

AMENDED IN SENATE JUNE 6, 2007  
AMENDED IN ASSEMBLY APRIL 26, 2007  
AMENDED IN ASSEMBLY APRIL 16, 2007  
CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1525**

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**Introduced by Assembly Member Cook  
(Coauthor: Assembly Member Portantino)**

February 23, 2007

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An act relating to private postsecondary education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1525, as amended, Cook. Private postsecondary education.

(1) 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 the Bureau for Private Postsecondary and Vocational Education in the Department of Consumer Affairs. Existing law requires the bureau, among other things, to review and investigate all institutions, programs, and courses of instruction approved under the act.

The act establishes the Private Postsecondary and Vocational Education Administration Fund and the continuously appropriated Student Tuition Recovery Fund. The 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.

The bill would express the intent of the Legislature to provide for the protection of the interests of students who, and institutions which, have pending matters, or any other pending business, before the bureau as of June 30, 2007.

The bill would require that each matter, as defined, pending before the bureau as of the close of business on June 30, 2007, be deemed to remain pending before the bureau or a successor agency as of February 1, 2008, irrespective of any applicable deadlines. With respect to any deadline applicable to a pending matter, the bill would require that no time be deemed to have elapsed between July 1, 2007, and January 31, 2008, inclusive. The bill would require that any institution, program, or course of study that is approved by the bureau as of the close of business on June 30, 2007, be deemed to be approved as of February 1, 2008, irrespective of any applicable conditions, deadlines, or additional requirements. The bill would also require that, with respect to any deadline applicable to the approval or conditional approval of an institution, program, or course of study, no time shall be deemed to have elapsed between July 1, 2007, and January 31, 2008, inclusive.

~~The~~  
The bill would authorize the Director of Consumer Affairs to enter into voluntary ~~contracts~~ *agreements* with institutions ~~for compliance that comply~~ with state statutes, rules, and regulations applicable to these institutions as of June 30, 2007. *The bill would require institutions to disclose to their current and prospective students in writing, within 60 days of the effective date of the bill, whether they entered into, or declined to enter into, a voluntary agreement with the director.*

The bill would continue the existence of the Private Postsecondary and Vocational Education Administration Fund and the continuously appropriated Student Tuition Recovery Fund, thereby making an appropriation.

These provisions would be repealed on February 1, 2008.

(2) *The bill would state that its provisions are to apply retroactively to July 1, 2007.*

(3) The bill would ~~authorize~~ *continue* the approval of private postsecondary institutions for specified purposes until July 1, 2008.

(3)

(4) The bill would become operative only if SB 823 is chaptered *on or* before July 1, 2007.

(4)

(5) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

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

1 SECTION 1. (a) It is the intent of the Legislature to provide,  
2 through the enactment of subdivision (b), for the protection of the  
3 interests of students and institutions having any matter pending  
4 before the Bureau for Private Postsecondary and Vocational  
5 Education as of June 30, 2007. The Legislature further encourages  
6 the Department of Consumer Affairs to provide information to  
7 students and institutions during this time period to ensure their  
8 understanding of their rights and responsibilities effective February  
9 1, 2008, and that student complaints received during this time  
10 period continue to be duly recorded and, to the extent practicable,  
11 investigated, so that no Californian is harmed by the delay in the  
12 provision of full services.

13 (b) Notwithstanding any other provision of law:

14 (1) Each matter pending before the Bureau for Private  
15 Postsecondary and Vocational Education as of the close of business  
16 on June 30, 2007, shall be deemed to remain pending before the  
17 bureau or a successor agency as of February 1, 2008, irrespective  
18 of any applicable deadlines. With respect to any deadline applicable  
19 to a pending matter, no time shall be deemed to have elapsed  
20 between July 1, 2007, and January 31, 2008, inclusive. For

21 (A) For the purposes of this paragraph, “matter” includes, but  
22 is not necessarily limited to, an appeal, a complaint, an evaluation,  
23 a hearing, ~~a Student Tuition Recovery Fund claim,~~ or an  
24 investigation.

25 (B) For the purposes of this paragraph, “matter” does not  
26 include a Student Tuition Recovery Fund Claim. Nothing in this  
27 paragraph shall be construed to prevent the payment of existing  
28 Student Tuition Recovery Fund claims that have been filed with,  
29 and approved, by the Bureau for Private Postsecondary and  
30 Vocational Education as of June 30, 2007.

31 (2) Any institution, program, or course of study that is approved  
32 by the bureau as of the close of business on June 30, 2007, shall

1 be deemed to be approved as of February 1, 2008, irrespective of  
2 any applicable conditions, deadlines, or additional requirements.  
3 With respect to any deadline applicable to the approval, renewal  
4 of approval, or conditional approval of an institution, program, or  
5 course of study, no time shall be deemed to have elapsed between  
6 July 1, 2007, and January 31, 2008, inclusive.

7 (3) From July 1, 2007, to January 31, 2008, inclusive, the  
8 Director of Consumer Affairs may enter into voluntary ~~contracts~~  
9 ~~with institutions to comply with~~ *agreements with institutions that*  
10 *comply with state* statutes, rules, and regulations pertaining to  
11 private postsecondary institutions in effect as of the close of  
12 business on June 30, 2007, that had a valid approval to operate as  
13 of the close of business on June 30, 2007, for the purpose of  
14 ensuring continued student protection after Chapter 7 (commencing  
15 with Section 94700) of Part 59 of Division 10 of Title 3 of the  
16 Education Code, as it exists on June 30, 2007, becomes inoperative.

17 (4) From July 1, 2007, to January 31, 2008, inclusive, the  
18 Director of Consumer Affairs shall administer the Student Tuition  
19 Recovery Fund.

20 SEC. 2. (a) The Private Postsecondary and Vocational  
21 Education Administration Fund is continued in existence under  
22 the administration of the Department of Consumer Affairs.

23 (b) (1) The Student Tuition Recovery Fund is continued in  
24 existence under the administration of the Department of Consumer  
25 Affairs.

26 (2) The moneys in the Student Tuition Recovery Fund are  
27 continuously appropriated, without regard to fiscal years, to the  
28 Director of Consumer Affairs for the purpose of paying claims  
29 that ~~had been~~ *were* filed with, and approved by, the former Bureau  
30 for Private Postsecondary and Vocational Education prior to July  
31 1, 2007, under the provisions of Chapter 7 (commencing with  
32 Section 94700) of Part 59 of Division 10 of Title 3 of the Education  
33 Code, as it exists on June 30, 2007. *A claim that has been filed*  
34 *with and approved by the Bureau for Private Postsecondary and*  
35 *Vocational Education prior to July 1, 2007, but not paid by the*  
36 *Director of Consumer Affairs between July 1, 2007, and January*  
37 *31, 2008, inclusive, shall be deemed pending before a successor*  
38 *agency on February 1, 2008.*

39 (3) If, for any reason, between July 1, 2007 and January 31,  
40 2008, inclusive, an institution is not liable for payments to the

1 Student Tuition Recovery Fund, that institution shall not collect  
2 moneys from students for purposes of payments to that fund.

3 (4) It is the intent of the Legislature that, to the extent possible,  
4 the Department of Consumer Affairs shall pay claims found to be  
5 owed *and payable by the Bureau for Private Postsecondary and*  
6 *Vocational Education* to students from the Student Tuition  
7 Recovery Fund between ~~July 1~~ *June 30, 2007*, and January 31,  
8 2008, inclusive.

9 SEC. 3. (a) It is the intent of the Legislature to provide  
10 institutions with ~~one~~ *a* legal method by which they may comply  
11 with applicable federal statutes, rules, and regulations from July  
12 1, 2007, to January 31, 2008, inclusive, and to affirm for the United  
13 States Department of Education that voluntary ~~contracts~~  
14 *agreements*, as referenced in paragraph (3) of subdivision (b) of  
15 Section 1 of this act, demonstrate the legal authorization to operate  
16 of schools under California law from July 1, 2007, to January 31,  
17 2008, inclusive.

18 (b) From close of business on June 30, 2007, inclusive, until  
19 close of business on January 31, 2008, wherever in law there is a  
20 reference to an institution “approved by the Bureau for Private  
21 Postsecondary and Vocational Education,” this shall mean any  
22 school that has entered into, and is complying with, a voluntary  
23 ~~contract~~ *agreement* under paragraph (3) of subdivision (b) of  
24 Section 1 of this act.

25 ~~(e) From July 1, 2007, to January 31, 2008, inclusive, any~~  
26 ~~institution approved by the Bureau of Private Postsecondary and~~  
27 ~~Vocational Education as of the close of business on June 30, 2007,~~  
28 ~~shall disclose to all prospective and current students, to the United~~  
29 ~~States Department of Education, and to any other interested parties~~  
30 ~~whether it is legally authorized by the State of California.~~

31 *(c) All schools shall disclose to all current and prospective*  
32 *students, within 60 days after the effective date of this chapter,*  
33 *that the school agreed to or declined to enter into a voluntary*  
34 *agreement with the Director of Consumer Affairs.*

35 SEC. 4. (a) For purposes of this section, “act” means the  
36 Private Postsecondary and Vocational Education Reform Act of  
37 1989 (Chapter 7 (commencing with Section 94700) of Part 59 of  
38 Division 10 of Title 3 of the Education Code), as it exists on June  
39 30, 2007.

1 (b) The rights and obligations established by the act on or before  
2 June 30, 2007, shall be determined by the law in effect on or before  
3 June 30, 2007, and any claim or cause of action in any manner  
4 based on the act that arose on or before June 30, 2007, whether or  
5 not reduced to a final judgment, shall be preserved, and shall  
6 remain subject to the provisions of the act in effect on or before  
7 June 30, 2007, notwithstanding the inoperative status or repeal of  
8 the act on or after July 1, 2007.

9 SEC. 5. Wherever in this act there is a provision related to a  
10 voluntary-~~contract~~ *agreement*, that provision shall be applicable  
11 only if the Department of Consumer Affairs has proposed and  
12 tendered that voluntary-~~contract~~ *agreement* as permitted by this  
13 act.

14 SEC. 6. It is the intent of the Legislature that the Department  
15 of Consumer Affairs shall continue to provide all applicable rights  
16 and protections of civil service to its employees.

17 SEC. 7. The provisions of this act are severable. If any  
18 provision of this act or its application is held invalid, that invalidity  
19 shall not affect other provisions or applications that can be given  
20 effect without the invalid provision or application.

21 SEC. 8. Private postsecondary-~~institutions, and instructors~~  
22 ~~holding valid certificates of authorization, that have~~ *educational*  
23 *institutions that have a valid approval to operate, and instructors*  
24 *holding a valid certificate of authorization for service*, from the  
25 Bureau for Private Postsecondary and Vocational Education as of  
26 June 30, 2007, shall retain those approvals *or certificates of*  
27 *authorization* for purposes of interpreting other provisions of  
28 applicable law that refer or relate to the issuance of a license or  
29 registration and meeting qualifications for licensing examinations.  
30 Those approvals shall be effective through July 1, 2008, unless a  
31 later enacted statute modifies, extends, or deletes that date.

32 SEC. 9. *The provisions of this act, including the provisions*  
33 *relating to voluntary agreements, shall apply retroactively to July*  
34 *1, 2007.*

35 ~~SEC. 9.~~

36 SEC. 10. This act shall only become operative if Senate Bill  
37 No. 823 is chaptered on or before July 1, 2007.

1     ~~SEC. 10.~~

2     *SEC. 11.* Sections 1 to 7, inclusive, of this act shall be repealed  
3 on February 1, 2008, unless a later enacted statute, that is enacted  
4 before February 1, 2008, deletes or extends that date.

5     ~~SEC. 11.~~

6     *SEC. 12.* This act is an urgency statute necessary for the  
7 immediate preservation of the public peace, health, or safety within  
8 the meaning of Article IV of the Constitution and shall go into  
9 immediate effect. The facts constituting the necessity are:

10     In order to provide for the protection of the interests of students  
11 and institutions having matters pending before the Bureau for  
12 Private Postsecondary and Vocational Education as of June 30,  
13 2007, it is necessary that this act take effect immediately.

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