

December 10, 2018

Phil McAllister, Regulatory Actions Coordinator
California Department of Veterans Affairs
1227 O Street, Suite 300
Sacramento, California 95814

By Email: phil.mcallister@calvet.ca.gov

Re: Comment of National Organizations Representing Veterans, Active-Duty Military, and Students in Support of Proposed Rulemaking to Title 12 of California Code of Regulations Regarding CSAAVE Title 38 Approval of Postsecondary Institutions

Dear Mr. McAllister:

The undersigned organizations representing veterans, active duty military, and students write in support of the proposed regulation to adopt California Code of Regulations, title 12, sections 443, 444, 445, 446, and 447 concerning additional requirements on postsecondary educational institutions seeking to enroll veterans or persons eligible for Title 38 funds (popularly known as the “GI Bill”).

CSAAVE’s proposed regulations will help ensure proper oversight of schools that seek Title 38 funds. The regulations are especially timely, given the release on December 3, 2018, of a major report by the U.S. Department of Veterans Affairs Inspector General, "[VA's Oversight of State Approving Agency Program Monitoring for Post-9/11 GI Bill Students](#)." This report found dramatically insufficient oversight of Title 38 education and training programs, which has cost taxpayers hundreds of millions of dollars already in improper payments to schools that should not have been approved by the states for Title 38, and which, if not corrected, would “waste an estimated \$2.3 billion in improper payments to ineligible programs over the next five years.”

In addition to costing taxpayers billions in wasted funds, the lack of oversight by some states means that veterans also pay the price in the loss of their hard-earned benefits when they enroll in subpar programs that fail to meet the minimum standards of Title 38 or fall victim to misleading and deceptive recruiting by bad actor schools that should be disapproved under Title 38.

CSAAVE’s regulations will codify CSAAVE’s helpful current practices of carefully checking the education and training programs that seek Title 38 funds. Commendably, CSAAVE has acted proactively to protect veterans from schools that misrepresent their quality, accreditation, costs, transferability of credits, job placement rates, and other metrics—misrepresentations that they rely on to recruit veterans. As a result of CSAAVE’s August 2014 decision to rescind Corinthian’s eligibility to enroll veterans, 1,200 GI Bill beneficiaries were no longer enrolled at Corinthian campuses in California when the school shut down abruptly the following spring.

CSAAVE's disapproval of Corinthian preserved about 8 months of benefits for those 1,200 GI Bill beneficiaries and saved taxpayers \$1.8 million in tuition and fees that otherwise would have been paid to the school.

As explained in your notice of proposed rulemaking, the California State Approving Agency for Veterans Education (CSAAVE) had previously not adopted comprehensive criteria for Title 38 funding. Pursuant to 38 U.S.C. § 3672(a), State Approving Agencies, like California, may adopt additional regulations and policies to ensure careful consideration of educational programs for GI Bill recipients. Specifically, 38 U.S.C. § 3672(a) sets forth the method by which states can approve education programs for the GI Bill: "Approval of courses by State approving agencies shall be in accordance with the provisions of this chapter and chapters 34 and 35 of this title *and such other regulations and policies as the State approving agency may adopt*" (emphasis added).

We strongly support the proposed regulations, which require schools to, among other things:

- Submit data on licensing pass rates, graduation rates, and cohort default rates;
- Comply with federal/state provisions on advertising, representation, claims, and marketing;
- Provide school URL links for use on the CSAAVE website;
- Ensure that graduates qualify to take any required licensing or certification exams;
- Conduct an employment market assessment at program creation to help CSAAVE substantiate student outcomes;
- Agree that CSAAVE can use a school's compliance with standards/rules/requirement by any federal or state licensing or approving agency or entity and any accrediting body, agency or association as a basis for a grant of approval;
- Provide copies of all documents and other materials maintained by the governmental, accrediting, or licensing entity to ensure CSAAVE has knowledge of actions that have been taken; and
- Authorize CSAAVE to suspend approval or immediately disapprove degree programs pursuant to 38 USC section 3679.

These are commonsense requirements and we applaud their adoption.

In addition, we urge the California Department of Veterans Affairs to adopt two suggestions proposed by the University of San Diego School of Law: (1) amending Sec. 445 by incorporating a simple cross-reference to Education Code section 69432.7 to clarify that CSAAVE will not be approving institutions for veterans that fall below what is required for the institution to participate in the Cal Grant program; and (2) amending Sec. 447 to require schools seeking CSAAVE approval to notify CSAAVE in writing of any civil penalty or judgment rendered against a school and to provide all documentation related to such judgment or penalty within 30 days of its receipt.

We believe that the proposed regulations clarify the application of existing federal and state requirements in one place. They offer predictability for institutions and students alike and will help ensure the proper protection of veterans and taxpayers alike.

Sincerely,

Army Aviation Association of America

Association of the United States Navy

Blue Star Families

Code of Support Foundation

High Ground Veterans Advocacy

Iraq and Afghanistan Veterans of America

Ivy League Student Veterans

The Military Chaplains Assn. of the USA

John L. Ballantyne
Senior Vice President and Chief Operating Officer
Military Child Education Coalition

Abby Shafroth
National Consumer Law Center, on behalf of our low-income clients

National Military Family Association

Non Commissioned Officers Assn.
of the United States of America

Service Women's Action Network

Stanford University Student Veterans

Student Veterans of America

Swords to Plowshares

The Institute for College Access and Success



The Retired Enlisted Association



U.S. Coast Guard Chief Petty Officers
Association & Enlisted Association



Veterans Education Success



Veterans for Common Sense