

AMENDED IN SENATE APRIL 8, 2015

SENATE BILL

No. 634

Introduced by Senator Block

February 27, 2015

An act to *amend Section 94858 of, and to add Section 66027.6 to Chapter 1.2 (commencing with Section 99010) to Part 65 of Division 14 of Title 3 of, the Education Code, relating to postsecondary education.*

LEGISLATIVE COUNSEL'S DIGEST

SB 634, as amended, Block. Postsecondary education: interstate reciprocity agreement.

Under existing law, the segments of postsecondary education in this state include the University of California, the California State University, the California Community Colleges, independent institutions of higher education, and private postsecondary educational institutions.

Existing law, the California Private Postsecondary Education Act of 2009, provides, among other things, for student protections and regulatory oversight of private postsecondary institutions 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 its provisions, does not apply to private postsecondary educational institutions that do not maintain a physical presence in the state, and is repealed on January 1, 2017. *The act defines "private postsecondary educational institution" for these purposes.*

~~This bill would authorize the Governor to enter into an interstate reciprocity agreement for purposes of oversight of postsecondary educational institutions offering postsecondary education in states in which they maintain no physical presence, as specified.~~

This bill would, to the extent authorized by federal law, apply the act to an accredited private entity with no physical presence in this state that offers and awards degrees to the public in this state by means of distance education for an institutional charge if the entity does not participate in a regional state authorization reciprocity agreement entered into or recognized by the state pursuant to specified law. The bill would authorize the Department of Consumer Affairs to enter into a regional state authorization reciprocity agreement with other states through a compact on behalf of this state. The compact would provide that an entity regulated in one member state would be able to provide distance education in other member states. The bill would require the bureau, before entering into a compact, to establish a process to ensure that certain educational institutions that are exempt from the act may participate in the state authorization reciprocity agreement without impacting their exempt status. The bill would require the bureau to enter into a memorandum of understanding with certain educational officials for the purpose of establishing and implementing the state authorization reciprocity agreement, as specified. The bill would authorize the bureau to establish a reasonable fee to be paid to the Department of Consumer Affairs by a participating postsecondary institution, as specified.

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 94858 of the Education Code is amended
2 to read:
3 94858. “Private postsecondary educational institution” means
4 a private entity with a physical presence in this state that offers
5 postsecondary education to the public for an institutional-charge-
6 charge, or, to the extent authorized by federal law, an accredited
7 private entity with no physical presence in this state that offers
8 and awards degrees to the public in this state by means of distance
9 education for an institutional charge if it does not participate in
10 a regional state authorization reciprocity agreement entered into
11 or recognized by the state pursuant to Chapter 1.2 (commencing
12 with Section 99010) of Part 65 of Division 14.
13 SEC. 2. Chapter 1.2 (commencing with Section 99010) is added
14 to Part 65 of Division 14 of Title 3 of the Education Code, to read:

1
2 *CHAPTER 1.2. STATE AUTHORIZATION RECIPROCITY*
3 *AGREEMENT*
4

5 99010. (a) *The purpose of this chapter is to provide protection*
6 *for California students enrolled in distance education programs*
7 *across state boundaries and to encourage the growth and*
8 *utilization by in-state students of quality online distance education*
9 *offerings by accredited degree-granting colleges and universities.*

10 (b) *This chapter provides the mechanism for California colleges*
11 *and universities to participate in limited interstate reciprocity*
12 *among states, including through the Western Interstate Commission*
13 *for Higher Education State Authorization Reciprocity Agreement.*

14 (c) *Reciprocity agreements authorized by this chapter are*
15 *needed to allow institutions to be authorized to offer distance*
16 *education to students in all states and United States territories*
17 *because postsecondary education is controlled by the states and*
18 *each state charters or licenses colleges and universities separately.*

19 99011. *The following terms, for purposes of this chapter, shall*
20 *have the following meanings:*

21 (a) *“Accredited” means an institution is accredited by an*
22 *accrediting agency recognized by the United States Department*
23 *of Education.*

24 (b) *“Bureau” means the Bureau for Private Postsecondary*
25 *Education in the Department of Consumer Affairs.*

26 (c) *“Participating postsecondary institution” means an*
27 *institution with a physical presence in this state that has been*
28 *approved to operate under a regional state authorization*
29 *reciprocity agreement.*

30 (d) *“Postsecondary institution” means any accredited,*
31 *degree-granting public or private university or college with a*
32 *physical presence in this state and any accredited community*
33 *college with a physical presence in this state.*

34 (e) *“State authorization reciprocity agreement” means a*
35 *compact between this state and one or more other states to permit*
36 *distance education in a state in which a provider does not have a*
37 *regulated physical presence if the provider has a physical presence*
38 *and is authorized to operate in another state subject to the*
39 *agreement.*

1 99012. (a) *The Department of Consumer Affairs may enter*
2 *into a regional state authorization reciprocity agreement with*
3 *other states through a compact on behalf of this state.*

4 (b) *Before entering into a compact authorized by subdivision*
5 *(a), the Bureau shall establish a process to ensure that educational*
6 *institutions exempt from the California Private Postsecondary Act*
7 *of 2009 pursuant to Section 94874, may participate in the state*
8 *authorization reciprocity agreement without impacting their exempt*
9 *status.*

10 (c) *For the purposes of establishing and implementing the state*
11 *authorization reciprocity agreement, the Bureau shall enter into*
12 *a memorandum of understanding with the President of the*
13 *University of California, the Chancellor of the California State*
14 *University, the Chancellor of the California Community Colleges,*
15 *and the presidents of the independent California colleges and*
16 *universities as represented by the state association representing*
17 *the largest number of those members. This memorandum of*
18 *understanding shall not weaken existing student privacy and*
19 *confidentiality protections.*

20 (d) *The Bureau may establish a reasonable fee to be paid to the*
21 *Department of Consumer Affairs by a participating postsecondary*
22 *institution pursuant to this section. The amount of the fee shall be*
23 *established to recover designated expenses incurred by the*
24 *Department of Consumer Affairs in administering the provisions*
25 *of this section.*

26 ~~SECTION 1. Section 66027.6 is added to the Education Code,~~
27 ~~to read:~~

28 ~~66027.6. The Governor is authorized to enter into an interstate~~
29 ~~reciprocity agreement for purposes of oversight of postsecondary~~
30 ~~educational institutions offering postsecondary education in states~~
31 ~~in which they maintain no physical presence, provided that the~~
32 ~~agreement ensures that students enrolled in private postsecondary~~
33 ~~educational institutions without a physical presence in this state~~
34 ~~that are not independent institutions, as defined in subdivision (b)~~
35 ~~of Section 66010, are provided at least with a similar level of~~
36 ~~consumer protection as would be provided if the institutions were~~
37 ~~regulated by the Bureau for Private Postsecondary Education.~~