

**ASSEMBLY BILL**

**No. 1889**

---

---

**Introduced by Committee on Higher Education (Portantino (Chair),  
Block, Cook, Fong, Galgiani, Huber, Ma, and Ruskin)**

February 16, 2010

---

---

An act to amend Section 94920 of the Education Code, relating to private postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

AB 1889, as introduced, Committee on Higher Education. Private postsecondary education: California Private Postsecondary Education Act of 2009: cancellations and refunds.

Existing law establishes the California Private Postsecondary Education Act of 2009, which, among other things, provides for student protections and regulatory oversight of private postsecondary schools in the state. The act requires specified private postsecondary institutions to refund 100% of the amount paid for institutional charges, less specified expenses, if notice of cancellation is made through attendance at the first class session, or the 7th class day after enrollment, whichever is later.

This bill would change the 2nd deadline for notice of cancellation from the 7th class day after enrollment, to the 7th day after enrollment.

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

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

- 1 SECTION 1. Section 94920 of the Education Code is amended
- 2 to read:

- 1 94920. An institution that does not participate in the federal  
2 student financial aid programs shall do all of the following:
- 3 (a) The institution shall advise each student that a notice of  
4 cancellation shall be in writing, and that a withdrawal may be  
5 effectuated by the student's written notice or by the student's  
6 conduct, including, but not necessarily limited to, a student's lack  
7 of attendance.
- 8 (b) Institutions shall refund 100 percent of the amount paid for  
9 institutional charges, less a reasonable deposit or application fee  
10 not to exceed two hundred fifty dollars (\$250), if notice of  
11 cancellation is made through attendance at the first class session,  
12 or the seventh-class day after enrollment, whichever is later.
- 13 (c) The bureau may adopt by regulation a different method of  
14 calculation for instruction delivered by other means, including,  
15 but not necessarily limited to, distance education.
- 16 (d) The institution shall have a refund policy for the return of  
17 unearned institutional charges if the student cancels an enrollment  
18 agreement or withdraws during a period of attendance. The refund  
19 policy for students who have completed 60 percent or less of the  
20 period of attendance shall be a pro rata refund.
- 21 (e) The institution shall pay or credit refunds within 45 days of  
22 a student's cancellation or withdrawal.