

Date of Hearing: April 14, 2026

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Mike Fong, Chair

AB 2771 (Committee on Business and Professions) – As Amended April 7, 2026

[Note: This bill is double referred to the Assembly Committee on Business and Professions, and will be heard by that Committee as it relates to issues under its jurisdiction.]

SUBJECT: California Private Postsecondary Education Act of 2009

SUMMARY: Extends the sunset date for the Bureau for Private Postsecondary Education (BPPE or Bureau) until January 1, 2031, and makes additional technical changes, statutory improvements, and policy reforms in response to issues raised during the BPPE's sunset review oversight process. Specifically, **this bill:**

- 1) Specifies that the Bureau, upon receipt of specified notifications or complaints regarding out-of-state institutions, may request from the institution, and the institution must provide, information necessary to determine whether the institution's registration should be revoked or have conditions placed upon it.
- 2) Clarifies and narrows exemptions for trade, fraternal, and religious institutions.
- 3) Specifies that, in response to a request for exempt status verification, the Bureau may approve the request, deny the request, or determine that it is unable to verify the exemption. Additionally specifies that:
 - a) The Bureau will not grant a verification of exemption to an institution under either of the following conditions:
 - i) The institution previously held an approval to operate and has an outstanding citation or fine, or is under discipline; and,
 - ii) The institution offers one or more programs designed to lead to licensure that do not hold approval from the pertinent licensing body or bodies.
 - b) A Bureau determination pertaining to a verification of exemption is not an adverse administrative action and is not subject to appeal; and,
 - c) A verification of exemption is not required to operate as an exempt institution.
- 4) Requires that institutions offering degrees must have accreditation by one or more accrediting agencies recognized by the U.S. Department of Education (USDE), with the scope of that accreditation covering all degree programs offered by the institution.
- 5) Specifies that:
 - a) An institution under provisional approval to operate, as specified, will not offer more than two degree programs during the term of its provisional approval;

- b) The enrollment of students on student visas must not exceed 25% of total enrollment in any provisionally approved degree program;
 - c) Within four years of issuance of provisional approval to operate, the Bureau may empanel a visiting committee to review the institution's accreditation plan and any related documents or materials deemed necessary by the visiting committee; and,
 - d) A provisionally approved institution that fails to comply, as specified, will have their provisional approval terminated, and that an institution with terminated approval will not enroll new students and will execute a teach-out plan.
 - e) An institution offering both degree and nondegree programs that has its provisional approval to operate degree programs terminated, or that voluntarily ceases to pursue accreditation, may continue to offer its nondegree programs.
- 6) Specifies that an institution with a provisionally approved degree program that is terminated by the Bureau or surrendered by the institution will not apply for a provisional approval to operate degree programs until two years after the date of the prior termination or surrender.
 - 7) Removes the requirement that the Bureau independently verify information provided by applicants for an approval to operate.
 - 8) Specifies that a nondegree program not within the scope of accreditation will not be included as an approved program by the Bureau without the express written consent of the institution's accrediting agency.
 - 9) Requires, to be granted a renewal of an approval to operate, an institution to demonstrate its continued compliance with the minimum operating standards.
 - 10) Specifies that the addition of a separate branch is considered a substantive change to an approval to operate and requires prior authorization.
 - 11) Specifies that an institution will not violate the Educational Debt Collection Practices Act, as specified, or withhold documentation, as specified, because the student owes a debt or as a tool for debt collection.
 - 12) Repeals an exemption to recordkeeping requirements for accredited institutions.
 - 13) Specifies that an enrollment agreement must be signed and dated by a student and by an authorized employee of an institution.
 - 14) Specifies that, if an institution has a general student brochure, handbook, or other student-facing materials that provide additional clarity about the information or policies required to be included in the current school catalog, the institution must provide those materials to the prospective student before enrollment. In addition, if the institution has program-specific materials for the program in which the prospective student seeks to enroll, the institution must provide the program-specific materials to the prospective student before enrollment.
 - 15) Strikes an enrollment agreement attestation, and specifies that an enrollment agreement must include, among other things, the following:

- a) The name of the institution and the name of the educational program, including the total number of credit hours, clock hours, or other increment required to complete the educational program, and a description of the method of delivery that will be used for instruction in the educational program;
 - b) The date of the first class session;
 - c) A statement noting that, prior to signing an enrollment agreement, a student must be given, among other things, a copy of the institutions current catalog, a brochure, or handbook, as applicable, and a School Performance Fact Sheet; and,
 - d) Certain statements, as specified, that include signatures and dates.
- 16) Updates an existing requirement for an institution that participates in federal student financial aid programs, as specified, to provide students with the College Financing Plan, as developed by the United States Department of Education (USDE), or any successor document, and requires a copy of this document to be retained with other required student records.
- 17) Requires an institution that maintains an internet website to provide on that website a current version of several documents, including student brochures, handbooks, or other student-facing materials offered by the institution that provide additional clarity about the information or policies required to be included in the school catalog.
- 18) Modifies a required notice to students from institutions directly or indirectly receiving proceeds from a credit contract, and established that it is a violation of law for an institution to directly or indirectly receive proceeds from a credit contract that does not contain this required notice.
- 19) Makes various modifications to the Student Tuition Recovery Fund (STRF), including:
- a) Clarifying that the STRF relieves or mitigates economic loss suffered by a student in connection with enrollment;
 - b) Establishing that the Bureau may rely on findings by an oversight entity, as specified, when determining if a significant decline in the quality or value of education of a program more than 120 days before closure that a student is eligible for a refund under STRF;
 - c) Establishing that a student is eligible for a refund under STRF can be a student whom a government body, at any point, designates the student as eligible for relief under a program that addresses unlawful activity or closure, including, but not limited to, a refund, restoration of benefits, or loan discharge program such as federal "Closed School Discharge," "False Certification," or "Borrower Defense" programs;
 - d) Establishing that a student is eligible for a refund under STRF who has been awarded restitution, a refund, or other relief, including, but not limited to, an enforcement action, settlement agreement, debt relief determination, or monetary award by an arbitrator or court, based on unlawful activity by an institution or representative of an institution, but who has been unable to collect the award from the institution or obtain debt cancellation; and,

- e) Specifying that, in making a determination about student eligibility and economic loss, in addition to evidence submitted with an application, the Bureau may consider all available evidence, including, but not limited to, evidence obtained in the Bureau's investigation and enforcement functions and evidence available to the Bureau that is obtained in the course of oversight and enforcement actions by an accreditor, other government agency, or private adjudication. The Bureau will take into account the availability of records and may accept an attestation or other substantiation as deemed appropriate.
- 20) Specifies that, in determining the amount of Student Tuition Recovery Fund assessments to collect from each student as specified, the Bureau will strive to maintain a fund balance in the STRF between \$15,000,000 dollars and twenty-five million dollars \$25,000,000 dollars.
- 21) Requires institutions, pursuant to regulations adopted by the Bureau, to provide certain information such as student records and transcripts, or a plan for those records, as specified.
- 22) Removes an annual reporting requirement disaggregating temporary restraining orders, interim suspension orders, and disciplinary actions taken by the Bureau.
- 23) Specifies that the Bureau will cite any person, and that person shall be subject to a fine not to exceed \$100,000 dollars, for operating an institution or offering or providing to the public educational programs without proper approval to operate issued by the Bureau, as specified.
- 24) Specifies that each institution will be deemed to have authorized its accrediting agency, or any accrediting agency from which it is pursuing accreditation, to provide the Bureau, the Attorney General, any district attorney, city attorney, or the Student Aid Commission, within 30 days of written notice, copies of all documents and other material concerning the institution that are maintained by the accrediting agency.
- 25) Establishes that an accrediting agency must provide the Bureau, the Attorney General, district attorney, city attorney, or the Student Aid Commission with information within 30 days, as specified, for institutions accredited by or in pursuit of accreditation by that accrediting agency.
- 26) Requires the Bureau to provide written reports, as specified, to the Legislature annually, and participate in all oversight hearings conducted by the appropriate policy committees and budget subcommittees of the Senate and Assembly.
- 27) Extends the Bureau's sunset until January 1, 2031.
- 28) Specifies that no reimbursement is required, as specified, because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, as specified.

EXISTING LAW:

- 1) Establishes the California Private Postsecondary Education Act of 2009 (Act) until January 1, 2027, and requires the Bureau to, among other things, review, investigate and approve private postsecondary institutions, programs and courses of instruction pursuant to the Act, and authorizes the Bureau to take formal actions against an institution/school to ensure

compliance with the Act and even seek closure of an institution/school if determined necessary. The Act requires unaccredited degree granting institutions to be accredited by an accrediting agency recognized by the United States Department of Education (USDE) by 2020. The Act also provides for specified disclosures and enrollment agreements for students, requirements for cancellations, withdrawals and refunds, and that the Bureau shall administer the Student Tuition Recovery Fund (STRF) to provide refunds to students affected by the possible closure of an institution/school. (Education Code Section 94800 et seq.)

FISCAL EFFECT: Unknown.

COMMENTS: *Purpose.* According to the author, “this bill is the sunset review vehicle for the Bureau for Private Postsecondary Education, authored by the Assembly Committee on Business and Professions. The bill extends the Bureau's sunset date and enacts technical changes, statutory improvements, and policy reforms in response to issues raised during the Bureau’s sunset review oversight process”

California Private Postsecondary Education Act (Act). The state's program for regulation of private postsecondary and vocational education institutions has historically been plagued with problems. During the late 1980's, California developed a reputation as the "diploma mill capital of the world." After numerous legislative attempts to remedy the laws and structure governing regulation of private postsecondary institutions, AB 48 (Portantino, Chapter 310, Statutes of 2009) was enacted to establish the California Private Postsecondary Education Act of 2009 (Act), which took effect January 1, 2010. The Act provided the regulatory framework for oversight of private postsecondary educational institutions operating with a physical presence in California.

The Act requires all unaccredited colleges in California to be approved by the Bureau, and all nationally accredited colleges to comply with numerous student protections. It also establishes prohibitions on false advertising and inappropriate recruiting. The Act requires disclosure of critical information to students such as program outlines, graduation and job placement rates, and license examination information, and ensures colleges justify those figures. The Act also guarantees students can complete their educational objectives if their institution closes its doors while providing the Bureau with enforcement powers necessary to protect consumers.

In 2014, SB 1247 (Lieu, Chapter 840, Statutes of 2014) amended the Act to require degree-granting institutions to be accredited, prohibit an institution that participates in federal veterans’ aid funding from claiming an exemption from the Act, and expanded the use of Student Tuition Recovery Fund payments to cover economic loss.

The Act was subsequently amended in 2015, (SB 1192, Hill, Chapter, Statutes of 2015) to extend the Bureau sunset date until 2021. SB 1192, among other things, required an out-of-state online institution to register with and pay a fee to the Bureau, extended the sunset date for a degree-granting institution to obtain accreditation, increased certain institutional fees, and established the Office of Student Assistance and Relief to provide outreach and individualized assistance to students impacted by unlawful activities or closure of a Bureau-approved institution.

SB 802 (Roth, Chapter 552, Statutes of 2021) made various changes to the Act, including an extension until January 1, 2023. SB 802 also updated various definitions and exemption criteria, allowed the Bureau to extend deadlines by which approved institutions must be accredited

according to certain conditions, and made various other changes intended to strengthen the Bureau's role in protecting students.

Most recently, SB 1433 (Roth), Chapter 544, Statutes of 2022, extended the sunset date to January 1, 2027, defined "physical presence," exempted certain programs, created a pathway for accredited institutions whose accreditors lose federal recognition to continue operating; authorized the Bureau to deny applications for known violators of the law, allowed for regulation of out-of-state public institutions, and added five new prohibited business practices.

A complete history of the Bureau can be found on pages 1-6 of the BPPE Joint Sunset review [background paper](#).

Joint Sunset Review Hearing. On March 17, 2026, the Assembly Committee on Higher Education, Assembly Committee on Business and Professions, Senate Committee on Education, and Senate Committee on Business, Professions, and Economic Development jointly held a BPPE Sunset Review Hearing. Discussed in this hearing were recommendations made by the Bureau in their [2026 Sunset Review Report](#), which identified 28 new issues (in addition to 15 issues identified in their 2021 Sunset Report). The Committees produced a [background paper](#), which included staff recommendations for the Committees on 38 separate issues – including many that were identified in BPPE's Sunset Review Report.

Of the 28 new issues identified in BPPE's Sunset report, 23 have been incorporated into the AB 2771 (Committee on Business and Professions). These issues are:

New Issue #2: Statutory Standards for Application Review. The Bureau is currently required to "independently verify" all information submitted in applications for approval to operate, which is impractical given the volume and complexity of information involved. The law also only requires applicants to show the "capacity" to meet minimum operating standards rather than actually meeting them, which can shield non-compliant institutions from discipline. The Bureau recommended eliminating the independent verification requirement and changing the standard from demonstrating "capacity to meet" to having "satisfied" the minimum operating standards.

New Issue #3: Accreditation Scope and Program Gaps. Institutions approved "by means of accreditation" are sometimes offering programs that fall outside their accreditor's scope of review, leaving those programs without meaningful oversight. This creates a consumer risk, as the intent of deferring to accrediting agencies is undermined when the accreditor has not actually reviewed the relevant programs. The Bureau recommended amending statute so that an institution's approval by means of accreditation is limited to the scope of its accreditation, with exceptions only when the accrediting agency explicitly consents to programs outside that scope.

New Issue #4: Unaccredited Degree-Granting Institutions. Unaccredited institutions with provisionally-approved degree programs can currently suspend those programs and immediately re-apply, effectively restarting the accreditation timeline indefinitely. Additionally, some of these institutions enroll nearly exclusively international students on visas, who face unique vulnerabilities because their immigration status is tied to continued enrollment. The Bureau recommended imposing a two-year cooling-off period before an institution may re-apply for provisional degree approval after suspension or surrendering of their status, and capping international student enrollment in provisionally- approved degree programs at 25% of total enrollment.

New Issue #5: Accreditation Requirement Must Cover All Degree Programs. Current law requires accreditation to cover "at least one" degree program, which allows institutions to offer additional, unaccredited degree programs without oversight. The Bureau recommended amending the statute so that accreditation must cover all degree programs offered by an institution, not just one. A minor technical fix is also recommended to remove a reference to a statutory provision that expired in 2023.

New Issue #6: Misleading Terminology for Failed Degree Programs. The term "suspended" is used in statute to describe degree programs that fail to achieve accreditation, implying a temporary status with a path to reinstatement that does not actually exist in practice. Because a suspended program must be accredited to operate but cannot obtain accreditation without operating, reinstatement is structurally impossible. The Bureau recommended replacing "suspended" with "terminated" throughout the relevant statutes to accurately reflect the finality of accreditation loss and provide clearer guidance to students and institutions.

New Issue #7: Visiting Committee Reviews for Degree Programs. Current law requires a visiting committee review within the first two years for institutions with provisionally approved degree programs, but this timing is not always optimal—some institutions are already further along in the accreditation process and don't need it, while others might benefit from a review later. The Bureau recommended extending the window for visiting committee reviews from two to four years.

New Issue #8: Accrediting Agency Documents for Institutions Pursuing Accreditation. The Bureau can currently access accrediting agency documents for already-accredited institutions but not for institutions that are in the process of seeking accreditation—a gap that limits the Bureau's ability to monitor progress toward accreditation. The Bureau recommended amending statute to explicitly authorize it to request information from accrediting agencies when an institution is actively pursuing accreditation with that agency.

New Issue #9: Distance-Based Distinctions for Substantive Changes. Current law defines a "substantive change" requiring Bureau approval as the addition of a branch more than five miles from an existing campus, meaning nearby branches can be added without review. The Bureau's oversight obligations do not differ based on a branch's proximity to an existing location, making this distance-based distinction arbitrary. The Bureau recommended eliminating the five-mile threshold so that any addition of a new branch location is treated as a substantive change requiring prior authorization.

New Issue #10: Recordkeeping Requirements for Accredited Institutions. Current law exempts accredited institutions from the Bureau's recordkeeping requirements if the Bureau determines their accrediting agency's requirements are substantially similar, creating confusion and a potential gap in compliance oversight. In practice, the Bureau has not found any accrediting agency with comparable requirements, making the exemption both unnecessary and counterproductive. The Bureau recommended deleting this exemption so that all approved institutions are uniformly subject to the same recordkeeping standards.

New Issue #12: Verification of Exemption Process. The Bureau has encountered an increasing number of questionable entities—such as websites with stock photos and no genuine educational content—applying for exemptions, and then using the Bureau's exemption letters to imply state

legitimacy. Current law does not clearly allow the Bureau to deny such applications or treat denial as a non-appealable administrative determination. The Bureau recommended amending statute to clarify that a verification of exemption is a voluntary, non-appealable process, and to bar institutions with outstanding citations or discipline from obtaining one.

New Issue #13: Loopholes in Existing Exemption Categories. Several exemptions in the Act contain vague or overbroad language that has been exploited by bad actors. Specific concerns include undefined terms in the trade organization exemption, religious exemptions being claimed for largely secular programs, ambiguous language in the low-cost institution exemption, and an overly broad flight school exemption that covers schools without meaningful federal oversight. The Bureau recommended targeted statutory amendments to tighten each of these exemption categories and clarify that operating without proper authorization includes offering programs without approval, not just running an institution.

New Issue #14: Licensure Programs Offered by Exempt Institutions. Institutions that are exempt from Bureau oversight are not currently barred from receiving a voluntary verification of exemption even when they offer programs designed to lead to licensure without the required approval from the relevant licensing agency. This can result in students completing programs only to find they cannot obtain the license their program was designed to support. The Bureau recommended amending statute so that it may not grant a verification of exemption to any institution offering licensure-track programs that lack the appropriate licensing agency approval.

New Issue #15: Oversight of Out-of-State Registered Institutions. The current statute governing out-of-state institutions that enroll California students via distance education includes procedural requirements that can be impractical, including a mandate to consult with the Office of the Attorney General before making registration decisions—a step that would conflict with that office's role as the Bureau's legal representative in enforcement matters. The law also requires the Bureau to issue a written finding of "no immediate risk" to institutions in many circumstances, language that would be factually untrue and potentially undermine other agencies' investigations. The Bureau recommended streamlining the statute to remove these obstacles and provide a more workable framework for registration oversight.

New Issue #17: Enrollment Agreement Gaps. The Bureau recommended targeted amendments to require enrollment agreements to be dated, include a program start date, specify instructional delivery format, and remove the self-certification that undermines verification of required document receipt.

New Issue #18: Supplementary Disclosure Materials. Institutions are increasingly using documents outside of catalogs and brochures—such as student handbooks—to convey important policies and information to students, but current law only requires disclosure of catalogs and brochures. If students are not provided these supplementary materials, key information about their enrollment may go unshared, undermining existing consumer protection requirements. The Bureau recommended expanding the statute to require institutions to provide students with any handbooks or other student-facing materials that provide additional clarity on required catalog information, and to post such documents on their websites.

New Issue #19: Outdated Financial Aid Disclosure Requirement. Institutions are required to provide students with the "Financial Aid Shopping Sheet," a federally developed template that has since been renamed the "College Financing Plan," rendering the statutory language outdated.

Additionally, because institutions are not required to retain a signed copy of this disclosure, the Bureau has no practical way to verify compliance. The Bureau recommended updating the statutory name of the form and requiring a signed copy be kept in student files.

New Issue #20: Student Transcript Access After Institutional Closure. When institutions close, students often find they cannot obtain their transcripts because the designated records custodian is unresponsive or the records have become inaccessible—a problem with lasting consequences for employment, licensure, and financial relief. The Bureau has authority to collect records but has not yet promulgated regulations to do so routinely, citing resource and effectiveness concerns. The Bureau recommended that the Legislature amend the statute to remove references to "hardcopy" records and to the requirement that records only be submitted "prior to closing," enabling more proactive regulatory action to ensure transcript preservation and access.

New Issue #21: Withholding Non-Transcript Records as Debt Collection. While the Educational Debt Collection Practices Act already prohibits institutions from withholding transcripts due to student debt, no equivalent protection exists for other critical documents such as diplomas, certificates of completion, or the "Proof of Training Documents" required for professional licensure. The Bureau recommended amending statute to explicitly extend the existing prohibition to cover all such documentation required for professional licensure purposes.

New Issue #22: Student Tuition Recovery Fund (STRF) Eligibility Clarity. The STRF statute contains gaps that can make it difficult for the Bureau to efficiently deliver relief to harmed students, including ambiguity about whether STRF covers economic harm that materializes after enrollment ends, a narrow list of triggering enforcement actions, and challenges when institutions fail to maintain records needed to support STRF applications.

The Bureau recommended amending the statute to clarify that STRF addresses economic loss connected to enrollment (not only during enrollment), expand eligible triggering actions to include federal relief programs and actions by other government bodies, and explicitly authorize the Bureau to accept attestations and rely on other agencies' findings when institutional records are unavailable.

New Issue #23: Alignment with FTC Holder Rule. Current state law governing consumer credit contracts for educational programs is intended to mirror the Federal Trade Commission's "Holder Rule," but the existing statutory notice language may inadvertently narrow students' rights compared to the federal standard by limiting certain remedies to amounts already paid. The Bureau recommended prohibiting institutions from accepting payments from third-party lenders whose contracts do not include the required consumer notice. The Bureau also recommended amending the statute to align the notice language more closely with the FTC rule and to hold institutions accountable for ensuring their lending partners comply.

New Issue #25: Student Tuition Recovery Fund Collection Range. The STRF is currently required to be maintained between \$20–25 million, but this narrow range creates administrative problems because the Bureau cannot immediately halt incoming assessments once the cap is approached, and the hard ceiling does not account for pending claims awaiting payout. The Bureau proposes widening the fund target range to \$15–25 million and replacing the hard cap language with a directive for the Bureau to "strive to maintain" the fund within that range, allowing for more flexible administration.

New Issue #27: Infeasible Enforcement Reporting Requirement. Current law requires the Bureau to disaggregate its enforcement actions by "priority category" in its annual report, but in practice most enforcement actions involve violations that span multiple categories and cannot be cleanly assigned to a single one. The Bureau recommended that the Legislature remove this specific disaggregation requirement while the Bureau continues to make comprehensive enforcement data publicly available through existing DCA and advisory committee reporting mechanisms.

New Issue #28: Frequency of Legislative Reporting. Existing law requires the DCA Director to provide written updates to the Legislature every six months—a cadence not required of most other DCA bureaus—stemming from a 2014 requirement put in place when the Bureau was underperforming. Given the Bureau's significant operational improvements and the high level of transparency already provided through quarterly Advisory Committee meetings, this frequency is no longer warranted. The Bureau recommends reducing the requirement to annual written reports to the Legislature, supplemented by the existing separate annual reporting requirements on State Authorization Contract complaints and OSAR activities.

Fiscal challenges. The Sunset Report also included information on the Bureau's serious structural deficit, with required expenditures having outpaced revenues since 2014–15 - and is projected to become insolvent by 2027–28 without legislative intervention. Temporary measures—including a \$12 million loan and \$24 million in General Fund support—have sustained operations in recent years.

The Bureau recommended adjusting multiple statutorily set fees (many unchanged since 2009) and raising the annual fee structure from 0.55% to 0.75% of revenue, with increases to minimum and maximum fee thresholds. Together, these changes are projected to generate sufficient revenue to keep the Bureau solvent through 2030–31, covering its next anticipated Sunset Review cycle.

However this legislation does not currently include changes recommended by the Bureau, Committee staff wrote in the Joint Sunset Review background paper that, "since its inception, the Bureau has been charged with numerous responsibilities amid an ever-changing, increasingly uncertain higher education ecosystem. The Committees should ensure that the Bureau has the financial resources necessary to fulfill its statutory mandates, chiefly the protection of the public."

Arguments in support. The Institute for College Access and Success (TICAS) wrote in support, noting that "the Bureau serves an essential function for the state of California as the first line of defense for students who enroll in private postsecondary programs and the primary state-level regulator of for-profit schools in California. As federal deregulation continues to reduce oversight and accountability over for-profit schools, support for the Bureau is critical as it maintains necessary enforcement activities to protect California students. The most vulnerable students - including the unemployed, veterans, foster youth, and single mothers - are often targeted by for-profit programs and bear disproportionate financial risk. When enrolled at for-profit programs, these students are less likely to graduate and more likely to face significant debt and default on student loans, compared to their traditional 4-year-degree counterparts."

TICAS continued, stating that "today's private postsecondary education ecosystem has shifted dramatically since the Bureau was first envisioned: online education is expanding, the definitions of physical presence and oversight of out-of-state institutions are evolving, a new Pell Grant

program that uplifts short-term and certificate programs that were historically not Title IV eligible is coming online, and federal protections against aggressive recruitment and fraudulent activity are weakening. In this environment, ensuring that the Bureau is financially solvent, appropriately empowered, and statutorily equipped to act decisively is essential to protecting students and taxpayers alike. It is imperative that the Bureau be reauthorized this year and that we grant it the authority and resources to carry out its responsibility of protecting California's students.”

Prior legislation. SB 1433 (Roth), Chapter 544, Statutes of 2022, extended the sunset date to January 1, 2027, defined "physical presence," exempted certain programs, created a pathway for accredited institutions whose accreditors lose federal recognition to continue operating, authorized the Bureau to deny applications for known violators of the law, allowed for regulation of out-of-state public institutions, and added five new prohibited business practices.

SB 802 (Roth), Chapter 552, Statutes of 2021, extended the Bureau's sunset date by one year to January 1, 2023, updated various definitions and exemption criteria, amended the definition of "educational program" to exclude short courses and continuing education courses of 32 hours or less not designed to lead to employment, specified that the exemption for trade or fraternal organization-sponsored programs does not apply to programs sponsored by the institutions themselves, allowed the Bureau to extend accreditation deadlines for approved institutions under certain conditions, required the chair and vice chair of the advisory committee to be elected annually, instituted term limits for advisory committee leadership, and made various other changes intended to strengthen the Bureau's role in protecting students.

SB 1474 (Senate Committee on Business, Professions and Economic Development), Chapter 312, Statutes of 2020, extended the sunset date for various regulatory entities under the Department of Consumer Affairs, including the Bureau, by one year from January 1, 2021, to January 1, 2022, in response to the COVID-19 pandemic.

AB 70 (Berman), Chapter 153, Statutes of 2020, prohibits the BPPE from approving an exemption or handling complaints for a nonprofit institution that the AG determines does not meet specified criteria of a nonprofit corporation. The BPPE should inform the Committees about efforts being undertaken with the Office of the Attorney General to implement this law.

AB 1344 (Bauer-Kahan), Chapter 520, Statutes of 2019, requires that out-of-state institutions registering with the BPPE, either at the time of registration, or within 30 days if currently registered, to notify the BPPE if specific actions are taken against the institution. Currently registered institutions will be required to submit a written statement as to why they should be allowed to continue enrolling California students. This bill allows the BPPE to take action against the institution based on consultation with the Attorney General.

AB 1346 (Medina), Chapter 521, Statutes of 2019, expands the definition of “economic loss” for the purposes of recovery through the STRF to include all amounts paid to the institution and amounts paid in connection with attending the institution. The bill also expands eligibility for students affected by the closure of Corinthian.

SB 1192 (Hill), Chapter 593, Statutes of 2016, extended the Bureau's sunset date to January 1, 2021, required out-of-state online institutions to register with the Bureau for a two-year period upon payment of a \$1,500 application fee, increased the fine for unlicensed activity, required

institutions to notify the Bureau of investigations by certain governmental agencies, modified the fee structure for institutions, and established the Office of Student Assistance and Relief (OSAR) to provide outreach and individualized assistance to students impacted by an institution's unlawful activity or closure.

SB 1247 (Lieu), Chapter 840, Statutes of 2014, extended the Bureau's sunset date to January 1, 2017, required degree-granting institutions to be accredited, prohibited an institution participating in federal veterans' aid funding from claiming an exemption from the Act, and expanded the use of STRF payments to cover economic loss.

AB 48 (Portantino), Chapter 310, Statutes of 2009, established the current Bureau for Private Postsecondary Education within the Department of Consumer Affairs, codified the California Private Postsecondary Education Act of 2009, and created the regulatory framework governing private postsecondary institutions subject to the Bureau's oversight.

AB 1525 (Cook), Chapter 67, Statutes of 2007, codified a transition plan and authorized the DCA to assume the Bureau for Private Postsecondary and Vocational Education's (BPPVE) responsibilities following the sunset of the Reform Act and the BPPVE.

SB 1544 (Figueroa), Chapter 740, Statutes of 2004, extended the sunset date of the Reform Act to July 1, 2007, directed the DCA to appoint an enforcement monitor to evaluate the BPPVE's operations and report to the Legislature, and specified that institutions offering programs for \$500 or less are exempt.

SB 967 (Burton), Chapter 340, Statutes of 2003, fully exempted WASC-accredited institutions from the Reform Act, extended the prior exemption beyond only degree-granting WASC-accredited institutions, and revised requirements for approval of new degree, diploma, or certificate programs offered by approved non-WASC regionally accredited institutions.

SB 364 (Figueroa), Chapter 789, Statutes of 2003, directed the BPPVE to work with the Joint Committee to streamline the Reform Act, identify necessary changes to improve state oversight, evaluate cost and staffing needs, improve data collection, expand outreach to prospective students, and report to the Legislature on other requested changes.

SB 819 (Calderon), Chapter 77, Statutes of 1997, extended operation of the Reform Act and the Council to January 1, 1998.

AB 71 (Wright), Chapter 78, Statutes of 1997, transferred administration of the Reform Act from the Council to a newly created Bureau for Private Postsecondary and Vocational Education (BPPVE) within the Department of Consumer Affairs, extended the sunset date of the Reform Act to January 1, 2005, established a new registration category for short, low-cost programs and license exam preparation courses, required the DCA director to appoint an advisory board, mandated that occupational degree programs be at least two years long, required all approved schools to provide a pro rata refund to students who withdraw, reduced application and annual fees, and exempted certain institutions from all or portions of the Reform Act.

AB 1164 (Wright), Chapter 32, Statutes of 1997, extended the Council's sunset date from June 30, 1997, to July 18, 1997, as a stopgap measure pending a broader overhaul of private postsecondary education regulation.

AB 446 (Committee on Higher Education), Chapter 758, Statutes of 1995, extended the Council's sunset date by six months from January 1, 1997, to June 30, 1997.

AB 1402 (Waters), Chapter 1239, Statutes of 1989, enacted the Maxine Waters School Reform and Student Protection Act to complement the Reform Act by establishing minimum performance standards for course completion and job placement.

SB 190 (Morgan), Chapter 1307, Statutes of 1989, enacted the Private Postsecondary and Vocational Educational Reform Act of 1989, overhauled the state's regulatory framework, transferred oversight to a new 20-member Council for Private Postsecondary and Vocational Education, created a single approval process for all private institutions except those WASC-accredited, established distinct requirements for non-degree and degree-granting institutions, charged the Council with administering the STRF, and required schools to provide refunds, performance fact sheets, and annual reports.

AB 2790 (Hughes), Chapter 975, Statutes of 1978, established the STRF to provide financial relief to students who suffered economic losses while enrolled at an institution subject to the Private Postsecondary Education Act.

AB 911 (Arnett), Chapter 1202, Statutes of 1977, codified the Private Postsecondary Education Act, tasked the Superintendent of Public Instruction with protecting the integrity of degrees and diplomas conferred by private postsecondary institutions, and established an advisory council with equal representation from regulated institutions and the public.

REGISTERED SUPPORT / OPPOSITION:

Support

Northern California College Promise Coalition
The Institute for College Access & Success

Opposition

None on file.

Analysis Prepared by: Kevin J. Powers / HIGHER ED. / (916) 319-3960