

Date of Hearing: April 17, 2012

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Marty Block, Chair

AB 2534 (Block) – As Amended: March 29, 2012

SUBJECT: California Private Postsecondary Education Act of 2009.

SUMMARY: Extends the sunset date on the California Private Postsecondary Education Act from January 1, 2015 to January 1, 2016.

EXISTING LAW establishes the Private Postsecondary Education Act which, among its provisions, requires numerous program performance and student outcome data disclosures and prohibits certain conduct on the part of private postsecondary education institutions. The Act establishes the Bureau for Private Postsecondary Education (Bureau) within the Department of Consumer Affairs to provide oversight and regulation of private postsecondary institutions.

FISCAL EFFECT: Unknown

COMMENTS: Background. California has a long and arduous history of attempted oversight of the private postsecondary education sector. During the late 1980s regulation of the industry was carried out by a division within the State Department of Education. During that time the state developed a reputation as the "diploma-mill capital of the world." As a result of concerns over the integrity and value of the degrees issued by private institutions, the state's regulatory program was overhauled and oversight responsibility for private colleges was transferred to a 20-member Council (SB 190, Morgan, Chapter 1307, Statutes of 1989). Concurrently, the Maxine Waters School Reform and Student Protection Act was adopted (AB 1402, Waters, Chapter 1239, Statutes of 1989) and provided somewhat different requirements and standards for private institutions. The law governing the Council was merged with the Waters Act, creating a fragmented structural framework with numerous duplicative and conflicting statutory provisions. On January 1, 2007, the law authorizing the regulation of the private postsecondary education sector in California was allowed to sunset. Between 2007 and 2009 there were several failed attempts to establish a new regulatory structure. In 2009, the Legislature and the Governor reached agreement on AB 48 (Portantino, Chapter 310, Statutes of 2009) to establish a new Bureau to enforce the provisions of the new Act. The provisions of AB 48 are scheduled to sunset on January 1, 2015.

Purpose of this bill. On February 14, 2012 the Assembly Committee on Higher Education and the Senate Committee on Business, Professions, and Economic Development held a joint hearing to discuss the issue of private postsecondary oversight in California. According to the author, the results of that hearing made clear that the Bureau is both effective and important, but has been hindered by a slower than expected funding stream and staff hiring. According to the author, this bill seeks to extend the Bureau's sunset by one year so that, given the longer than expected timeframe to begin full Bureau operations, it may have enough time to become fully operational.

REGISTERED SUPPORT / OPPOSITION:

Support

None on File

Opposition

None on File

Analysis Prepared by: Laura Metune / HIGHER ED. / (916) 319-3960