

December 7, 2018

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

**Re: Comment of Pro Bono Legal Advocates Representing Veterans, Active-Duty Military and Military Families in Support of Proposed Rulemaking to Title 12 of California Code of Regulations Regarding CSAAVE Title 38 Approval of Postsecondary Institutions**

Dear Mr. McAllister:

As the managing attorney of the Veterans Legal Clinic, a pro bono legal clinic that provides legal assistance to veterans and military personnel, I write in support of proposed sections 443, 444, 445, 446 and 447 of Title 12, Division 2, Chapter 3.6, California Code of Regulations concerning additional requirements on postsecondary educational institutions seeking to enroll veterans or persons eligible to receive Title 38 funds.

Since 2012, the Veterans Legal Clinic has provided pro bono legal assistance to hundreds of California's veterans and military personnel harmed by predatory practices of certain for-profit education businesses. Veterans earn Title 38 funds (commonly referred to as GI Bill benefits) via dedicated and honorable service to our country. Many of our clients have served multiple combat deployments during the course of their service and their GI Bill funds are often a critical bridge to a successful transition back to civilian life.

Unfortunately, all too often certain predatory for-profit education businesses have sought to target veterans with a wide variety of dishonest and disreputable recruiting practices. Many of these schools suffer from low retention and graduation rates, horrible student loan default rates and overall poor educational outcomes. Immediately below are just two representative examples of veterans assisted by the Veterans Legal Clinic, however, there are countless more stories of veterans targeted by certain disgraceful for-profit schools:

**LEGAL CLINICS**

T.O. is a veteran who was medically retired from the United States Marine Corps after suffering catastrophic injuries incurred in a rocket attack while serving in Iraq. This Marine veteran was subsequently rated 100% disabled by the Department of Veterans Affairs ("VA") due to the extent of his injuries which include a serious Traumatic Brain Injury ("TBI"). Despite his injuries, T.O. was intent on pursuing higher education and sought a meaningful career notwithstanding his combat related disabilities. The veteran was recruited to enroll in a for-profit school with a wide range of false promises. He was given false job placement rates, inaccurate data of starting salaries for graduates, falsely told the school was accredited when it was not and misled as to the teaching qualifications and quality of instruction provided by the school. When the veteran left the school midway through the course of study, unbeknownst to him, the school continued to debit the VA for his Post 9/11 GI Bill benefits despite the fact he was no longer enrolled. Adding insult to injury, the veteran was later informed that the school was not providing an educational program that met the minimum standards required to receive GI Bill funds. The VA then decided to retroactively disapprove the school's program and told the veteran that, despite the fact that the school was approved at the time he attended, he would now have to pay the VA back for all of the GI Bill funds that had been expended on his behalf at the school. Since the veteran did not have the funds to pay back the VA, the VA began garnishing his disability compensation benefits that he uses to provide for his basic needs and living expenses.

E.S. is a U.S. Navy veteran who has significant service-connected disabilities. She attended a for-profit school after being fraudulently induced to enroll with false promises as to, *inter alia*, the quality of instruction, time needed to complete the program and guarantees that the school could effectively accommodate her military related disabilities. The for-profit school consistently failed to provide any reasonable accommodations for her disabilities and, further, refused to accommodate necessary VA required medical appointments. Additionally, the school significantly changed the length of time needed to complete its program after the veteran had already enrolled which would have required her to not only expend all of her GI Bill benefits but also incur significant student loans to complete the program. The veteran was then faced with choosing whether to switch to a new school that would not accept the credits she had earned at the for-profit school, or stick with the for-profit program so that her hard earned education benefits already spent would not go completely to waste.

The real-world consequences for veterans harmed by for-profit educational institutions are often devastating. Due to arbitration clauses and class action waivers surreptitiously inserted in enrollment contracts at most for-profit schools, veterans are often unable to find legal representation to assist them outside of the very limited number of pro bono providers that handle consumer protection issues. This means that most veterans harmed by for-profit schools are unable to recover lost funds and either have to forgo further pursuit of quality higher education or incur huge education loans on top of the loss of their benefits. Even for those limited number of veterans who do recover some or all of their lost benefits, they cannot recover the time wasted at

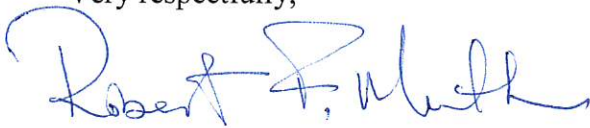
substandard for-profit institutions. For those who have already invested years in service to our country, any squandered time pursuing higher education is intolerable.

In addition to numerous other veterans assisted by the Veterans Legal Clinic who have been harmed by predatory for-profit education businesses, there are hundreds of veterans harmed when the for-profit school they attended, such as Corinthian Colleges, ITT, or smaller regional schools, unexpectedly closed. The instability of the for-profit education business sector is an ongoing concern as just yesterday Education Corp. of America, a school boasting of 20,000 students enrolled, declared bankruptcy. Such closures are particularly harmful for veterans as student veterans rely on their GI Bill benefits not only to cover the cost of tuition, but also to provide a housing subsidy for living expenses.

The California State Approving Agency for Veterans Education (“CSAAVE”) plays a critical role in ensuring that veterans receive the quality education they have earned through their service and that taxpayer funds are not squandered at inferior institutions. The proposed regulations will serve to offer consistency and transparency to CSAAVE’s role in approving Title 38 funding to educational institutions. The modest corrections and additions requested by groups representing veterans, consumers and children will serve to further strengthen protections for veterans and are necessary to ensure that tomorrow’s veterans are protected. Specifically, requiring schools seeking Title 38 funds to meet, at a minimum, the same performance eligibility criteria required by the State’s Cal Grant program and to require schools to self-report civil penalties or judgments to CSAAVE are both wise and reasonable.

The proposed regulations, and suggested modest corrections and additions, are an important step forward in ensuring that veterans receive the education they have earned and deserve. These regulations will assist CSAAVE fulfill its vital mission to protect our nation’s veterans and taxpayers.

Very respectfully,



Robert F. Muth  
Managing Attorney, USD Veterans Legal Clinic