

May 4, 2015

Corinthian Colleges closes, displaces thousands of students in California

On April 26, 2015, Corinthian Colleges, Inc. announced that it has ceased all operations and discontinued instruction at 28 Heald, Everest, and WyoTech campuses. The closure follows a series of actions by the United States Department of Education (USDOE) and the California Attorney General's Office aimed at protecting students and taxpayers.

In June 2014, Corinthian failed to respond to USDOE's repeated requests for answers about using false and misleading job placement data to market its schools and recruit students and allegations that it might be changing student grade and attendance data to hide performance problems. To mitigate further damage, the Department intensified oversight of Corinthian, ultimately leading to an agreement that put Corinthian on the road to closure. As a first step in that process, Corinthian sold 56 Everest and WyoTech brand campuses in November 2014.

At the time the Department first took action on Corinthian, approximately 72,000 students were enrolled; today, about 15,000 remain at 30 campuses under the control of Corinthian in five states. The closure decision was made by the company, following Corinthian's failure to find a buyer for the remaining campuses who would be willing to abide by conditions put in place by USDOE.

These actions are part of a larger effort by the Department of Education to take strong steps to protect the interest of students and taxpayers. The Obama Administration has led unprecedented efforts to protect consumers from predatory career colleges. It has established new gainful employment regulations to hold career training programs accountable and ensure that students are not saddled with debt they cannot repay. These regulations ensure that programs improve their outcomes for students or risk losing access to federal student aid. Last year, the Department announced a new federal interagency task force to help ensure proper oversight of for-profit institutions.

In addition to actions taken by USDOE, the California Attorney General's Office has an ongoing lawsuit (filed in 2013) against Corinthian for violating consumer protection and securities laws. The Attorney General has stated that the lawsuit will proceed and their office will also be providing assistance to displaced students. They have set up a webpage with information - <https://oag.ca.gov/consumers/general/corinthian-colleges>

CONGRESSIONAL COMMUNITY COLLEGES BILLS OF INTEREST

Federal legislation moves at a much slower pace than at the state level. Congress has a very different calendar and committee hearing process bills can be referred to committees or subcommittees and sit for months. It is very common for multiple bills to be absorbed into one larger bill. That being said, the status of some the federal legislation has not changed since we reported on these bills in the March 2015 Federal Legislative Update.

HR 182: Centralized Report of Veteran Enrollment

H.R. 182 by Congressman Ken Calvert (CA-42) would streamline the Department of Veterans Affairs (VA) processes for community colleges that have multiple campuses. Currently, the VA requires community colleges to certify that their veteran students are enrolled for a specific number of classes before the VA will disperse student benefits. These rules must be updated to account for multi-college Community College Districts, such as Riverside Community College District (RCCD). Without such an update, veterans that take classes at a multi-college District see their benefits delayed while colleges and the VA complete and shuffle unnecessary paperwork. H.R. 182 would direct the Secretary of Veterans Affairs to permit the centralized reporting of veteran enrollment by certain groups, districts, and consortiums of educational institutions.

- **Last Major Action:** Referred to the Subcommittee on Economic Opportunity.

HR 937: Dual Enrollment Grants

Congressman Ruben Hinojosa (D-TX 15) introduced The Fast Track to College Act of 2015. The bill authorizes the Secretary of Education to award matching six-year grants to local educational agencies (LEAs) that partner with institutions of higher education (IHEs) to establish or support dual enrollment programs, such as early college high schools, that allow secondary school students to earn credit simultaneously toward a secondary school diploma and a postsecondary degree or certificate.

- **Last Major Action:** Referred to the House Committee on Education and the Workforce.

S. 60: Eligibility for Postsecondary Education Benefits

S. 60 by Senator David Vitter (R-Louisiana). This bill would prohibit states from offering in-state tuition to undocumented immigrants unless they offer in-state tuition to all Americans. The author contends that 15 states have exploited a loophole in federal immigration policy to extend in-state tuition to undocumented immigrants. States are currently prohibited from granting postsecondary education benefits to undocumented immigrants on the basis of residency. However, using different criteria, such as graduation from an in-state high school (similar to California's AB 540), states have been granting in-state tuition regardless of immigration status. If enacted, this bill would force states to either grant in-state tuition to Americans from every U.S. state or deny in-state tuition to undocumented immigrants that are currently considered residents.

- **Last Major Action:** Referred to the Committee on the Judiciary.

S. 590 Campus Accountability and Safety Act

This bill by Senator Claire McCaskill (D-Missouri) and co-sponsored by a bi-partisan group of 12 Senators will establish new campus resources and support services for student survivors, ensure minimum training standards for on-campus personnel, create new transparency requirements, require a uniform discipline process and coordination with law enforcement, and establish enforceable Title IX penalties and stiffer penalties for Clery Act violations. This bill was referred to the Senate Committee on Health, Education, Labor and Pensions.

- **Last Major Action:** Referred to the Committee on Health, Education, Labor, and Pensions.

S. 706 Survivor Outreach and Support Campus Act

Senator Barbara Boxer (D-CA) introduced the Survivor Outreach and Support on Campus Act (S.O.S. Campus Act). The legislation would require every institution of higher education that receives federal funding to designate an independent advocate for campus sexual assault prevention and response. This advocate would be responsible for ensuring that survivors of sexual assault – regardless of whether they decide to report the crime – have access to: emergency and follow-up medical care, guidance on reporting assaults to law enforcement, medical forensic or evidentiary exams, crisis intervention, and ongoing counseling and assistance throughout the process. Congresswoman Susan Davis (D-San Diego) introduced H.R.1490, a version of this bill in the House.

- **Last Major Action:** Referred to the Committee on Health, Education, Labor, and Pensions.

HR 1503 Community College Energy Training Act of 2015

This bill would require the Secretary of Labor to carry out a joint sustainable energy workforce training and education program. It also appropriates \$100,000,000 for each of the fiscal years 2016 through 2020. Not less than one-half of these funds shall be awarded to community colleges with existing sustainability programs that lead to certificates, credentials, or degrees in one or more of the industries and practices.

- **Last Major Action:** Referred to the House Committee on Education and the Workforce.

S. 649 Higher Education Reform and Opportunity Act of 2015

The Higher Education Reform and Opportunity (HERO) Act would allow all 50 states and the District of Columbia to develop their own systems of accrediting educational institutions, curricula, apprenticeships, job-training programs, and individual courses, all of which would be eligible to receive federal student loan money.

- **Last Major Action:** Referred to the Committee on Health, Education, Labor, and Pensions.