

Date of Hearing: March 15, 2022

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 1731 (Davies) – As Introduced January 31, 2022

SUBJECT: Postsecondary education: Title 38 awards: postsecondary educational institutions: application for approval or renewal

SUMMARY: Requires the California State Approving Agency for Veterans Education (CSAAVE), on or before January 1, 2024, to establish regulations requiring postsecondary educational institutions to provide specified information to CSAAVE as part of an application for approval or renewal. Specifically, **this bill**:

- 1) Requires on or before January 1, 2024, CSAAVE to establish regulations requiring postsecondary educational institutions to provide the following information to CSAAVE as part of an application for approval or renewal:
 - a) The institution's cohort default rate.
 - b) Evidence that the institution meets financial responsibility requirements that shall be established by CSAAVE.
 - c) Evidence of the institution's accreditation status.
 - d) Whether a student, former student, or public prosecutor has filed a lawsuit against the institution for fraud, misrepresentation, or deceit within five years before the institution's application for approval or renewal, including both pending and resolved lawsuits.
 - e) If the institution makes an implied or express representation that it prepares students to work in a profession, occupation, trade, or career field requiring licensure or certification by the state, the following information shall also be disclosed:
 - i) Whether the institution has obtained a required approval by the appropriate state licensing or certifying agency for the profession, occupation, trade, or career field;
 - ii) Whether the institution meets all requirements necessary to allow a student to lawfully obtain a state license or certificate;
 - iii) The license or certificate passage rate for each program; and,
 - iv) An employment market assessment for nondegree programs.
- 2) Specifies that the provisions of this act are severable, and that if any provision of the act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

EXISTING LAW:

- 1) Provides federal educational benefit awards for certain members and veterans of the Armed Forces of the United States. (38 U.S. Code Section 3001 et al.)
- 2) Establishes that California Department of Veterans Affairs (CalVet) within state government has specified powers and duties relating to veterans, including those relating to education benefits. (Military and Veteran Code (MVC) Section 699.5 et al.)
- 3) Establishes the Title 38 award program, which provides student financial aid to military veterans under the administration of CSAAVE, and requires an institution headquartered or operating in California desiring to enroll students eligible for federal Title 38 awards to apply for approval of its courses to CSAAVE, and authorizes CSAAVE to approve the application of the school when the school and its courses satisfy specified criteria and any additional reasonable criteria established by CSAAVE. (Education Code Section 67100 et al.)

FISCAL EFFECT: Unknown.

COMMENTS: *Purpose.* According to the author, “the bravest and most courageous members of our community are the women and men of the Armed Forces who dedicate their lives to protecting our country. Unfortunately, there are entities and organizations who take advantage of these patriots. Veterans and their families are prime targets for scams and cons by unscrupulous businesses who prey on these individuals for their rightly-earned benefits. It’s time for California to crack down on these entities and ensure we have the strongest protections and regulations available to protect against fraud and deceit.”

Background. CSAAVE is California’s State Approving Agency (SAA), an agency appointed by the Chief Executive of a state to approve institutional programs of education and training for payment of benefits under the various laws administered by U.S. Department of Veterans Affairs. CSAAVE is responsible for the review, evaluation, approval, and oversight of schools and training facilities to ensure state and federal quality criteria are met for veterans using their G.I. Bill funds. CSAAVE also assists the U.S. Department of Veterans Affairs in preventing fraud, waste, and abuse in the administration of the G.I. Bill.

CSAAVE evaluates and approves specific educational programs at the following for use of veterans' education and training benefits. These include:

- 1) Public and private accredited degree-granting institutions.
- 2) Public and private non-college degree (certificate) institutions, accredited or non-accredited.
- 3) Flight schools.
- 4) Apprenticeship sites.
- 5) On-the-job training (OJT) sites.

Title 38 awards. Servicemembers and veterans of the armed forces have access to many different kinds of benefits, including various federal educational aid programs if they meet the applicable eligibility criteria. These include, but are not limited to:

- 1) The Post-9/11 G.I. Bill is available for military members, veterans, and National Guard members who have served on active duty for at least 90 days after September 11, 2001. This benefit covers full tuition and fees at public schools or covers \$26,043 at a private institution, with a monthly housing allowance and a stipend for books for up to 3 years.
- 2) The Montgomery G.I. Bill is available for military members, veterans, and National Guard members who served on active duty for at least two years after June 30, 1985. This benefit provides up to \$25,800 per year for tuition and fees for up to 3 years. A benefit by the same name is available for Military and National Guard members who serve on reserve with a six-year enlistment; they can be eligible for \$4,884 per year for up to 3 years.

Arguments in support. A coalition of public interest and veterans organizations wrote in support of AB 1731, noting that "...AB 1731 is simply a data-collection bill. It does not change CSAAVE's conditions for determining whether an educational institution should be approved for the GI Bill, nor does it limit the information CSAAVE can obtain from an institution when weighing whether their programs are veteran-worthy. Rather, AB 1731 enables CSAAVE to gather key facts needed to carry out its obligation to ensure that our tax dollars are wisely spent and that veterans' sacrifice is honored."

"Prior to COVID, CSAAVE began to issue regulations under California Education Code section 67101 to transparently and accountably establish 'reasonable criteria' for Title 38 approval as permitted by state law. However, CSAAVE has so far not finalized such 'criteria' or finally promulgated such regulations. In the absence of such regulations, California's veterans and the public that honors their service should, at the barest minimum, assure through enduring legislation that CSAAVE will always have before it the most basic information needed to weigh whether or not an education business should be entrusted with a veteran's future and hard-won, one-time benefits."

Related legislation. AB 2099 (Frazier), Chapter 676, Statutes of 2014, established minimum requirements for postsecondary institutions approved by CSAAVE to participate in federal veteran's education benefits.

REGISTERED SUPPORT / OPPOSITION:

Support

California Low-Income Consumer Coalition
 Children's Advocacy Institute
 Consumer Federation of California
 Consumer Protection Policy Center at the University of San Diego School of Law
 Housing and Economic Rights Advocates
 Public Counsel
 Public Law Center
 The Institute for College Access and Success
 Veterans Legal Clinic

Opposition

None on file

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