

ASSEMBLY BILL

No. 330

Introduced by Assembly Member Chau

February 13, 2013

An act to amend Sections 69433.2 and 94910 of the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

AB 330, as introduced, Chau. Student financial aid: disclosures.

Existing law establishes the Cal Grant Program under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under the program for participating students attending qualifying institutions. As a condition for participation in the program, existing law requires each Cal Grant participating institution to annually report specified information to the commission, which the commission is required to provide on its Internet Web site in a searchable database.

This bill would include the institution's net price calculator and the average student loan debt of graduates of the institution in the information that a participating institution is required to report and the commission is required to provide on its Internet Web site. The bill would also require the commission to include a glossary explaining the meanings of various financial aid terms on its Internet Web site.

Existing law, the California Private Postsecondary Education Act of 2009, provides, among other things, for student protections and regulatory oversight of private postsecondary schools in the state. The act is enforced by the Bureau for Private Postsecondary Education within the Department of Consumer Affairs. The act exempts specified institutions from all, or a portion of, its provisions. The act requires an

institution to provide a prospective student prior to enrollment with a School Performance Fact Sheet, which is required to contain specified information relating to the educational program.

This bill would require the School Performance Fact Sheet to also include the institution's net price calculator and the average student loan debt of graduates of the institution if the institution receives specified federal funding.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Section 69433.2 of the Education Code is
2 amended to read:

3 69433.2. (a) As a condition for its voluntary participation in
4 the Cal Grant Program, each Cal Grant participating institution
5 shall, beginning in 2012, annually report to the commission, and
6 as further specified in the institutional participation agreement,
7 ~~both~~ all of the following for its undergraduate programs:

8 (1) Enrollment, persistence, and graduation data for all students,
9 including aggregate information on Cal Grant recipients.

10 (2) The job placement rate and salary and wage information for
11 each program that is either designed or advertised to lead to a
12 particular type of job or advertised or promoted with a claim
13 regarding job placement.

14 (3) *The institution's net price calculator required pursuant to*
15 *Section 1015a(h)(3) of Title 20 of the United States Code.*

16 (4) *The average student loan debt of graduates of the institution.*

17 (b) Commencing the year after the commission begins to receive
18 reports pursuant to subdivision (a), the commission shall provide
19 ~~both~~ all of the following on its Internet Web site:

20 (1) The information submitted by a Cal Grant participating
21 institution pursuant to subdivision (a), which shall be made
22 available in a searchable database.

23 (2) *A glossary explaining the meanings of various financial aid*
24 *terms, including, but not limited to, all of the following:*

25 (A) *Private student loan.*

26 (B) *Federal direct loan.*

27 (C) *Grant.*

28 (D) *Scholarship.*

1 ~~(2)~~

2 (3) Other information and links that are useful to students and
3 parents who are in the process of selecting a college or university.
4 This information may include, but not be limited to, local
5 occupational profiles available through the Employment
6 Development Department’s Labor Market Information Data
7 Library.

8 SEC. 2. Section 94910 of the Education Code is amended to
9 read:

10 94910. Prior to enrollment, an institution shall provide a
11 prospective student with a School Performance Fact Sheet
12 containing, at a minimum, the following information, as it relates
13 to the educational program:

14 (a) Completion rates, as calculated pursuant to Article 16
15 (commencing with Section 94928).

16 (b) Placement rates for each educational program, as calculated
17 pursuant to Article 16 (commencing with Section 94928), if the
18 educational program is designed to lead to, or the institution makes
19 any express or implied claim related to preparing students for, a
20 recognized career, occupation, vocation, job, or job title.

21 (c) License examination passage rates for programs leading to
22 employment for which passage of a state licensing examination is
23 required, as calculated pursuant to Article 16 (commencing with
24 Section 94928).

25 (d) Salary or wage information, as calculated pursuant to Article
26 16 (commencing with Section 94928).

27 (e) *The institution’s net price calculator if the institution is*
28 *required to provide one pursuant to Section 1015a(h)(3) of Title*
29 *20 of the United States Code.*

30 (f) *The average student loan debt of graduates of the institution,*
31 *if the institution receives funding pursuant to Title IV of the federal*
32 *Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1070*
33 *et seq.).*

34 ~~(e)~~

35 (g) If a program is too new to provide data for any of the
36 categories listed in this subdivision, the institution shall state on
37 its fact sheet: “This program is new. Therefore, the number of
38 students who graduate, the number of students who are placed, or
39 the starting salary you can earn after finishing the educational
40 program are unknown at this time. Information regarding general

1 salary and placement statistics may be available from government
 2 sources or from the institution, but is not equivalent to actual
 3 performance data.”

4 ~~(f)~~

5 (h) All of the following:

6 (1) A description of the manner in which the figures described
 7 in subdivisions (a) to ~~(d)~~ (f), inclusive, are calculated or a statement
 8 informing the reader of where he or she may obtain a description
 9 of the manner in which the figures described in subdivisions (a)
 10 to ~~(d)~~ (f), inclusive, are calculated.

11 (2) A statement informing the reader of where he or she may
 12 obtain from the institution a list of the employment positions
 13 determined to be within the field for which a student received
 14 education and training for the calculation of job placement rates
 15 as required by subdivision (b).

16 (3) A statement informing the reader of where he or she may
 17 obtain from the institution a list of the objective sources of
 18 information used to substantiate the salary disclosure as required
 19 by subdivision (d).

20 ~~(g)~~

21 (i) The following statements:

22 (1) “This fact sheet is filed with the Bureau for Private
 23 Postsecondary Education. Regardless of any information you may
 24 have relating to completion rates, placement rates, starting salaries,
 25 or license exam passage rates, this fact sheet contains the
 26 information as calculated pursuant to state law.”

27 (2) “Any questions a student may have regarding this fact sheet
 28 that have not been satisfactorily answered by the institution may
 29 be directed to the Bureau for Private Postsecondary Education at
 30 (address), Sacramento, CA (ZIP Code), (Internet Web site address),
 31 (telephone and fax numbers).”

32 ~~(h)~~

33 (j) If the institution participates in federal financial aid programs,
 34 the most recent three-year cohort default rate reported by the United
 35 States Department of Education for the institution and the
 36 percentage of enrolled students receiving federal student loans.

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