

Date of Hearing: April 21, 2015

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 819 (Irwin) – As Introduced February 26, 2015

SUBJECT: Public postsecondary education: alumni associations

SUMMARY: Removes the sunset date on current law which permits the California State University (CSU), the University of California (UC), and Hastings College of the Law (HCL), to disclose the names, addresses, and e-mail addresses of alumni to their “affinity partners” (nonaffiliated businesses with whom the university has a contractual agreement to, among other things, offer commercial products and services to alumni), subject to specified privacy requirements; and, makes changes to the existing disclosure form that the CSU, UC, and HCL must distribute, as specified. Specifically, **this bill:**

- 1) Specifies that the disclosure form that the CSU, UC, and HCL distribute, per existing law, on behalf of their affinity programs, may be provided as a separate document, incorporated into another communication piece intended for the target audience, or through a link to the form located on the Internet Web site of the CSU Trustees and/or UC Regents, the affected alumni association, or the affected auxiliary organization.
- 2) Requires that if the disclosure form is provided through a link to an Internet Web page, the form shall be accompanied by the title "IMPORTANT PRIVACY CHOICE" and a clear and concise description of the choice that can be made by accessing the form. Clarifies that said requirement may be met by using text materially similar, as specified.
- 3) Makes clarifying and technical changes to existing law.

EXISTING LAW:

- 1) Contains a body of statutes, known as the "California Information Practices Act of 1977" (CIPA), which prohibits an individual's name and address from being distributed for commercial purposes or being sold or rented by a state office, officer, department, division, bureau, board, commission or other state agency, unless such action is specifically authorized by law (Civil Code Section 1798.60).
- 2) Establishes the California Financial Information Privacy Act which prohibits financial institutions from sharing or selling personally identifiable nonpublic information without obtaining a consumer's consent, as specified. The Act requires that a consumer consent to an "opt in" for sharing private information with an unaffiliated third party, and requires that consumers be given the opportunity to "opt out" of sharing private information with financial institution's affiliates. Under the act, when a financial institution and an affinity partner (i.e. an organization or business entity that is not a financial institution) have an agreement to issue an affinity card (i.e. a credit card in the name of the affinity partner) or other financial product or service, disclosure of information is generally limited to provision of name, address, telephone number, and electronic mail address. To note, such disclosure is permitted only if specified notice requirements are met and the consumer has not "opted out" of the sharing of the information (Financial Code Section 4054.6).

- 3) Permits UC, CSU, and HCL to release the names and addresses of their alumni to businesses with whom they have affinity-partner agreements, providing certain privacy requirements are met. To note, these provisions are scheduled to sunset on January 1, 2016 (Education Code Sections 89090 and 92630).

FISCAL EFFECT: Unknown

COMMENTS: *Background.* Senate Bill 569 (Torlakson), Chapter 498, Statutes of 2005, authorized CSU, UC, and HCL to allow the controlled disclosure of alumni names and addresses to businesses that are “affinity partners” of those universities. In support of SB 569, CSU and UC stated that “public universities throughout the country, private institutions and non-profit organizations in California, commonly use affinity programs to help generate non-state funded monies through partnerships that offer benefits and services (such as credit cards, insurance products, loans, extension classes, test-prep courses) to alumni.” They argued that SB 569 would address an inequity between private universities and non-profits and California's public universities. AB 1971 (Bonnie Lowenthal), Chapter 2014, Statutes of 2010, extends the authority provided in SB 569 until January 1, 2016.

Affinity programs. Affinity programs provide a means whereby a tax-exempt organization may generate funds by allowing the use of its name and/or logo to endorse products or services. In the case of UC and CSU, through partnerships with commercial entities, affinity programs allow alumni organizations to offer a variety of financial products to graduates and alumni members, such as group rates and discounts for home and auto insurance, mortgage programs, credit cards, and other credit lines. In return for allowing access to alumni association mailing lists, the affinity partner pays a fee to the campus association.

Purpose of this measure. According to the author, the authorization for the CSU and UC to operate their affinity programs sunsets on January 1, 2016. The affinity programs and services give campuses of the CSU and UC the ability to remain in contact with their alumni and keep them involved. The author states, “AB 819 will reauthorize the CSU and UCs' affinity programs, which allows for the sharing of alumni mailing and e-mail addresses with companies that are in a contractual relationship with the university. The bill provides and retains protections for the program such as the ability to opt-out, privacy protections, and the University approval of contracts.”

REGISTERED SUPPORT / OPPOSITION:

Support

California State Student Association
California State University
University of California

Opposition

None on file.

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