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# SENATE COMMITTEE ON EDUCATION

Senator Carol Liu, Chair  
2015 - 2016 Regular

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**Author:** Medina  
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**Subject:** Higher education: campus closures: Corinthian Colleges

## SUMMARY

This bill provides for various forms of assistance to students impacted by the recent closure of the Heald, Everest and Wyotech campuses owned by Corinthian Colleges Inc. (CCI) and operated in California.

## BACKGROUND

Existing law:

### *BPPE Oversight*

- 1) Establishes the California Private Postsecondary Education Act (Act) of 2009 until January 1, 2017, which provides for the approval, regulation, and enforcement of private postsecondary educational institutions by the Bureau for Private Postsecondary Education (BPPE) within the Department of Consumer Affairs (DCA). (Education Code § 94800-94950)
- 2) Provides for specified exemptions from BPPE oversight. These include an exemption for an institution that is accredited by the Accrediting Commission for Senior Colleges and Universities (ACSC), Western Association of Schools and Colleges (WASC), or the Accrediting Commission for Community and Junior Colleges (ACCJC). An institution accredited by a regional accrediting agency, recognized by the United States Department of Education (USDE) is also exempt from oversight until January 1, 2016, but is required to comply with requirements related to the Student Tuition Recovery Fund (STRF). (EC § 94874, § 94874.1)
- 3) Authorizes an institution exempt from the Act to apply for Bureau approval and specifies that the institution shall be subject to all of the provisions of the Act and Bureau oversight. (EC § 94874.8)
- 4) Establishes various fair business practices and prohibits an institution from engaging in certain activities such as false advertising, promising or guaranteeing employment. (EC § 94897)
- 5) Establishes the Student Tuition Recovery Fund (STRF), administered by the Bureau, to relieve or mitigate economic loss suffered by students enrolled at a non-exempt private postsecondary education institution due to the institutions' closure, the institutions' failure to pay refunds or reimburse loan proceeds, or the institutions'

failure to pay students' restitution award for a violation of the Private Postsecondary Education Act. (EC § 94923 – 94925)

- 6) Requires institutions to annually report to the Bureau on completion, placement, licensure and salary of students/graduates and establishes various definitions for this purpose and further requires that the information used to substantiate the reported rates and information be documented and maintained by the institution for five years from the date of the publication of the rates and be retained by the institution in an electronic format. (EC § 94928 – 94929.9)
- 7) Requires fees pursuant to the Act to be deposited in the Private Postsecondary Education Administration Fund (PPE Fund), authorizes the Bureau to adjust fees if it determines that the fees established in the Act are inconsistent with the intent, and prohibits the PPE Fund from having a reserve balance greater than the amount necessary to fund six months of authorized operating expenses of the Bureau in any fiscal year. (EC § 94930)

### ***School Closures***

- 8) Requires an institution to notify the Bureau in writing of its intention to close at least 30 days prior to closing, and to include in its notice a closure plan that includes a plan for providing teach-outs of educational programs, or, if no teach-out plan is contemplated, or a student does not wish to participate in a teach-out, include arrangements for making refunds within 45 days from the date of closure, or as applicable, arrange for refunds and the return of federal student financial aid program funds. Existing law also requires, as applicable, an institution to provide students information concerning these financial aid programs and institutional closures, and requires the closure plan to include a plan for the disposition of student records. (EC § 94926)
- 9) Requires all private postsecondary institutions, including those exempt from the Act, prior to closing to provide the Bureau with pertinent student records, including transcripts, and if accredited to provide a plan, approved by the institution's accrediting agency, for the retention of records and transcripts that provides information as to how a student may obtain a transcript or any other information about the student's coursework and degrees completed. (EC § 94927.5)

### ***Financial Aid***

- 1) Requires an institution, in making consumer loans to students, to comply with the Federal Truth in Lending Act. (EC § 94918)
- 2) Requires the Board of Governors (BOG) to charge each student a \$46 per unit per semester fee and requires a waiver of these fees for students meeting specified income requirements, among others. (EC § 76300)
- 3) Authorizes the Cal Grant program, administered by the California Student Aid Commission (CSAC), to provide grants to financially needy students to attend college. The program consists of the Cal Grant A, Cal Grant B, and Cal Grant C programs and eligibility is based upon financial need, grade point average, California

residency, and other eligibility criteria, as specified. The program also establishes requirements for institutional participation. These include a three-year Cohort Default Rate (CDR) of less than 15.5 percent and a Graduation Rate (GR) of no less than 20 percent (this rate increases to 30 percent in 2016-17). (EC § 69430, et seq.)

- 4) Establishes, under Title IV of the Federal Higher Education Act of 1965, the federal student aid program, administered by United States Department of Education (USDE) to provide grants, loans and work-study funds from the federal government to eligible students enrolled in eligible colleges or career schools (20 U.S.C. § 1070, et seq.). Institutional eligibility requirements for Title IV financial aid, include that institutions be “authorized” by each state in which they operate, and have an independent state-level student complaint process.  
(34 Code of Federal Regulations § 600.9)

## ANALYSIS

This bill provides for various forms of assistance to students impacted by the recent closure of the Heald, Everest and Wyotech campuses owned by Corinthian Colleges, Inc. (CCI) and operated in California: It:

- 1) Establishes assistance through the California Community Colleges (CCC). Specifically it
  - a) Declares the Legislature’s intent that the CCC utilize available resources to provide matriculation services, as specified, to students previously enrolled at Corinthian Colleges, Inc. (CCI) institutions and harmed by the their closure.
  - b) Appropriates \$100,000 in Prop 98 General Fund monies to the CCC Chancellor, to be allocated to a CCC district to conduct a statewide media campaign to inform these students of educational opportunities available at CCCs.
  - c) Makes a student who was enrolled at a CCI campus on April 27, 2015, or withdrew within 120 days (or a greater period as determined by the BPPE) prior to the CCI closure, and did not complete their educational program, eligible for a Board of Governor’s (BOG) Fee Waiver until July 1, 2018.
- 2) Establishes assistance through the Cal Grant Program. It:
  - a) Requires that a student who enrolled in and received a Cal Grant award in 2013-14 or 2015-16 academic year at a CCI institution and who was unable to complete their educational program due to its closure have Cal Grant eligibility restored for up to 2 award years.
  - b) Makes eligibility for Cal Grant restoral contingent upon Bureau for Private Postsecondary Education confirmation of the student’s enrollment at a CCI campus, as specified.
  - c) Requires that an eligible student notify the California Student Aid Commission (CSAC) by January 1, 2017 of the intent to use the restored award and to enroll in a Cal Grant eligible institution.

- 3) Establishes assistance through the state professional licensing process. It:
  - a) Authorizes a state agency that provides professional certification, registration or licensure to, on a case by case basis, consider former Corinthian Colleges, Inc. (CCI) students that received applicable education and training for certification, registration or licensure for a period of up to two years from the date of the CCI closure.
  - b) Requires that the consideration extended in (a) be at the discretion of the state agency and in accordance with its public protection mandate and applicable criteria it has established for consumer safety.
- 4) Establishes the following assistance through the Student Tuition Recovery Fund (STRF) program:
  - a) Expands eligibility for payments from the STRF to include a student enrolled at a California campus of a CCI institution or a California student enrolled in an online program offered by an out-of-state CCI campus, who meets all other eligibility requirements, and was enrolled on, or withdrew within 120 days of (or a greater period as determined by the Bureau for Private Postsecondary Education), April 27, 2015, regardless if the institution attended by the student was exempt from the Act.
  - b) Requires that a CCI student eligible under the conditions outlined in (a) be eligible for payments from the STRF despite not having paid any STRF assessment.
  - c) Expands and makes changes the STRF program. It:
    - i) Clarifies that STRF is available to relieve or mitigates economic loss suffered by a California resident student enrolled through a distance education program offered by an institution with a physical presence in the state, (including its affiliates), but excepts from this provision students that attend nonpublic, nonprofit institutions incorporated in California and accredited by an agency recognized by the United States Department of Education (USDE) that is exempt from the Act.
    - ii) Requires that a student's eligibility for STRF not be lessened nor the amount of the student's economic loss reduced unless a student loan has been forgiven, discharged or cancelled.
    - iii) Authorizes an institution to submit STRF assessments on behalf of its students but prohibits an institution from advertising or marketing this as a benefit the institution provides for its students.
    - iv) Requires, for institutions approved to operate after the bill's effective date, the Bureau to collect STRF assessments for all enrolled students from an institution upon issuance of the institution's approval to operate.

- v) Requires, for institutions approved to operate prior to the bill's effective date, the Bureau to collect Student Tuition Recovery Fund (STRF) assessments from the institution for its enrolled students for whom an assessment has not been collected, including assessments for students enrolled in distance education programs.
  - vi) Increases the maximum allowable fund balance in the STRF from \$25 million to \$50 million, and makes other conforming changes.
- 5) Establishes additional assistance under the requirements regarding school closures. Specifically it:
- a) Requires that, until January 1, 2020, a single point of contact (SPOC) be established to respond to the closure of institutions that do not comply with state and federal law and to ensure that students receive accurate and timely information regarding the closure process and their rights and responsibilities under federal and state law, and requires the SPOC's duties to include, but not be limited to:
    - i) Coordinating and working in consultation with federal and state agencies to determine options and resources available to students and identify criteria which indicate additional steps are necessary for state agencies to take to ensure the protection of the public from school closures.
    - ii) Establishing and maintaining an Internet Web site to:
      - (1) Provide information to students about options available in the event of a school closure.
      - (2) Provide information necessary to help a student make an informed decision about whether to seek a loan discharge or to transfer credits.
      - (3) List the names of institutions that are on the United States Department of Education's (USDE) heightened cash monitoring list.
    - iii) Assisting students in obtaining documentation from a closed institution, including enrollment agreements, records, transcripts and loan information.
  - b) States that consideration shall be granted to establishing the SPOC within the Attorney General's Office (AG) based on specified Legislative findings regarding the AG's related experience.
  - c) Prohibits these provisions from being construed to authorize the AG to breach its responsibilities or provide individual legal assistance or representation of students impacted by school closure and requires that the responsibilities of the SPOC be separate and distinct from the AG's other statutory responsibilities.
- 6) Establishes assistance for student loan related purposes for students affected by a school closure. It:

- a) Establishes until July 1, 2020, a grant program for eligible local nonprofit community service organizations, as specified, to provide specified services to assist students upon the unlawful closure of an institution.
  - b) Specifies that an eligible local nonprofit community service organization must be a 501(c)(3) tax-exempt organization in good standing with the Internal Revenue Service, in compliance with all applicable laws and requirements, and demonstrate expertise in assisting students with student loan matters, and include, but not be limited to legal aid organizations, organizations offering free services for counseling on student loan debt problems, organizations assisting with the arrangement of debt management and settlement plans in order to assist the students, including veterans, for no less than one year following the closure of the institution, with loan discharge and other student loan-related requests and tuition recovery related claims.
  - c) Requires that assistance include, but not be limited to, outreach and education, screening requests for assistance, referring students for additional legal assistance through pro bono referral programs, and legal services.
  - d) Provides that the amount of grant funds shall be calculated by multiplying the number of students affected by the institution's closure by one hundred dollars (\$100).
  - e) Requires the Bureau to notify the Attorney General (AG) of any unlawful school closure within 15 days, as specified, and requires the AG, within 90 days of the receipt of the notification, to solicit grant applications and select one or more recipient organizations from among any applicants deemed qualified by the AG, and authorizes the AG to enter into an agreement with another qualified entity to perform these duties.
  - f) Requires a nonprofit community service organization that receives grant funds to use them exclusively for the specified purposes, authorizes extension of priority to low-income students if demand exceeds available grant funds, and requires specified reporting on the number of students served.
  - g) Requires the distribution of grant funds by the AG, or a qualified entity designated by the AG, as specified, based upon the number of students affected by the school closure.
- 7) Appropriates \$1.3 million from the Private Postsecondary Education Administration Fund to the Bureau for the purpose of providing the financial grants to be provided to nonprofit community service organizations and suspends the existing prohibition on the fund reserve balance requirements until July 1, 2016.
  - 8) Declares the Legislature's intent that unencumbered restitution funds awarded to the state from a lawsuit involving Corinthian Colleges, Inc. (CCI) and its affiliate institutions be used to repay any funds provided to students under the bill's provisions.

**STAFF COMMENTS**

- 1) ***Need for the bill.*** According to the author, while current state and federal laws provide some relief to some students affected by the closure of Corinthian Colleges, Inc. (CCI) campuses, this bill ensures all California students are protected. The author notes that not only are existing relief programs insufficient to support all California students harmed by the CCI closures, evidence is surfacing that students are being provided inaccurate and inconsistent information regarding their rights and options. This bill will ensure that California students harmed by the closure of private, for-profit colleges have access to economic relief and educational opportunity.
- 2) ***What relief is already available?*** Existing state and federal law provide some relief to some students. Students enrolled at the time of closure (or who withdrew within previous 120 days) who could not complete their programs may be eligible for federal student loan discharge. However, students are ineligible for loan discharge if they completed their programs, benefitted from a “teach-out” agreement (whereby the student can complete his or her program through another school), or transferred credits to a similar program. Federal law also permits the department to discharge loans of students who were defrauded by their schools under “defense against repayment,” provisions, although this authority has rarely been used. Student Tuition Recovery Fund (STRF) payments are available to California Wyotech and Everest students who have suffered economic losses. However, as a *Western Association of Schools and Colleges (WASC)* accredited school, Heald Colleges were exempt from Bureau for Private Postsecondary Education (BPPE) oversight, and as such STRF payments are not available to Heald students nor are they available to students enrolled in out-of-state online programs.
- 3) ***What additional relief does this bill propose?*** In summary, this bill would provide these additional sources of relief to students who were enrolled or withdrew from enrollment within 120 days of the date of the Corinthian closures.
  - a) Makes these students eligible for a community college Board of Governor’s (BOG) fee waiver until July 1, 2018 and provides \$100,000 to support a statewide media campaign to support outreach to these students through the existing “I Can Afford College” financial aid awareness campaign.
  - b) Restores Cal Grant eligibility for students who notify California Student Aid Commission (CSAC) that they will enroll in a Cal Grant eligible institution before January 1, 2017.
  - c) Authorizes state agencies, at their discretion, to consider providing these students eligibility for certification, registration or licensure on a case by case basis for up to two years.
  - d) Makes Heald students eligible for STRF payments.
  - e) Establishes, until January 1, 2020, a single point of contact within the Attorney General’s (AG) office to coordinate the efforts of state and federal agencies to

assist students with understanding school closures and their options around student loan forgiveness.

- f) Establishes, until July 1, 2020, a grant program for eligible local nonprofit community service organizations to provide debt related services to students.
  - g) Appropriates \$1.3 million from fees paid by regulated institutions for purposes of providing the financial grants to the nonprofit community service organizations.
- 4) **Corinthian Colleges, Incorporated (CCI) students.** CCI institutions offered a range of programs, including 8-12 month certificate programs, with tuition and fees that from \$13,100-\$21,338, 24-month associate's degree programs with tuition and fees that ranged from \$33,120 and \$42,820, and bachelor's degree programs at a cost of between \$60,096 and \$75,384. According to a 2014 complaint filed by the Consumer Financial Protection Bureau (CFPB), most students attending CCI were low-income, or the first in their families to seek an education beyond high school. In 2012, CCI reported that 85% of its students had family incomes of less than \$45,000 a year. An estimated 57% of CCI students had household incomes of \$19,000 or less, and 35% of CCI students had a household income of less than \$10,000.

Most students attending CCI received federal financial aid. According to CCI's filing with the Securities and Exchange Commission, CCI received 84.8% of net revenue from federal financial aid programs such as Pell Grants and federal loans.

- 5) **Board of Governor (BOG) waivers.** This bill requires that a student affected by the CCI closures, as specified, is automatically eligible for a BOG waiver on that basis. It appears that the vast number of these students would already be eligible for a BOG waiver on the basis that they meet existing income standards or demonstrate financial need. Financial aid policy in California has generally been focused upon the provision of need-based financial assistance. This bill would automatically waive fees for former CCI students whether or not they meet income standards or demonstrate financial need. If these students have been reimbursed from the Student Tuition Recovery Fund (STRF), had Cal Grant eligibility restored, and have no demonstrated financial need, is it reasonable to require waiver of their fees simply on the basis that they attended a CCI?

**Staff recommends** the bill be amended on page 7, line 19 and line 26 to insert "with demonstrated need, as determined by the campus."

- 6) **Cal Grant Restoration.** This bill restores Cal Grant eligibility for Corinthian students who were enrolled and received an award during the specified time period, but were unable to complete their education program due to the closure. For the 2014-15 academic year, all ten of Heald college's campuses were eligible for the Cal Grant program. The remaining two Corinthian institutions, Wyotech and Everest, have been ineligible for Cal Grants since the 2011-12 academic year. As such, only the students enrolled at Heald would be eligible to receive a Cal Grant award under these provisions. According to the California Student Aid Commission (CSAC) in the 2014-15 academic year, 7% of these students received a Cal Grant A, 34% received a Cal Grant B and 59% received a Cal Grant C. Based on the criteria outlined in the bill, CSAC indicates that approximately 2,000 students would qualify for one year of

restoration and roughly 150 for a second year. The CSAC estimates this cost to be approximately \$5 million for two years of restoration.

Since the criteria for Cal Grant restoration would only be applicable to Heald students, **staff recommends** the bill be amended to make this clarification.

- 7) **California National Guard Education Assistance Award Program (CNGEAAP).** Heald students may also have participated in the CNGEAAP, a program intended for active members of the National Guard, the State Military Reserve, or the Naval Militia. This competitive incentive program is jointly administered by the California Student Aid Commission (CSAC) and the Military Department for the purpose of retaining individuals in the California National Guard. It is estimated that only a few CNGEAAP recipients attended Heald at the time of the closure. **Staff recommends** the bill be amended to provide restoration for CNGEAAP recipients who attended a Heald College in the same manner it does for Cal Grant recipients.
- 8) **Student Tuition Recovery Fund (STRF).** STRF reimburses “economic loss” for California residents enrolled in eligible institutions at the time of closure. Economic loss includes a student’s tuition, cost of required equipment and materials, and interest on student loan debt used to pay those charges. It does not include supplies, living expenses, or damages such as emotional distress. Although the Act requires the Bureau to establish regulations providing relief for a student whose charges were paid by a third party, (such as an employer or a financial aid program) the Bureau for Private Postsecondary Education (BPPE) has not yet adopted these regulations.

The STRF is supported by fees collected from each student at regulated schools. The amount of this fee was reduced to zero effective January 1, 2015 as the current balance (approximately \$28 million) exceeds the statutory cap of \$25 million. This bill would increase the cap to \$50 million in order to accommodate the increased demand that would be created by the expanded STRF eligibility created by its provisions. The Bureau estimates it has received about 130 STRF claims from eligible Corinthian Colleges, Inc. (CCI) students.

As previously noted, this bill extends the right to reimbursement from STRF to students who were enrolled at Heald. As such this group of students would be placed in a unique position of potentially benefiting from both STRF and the Cal Grant program. Arguably restoral of Cal Grants would provide Heald students more immediate relief than that possible under the STRF process. But the committee may wish to consider:

- a) Should the state underwrite the restoral of Cal Grants which might otherwise be reimbursed to these students under the “economic losses” relief for charges paid by a third party?
- b) Should the state be the “first payor” of benefits intended to compensate students harmed by the actions of a private, for-profit institution?
- c) If Heald students are eligible for STRF, should the bill be amended to require reimbursement to the Cal Grant program for any restoral awards provided to them?

- 9) **Private loans.** Federal rules require that institutions receive at least 10% of revenues from non-Title IV sources ("90/10 rule"). These other sources can include state aid, veteran's aid, and private loans, among other sources. In 2013, the federal Consumer Financial Protection Bureau (CFPB) accused CCI of luring students into its "Genesis" loan program in order to meet the federal "90/10 rule". According to the CFPB complaint, in order to meet the 90/10 rule, CCI increased tuition in order to create "funding gaps" so that students would be required to take out private loans to pay for their education. Corinthian Colleges, Inc. (CCI) offered students their own "Genesis" loans to cover the funding gaps. According to the Consumer Financial Protection Bureau (CFPB), by 2014 the outstanding balance of Genesis loans totaled \$560 million. The complaint sought, among other monetary penalties and student relief, the rescission of all CCI private loans originated since 2011. Several other legal actions and investigations have been initiated by state attorneys general, federal agencies, and the United States Department of Education (USDE) and these complaints include allegations related to CCI's Genesis loans. Unlike federal student loans, there are no standard discharge provisions for private loans and payments are subject to lenders' requirements.
- 10) **Related informational hearing.** On May 13, 2015, the Senate Education and Business, Professions and Economic Development Committees convened a joint hearing, *Corinthian College Closures: What's next for California Students?* According to information provided by the Legislative Analyst's Office (LAO), CCI institutions included 10 Heald campuses, 11 Everest campuses and 2 Wyotech campuses and enrolled about 10,000 California students. The Committees also heard from multiple state agencies including the Attorney General, California Student Aid Commission, and the Bureau and learned that multiple federal and state investigations have revealed that the Corinthian Colleges misrepresented job placement rates to students, unlawfully used official United States military seals, misrepresented the transferability of credits, engaged in unlawful debt collection practices in its private loan program and targeted the most vulnerable of potential students with annual incomes often near the federal poverty line. As a result of this hearing, the committees and bipartisan leadership of the Senate submitted a letter to the US Department of Education articulating their concern that these students be informed and supported so that they could achieve their academic goals while minimizing financial burdens directly related to student loan debt and requested that USDE:
- a) Proactively inform students of their right to a closed school loan discharge.
  - b) Provide students current, reliable information about loan discharges, streamlined application processes, and extend priority consideration of discharges for students impacted by the CCI closures.
  - c) Make certain borrowers eligible for loan forgiveness under defense to repayment provisions.
  - d) Ensure that students understand how a closed school loan discharge will affect future eligibility for federal student aid programs or their ability to transfer to other colleges or universities through non-biased academic and financial aid counseling resources.

- e) Refrain from advising students that they can consider transferring to other institutions that may put them at continued risk and that such institutions be removed from the list of transfer options provided to students.
  - f) Provide students with an "in-person" option for counseling as these students needed more proactive attention than referral to a website.
- 11) **Related federal actions.** On June 8, 2015, the United States Department of Education (USDE) announced steps being undertaken to specifically address the unique circumstances of former Corinthian students. Among these, the USDE reports that it is:
- a) Expanding eligibility for students to apply for a closed school loan discharge by extending the window of time back to June 20, 2014.
  - b) Contacting potentially impacted student borrowers to provide clear information about their options, including loan discharge applications, in addition to providing enhanced information on the Department's website.
  - c) Working with organizations and institutions, some specifically in California, to establish an independent volunteer advising corps to help students navigate and determine which loan forgiveness option is best suited to their situation.
  - d) Relying on evidence established by appropriate authorities in considering whether whole groups of students (for example, an entire academic program at a specific campus during a certain time frame) are eligible for borrower defense relief in order to simplify and expedite the relief process, and reduce the burden on borrowers.
  - e) Appointing a Special Master to oversee borrower defense issues and offering students seeking such relief the option of immediately placing federal loans into forbearance while it works to resolve students' claims.

The Department specifically cites its investigation and analysis of Heald College and relevant California law, where it determined that evidence of misrepresentation exists for students enrolled at Heald College campuses between 2010 and 2015 and that these students may have their federal loans forgiven and receive refunds for amounts paid based on a simple attestation.

- 12) **Corinthian Colleges, Inc. (CCI) related history.** As a part of the informational hearing referenced in staff comment #10 the Legislative Analyst's Office (LAO) provided a timeline of events related to the Corinthian closures. The timeline is attached as part of this analysis.
- 13) **Double-referral.** This bill was previously heard by the Senate Business, Professions and Economic Development Committee which has jurisdiction over bills relating to business and professional practices and periodically conducts sunset review of various boards and licensing agencies, including the Bureau. In addition to

the provisions specifically affecting Corinthian students, the Committee adopted broader changes to strengthen the Act in anticipation of other potential school closures.

Specifically, this bill now authorizes the collection of Student Tuition Recovery Fund (STRF) for students enrolled in a distance education program that has a physical presence in the State and authorizes institutions to pay the STRF assessment on behalf of their students. It also creates an ongoing dedicated single point of contact within the Attorney General's Office to assist any student harmed by a for-profit institution's closure. The Committee analysis also notes that the appropriateness of exemptions from the Act will likely be the subject of future discussions by the Committee.

**SUPPORT**

Board of Governors of the California Community Colleges  
California Community College League  
California Competes  
California Federation of Teachers  
California SEIU  
California Student Aid Commission  
Center for Responsible Lending  
Consumer Federation of California  
Public Advocates  
Public Law Center  
The Institute for College Access and Success  
University of San Diego Center for Public Interest Law  
University of San Diego Children's Advocacy Institute  
University of San Diego Veterans Legal Clinic

**OPPOSITION**

None received.

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**Timeline of Key Events Leading Up To Corinthian Colleges Closure**

<b>1995</b>	Corinthian Colleges Inc. founded. Goes public in 1999.
<b>2002</b>	Corinthian acquires 36-year-old Wyoming Technical Institute (WyoTech).
<b>2004</b>	OAG begins investigating Corinthian's job placement rates, programs, and business practices.
<b>2007</b>	OAG and Corinthian reach settlement including \$6.5 million in refunds, \$700,000 in penalties, closing of 11 substandard programs, and ban on misrepresentation and other unlawful practices.
<b>2007</b>	Corinthian consolidates several acquisitions into Everest College.
<b>2007</b>	Private equity investors acquire 150-year-old Heald chain, convert it to for-profit.
<b>2010</b>	Corinthian acquires Heald College.
<b>2010</b>	Government Accountability Office undercover investigation shows fraudulent and deceptive recruiting practices at several for-profit colleges.
<b>2011, 2012</b>	State tightens Cal Grant eligibility. Corinthian schools lose eligibility due to high student loan default rates. (Heald campuses later regain eligibility).
<b>Jul. 2012</b>	Congressional investigation documents predatory practices, poor student outcomes, and high student debt at for-profit colleges. Spurs push for tougher regulation.
<b>Oct. 2013</b>	OAG sues Corinthian for misrepresenting job placement rates to students and investors and engaging in other unlawful business practices.
<b>Jun. 2014</b>	Following investigation of job placement rates and various business practices, USED suspends Corinthian's access to student aid funds, creating cash flow crisis.
<b>Jun. 2014</b>	CalVet suspends GI Bill benefits for veterans at Corinthian schools.
<b>Jul. 2014</b>	USED and Corinthian finalize agreement to sell or close campuses over six months. USED restores access to student aid funds to facilitate orderly wind-down.
<b>Sep. 2014</b>	Federal Consumer Financial Protection Bureau sues Corinthian over private loan program, alleging misrepresentation, predatory interest, and strong-arm collection tactics.
<b>Feb. 13, 2015</b>	California Student Aid Commission suspends Cal Grant Payments to Heald.
<b>Apr. 14, 2015</b>	USED fines Heald \$30 million for misrepresenting job placements, halts new enrollment.
<b>Apr. 23, 2015</b>	BPPE orders California Everest and WyoTech campuses to stop enrolling students.
<b>Apr. 27, 2015</b>	Corinthian announces immediate closure of Heald, Everest, and WyoTech locations.
<b>May 4, 2015</b>	Corinthian files for Chapter 11 bankruptcy protection.

OAG = California Office of the Attorney General; USED = United States Department of Education; CalVet = California Department of Veterans Affairs; ECMC = Education Credit Management Corporation; and BPPE = California Bureau for Private Postsecondary Education.