

AMENDED IN ASSEMBLY APRIL 25, 2011

AMENDED IN ASSEMBLY MARCH 31, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 773**

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**Introduced by Assembly Member Block**

February 17, 2011

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An act to *amend Section 94874.1 of, and to add Section 94923.1 to, the Education Code, relating to postsecondary education.*

LEGISLATIVE COUNSEL'S DIGEST

AB 773, as amended, Block. Postsecondary education: Student Tuition Recovery Fund.

The California Private Postsecondary Education Act of 2009 (*the act*) requires the Bureau for Private Postsecondary Education, by January 1, 2011, to adopt regulation procedures governing the administration and maintenance of the Student Tuition Recovery Fund, including requirements relating to assessments on students and student claims against the Student Tuition Recovery Fund.

*Existing law provides that an institution that is accredited by a regional accrediting agency that is recognized by the United States Department of Education, and is not an agency holding specified accreditation, is exempt from the provisions related to the act except for the Student Tuition Recovery Fund.*

*This bill would provide that the bureau may revoke this exemption if it finds that an institution has failed to comply with the provisions related to the Student Tuition Recovery Fund.*

This bill would require the bureau to adopt, by regulation, requirements relating to assessments on students that are paid by an

institution on behalf of the student. *The regulations authorized by the bill would allow institutions to pay the assessments, as specified, and would require the paying institution to adequately inform students of their rights and responsibilities under the fund and would further institutions do not engage in inappropriate marketing or advertising, 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 94874.1 of the Education Code is amended  
2 to read:

3 94874.1. (a) An institution that is accredited by a regional  
4 accrediting agency that is recognized by the United States  
5 Department of Education, and is not an agency described in  
6 subdivision (i) of Section 94874, is exempt from this chapter,  
7 except Article 14 (commencing with Section 94923).

8 (b) *The bureau may revoke an exemption provided in subdivision*  
9 *(a) if it finds that an institution has failed to comply with Article*  
10 *14 (commencing with Section 94923).*

11 ~~(b)~~  
12 (c) This section shall remain in effect only until January 1, 2016,  
13 and as of that date is repealed, unless a later enacted statute, that  
14 is enacted before January 1, 2016, deletes or extends that date.

15 SECTION 1.

16 SEC. 2. Section 94923.1 is added to the Education Code, to  
17 read:

18 94923.1. ~~The bureau shall adopt by regulation, requirements~~  
19 ~~relating to assessments on students paid by an institution on behalf~~  
20 ~~of the student.~~ *regulation a process allowing institutions to pay*  
21 *assessments on behalf of their students. For institutions choosing*  
22 *to pay assessments on behalf of their students, the bureau shall*  
23 *adopt additional regulations ensuring that students are adequately*  
24 *informed by the institution of their rights and responsibilities under*  
25 *the fund and requirements that ensure institutions do not engage*  
26 *in inappropriate marketing or advertising with regard to their*  
27 *payment of the assessment to the fund on behalf of their students.*

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