

Date of Hearing: June 14, 2016

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

SB 1059 (Monning) – As Amended April 18, 2016

**[Note: This bill is double referred to the Assembly Veterans' Affairs Committee and will be heard as it relates to issues under its jurisdiction.]**

**SENATE VOTE:** 36-0

**SUBJECT:** Postsecondary education: Title 38 awards

**SUMMARY:** Would authorize unaccredited law schools, as specified, to participate in federal veteran's education benefits. Specifically, **this bill:**

- 1) Would authorize an institution that obtains and provides evidence to the California State Approving Agency for Veteran's Education (CSAAVE) that it has been "accredited" by the Committee of Bar Examiners, to receive approval from CSAAVE for participation in Title 38 veteran's education benefits, provided the institution does both of the following:
  - a) Provides disclosures to applicants of the school who are eligible for federal Title 38 awards of the institution's tuition costs, refund policies, class sizes, number of faculty, attrition rates, bar passage data, and employment outcomes of graduates; and,
  - b) Is in compliance with all applicable CSAAVE rules and regulations and is in good standing with the Committee of Bar Examiners.

**EXISTING LAW:**

- 1) Requires the Committee of Bar Examiners (CBE) of the State Bar of California to be responsible for the approval, regulation, and oversight of degree-granting law schools, as specified; and provides, among other outlined requirements, a person that is authorized to practice law in California to complete an educational component, which can be met through any of the following (Business and Professions Code 6060 et. seq.):
  - a) Receipt of a juris doctor degree or a bachelor of laws degree by a law school accredited by the CBE or by the American Bar Association (ABA).
  - b) Studied law diligently and in good faith for at least four years in any of the following manners:
    - i) In a law school that is authorized or approved to confer professional degrees and requires classroom attendance of its students for a minimum of 270 hours a year.
    - ii) In a law office in this state and under the personal supervision of a member of the State Bar of California who is, and for at least the last five years continuously has been, engaged in the active practice of law. It is the duty of the supervising attorney

- to render any periodic reports to the examining committee as the committee may require.
- iii) In the chambers and under the personal supervision of a judge of a court of record of this state. It is the duty of the supervising judge to render any periodic reports to the examining committee as the committee may require.
  - iv) By instruction in law from a correspondence law school authorized or approved to confer professional degrees by this state, which requires 864 hours of preparation and study per year for four years.
  - v) By any combination of the aforementioned methods.
- 2) Requires CSAAVE, a federally funded agency that operates under an annual reimbursement contract with the United States Veteran's Affairs (VA), to review, evaluate and approve educational and training programs for veteran's benefits. Among other requirements for approval by CSAAVE, California law requires an institution which grants academic degrees to be accredited by an accrediting agency recognized by the U.S. Department of Education (USDE). (Education Code Sections 67100, 67101, 67102).

**FISCAL EFFECT:** Unknown. Negligible fiscal impact according to the Senate Rule 28.8.

**COMMENTS:** *Background.* In response to concerns that unscrupulous for-profit colleges were targeting veteran students in order to access federal Title 38 education benefits, and leaving students with high debt levels and low-value degrees or certificates, the Legislature enacted AB 2099 (Frazier), Chapter 676, Statutes of 2014.

AB 2099 required colleges approved by CSAAVE to (1) be accredited by an accrediting agency recognized by the USDE, if the institution grants academic degrees; (2) disclose information regarding licensure examination passage rates to prospective students, if applicable; and, (3) to be approved by the Bureau for Private Postsecondary Education (thereby making their students eligible for a series of consumer protections, including disclosures, complaint resolution, and access to a tuition recovery fund) if the institution is a for-profit college.

*Purpose of this bill.* According to the author, most law schools in California are approved by the ABA, which is a USDE-recognized accrediting agency. Due to the cost-prohibitive nature of ABA's approval requirements, 19 law schools in California, both non-profit and for-profit, have instead opted to become accredited by the CBE. According to the author, CBE-accredited law schools tend to attract a different student population, including older, working students, students with families, or those seeking a second career and require part-time night courses in order to achieve a juris doctorate. The author notes, as further outlined below, CBE-accreditation provides for review and oversight of quality standards. CBE, however, is not recognized by the USDE, and therefore CBE-accredited institutions do not meet the CSAAVE accreditation requirements established in AB 2099. This bill would authorize CBE-accredited law schools to be approved by CSAAVE for purposes of Title 38 veterans' education benefits.

*CBE accreditation requirements.* CBE-accreditation of law schools is governed by Division 2, Accredited Law School Rules, of Title 4, the Admissions and Educational Standards. These

Standards and their implementing Guidelines provide for the governance, administration, curriculum requirements, and academic and admission policies with which a school must comply. The Standards and Guidelines include all of the following provisions and requirements:

- 1) Acknowledgement that CBE does not intervene in disputes between a student and law school. However, CBE retains complaints about a law school and considers those complaints in assessing the law school's compliance with the rules.
- 2) The ability of CBE to provide information publicly, upon written request (Rule 4.108 outlines that certain portions of applications, summaries of inspection reports and portions of annual reports may be made available upon written request).
- 3) Application requirements and procedures, including an inspection visit for every applicant for accreditation in order to verify the information submitted by the school. The team inspecting the institution must provide an inspection report.
- 4) Standards governing CBE-accredited law schools covering institutional integrity, governance, deans and faculty, educational and scholastic standards, admissions, libraries, financial resources, and records.
- 5) Institutions are required to exceed a minimum cumulative bar pass rate (MPR), which is currently set at 40%. According to information on the CBE website, two institutions do not meet the MPR: Southern California Institute of Law has an MPR of 25.32, and Pacific Coast University School of Law has a pass rate of 28.20.
- 6) An annual compliance report is required. Institutions are also subject to periodic inspection and are required to submit a self-study prior to a periodic inspection.
- 7) Rules also require notification to CBE of a major change, which includes various changes in the academic program, change of location, ownership, name, from a for-profit to non-profit, or other change as outlined.
- 8) Noncompliance actions by CBE can include termination of accreditation; schools are provided a hearing and appeal process prior to accreditation termination.

*Bar rates by law school type.* The following table represents the pass rates for the general bar examination, by law school type, for the July 2015 bar examination.

	First-Timers			Repeaters			All Takers		
	Took	Pass	Pass Rate	Took	Pass	Pass Rate	Took	Pass	Pass Rate
ABA-Approved	3535	2411	68.2%	823	194	23.6%	4358	2605	59.8%
CBE-Accredited	335	71	21.2%	469	37	7.9%	804	108	13.4%
CBE-Unaccredited	73	16	21.9%	207	15	7.2%	280	31	11.0%

*Disclosure requirements.* This bill would require, for purposes of CSAAVE-approval, CBE-accredited law schools to provide specified disclosures to applicants of the school who are eligible for federal Title 38 awards. ***Committee staff recommends this provision be amended to***

***require this disclosure be provided to all prospective students.*** Specified disclosures contained in this bill include tuition, refund policies, class sizes, number of faculty, attrition rates, bar passage data, and employment outcomes of graduates. However, language in the bill does not specify how this data would be calculated. Committee staff understands the author's intent is that data would be reported consistent with the reporting requirements contained in SB 1281 (Block), currently pending in the Assembly Judiciary Committee, which would amend the Business and Professions Code to require disclosure from all non-ABA approved law schools. ***Committee staff recommends incorporating and/or cross referencing those reporting definitions and requirements in the Education Code section amended by this bill.***

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

Alton & Allen, Inc.  
American G.I. Forum of California  
AMVETS-Department of California  
Association of California Accredited Law Schools  
California Association of County Veterans Service Officers  
California State University, Monterey Bay  
Cal Northern School of Law  
City of Seaside, California – Office of the Mayor  
Hartnell Community College District  
Law Office of Michael Sampson  
Lincoln Law School of Sacramento  
Monterey College of Law  
Monterey County Business Council  
Panetta Institute for Public Policy  
Trinity Law School  
Veterans Transition Center of Monterey County  
VFW-Department of California  
13 Individuals

##### **Opposition**

None on File

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