

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 08/06/2012
POSITION: Neutral

BILL NUMBER: AB 2296
AUTHOR: Block, Marty

BILL SUMMARY: California Private Postsecondary Education Act of 2009.

This bill would expand the disclosure and reporting requirements of private postsecondary educational institutions regarding their accredited and non-accredited programs as well as job placement information for graduates.

FISCAL SUMMARY

The Bureau for Private Postsecondary Education (Bureau) within the Department of Consumer Affairs indicates that this bill would require \$81,000 special fund and 1.0 limited term position for 2013-14 to implement the provisions of this bill. Any request for additional expenditure authority is subject to review and approval through the annual budget process. The Bureau also anticipates minor workload associated with promulgating regulations, which can be absorbed from within existing resources.

COMMENTS

The Department of Finance is neutral on this bill because it would provide greater transparency of private postsecondary education institutions and greater consumer protection to prospective students.

Existing law:

- Until January 1, 2016, establishes the California Private Postsecondary Education Act of 2009, which provides for the approval, regulation, and enforcement of private postsecondary education institutions by the Bureau.
- Prohibits a private postsecondary education institution from offering an unaccredited doctoral degree program without disclosing to prospective students that the degree program is unaccredited, whether the degree is issued in a field that requires licensure in the state, and any known limitations of the degree, including whether it is recognized for licensure or certification in California and other states.
- Specifies requirements and disclosures regarding student enrollment, completion rates, placement rates, and salary information of students and graduates.

This bill would:

- Require educational institutions offering associate, baccalaureate, and master's degree programs to disclose that the institution or specified degree program is not accredited in a field that requires licensure in California.
- Require the educational institution's catalog to include a statement specifying whether the institution or any of its programs are accredited by the United States Department of Education and to disclose any limitations of the degree program.

Analyst/Principal (0222) J.Carosone	Date	Program Budget Manager Lisa Ann Mangat	Date
Department Deputy Director		Date	
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

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COMMENTS (continued)

- Require educational institutions to submit an annual report and publish in its School Performance Fact Sheet information on student default and placement rates.
- Take effect January 1, 2013.

The purpose of this bill is to provide greater consumer protection to prospective students by broadening disclosure requirements of postsecondary educational institutions. This bill would help to ensure that students are able to make better informed decisions when choosing a postsecondary education program.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					Fund Code
	LA	(Dollars in Thousands)					
	CO	PROP					
	RV	98	FC	2012-2013 FC	2013-2014 FC	2014-2015	
1111/ConAfr-BurPg	SO	No		----- See Fiscal Summary -----		0305	
<u>Fund Code</u>	<u>Title</u>						
0305	Private Postsecondary Education Admin Fd						