

AMENDED IN SENATE AUGUST 22, 2006

AMENDED IN SENATE AUGUST 7, 2006

AMENDED IN SENATE JUNE 22, 2006

AMENDED IN SENATE JUNE 15, 2006

AMENDED IN ASSEMBLY APRIL 26, 2006

AMENDED IN ASSEMBLY APRIL 17, 2006

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

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**ASSEMBLY BILL**

**No. 2810**

**Introduced by Assembly Member Liu**

February 24, 2006

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An act to amend Section 94999 of, and to add Section 94999.5 to, the Education Code, relating to private postsecondary education, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2810, as amended, Liu. Private postsecondary education.

(1) Existing law, known as the Private Postsecondary and Vocational Education Reform Act of 1989, generally sets minimum standards of instructional quality, ethical and business practices, health and safety, and fiscal responsibility for private postsecondary and vocational educational institutions, as defined. The act establishes in the Department of Consumer Affairs the Bureau for Private Postsecondary and Vocational Education, which, among other things, is required to review and investigate all institutions, programs, and courses of instruction approved under the act.

The existing act establishes the Private Postsecondary and Vocational Education Administration Fund and the continuously appropriated Student Tuition Recovery Fund. The existing act specifies that certain violations of its provisions are subject to civil penalties and that certain willful violations of the act are punishable as crimes. A provision of the act provides for it to become inoperative on July 1, 2007, and provides for its repeal on January 1, 2008.

This bill would ~~delete the inoperative provision~~ *instead provide that the act would become inoperative on July 1, 2008, and would be repealed on January 1, 2009, thus extending the period of the operation of the act to January 1, 2008 by one year.* By extending the operation of the provisions of the act that establish crimes, the bill would impose a state-mandated local program.

By extending the time during which the continuously appropriated fund is available, the bill would make an appropriation.

The bill would establish a working group to review all aspects of existing law relating to, and the administrative operations of, the Bureau for Private Postsecondary and Vocational Education, as specified, and would require the working group to prepare and submit to the Governor and the Legislature, *on or before June 30, 2007*, a prescribed report. The bill would require the chairpersons of specified legislative committees to convene the working group *and an advisory panel* and to carry out related tasks with the working group. *The bill would repeal this provision on January 1, 2008.*

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 94999 of the Education Code is  
2     amended to read:  
3     94999. This chapter shall become inoperative on July 1, ~~2007~~  
4     2008, and, as of January 1, ~~2008~~ 2009, is repealed, unless a later  
5     enacted statute, that becomes operative on or before January 1,

1 2008 2009, deletes or extends the dates on which it becomes  
2 inoperative and is repealed.

3 *SEC. 2. (a) The Private Postsecondary and Vocational*  
4 *Education Review Working Group is hereby established in state*  
5 *government.*

6 *(b) The working group shall review all aspects of existing law*  
7 *relating to, and the administrative operations of, the Bureau for*  
8 *Private Postsecondary and Vocational Education.*

9 *(c) The working group shall utilize the reports, information,*  
10 *and recommendations provided through the Joint Legislative*  
11 *Sunset Review process.*

12 *(d) The chairpersons of the Senate Business, Professions and*  
13 *Economic Development Committee and the Assembly Higher*  
14 *Education Committee shall convene the working group. The*  
15 *working group shall include staff from the appropriate legislative*  
16 *policy and fiscal committees, as well as representatives from the*  
17 *appropriate regulatory, administrative, and enforcement*  
18 *agencies, which may include, but are not necessarily limited to,*  
19 *the Department of Consumer Affairs, the Attorney General's*  
20 *Office, the Legislative Analyst's Office, and the California*  
21 *Postsecondary Education Commission.*

22 *(e) The working group shall convene as soon as is practicable.*

23 *(f) (1) For the purposes of this section, the chairpersons of the*  
24 *committees described in subdivision (d) and the working group*  
25 *shall conduct public hearings and stakeholder meetings.*

26 *(2) These public hearings shall include the convening of an*  
27 *advisory panel. This advisory panel may include, but is not*  
28 *necessarily limited to, representatives of all of the following:*

29 *(A) The Bureau for Private Postsecondary and Vocational*  
30 *Education Operations Monitor.*

31 *(B) The California Association of Private Postsecondary*  
32 *Schools.*

33 *(C) Accredited Out-of-State Colleges and Universities of*  
34 *California.*

35 *(D) The various types of schools licensed by the Bureau for*  
36 *Private Postsecondary and Vocational Education.*

37 *(E) The Legal Aid Foundation of Los Angeles.*

38 *(F) Student advocacy groups.*

39 *(G) The Consumers Union.*

40 *(H) Student financial aid administrators.*

1 (g) *The working group shall prepare a report, with specific*  
 2 *recommendations, to the Governor and the Legislature on the*  
 3 *following issues:*

- 4 (1) *The mission, goals, and objectives for the regulatory entity.*
- 5 (2) *A proposed process for determining the appropriate fee*  
 6 *levels to sustain the operations of the regulatory entity.*
- 7 (3) *The appropriate level of enforcement and the tools and*  
 8 *processes necessary to ensure enforcement.*
- 9 (4) *Appropriate governance structure.*

10 (h) *The working group shall submit its report to the Governor*  
 11 *and the appropriate legislative policy and fiscal committees on*  
 12 *or before June 30, 2007.*

13 (i) *It is the intent of the Legislature that the report of the*  
 14 *working group include a specific legislative proposal to revise*  
 15 *the Private Postsecondary and Vocational Education Reform Act*  
 16 *of 1989 to ensure an efficient and effective regulatory process*  
 17 *that ensures adequate student protections and promotes*  
 18 *high-quality private postsecondary education in California.*

19 (j) *To protect the fiscal integrity of the Bureau for Private*  
 20 *Postsecondary and Vocational Education, and to ensure*  
 21 *consumer protection for California students and oversight of,*  
 22 *and support and assistance for, California schools, it is the intent*  
 23 *of the Legislature that the Bureau for Private Postsecondary and*  
 24 *Vocational Education immediately exercise its full existing*  
 25 *authority under subdivision (b) of Section 94932 of the Education*  
 26 *Code to update its fee schedule annually. In complying with this*  
 27 *subdivision, the bureau should work with all relevant*  
 28 *stakeholders including, but not necessarily limited to, the*  
 29 *Legislative Analyst’s Office, the Department of Finance, the*  
 30 *Attorney General’s Office, interested standing committees of the*  
 31 *Legislature, and any other interested parties.*

32 (k) *This section shall remain in effect only until January 1,*  
 33 *2008, and as of that date is repealed, unless a later enacted*  
 34 *statute, that is enacted before January 1, 2008, deletes or extends*  
 35 *that date.*

36 *SEC. 3. No reimbursement is required by this act pursuant to*  
 37 *Section 6 of Article XIII B of the California Constitution because*  
 38 *the only costs that may be incurred by a local agency or school*  
 39 *district will be incurred because this act creates a new crime or*  
 40 *infraction, eliminates a crime or infraction, or changes the*

1 *penalty for a crime or infraction, within the meaning of Section*  
2 *17556 of the Government Code, or changes the definition of a*  
3 *crime within the meaning of Section 6 of Article XIII B of the*  
4 *California Constitution.*

5 ~~SECTION 1. Section 94999 of the Education Code is~~  
6 ~~amended to read:~~

7 ~~94999. Except for Section 94999.5, this chapter shall remain~~  
8 ~~in effect only until January 1, 2008, and as of that date is~~  
9 ~~repealed unless a later enacted statute, that is enacted before~~  
10 ~~January 1, 2008, deletes or extends that date.~~

11 ~~SEC. 2. Section 94999.5 is added to the Education Code, to~~  
12 ~~read:~~

13 ~~94999.5. (a) The Private Postsecondary and Vocational~~  
14 ~~Education Review Working Group is hereby established in state~~  
15 ~~government.~~

16 ~~(b) The working group shall review all aspects of existing law~~  
17 ~~relating to, and the administrative operations of, the Bureau for~~  
18 ~~Private Postsecondary and Vocational Education.~~

19 ~~(c) The working group shall utilize the reports, information,~~  
20 ~~and recommendations provided through the Joint Legislative~~  
21 ~~Sunset Review process.~~

22 ~~(d) The chairpersons of the Senate Business, Professions and~~  
23 ~~Economic Development Committee and the Assembly Higher~~  
24 ~~Education Committee shall convene the working group. The~~  
25 ~~working group shall include staff from the appropriate legislative~~  
26 ~~policy and fiscal committees, as well as representatives from the~~  
27 ~~Governor's office, the Attorney General's office, the Legislative~~  
28 ~~Analyst's Office, the State Consumer Services Agency, the~~  
29 ~~Operations Monitor, and the California Postsecondary Education~~  
30 ~~Commission.~~

31 ~~(e) The working group shall convene as soon as is practicable.~~

32 ~~(f) For the purposes of this section, the chairpersons of the~~  
33 ~~committees described in subdivision (d) and the working group~~  
34 ~~shall conduct public hearings and stakeholder meetings.~~

35 ~~(g) The working group shall prepare a report, with specific~~  
36 ~~recommendations, to the Governor and the Legislature on the~~  
37 ~~following issues:~~

38 ~~(1) The mission, goals, and objectives for the regulatory entity.~~

39 ~~(2) A proposed process for determining the appropriate fee~~  
40 ~~levels to sustain the operations of the regulatory entity.~~

1     ~~(3) The appropriate level of enforcement and the tools and~~  
2 ~~processes necessary to ensure enforcement.~~  
3     ~~(4) Appropriate governance structure.~~  
4     ~~(h) The working group shall submit its report to the Governor~~  
5 ~~and the appropriate legislative policy and fiscal committees~~  
6 ~~before February 28, 2007.~~  
7     ~~(i) It is the intent of the Legislature that the report of the~~  
8 ~~working group include a specific legislative proposal to revise~~  
9 ~~the Private Postsecondary and Vocational Education Reform Act~~  
10 ~~of 1989 to ensure an efficient and effective regulatory process~~  
11 ~~that ensures adequate student protections and promotes quality~~  
12 ~~private postsecondary education in California.~~  
13     ~~SEC. 3. No reimbursement is required by this act pursuant to~~  
14 ~~Section 6 of Article XIII B of the California Constitution because~~  
15 ~~the only costs that may be incurred by a local agency or school~~  
16 ~~district will be incurred because this act creates a new crime or~~  
17 ~~infraction, eliminates a crime or infraction, or changes the~~  
18 ~~penalty for a crime or infraction, within the meaning of Section~~  
19 ~~17556 of the Government Code, or changes the definition of a~~  
20 ~~crime within the meaning of Section 6 of Article XIII B of the~~  
21 ~~California Constitution.~~