

Date of Hearing: June 23, 2015

ASSEMBLY COMMITTEE ON HIGHER EDUCATION
Jose Medina, Chair
SB 410 (Beall) – As Amended June 16, 2015

SENATE VOTE: 36-0

SUBJECT: California Private Postsecondary Education Act of 2009.

SUMMARY: Redefines "graduates" for purposes of private postsecondary educational institutions (institutions) calculating the employment rates of graduates. Specifically, **this bill:**

- 1) Defines "on-time graduates" to mean the number of students who complete an educational program within 100 percent of the published program length.
- 2) Requires "graduates employed in the field" (placement) to include all graduates who have been awarded a degree or diploma, that are gainfully employed in a single position for which the institution represents the program prepares its graduates, beginning within six months after a student completes the applicable educational program.
- 3) Requires "license examination passage rates" to be based on the number of graduates who have been awarded a degree or diploma who take and pass the required examination within specified time frames.
- 4) Requires "salary and wage information" to be based on the placement rate calculated pursuant to (2).

EXISTING LAW: provides for, until January 1, 2017, student protections and regulatory oversight of institutions in the state pursuant to the Private Postsecondary Education Act (Act). The Act is enforced by the Bureau for Private Postsecondary Education (Bureau) within the Department of Consumer Affairs (DCA). (Education Code Section 94800 et seq.)

FISCAL EFFECT: Unknown. Negligible fiscal impact, as determined by the Senate Appropriations Committee, pursuant to Senate Rule 28.8.

COMMENTS: *Background.* In 2009, AB 48 (Portantino), Chapter 310, established the Act, and required, among numerous other provisions, non-exempt institutions to provide prospective students a Fact Sheet containing information on graduation, placement, salary and professional license examination passage rates of its students. In 2012, AB 2296 (Block), Chapter 585, revised the Fact Sheet requirements to add information regarding student loan default rates, unaccredited programs, and to require the Bureau to refine the definition of placement to ensure that only those graduates "gainfully employed" were counted for employment rate purposes.

The Bureau is currently in the process of establishing regulations to implement the provisions of AB 2296. However, due to what Committee staff understands was an inadvertent error in the definition of "graduates" in the drafting of AB 48 and AB 2296, these regulations limit the scope of students included in an institutions placement rate, examination passage rate, and salary and wage data to only those students that graduated within 100% of the published program length.

According to the proponents of AB 2296 and this bill, while it is appropriate and useful for prospective students to know how many students complete a program within the published program length ("on-time graduates"), using that same definition of graduates for purposes of job placement, salary, and licensing data skews the results because it does not include the outcomes for all institutional graduates.

This bill would change the definition to require institutions to publish "on-time graduates" data based on the number of students who completed within 100% of the published program length. The data regarding "graduates employed in the field", "license examination passage rates", and "salary and wage information" would be based on a definition of graduate, contained in Education Code Section 94842, that includes all individuals awarded a degree or diploma.

Purpose of this bill. According to the author, this bill will address a placement rate miscalculation that is impacting vocational training programs. Vocational training programs must meet placement criteria from the Employment Development Department (EDD) to be listed on the Eligible Training Provider List (ETPL) and receive Workforce Investment Act funding. The EDD relies on the Bureau's Fact Sheet calculations for placement rates.

According to the author, the Center for Employment Training (CET) has struggled to obtain ETPL eligibility because of the Fact Sheet miscalculation. According to the author, if CET is able to count all graduating students in a reporting year, the placement rate numbers will meet the ETPL requirements. According to the author, a majority of CET students experience barriers such as poverty, English language learners, lack of access to childcare and disabilities, and therefore often take longer to graduate.

REGISTERED SUPPORT / OPPOSITION:

Support

Center for Employment Training
Children's Advocacy Institute
La Cooperativa Campensina de California
Public Advocates
Proteus, Inc.

Opposition

None on File

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