 ~~from the Student Tuition Recovery Fund.~~

33 (f) For purposes of this section, an “eligible student” is a student
 34 who was enrolled at a California campus of, or a California student
 35 who was enrolled in an online campus of, a Corinthian Colleges,
 36 Inc., institution, and who is eligible to apply for debt relief from
 37 the United States Department of Education or other student
 38 financial aid relief.

39 (e)

1 (g) (1) The bureau shall notify the Attorney General of all
2 unlawful school ~~closure~~ *Corinthian Colleges, Inc.*, closures within 15 days
3 of the ~~closure~~. *effective date of this section.*

4 (2) The notification shall include the name and location of the
5 school, the programs, and the number of students affected at each
6 site of the school, as appropriate. The bureau shall provide the
7 Attorney General with all additional information that the Attorney
8 General may ~~request~~. *request, provided that the bureau has access*
9 *to the requested information.*

10 (3) The Attorney General shall, within 90 days of receipt of the
11 notification, solicit grant applications from eligible nonprofit
12 community service organizations as described in subdivision ~~(a)~~,
13 ~~(e)~~, select one or more of these organizations from among the
14 applicants who are deemed to be qualified by the Attorney General,
15 set additional terms and conditions of the grants as necessary, and
16 notify the bureau and the recipient organization or organizations
17 of the ~~selection~~. *selection and the share of grant funds available*
18 *that the organization shall receive.* The Attorney General may
19 enter into a contract with another qualified entity to perform the
20 Attorney General's duties under this subdivision.

21 ~~(d)~~

22 (h) An eligible nonprofit community service organization that
23 receives funds pursuant to this section shall enter into a grant
24 agreement with the Attorney General, or a qualified entity entrusted
25 with this authority pursuant to paragraph (3) of subdivision ~~(e)~~,
26 ~~(g)~~, as applicable, and shall use grant funds exclusively for the
27 purposes set forth in this section in accordance with the agreement.
28 Any unused funds shall be returned to the Attorney General ~~unless~~
29 ~~the parties of the agreement enter into a new agreement authorizing~~
30 ~~the organization to expend the unused funds.~~ *General, for return*
31 *to the Student Tuition Recovery Fund.* The Attorney General, or
32 a *contracted* qualified entity, may terminate the *grant* agreement
33 for material ~~breach~~. *breach, and may require repayment of funds*
34 *provided to the nonprofit community service organization during*
35 *the time that the agreement was being materially breached.*
36 However, the Attorney General, or a qualified entity, shall provide
37 the grantee with written notice of the breach and a reasonable
38 opportunity of not less than 30 days to resolve the breach.

39 ~~(e)~~

1 (i) An eligible nonprofit community service organization that
2 receives a grant may give priority to low-income students if
3 demand exceeds available grant funds. Otherwise, the organization
4 may provide assistance regardless of student income level.

5 ~~(f)~~

6 (j) (1) An eligible nonprofit community service organization
7 that receives a grant shall report to the Attorney General, or a
8 qualified entity pursuant to paragraph (3) of subdivision ~~(e)~~; (g),
9 as applicable, quarterly through the grant period on ~~the number of~~
10 ~~students served from the date funds are distributed.~~ *all of the*
11 *following:*

12 (A) *The number of eligible students served pursuant to the grant*
13 *agreement.*

14 (B) *A detailed summary of services provided to those students.*

15 (C) *The number of Student Tuition Recovery Fund claims*
16 *referred to the bureau.*

17 (D) *The number of federal loan forgiveness claims filed and the*
18 *number of those claims approved, denied, and pending.*

19 (E) *Any other information that is deemed appropriate by the*
20 *Attorney General or qualified entity, as applicable.*

21 (2) *The Attorney General or qualified entity, as applicable, shall*
22 *make the reports submitted pursuant to paragraph (1) available*
23 *to the Legislature and the bureau upon request.*

24 (3) *The Attorney General or qualified entity, as applicable, shall*
25 *provide the Legislature and the bureau a final report summarizing*
26 *the information submitted pursuant to paragraph (1) promptly*
27 *following the time when all funds are expended by the grantees or*
28 *by August 1, 2018, whichever is earlier.*

29 ~~(g)~~

30 (k) Funds shall be distributed to preapproved nonprofit
31 community service organizations as follows:

32 ~~(1) For a school closure involving fewer than 250 students, 100~~
33 ~~percent of the grant funds shall be distributed within 30 days of~~
34 ~~the grantee entering into a grant agreement.~~

35 ~~(2) For a school closure involving 250 or more students:~~

36 ~~(A)~~

37 (1) Fifty percent shall be distributed *to the grantee* within 30
38 days of the grantee entering into a grant agreement.

39 ~~(B)~~

1 (2) Twenty-five percent shall be distributed *to the grantee* upon
2 the submission of the grantee's second quarterly report.

3 ~~(C)~~

4 (3) Twenty-five percent shall be distributed *to the grantee* upon
5 the submission of the grantee's third quarterly report.

6 (l) *Eligible nonprofit community service organizations may use*
7 *grant funds received pursuant to this section to pay the costs of*
8 *assisting eligible students who have been served after the date of*
9 *closure until June 30, 2018, or until any later date as may be*
10 *determined necessary by the Attorney General.*

11 (m) *The adoption of any regulation pursuant to this section*
12 *shall be deemed to be an emergency and necessary for the*
13 *immediate preservation of the public health and safety, or general*
14 *welfare.*

15 ~~SEC. 11.~~

16 ~~SEC. 7. (a) The sum of one million three hundred thousand~~
17 ~~dollars (\$1,300,000) is hereby appropriated from the Student~~
18 ~~Tuition Recovery Fund to the Bureau of Private Postsecondary~~
19 ~~Education Attorney General for the purposes of providing grants~~
20 ~~to eligible nonprofit community service organizations to assist~~
21 ~~eligible students affected by the closure of Corinthian Colleges,~~
22 ~~Inc., pursuant to Section 94926.5 of the Education Code, and to~~
23 ~~pay an amount not to exceed one hundred fifty thousand dollars~~
24 ~~(\$150,000) for the reasonable administrative costs of the Attorney~~
25 ~~General's office related to these grants, as provided in subdivision~~
26 ~~(b). Eligible nonprofit community service organizations may use~~
27 ~~grant funds received pursuant to this section for affected students~~
28 ~~who have been served from the date of closure. grants.~~

29 ~~(b) Grants shall be issued consistent with the procedures~~
30 ~~specified in Section 94926.5 of the Education Code, except that~~
31 ~~the Bureau of Private Postsecondary Education shall ensure that~~
32 ~~these grant funds are made available within 30 days of the~~
33 ~~enactment of this section.~~

34 ~~(c) The adoption of any regulation pursuant to this section shall~~
35 ~~be deemed to be an emergency and necessary for the immediate~~
36 ~~preservation of the public, health, and safety, or general welfare.~~

37 ~~(d) For purposes of this section the following definitions shall~~
38 ~~apply:~~

1 (1) ~~“Eligible nonprofit community service organization” shall~~
2 ~~have the same meaning as specified in subdivision (a) of Section~~
3 ~~94926.5 of the Education Code.~~

4 (2) ~~“Eligible students affected by the closure of Corinthian~~
5 ~~Colleges, Inc.” means either of the following:~~

6 (A) ~~A student who was enrolled at a California campus of a~~
7 ~~Corinthian Colleges, Inc., institution and was unable to complete~~
8 ~~an education program offered by the campus due to the campus’s~~
9 ~~closure on April 27, 2015.~~

10 (B) ~~A student who was enrolled at a California campus of a~~
11 ~~Corinthian Colleges, Inc., institution and withdrew from an~~
12 ~~education program offered by the campus after the earlier of either~~
13 ~~(i) 120 days before the April 27, 2015, closure, or an earlier date~~
14 ~~as may be determined by the Bureau for Private Postsecondary~~
15 ~~Education pursuant to Section 94923, or (ii) the date set by the~~
16 ~~United States Department of Education for closed school loan~~
17 ~~discharge eligibility.~~

18 ~~SEC. 12. If the Commission on State Mandates determines~~
19 ~~that this act contains costs mandated by the state, reimbursement~~
20 ~~to 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. 13.~~

24 ~~SEC. 8. 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.~~