

Date of Hearing: April 21, 2015

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 509 (Perea) – As Amended March 26, 2015

**SUBJECT:** California Private Postsecondary Education Act of 2009: exemptions

**SUMMARY:** Exempts from the Private Postsecondary Education Act (Act) and related oversight by the Bureau of Private Postsecondary Education (Bureau) a bona fide organization, association, or council that offers preapprenticeship training programs, on behalf of one or more Division of Apprenticeship Standards (DAS)-approved apprenticeship programs.

**EXISTING LAW:** Under the Act, establishes the Bureau within the Department of Consumer Affairs and provides for Bureau oversight and regulation of California private postsecondary institutions. The Act also provides for a variety of exemptions from oversight by the Bureau for specific types of institutions, largely those where oversight is already provided by other entities. Among the exemptions are institutions offering educational programs sponsored by a bona fide trade, business, professional, or fraternal organization, solely for that organization's membership. (Education Code Section 94800 et seq.)

**FISCAL EFFECT:** Unknown

**COMMENTS:** *Background.* Under the federal Workforce Investment Act (WIA) states are required to establish a list of providers eligible to receive WIA funds for training services provided to WIA clients. In California, this statewide directory is known as the Eligible Training Provider List (ETPL). The California Workforce Investment Board (CWIB) is responsible for implementing policy and procedures regarding WIA and governing the operation of the ETPL.

Among other program quality and performance based provisions, CWIB requires private postsecondary educational providers to have an Approval to Operate from the Bureau prior to being listed on the ETPL. Alternatively, an institution that is exempt from Bureau oversight may provide verification that the provider is exempt from the Act.

Currently, construction trades unions that are registered with the Joint Apprenticeship and Training Committee of the State of California, Department of Industrial Relations, Division of Apprenticeship Standards for purposes of their apprentice training, are exempt from the Bureau for purposes of apprenticeship programs (see Existing Law).

According to the author, the Fresno Regional Workforce Investment Board's multi-craft pre-apprentice training is being conducted by the Fresno/ Madera/ Tulare/ Kings Building Trades Council, a consortium of the building trades unions across the area. The consortium is not approved by the Division of Apprenticeship Standards for purposes of the pre-apprentice program and, because they are providing pre-apprenticeship programs to students beyond their own membership, they do not fall under existing exemptions provided in the Act. Therefore, are required to obtain Bureau approval prior to being placed on the ETPL.

*Purpose of this bill.* The author argues that building trades council organizations are not private postsecondary educational institutions and should not be subject to the provisions of the Act or

the oversight of the Bureau. This bill would provide an exemption from the Act, and the related oversight and consumer protection provided by the Bureau, for a bona fide organization, association, or council that offers preapprenticeship training programs, on behalf of one or more Division of Apprenticeship Standards-approved apprenticeship programs. Thereby allowing these institutions to be placed on the ETPL, and receive WIA funds, without having to obtain approval from the Bureau.

*Committee consideration.* As previously noted, this bill is intended to ensure trade organizations approved by DAS for apprenticeship programs can be placed on the ETPL for purposes of offering pre-apprenticeship programs without having to obtain Bureau approval. The majority of exemptions provided in the Act are based on (1) appropriate oversight being provided by another entity, or (2) a minimal financial risk to public funds or to the students. DAS approves and provides oversight of apprenticeship programs, but not of pre-apprenticeship programs. Meaning that, as currently drafted, there is no clear oversight required in this bill for pre-apprenticeship programs; these programs receive potentially significant public funding through WIA. The author has stated that the intent of this bill is to provide a pathway for these institutions to be placed on the ETPL. Placement on the ETPL requires institutions to meet initial and ongoing program quality and student protection measures.

*Proposed amendment.* The Committee and author may wish to add a requirement, as drafted below, that in order to obtain and maintain exemption from the Act, these institutions must qualify for initial and continued placement on the ETPL. An institution that is removed from the ETPL would be required to obtain Bureau approval in order to continue offering pre-apprenticeship programs.

**94874.** Except as provided in Section 94874.2, the following are exempt from this chapter:

(b) (2) A bona fide organization, association, or council that offers preapprenticeship training programs, on behalf of one or more Division of Apprenticeship Standards-approved apprenticeship programs, that meets all of the following requirements:

(i) An organization, association, or council that is either:

(A) Not currently on the Eligible Training Provider List that has met the requirements for initial placement on the Eligible Training Provider List; or,

(B) Currently on the Eligible Training Provider List that has met the requirements for continued placement on the Eligible Training Provider List.

(ii) The organization, association, or council has not been removed from the Eligible Training Provide List for failure to meet performance standards. An organization, association or council that at any time is removed from the Eligible Training Provider List for failure to meet performance standards may not claim exemption from this chapter until such performance standards are met.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

California Workforce Association (Sponsor)

Building and Construction Trades of Fresno, Madera, Kings and Tulare Counties

Building and Construction Trades of Stanislaus, Merced, Tuolumne and Mariposa Counties

### **Opposition**

None on File

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