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# SENATE COMMITTEE ON EDUCATION

Senator Connie Leyva, Chair

2019 - 2020 Regular

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<b>Bill No:</b>	SB 634	<b>Hearing Date:</b>	April 24, 2019
<b>Author:</b>	Glazer		
<b>Version:</b>	February 22, 2019		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Olgalilia Ramirez		

**Subject:** Education.

## SUMMARY

This bill eliminates the requirement under current law for the Bureau for Private Postsecondary Education (BPPE) to transmit any available data regarding school performance, including, but not limited to, attendance and graduation rates, to the California Postsecondary Education Commission (CPEC).

## BACKGROUND

Existing law:

- 1) Establishes the California Private Postsecondary Education Act of 2009 (Act) until January 1, 2021, and requires the BPPE within the Department of Consumer Affairs (DCA) to, among other things, review, investigate and approve private postsecondary institutions, programs and courses of instruction pursuant to the Act and authorizes BPPE to take formal actions against an institution/school to ensure compliance with the Act to include closure of an institution/school, if determined necessary. The Act provides for specified disclosures and enrollment agreements for students, requirements for cancellations, withdrawals and refunds, and the BPPE is required to administer the Student Tuition Recovery Fund to provide refunds to students affected by the possible closure of an institution/school. (Education Code (EC) § 94800 *et seq.*)
- 2) Establishes an Office of Student Assistance and Relief for the purpose of advancing and promoting the rights of prospective students, current students, or past students of private postsecondary educational institutions. Tasks the Office with: conducting outreach and providing information and assistance to students who have been affected by the unlawful activities or closure of an institution; serving as a primary point of contact to address the needs of private postsecondary education students and working in consultation with state and federal agencies, including, but not limited to, California Student Aid Commission, the Office of the Chancellor of the California Community Colleges, the Department of Veterans Affairs, the federal Consumer Financial Protection Bureau, and the United States Department of Education. Authorizes the Office to provide outreach to students and prospective students to provide them with, among other information, information on making informed decisions in selecting postsecondary educational institutions, student rights regarding school performance disclosures, enrollment agreements, and cancellation and refund policies, how to contact the office and the BPPE for assistance, student loan

rights and assistance, and free nonprofit community based resources. (EC §§ 94949.7 - 94949.73)

- 3) Specifies various disclosure and reporting requirements around completion, placement, licensure and salary of students/graduates and establishes various definitions for this purpose. Requires an institution to annually report to the BPPE, as part of the annual report, and publish in its School Performance Fact Sheet, the completion rate for each program. Requires reporting of an institution's job placement rate, license examination passage rates for the immediately preceding two years for programs leading to employment for which passage of a state licensing examination is required, salary and wage information, if applicable, the most recent official three-year cohort default rate reported by the United States Department of Education (USDE) for the institution and the percentage of enrolled students receiving federal student loans. States that the BPPE is not limited from being authorized to collect information from an institution to ensure that the information is useful to students, useful to policymakers, based upon the most credible and verifiable data available and that does not impose undue compliance burdens on an institution. (EC §§ 94928 and 94929.5)
- 4) Establishes CPEC, responsible for coordinating public, independent, and private postsecondary education in California and to provide independent policy analysis and recommendations to the Legislature and the Governor on postsecondary education policy. (EC § 66900 *et seq.*)

## ANALYSIS

This bill eliminates the requirement under current law for BPPE to transmit any available data regarding school performance, including, but not limited to, attendance and graduation rates, to the CPEC.

## STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, requiring the BPPE to transmit information about school performance and graduation rates to a state agency that, while unfunded, still exists in statute, causes confusion and may add to BPPE's already impacted workload. The December 2018 bi-annual report from BPPE to the Legislature provided data sets showing that complaint processing continues to be delayed, the number of students applying for tuition recovery is quite low considering the number of potentially eligible students, and BPPE has taken only a handful of real enforcement actions.

The author notes that in the 2011-12 budget, the Governor vetoed funding for CPEC, citing the agency's ineffectiveness in higher education oversight. Although, the Governor eliminated all general fund support for CPEC, its statutory authority remains intact. This bill would delete reference for additional BPPE reporting to CPEC.

- 2) **California Postsecondary Education Commission (CPEC).** The 1960 Master Plan for Higher Education in California articulated basic state policies on higher

education, such as assigning missions to the different higher education segments, specifying eligibility targets and expressing the state's intent that higher education remain accessible, affordable, high-quality and accountable. In addition, the Master Plan created an oversight body, the CPEC tasked with providing fiscal and policy recommendations to the Governor and Legislature; monitoring and coordinating public institutions; and ensuring comprehensive statewide planning for higher education and effective use of resources.

Governor Brown vetoed funding for CPEC in the 2011-12 budget. Staff notes since then several legislative proposals have been introduced to replace CPEC and re-establish a higher education coordinating body. Presumably, if necessary reporting requirements from Bureau for Private Postsecondary Education (BPPE) to new entity when established could be addressed in future legislation.

- 3) ***Bureau for Private Postsecondary Education.*** BPPE is generally responsible for protecting consumers and students against fraud, misrepresentation, or other business practices at private postsecondary institutions that may lead to loss of students' tuition and related educational funds; establishing and enforcing minimum standards for ethical business practices and the health and safety and fiscal integrity of postsecondary education institutions; and establishing and enforcing minimum standards for instructional quality and institutional stability for all students in all types of private postsecondary educational and vocational institutions.

The United State Department of Education establishes that states are responsible for providing primary protection of consumers and students attending postsecondary educational institutions. BPPE approval not only authorizes institutions to operate and serve students in California but also enables institutions to receive public funds through the federal Title IV financial aid programs.

- 4) ***Double-referral.*** This bill was previously heard by the 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 BPPE.
- 5) ***Related legislation.***

SB 3 (Allen, 2019) Establishes the Office of Higher Education Coordination, Accountability, and Performance, administered by the governing board of the office, as the statewide postsecondary education coordination, oversight and planning entity, outlines its responsibilities, functions and authorities including data collection. SB 3 was approved by this committee on April 3, 2019 and was subsequently referred to the Senate Appropriations Committee.

AB 130 (Low, 2019) would establish the Higher Education Performance and Accountability Commission composed of 6 public members with experience in postsecondary education, appointed as the statewide postsecondary education coordination and planning entity. AB 130 would require the commission to develop an independent annual report on the condition of higher education in

California and would establish other functions and responsibilities of the commission, which would include specified advisory duties and acting as a clearinghouse for postsecondary education information. AB 130 has been referred to the Assembly Committee on Appropriations.

**SUPPORT**

None received

**OPPOSITION**

None received

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