

Date of Hearing: June 24, 2014

ASSEMBLY COMMITTEE ON HIGHER EDUCATION
Das Williams, Chair
AB 834 (Williams) – As Amended: May 12, 2014

SUBJECT: Private postsecondary education: School Performance Fact Sheets.

SUMMARY: Authorizes a law school accredited by the American Bar Association, and owned by an institution operating under the Bureau of Private Postsecondary Education (BPPE) within the Department of Consumer Affairs (DCA), to satisfy the disclosure requirements of the School Performance Fact Sheet (SPFS) through alternative means. Specifically, this bill:

- 1) Authorizes a law school to satisfy the SPFS disclosure through alternative means if the law school meets all of the following requirements:
 - a) Accredited by the Council of the Section of Legal Education and Admissions to the Bar of the ABA;
 - b) Owned by an institution authorized to operate by the BPPE;
 - c) Reports graduate salary information and other information to the National Association for Law Placement (NALP); and,
 - d) Approved to operate by the BPPE.
- 2) The alternative SPFS requires disclosures to students pursuant to all of the following:
 - a) The law school must comply with disclosure requirements of Standard 509 of the American Bar Association's Standards and Rules of Procedure for Approval of Law Schools;
 - b) The law school must provide completion rates, placement rates, bar passage rates, and salary and wage information of graduates to prospective students prior to enrollment through the law school application process administered by the Law School Admission Council;
 - c) The law school must provide to prospective students any additional information required to be reported on the SPFS that is not reported pursuant to the aforementioned, including, but not limited to, the most recent three-year cohort default rate (disaggregated) reported by the United States Department of Education for the law school and the percentage of enrolled students receiving federal student loans.
 - d) The law school must provide the information to prospective students by clearly posting the information in a conspicuous location on the law school's Internet Web site; and must annually provide the information to the BPPE.

EXISTING LAW requires institutions approved by the BPPE to provide prospective students a SPFS that contains specified information, including: completion rates; placement rates; license examination passage rates; salary and wage information; a description of how this information is calculated; a statement as to where a reader can obtain a list of employment positions and salary sources; specified statements; and, if the institution participates in federal financial aid programs, the institutions cohort default rate and percentage of enrolled students receiving federal loans.

FISCAL EFFECT: According to the Senate Appropriations Committee, a negligible fiscal impact was determined pursuant to Senate Rule 28.8.

COMMENTS: Concurrence hearing. This bill contained policies relative to energy and water efficiency when passed by the Assembly on May 24, 2013. While in the Senate, the original contents of this bill were removed and the bill was amended to address disclosures to students attending private law schools. The policy currently contained in this bill was heard by the Senate Business, Professions and Economic Development Committee and the Senate Education Committee. The bill was approved by the Senate on June 19, 2014, by a vote of 34-0.

Background. The US Department of Education (USDE) requirement that an institution have “state authorization” in order to be eligible for Title IV federal student financial aid is prompting at least one law school in California, currently exempt from BPPE approval, to seek BPPE approval to maintain Title IV eligibility. As a result, that school will be subject to the SPFS requirements. The SPFS was designed to ensure that prospective students could make informed decisions when enrolling in an institution; by requiring every BPPE-approved institution to provide similarly calculated data in an established format, students would be able to easily compare educational program outcomes.

Purpose of this bill. This bill is designed to address an unanticipated problem for Western State College of Law at Argosy University (Western State), owned by Education Management Corporation (EDMC), and ensure that students attending this institution do not receive duplicative and potentially conflicting data regarding enrollment and outcomes, simply because the institution is no longer exempt like all other law schools. According to the Author, the SPFS requirements would require different calculations than those established by the American Bar Association (ABA) and National Association for Law Placement (NALP) and would ultimately provide less data to students than they are already provided through the Law School Admission Council (LSAC) application process.

Alternative law school disclosures. Under ABA Standard 509, ABA accredited law schools are required to provide detailed student enrollment and graduate outcome information to prospective students and to the general public. Law schools also report employment and salary outcomes for graduates to NALP. Prospective students access this data through the law school application process administered by the LSAC. Through the LSAC website, students are provided a single point of entry to access this data in order to make comparative analysis of the law schools to which they are considering applying.

Arguments in support. According to EDMC, parent company of Western State, Western State is a private law school fully accredited by the ABA and located in Fullerton, California. Founded in 1966, Western State has one of the highest Bar passage rates in the state. If Western State becomes the only law school to seek BPPE approval, the school would be the only law school providing students with a Fact Sheet, potentially undermining a primary purpose of the SPFS

which is to allow students to make apples-to-apples comparisons of institutional outcomes prior to enrollment. According to Public Advocates, applicants to California's private law schools deserve to attend academic institutions that will be the most likely to offer them a high quality education and position them for success. But the information about prospective law schools should be easily accessible and obvious. Aligning the requirements for disclosure by law schools in AB 834 will further this goal and make access to information that can be compared by students as they make their choices about where to prepare as lawyers.

REGISTERED SUPPORT / OPPOSITION:

Support

Education Management Corporation
Public Advocates

Opposition

None on file.

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