

**Introduced by Senator Liu**February 17, 2011

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An act to amend Sections 27, 101, and 149 of the Business and Professions Code, and to amend Sections 94800.5, 94806, 94807, 94820, 94875, 94876, 94877, 94878, 94909, 94910, 94911, 94936, 94937, and 95000 of, to repeal Section 94884 of, and to repeal and add Section 94803 of, the Education Code, relating to private postsecondary education.

## LEGISLATIVE COUNSEL'S DIGEST

SB 498, as introduced, Liu. Bureau for Private Postsecondary Education: Successorship.

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. Existing law establishes the Bureau for Private Postsecondary Education within the Department of Consumer Affairs to regulate private postsecondary institutions through the powers granted, and the duties imposed, by the act.

Existing law establishes the California Postsecondary Education Commission as the statewide postsecondary education coordinating and planning agency and provides for its functions and responsibilities.

This bill would abolish the Bureau for Private Postsecondary Education, and would transfer the bureau's powers and duties under the act to the California Postsecondary Education Commission. The bill would require the commission to adopt the regulations of the bureau and, by January 1, 2013, to revise the regulations in accordance with specified procedures. The bill would make various conforming changes to existing law.

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 27 of the Business and Professions Code  
2 is amended to read:  
3 27. (a) Each entity specified in subdivision (b) shall provide  
4 on the Internet information regarding the status of every license  
5 issued by that entity in accordance with the California Public  
6 Records Act (Chapter 3.5 (commencing with Section 6250) of  
7 Division 7 of Title 1 of the Government Code) and the Information  
8 Practices Act of 1977 (Chapter 1 (commencing with Section 1798)  
9 of Title 1.8 of Part 4 of Division 3 of the Civil Code). The public  
10 information to be provided on the Internet shall include information  
11 on suspensions and revocations of licenses issued by the entity  
12 and other related enforcement action taken by the entity relative  
13 to persons, businesses, or facilities subject to licensure or regulation  
14 by the entity. In providing information on the Internet, each entity  
15 shall comply with the Department of Consumer Affairs Guidelines  
16 for Access to Public Records. The information may not include  
17 personal information, including home telephone number, date of  
18 birth, or social security number. Each entity shall disclose a  
19 licensee’s address of record. However, each entity shall allow a  
20 licensee to provide a post office box number or other alternate  
21 address, instead of his or her home address, as the address of  
22 record. This section shall not preclude an entity from also requiring  
23 a licensee, who has provided a post office box number or other  
24 alternative mailing address as his or her address of record, to  
25 provide a physical business address or residence address only for  
26 the entity’s internal administrative use and not for disclosure as  
27 the licensee’s address of record or disclosure on the Internet.  
28 (b) Each of the following entities within the Department of  
29 Consumer Affairs shall comply with the requirements of this  
30 section:  
31 (1) The Acupuncture Board shall disclose information on its  
32 licensees.  
33 (2) The Board of Behavioral Sciences shall disclose information  
34 on its licensees, including marriage and family therapists, licensed  
35 clinical social workers, and licensed educational psychologists.

1 (3) The Dental Board of California shall disclose information  
2 on its licensees.

3 (4) The State Board of Optometry shall disclose information  
4 regarding certificates of registration to practice optometry,  
5 statements of licensure, optometric corporation registrations, branch  
6 office licenses, and fictitious name permits of its licensees.

7 (5) The Board for Professional Engineers and Land Surveyors  
8 shall disclose information on its registrants and licensees.

9 (6) The Structural Pest Control Board shall disclose information  
10 on its licensees, including applicators, field representatives, and  
11 operators in the areas of fumigation, general pest and wood  
12 destroying pests and organisms, and wood roof cleaning and  
13 treatment.

14 (7) The Bureau of Automotive Repair shall disclose information  
15 on its licensees, including auto repair dealers, smog stations, lamp  
16 and brake stations, smog check technicians, and smog inspection  
17 certification stations.

18 (8) The Bureau of Electronic and Appliance Repair shall disclose  
19 information on its licensees, including major appliance repair  
20 dealers, combination dealers (electronic and appliance), electronic  
21 repair dealers, service contract sellers, and service contract  
22 administrators.

23 (9) The Cemetery and Funeral Bureau shall disclose information  
24 on its licensees, including cemetery brokers, cemetery salespersons,  
25 cemetery managers, crematory managers, cemetery authorities,  
26 crematories, cremated remains disposers, embalmers, funeral  
27 establishments, and funeral directors.

28 (10) The Professional Fiduciaries Bureau shall disclose  
29 information on its licensees.

30 (11) The Contractors' State License Board shall disclose  
31 information on its licensees in accordance with Chapter 9  
32 (commencing with Section 7000) of Division 3. In addition to  
33 information related to licenses as specified in subdivision (a), the  
34 board shall also disclose information provided to the board by the  
35 Labor Commissioner pursuant to Section 98.9 of the Labor Code.

36 (12) The Board of Psychology shall disclose information on its  
37 licensees, including psychologists, psychological assistants, and  
38 registered psychologists.

39 ~~(13) The Bureau for Private Postsecondary Education shall~~  
40 ~~disclose information on private postsecondary institutions under~~

1 its jurisdiction, including disclosure of notices to comply issued  
 2 pursuant to Section 94935 of the Education Code.

3 (c) “Internet” for the purposes of this section has the meaning  
 4 set forth in paragraph (6) of subdivision (e) of Section 17538.

5 SEC. 2. Section 101 of the Business and Professions Code is  
 6 amended to read:

7 101. The department is comprised of:

8 (a) The Dental Board of California.

9 (b) The Medical Board of California.

10 (c) The State Board of Optometry.

11 (d) The California State Board of Pharmacy.

12 (e) The Veterinary Medical Board.

13 (f) The California Board of Accountancy.

14 (g) The California Architects Board.

15 (h) The Bureau of Barbering and Cosmetology.

16 (i) The Board for Professional Engineers and Land Surveyors.

17 (j) The Contractors’ State License Board.

18 ~~(k) The Bureau for Private Postsecondary Education.~~

19 ~~(l)~~

20 (k) The Bureau of Electronic and Appliance Repair, Home  
 21 Furnishings, and Thermal Insulation.

22 ~~(m)~~

23 (l) The Board of Registered Nursing.

24 ~~(n)~~

25 (m) The Board of Behavioral Sciences.

26 ~~(o)~~

27 (n) The State Athletic Commission.

28 ~~(p)~~

29 (o) The Cemetery and Funeral Bureau.

30 ~~(q)~~

31 (p) The State Board of Guide Dogs for the Blind.

32 ~~(r)~~

33 (q) The Bureau of Security and Investigative Services.

34 ~~(s)~~

35 (r) The Court Reporters Board of California.

36 ~~(t)~~

37 (s) The Board of Vocational Nursing and Psychiatric  
 38 Technicians.

39 ~~(u)~~

40 (t) The Landscape Architects Technical Committee.

- 1 ~~(v)~~
- 2 (u) The Division of Investigation.
- 3 ~~(w)~~
- 4 (v) The Bureau of Automotive Repair.
- 5 ~~(x)~~
- 6 (w) The Respiratory Care Board of California.
- 7 ~~(y)~~
- 8 (x) The Acupuncture Board.
- 9 ~~(z)~~
- 10 (y) The Board of Psychology.
- 11 ~~(aa)~~
- 12 (z) The California Board of Podiatric Medicine.
- 13 ~~(ab)~~
- 14 (aa) The Physical Therapy Board of California.
- 15 ~~(ae)~~
- 16 (ab) The Arbitration Review Program.
- 17 ~~(ad)~~
- 18 (ac) The Physician Assistant Committee.
- 19 ~~(ae)~~
- 20 (ad) The Speech-Language Pathology and Audiology Board.
- 21 ~~(af)~~
- 22 (ae) The California Board of Occupational Therapy.
- 23 ~~(ag)~~
- 24 (af) The Osteopathic Medical Board of California.
- 25 ~~(ah)~~
- 26 (ag) The Naturopathic Medicine Committee.
- 27 ~~(ai)~~
- 28 (ah) The Dental Hygiene Committee of California.
- 29 ~~(aj)~~
- 30 (ai) The Professional Fiduciaries Bureau.
- 31 ~~(ak)~~
- 32 (aj) Any other boards, offices, or officers subject to its
- 33 jurisdiction by law.

34 SEC. 3. Section 149 of the Business and Professions Code is  
35 amended to read:

36 149. (a) If, upon investigation, an agency designated in  
37 subdivision (e) has probable cause to believe that a person is  
38 advertising in a telephone directory with respect to the offering or  
39 performance of services, without being properly licensed by or  
40 registered with the agency to offer or perform those services, the

1 agency may issue a citation under Section 148 containing an order  
2 of correction that requires the violator to do both of the following:

- 3 (1) Cease the unlawful advertising.
- 4 (2) Notify the telephone company furnishing services to the  
5 violator to disconnect the telephone service furnished to any  
6 telephone number contained in the unlawful advertising.

7 (b) This action is stayed if the person to whom a citation is  
8 issued under subdivision (a) notifies the agency in writing that he  
9 or she intends to contest the citation. The agency shall afford an  
10 opportunity for a hearing, as specified in Section 125.9.

11 (c) If the person to whom a citation and order of correction is  
12 issued under subdivision (a) fails to comply with the order of  
13 correction after that order is final, the agency shall inform the  
14 Public Utilities Commission of the violation and the Public Utilities  
15 Commission shall require the telephone corporation furnishing  
16 services to that person to disconnect the telephone service furnished  
17 to any telephone number contained in the unlawful advertising.

18 (d) The good faith compliance by a telephone corporation with  
19 an order of the Public Utilities Commission to terminate service  
20 issued pursuant to this section shall constitute a complete defense  
21 to any civil or criminal action brought against the telephone  
22 corporation arising from the termination of service.

23 (e) Subdivision (a) shall apply to the following boards, bureaus,  
24 committees, commissions, or programs:

- 25 (1) The Bureau of Barbering and Cosmetology.
- 26 (2) The Cemetery and Funeral Bureau.
- 27 (3) The Veterinary Medical Board.
- 28 (4) The Landscape Architects Technical Committee.
- 29 (5) The California Board of Podiatric Medicine.
- 30 (6) The Respiratory Care Board of California.
- 31 (7) The Bureau of Electronic and Appliance Repair, Home  
32 Furnishings, and Thermal Insulation.
- 33 (8) The Bureau of Security and Investigative Services.
- 34 (9) The Bureau of Automotive Repair.
- 35 (10) The California Architects Board.
- 36 (11) The Speech-Language Pathology and Audiology Board.
- 37 (12) The Board for Professional Engineers and Land Surveyors.
- 38 (13) The Board of Behavioral Sciences.
- 39 (14) The Structural Pest Control Board within the Department  
40 of Pesticide Regulation.

- 1 (15) The Acupuncture Board.
- 2 (16) The Board of Psychology.
- 3 (17) The California Board of Accountancy.
- 4 (18) The Naturopathic Medicine Committee.
- 5 (19) The Physical Therapy Board of California.
- 6 ~~(20) The Bureau for Private Postsecondary Education.~~

7 SEC. 4. Section 94800.5 of the Education Code is amended to  
8 read:

9 94800.5. Whenever a reference is made to the former Private  
10 Postsecondary Education and Student Protection Act, the former  
11 Private Postsecondary and Vocational Education Reform Act of  
12 1989, or the former Chapter 7 (commencing with Section 94700)  
13 of Part 59 of Division 10 of Title 3 of the Education Code, as it  
14 read on June 30, 2007, by the provisions of any statute or  
15 regulation, it shall be construed as referring to the provisions of  
16 this chapter. Whenever a reference is made to the former Bureau  
17 for Private Postsecondary and Vocational Education *or the Bureau*  
18 *for Private Postsecondary Education* by the provisions of any  
19 statute or regulation, it shall be construed as referring to the ~~Bureau~~  
20 ~~for Private Postsecondary Education~~ *California Postsecondary*  
21 *Education Commission*.

22 SEC. 5. Section 94803 of the Education Code is repealed.

23 ~~94803. The bureau shall, by emergency regulation, amend, and~~  
24 ~~repeal as necessary, the regulations, as they read on June 30, 2007,~~  
25 ~~in Division 7.5 (commencing with Section 70000) of Title 5 of the~~  
26 ~~California Code of Regulations, to conform to this chapter no later~~  
27 ~~than February 1, 2010. These emergency regulations shall become~~  
28 ~~permanent through the regular rulemaking process within one year~~  
29 ~~of the enactment of this chapter.~~

30 SEC. 6. Section 94803 is added to the Education Code, to read:

31 94803. (a) The commission, by emergency regulation, shall  
32 adopt the regulations of the former Bureau for Private  
33 Postsecondary Education, as those regulations read on December  
34 31, 2011.

35 (b) On or before January 1, 2013, the commission shall amend,  
36 and repeal as necessary, the regulations in accordance with Chapter  
37 3.5 (commencing with Section 11340) of Part 1 of Division 3 of  
38 Title 2 of the Government Code. The commission shall ensure that  
39 the amended regulations are consistent with federal law and

1 regulations governing private postsecondary education and  
2 financial aid.

3 SEC. 7. Section 94806 of the Education Code is amended to  
4 read:

5 94806. The Private Postsecondary and Vocational Education  
6 Administration Fund established by former Section 94932 of the  
7 Education Code, and extended by Chapter 635 of the Statutes of  
8 2007, is continued in existence *under the administration of the*  
9 *commission*, and is renamed the Private Postsecondary Education  
10 Administration Fund.

11 SEC. 8. Section 94807 of the Education Code is amended to  
12 read:

13 94807. The Student Tuition Recovery Fund established by  
14 former Section 94944 of the Education Code, and extended by  
15 Chapter 635 of the Statutes of 2007, is continued in existence *under*  
16 *the administration of the commission*.

17 SEC. 9. Section 94820 of the Education Code is amended to  
18 read:

19 94820. “Bureau” or “commission” means the ~~Bureau for~~  
20 ~~Private Postsecondary Education in the Department of Consumer~~  
21 ~~Affairs California Postsecondary Education Commission~~.

22 SEC. 10. Section 94875 of the Education Code is amended to  
23 read:

24 ~~94875. The Bureau for Private Postsecondary Education, as~~  
25 ~~established by Section 6 of Chapter 635 of the Statutes of 2007,~~  
26 ~~is continued in existence and shall commence operations. This~~  
27 ~~chapter establishes the functions and responsibilities of the bureau,~~  
28 ~~for the purposes of Section 6 of Chapter 635 of the Statutes of~~  
29 ~~2007. The bureau~~

30 94875. (a) *The Bureau for Private Postsecondary Education,*  
31 *which was established by Section 6 of Chapter 635 of the Statutes*  
32 *of 2007 and continued in existence pursuant to Section 6 of Chapter*  
33 *310 of the Statutes of 2009 within the Department of Consumer*  
34 *Affairs, is hereby abolished.*

35 (b) *The California Postsecondary Education Commission is the*  
36 *successor to, and shall assume from, the Bureau for Private*  
37 *Postsecondary Education all of the administrative rights, abilities,*  
38 *obligations, and duties of the Bureau for Private Postsecondary*  
39 *Education under this chapter. The commission shall have*  
40 *possession and control of all moneys, funds, appropriations,*

1 *records, papers, contracts, licenses, and agreements connected*  
2 *with the administration of this chapter.*

3 (c) *An employee of the Bureau for Private Postsecondary*  
4 *Education who is performing a function transferred to the*  
5 *California Postsecondary Education Commission and who is*  
6 *serving in the state civil service, other than as a temporary*  
7 *employee, shall be transferred to the commission. The status,*  
8 *position, and rights of an employee shall not be affected by the*  
9 *transfer and shall be retained by the person as an employee of the*  
10 *commission pursuant to the State Civil Service Act (Part 2*  
11 *(commencing with Section 18500) of Division 5 of Title 2 of the*  
12 *Government Code), except as to a position that is exempt from*  
13 *civil service.*

14 (d) *The commission shall regulate private postsecondary*  
15 *educational institutions through the powers granted, and duties*  
16 *imposed, by this chapter. In exercising its powers, and performing*  
17 *its duties, the protection of the public shall be the ~~bureau's~~*  
18 *commission's highest priority. If protection of the public is*  
19 *inconsistent with other interests sought to be promoted, the*  
20 *protection of the public shall be paramount.*

21 SEC. 11. Section 94876 of the Education Code is amended to  
22 read:

23 94876. (a) *The powers and duties set forth in this chapter are*  
24 *vested in the ~~Director of Consumer Affairs, who~~ commission,*  
25 *which may delegate them to a ~~bureau chief~~ an executive officer,*  
26 *subject to the provisions of this section.*

27 (b) *The ~~bureau chief~~ executive officer shall be appointed by the*  
28 *Governor, subject to confirmation by the Senate, and is exempt*  
29 *from the State Civil Service Act pursuant to Part 2 (commencing*  
30 *with Section 18500) of Division 5 of Title 2 of the Government*  
31 *Code.*

32 (c) *Each power granted to, or duty imposed upon, the ~~bureau~~*  
33 *commission under this chapter shall be exercised and performed*  
34 *in the name of the ~~bureau~~ commission, subject to any conditions*  
35 *and limitations the ~~director~~ that the commission may prescribe.*  
36 *The ~~bureau chief~~ executive officer may delegate any powers or*  
37 *duties to a designee.*

38 (d) *As may be necessary to carry out this chapter, the ~~director~~*  
39 *commission, in accordance with the State Civil Service Act, may*  
40 *appoint and fix the compensation of personnel.*

1 SEC. 12. Section 94877 of the Education Code is amended to  
2 read:

3 ~~94877. (a) The bureau—On or before January 1, 2013, and~~  
4 ~~consistent with Section 94803, the commission shall adopt, on or~~  
5 ~~before January 1, 2011, and shall enforce, regulations to implement~~  
6 this chapter pursuant to the Administrative Procedure Act in  
7 Chapter 3.5 (commencing with Section 11340) of Part 1 of Division  
8 3 of Title 2 of the Government Code.

9 (b) ~~The bureau~~ *commission* shall develop and implement an  
10 enforcement program, pursuant to Article 18 (commencing with  
11 Section 94932) to implement this chapter. The enforcement  
12 program shall include a plan for investigating complaints filed  
13 with the ~~bureau~~ *commission*.

14 (c) ~~The bureau~~ *commission* shall establish a program to  
15 proactively identify unlicensed institutions, identify material or  
16 repeated violations of this chapter and regulations implementing  
17 this chapter, and take all appropriate legal action.

18 SEC. 13. Section 94878 of the Education Code is amended to  
19 read:

20 ~~94878. (a) On or before June 30, 2010, the bureau—The~~  
21 ~~commission shall establish an Internet Web site that includes at~~  
22 least all of the following information:

23 (1) An explanation of the ~~bureau’s transition plan for the~~  
24 ~~reconstituted bureau and an explanation of the bureau’s~~  
25 ~~commission’s~~ scope of authority *under this chapter*.

26 (2) (A) A directory of approved institutions, and a link, if  
27 feasible, to the Internet Web site of each institution.

28 (B) For each institution, the directory shall be developed in a  
29 manner that allows the user to search by institution and shall  
30 include all of the following information:

31 (i) The status of the institution’s approval to operate.

32 (ii) The information provided by the institutions including, but  
33 not limited to, the annual report, as required by Section 94934,  
34 including the school catalog and the Student Performance Fact  
35 Sheet. The Student Performance Fact Sheet shall be maintained  
36 on the directory for at least five years after the date of its  
37 submission to the ~~bureau~~ *commission*.

38 (iii) The disciplinary history of the institution, which shall  
39 include, but shall not be limited to, all of the following:

40 (I) Pending formal accusations filed by the ~~bureau~~ *commission*.

1 (II) Suspensions, revocations, citations, fines, infractions,  
2 probations, pending litigation filed by the ~~bureau~~ *commission*, and  
3 final judgments resulting from litigation filed by the ~~bureau~~  
4 *commission*.

5 (III) Pending or final criminal cases filed by the Attorney  
6 General, a city attorney, a district attorney, or a federal law  
7 enforcement official, of which the ~~bureau~~ *commission* has received  
8 notice.

9 (IV) Final administrative actions by the United State Department  
10 of Education, including orders requiring restitution to students.

11 (V) Final disciplinary actions by an accreditation agency, of  
12 which the ~~bureau~~ *commission* has received notice pursuant to  
13 Section 94934.

14 (b) The ~~bureau~~ *commission* shall maintain the Internet Web site  
15 described in subdivision (a). The ~~bureau~~ *commission* shall ensure  
16 that the information specified in subdivision (a) is kept current.  
17 The ~~bureau~~ *commission* shall update the Internet Web site at least  
18 annually, to coincide with the submission of annual reports by the  
19 institutions pursuant to Section 94934.

20 (e) ~~In addition to maintaining the Internet Web site described~~  
21 ~~in subdivision (a), the bureau shall provide the information~~  
22 ~~described in paragraph (2) of subdivision (a) to the California~~  
23 ~~Postsecondary Education Commission (CPEC), and the CPEC~~  
24 ~~shall include that information in an Internet Web site directory of~~  
25 ~~school performance data maintained by the CPEC. To the extent~~  
26 ~~possible, the bureau shall provide this information consistent with~~  
27 ~~the information collected for reporting to the Integrated~~  
28 ~~Postsecondary Education Data System of the United States~~  
29 ~~Department of Education, including institutional characteristics,~~  
30 ~~completion, annual enrollment, and graduation rates.~~

31 SEC. 14. Section 94884 of the Education Code is repealed.

32 ~~94884. The bureau is subject to Section 27 of the Business and~~  
33 ~~Professions Code.~~

34 SEC. 15. Section 94909 of the Education Code is amended to  
35 read:

36 94909. (a) Prior to enrollment, an institution shall provide a  
37 prospective student, either in writing or electronically, with a  
38 school catalog containing, at a minimum, all of the following:

39 (1) The name, address, telephone number, and, if applicable,  
40 Internet Web site address of the institution.

1 (2) Except as specified in Article 2 (commencing with Section  
2 94802), a statement that the institution is a private institution and  
3 that it is approved to operate by the ~~bureau~~ *commission*.

4 (3) The following statements:

5 (A) “Any questions a student may have regarding this catalog  
6 that have not been satisfactorily answered by the institution may  
7 be directed to the ~~Bureau for Private Postsecondary Education~~  
8 *California Postsecondary Education Commission* at (address),  
9 Sacramento, CA (ZIP Code), (Internet Web site address),  
10 (telephone and fax numbers).”

11 (B) “As a prospective student, you are encouraged to review  
12 this catalog prior to signing an enrollment agreement. You are also  
13 encouraged to review the School Performance Fact Sheet, which  
14 must be provided to you prior to signing an enrollment agreement.”

15 (C) “A student or any member of the public may file a complaint  
16 about this institution with the ~~Bureau for Private Postsecondary~~  
17 *Education California Postsecondary Education Commission* by  
18 calling (toll-free telephone number) or by completing a complaint  
19 form, which can be obtained on the ~~bureau’s~~ *commission’s* Internet  
20 Web site (Internet Web site address).”

21 (4) The address or addresses where class sessions will be held.

22 (5) A description of the programs offered and a description of  
23 the instruction provided in each of the courses offered by the  
24 institution, the requirements for completion of each program,  
25 including required courses, any final tests or examinations, any  
26 required internships or externships, and the total number of credit  
27 hours, clock hours, or other increments required for completion.

28 (6) If the educational program is designed to lead to positions  
29 in a profession, occupation, trade, or career field requiring licensure  
30 in this state, a notice to that effect and a list of the requirements  
31 for eligibility for licensure.

32 (7) Information regarding the faculty and their qualifications.

33 (8) A detailed description of institutional policies in the  
34 following areas:

35 (A) Admissions policies, including the institution’s policies  
36 regarding the acceptance of credits earned at other institutions or  
37 through challenge examinations and achievement tests, admissions  
38 requirements for ability-to-benefit students, and a list describing  
39 any transfer or articulation agreements between the institution and  
40 any other college or university that provides for the transfer of

1 credits earned in the program of instruction. If the institution has  
2 not entered into an articulation or transfer agreement with any  
3 other college or university, the institution shall disclose that fact.

4 (B) Cancellation, withdrawal, and refund policies, including an  
5 explanation that the student has the right to cancel the enrollment  
6 agreement and obtain a refund of charges paid through attendance  
7 at the first class session, or the seventh day after enrollment,  
8 whichever is later. The text shall also include a description of the  
9 procedures that a student is required to follow to cancel the  
10 enrollment agreement or withdraw from the institution and obtain  
11 a refund consistent with the requirements of Article 13  
12 (commencing with Section 94919).

13 (C) Probation and dismissal policies.

14 (D) Attendance policies.

15 (E) Leave-of-absence policies.

16 (9) The schedule of total charges for a period of attendance and  
17 an estimated schedule of total charges for the entire educational  
18 program.

19 (10) A statement reporting whether the institution participates  
20 in federal and state financial aid programs, and if so, all consumer  
21 information that is required to be disclosed to the student pursuant  
22 to the applicable federal and state financial aid programs.

23 (11) A statement specifying that, if a student obtains a loan to  
24 pay for an educational program, the student will have the  
25 responsibility to repay the full amount of the loan plus interest,  
26 less the amount of any refund, and that, if the student has received  
27 federal student financial aid funds, the student is entitled to a refund  
28 of the moneys not paid from federal student financial aid program  
29 funds.

30 (12) A statement specifying whether the institution has a pending  
31 petition in bankruptcy, is operating as a debtor in possession, has  
32 filed a petition within the preceding five years, or has had a petition  
33 in bankruptcy filed against it within the preceding five years that  
34 resulted in reorganization under Chapter 11 of the United States  
35 Bankruptcy Code (11 U.S.C. Sec. 1101 et seq.).

36 (13) If the institution provides placement services, a description  
37 of the nature and extent of the placement services.

38 (14) A description of the student's rights and responsibilities  
39 with respect to the Student Tuition Recovery Fund. This statement  
40 shall specify that it is a state requirement that a student who pays

1 his or her tuition is required to pay a state-imposed assessment for  
2 the Student Tuition Recovery Fund. This statement shall also  
3 describe the purpose and operation of the Student Tuition Recovery  
4 Fund and the requirements for filing a claim against the Student  
5 Tuition Recovery Fund.

6 (15) The following statement:

7

8 “NOTICE CONCERNING TRANSFERABILITY OF  
9 CREDITS AND CREDENTIALS EARNED AT OUR  
10 INSTITUTION

11 The transferability of credits you earn at (name of institution)  
12 is at the complete discretion of an institution to which you  
13 may seek to transfer. Acceptance of the (degree, diploma, or  
14 certificate) you earn in (name of educational program) is also  
15 at the complete discretion of the institution to which you may  
16 seek to transfer. If the (credits or degree, diploma, or  
17 certificate) that you earn at this institution are not accepted at  
18 the institution to which you seek to transfer, you may be  
19 required to repeat some or all of your coursework at that  
20 institution. For this reason you should make certain that your  
21 attendance at this institution will meet your educational goals.  
22 This may include contacting an institution to which you may  
23 seek to transfer after attending (name of institution) to  
24 determine if your (credits or degree, diploma or certificate)  
25 will transfer.”

26

27 (b) If the institution has a general student brochure, the  
28 institution shall provide that brochure to the prospective student  
29 prior to enrollment. In addition, if the institution has a  
30 program-specific student brochure for the program in which the  
31 prospective student seeks to enroll, the institution shall provide  
32 the program-specific student brochure to the prospective student  
33 prior to enrollment.

34 (c) An institution shall provide the school catalog to any person  
35 upon request. In addition, if the institution has student brochures,  
36 the institution shall disclose the requested brochures to any  
37 interested person upon request.

38 SEC. 16. Section 94910 of the Education Code is amended to  
39 read:

1 94910. Prior to enrollment, an institution shall provide a  
2 prospective student with a School Performance Fact Sheet  
3 containing, at a minimum, the following information, as it relates  
4 to the educational program:

5 (a) Completion rates, as calculated pursuant to Article 16  
6 (commencing with Section 94928).

7 (b) Placement rates, as calculated pursuant to Article 16  
8 (commencing with Section 94928), if the educational program is  
9 designed to lead to, or the institution makes any express or implied  
10 claim related to preparing students for, a particular career,  
11 occupation, vocation, job, or job title.

12 (c) License examination passage rates for programs leading to  
13 employment for which passage of a state licensing examination is  
14 required, as calculated pursuant to Article 16 (commencing with  
15 Section 94928).

16 (d) (1) Salary or wage information, as calculated pursuant to  
17 Article 16 (commencing with Section 94928), if the institution or  
18 a representative of the institution makes any express or implied  
19 claim about the salary that may be earned after completing the  
20 educational program.

21 (2) Additionally, each institution that offers an educational  
22 program designed to lead to a particular career, occupation,  
23 vocation, trade, job, or job title shall disclose the wage and salary  
24 data for the particular career, occupation, trade, job, or job title,  
25 as provided by the Employment Development Department's  
26 Occupational Employment Statistics, if that data is available.

27 (e) If a program is too new to provide data for any of the  
28 categories listed in this subdivision, the institution shall state on  
29 its fact sheet: "This program is new. Therefore, the number of  
30 students who graduate, the number of students who are placed, or  
31 the starting salary you can earn after finishing the educational  
32 program are unknown at this time. Information regarding general  
33 salary and placement statistics may be available from government  
34 sources or from the institution, but is not equivalent to actual  
35 performance data."

36 (f) All of the following:

37 (1) A description of the manner in which the figures described  
38 in subdivisions (a) to (d), inclusive, are calculated or a statement  
39 informing the reader of where he or she may obtain a description

1 of the manner in which the figures described in subdivisions (a)  
2 to (d), inclusive, are calculated.

3 (2) A statement informing the reader of where he or she may  
4 obtain from the institution a list of the employment positions  
5 determined to be within the field for which a student received  
6 education and training for the calculation of job placement rates  
7 as required by subdivision (b).

8 (3) A statement informing the reader of where he or she may  
9 obtain from the institution a list of the objective sources of  
10 information used to substantiate the salary disclosure as required  
11 by subdivision (d).

12 (g) The following statements:

13 (1) “This fact sheet is filed with the ~~Bureau for Private~~  
14 ~~Postsecondary Education~~ *California Postsecondary Education*  
15 *Commission*. Regardless of any information you may have relating  
16 to completion rates, placement rates, starting salaries, or license  
17 exam passage rates, this fact sheet contains the information as  
18 calculated pursuant to state law.”

19 (2) “Any questions a student may have regarding this fact sheet  
20 that have not been satisfactorily answered by the institution may  
21 be directed to the ~~Bureau for Private Postsecondary Education~~  
22 *California Postsecondary Education Commission* at (address),  
23 Sacramento, CA (ZIP Code), (Internet Web site address),  
24 (telephone and fax numbers).”

25 SEC. 17. Section 94911 of the Education Code is amended to  
26 read:

27 94911. An enrollment agreement shall include, at a minimum,  
28 all of the following:

29 (a) The name of the institution and the name of the educational  
30 program, including the total number of credit hours, clock hours,  
31 or other increment required to complete the educational program.

32 (b) A schedule of total charges, including a list of any charges  
33 that are nonrefundable and the student’s obligations to the Student  
34 Tuition Recovery Fund, clearly identified as nonrefundable  
35 charges.

36 (c) In underlined capital letters on the same page of the  
37 enrollment agreement in which the student’s signature is required,  
38 the total charges for the current period of attendance, the estimated  
39 total charges for the entire educational program, and the total  
40 charges the student is obligated to pay upon enrollment.

1 (d) A clear and conspicuous statement that the enrollment  
2 agreement is legally binding when signed by the student and  
3 accepted by the institution.

4 (e) (1) A disclosure with a clear and conspicuous caption,  
5 “STUDENT’S RIGHT TO CANCEL,” under which it is explained  
6 that the student has the right to cancel the enrollment agreement  
7 and obtain a refund of charges paid through attendance at the first  
8 class session, or the seventh day after enrollment, whichever is  
9 later.

10 (2) The disclosure shall contain the institution’s refund policy  
11 and a statement that, if the student has received federal student  
12 financial aid funds, the student is entitled to a refund of moneys  
13 not paid from federal student financial aid program funds.

14 (3) The text shall also include a description of the procedures  
15 that a student is required to follow to cancel the enrollment  
16 agreement or withdraw from the institution and obtain a refund.

17 (f) A statement specifying that, if the student obtains a loan to  
18 pay for an educational program, the student will have the  
19 responsibility to repay the full amount of the loan plus interest,  
20 less the amount of any refund.

21 (g) A statement specifying that, if the student is eligible for a  
22 loan guaranteed by the federal or state government and the student  
23 defaults on the loan, both of the following may occur:

24 (1) The federal or state government or a loan guarantee agency  
25 may take action against the student, including applying any income  
26 tax refund to which the person is entitled to reduce the balance  
27 owed on the loan.

28 (2) The student may not be eligible for any other federal student  
29 financial aid at another institution or other government assistance  
30 until the loan is repaid.

31 (h) The transferability disclosure that is required to be included  
32 in the school catalog, as specified in paragraph (15) of subdivision  
33 (a) of Section 94909.

34 (i) (1) The following statement: “Prior to signing this enrollment  
35 agreement, you must be given a catalog or brochure and a School  
36 Performance Fact Sheet, which you are encouraged to review prior  
37 to signing this agreement. These documents contain important  
38 policies and performance data for this institution. This institution  
39 is required to have you sign and date the information included in  
40 the School Performance Fact Sheet relating to completion rates,

1 placement rates, license examination passage rates, and salaries  
2 or wages, prior to signing this agreement.”

3 (2) Immediately following the statement required by paragraph  
4 (1), a line for the student to initial, including the following  
5 statement: “I certify that I have received the catalog, School  
6 Performance Fact Sheet, and information regarding completion  
7 rates, placement rates, license examination passage rates, and salary  
8 or wage information included in the School Performance Fact  
9 sheet, and have signed, initialed, and dated the information  
10 provided in the School Performance Fact Sheet.”

11 (j) The following statements:

12  
13 (1) “Any questions a student may have regarding this  
14 enrollment agreement that have not been satisfactorily  
15 answered by the institution may be directed to the ~~Bureau for~~  
16 ~~Private Postsecondary Education~~ *California Postsecondary*  
17 *Education Commission* at (address), Sacramento, CA (ZIP  
18 Code), (Internet Web site address), (telephone and fax  
19 numbers).”

20  
21 (2) “A student or any member of the public may file a complaint  
22 about this institution with the ~~Bureau for Private Postsecondary~~  
23 ~~Education~~ *California Postsecondary Education Commission* by  
24 calling (toll-free telephone number) or by completing a complaint  
25 form, which can be obtained on the ~~bureau’s~~ *commission’s* Internet  
26 Web site (Internet Web site address).”

27  
28 (k) The following statement above the space for the student’s  
29 signature:

30  
31 “I understand that this is a legally binding contract. My  
32 signature below certifies that I have read, understood, and  
33 agreed to my rights and responsibilities, and that the  
34 institution’s cancellation and refund policies have been clearly  
35 explained to me.”

36  
37 SEC. 18. Section 94936 of the Education Code is amended to  
38 read:

39 94936. (a) As a consequence of an investigation, and upon a  
40 finding that the institution has committed a violation of this chapter

1 or that the institution has failed to comply with a notice to comply  
2 pursuant to Section 94935, the ~~bureau~~ *commission* shall issue a  
3 citation to an institution for violation of this chapter, or regulations  
4 adopted pursuant to this chapter.

5 (b) The citation may contain either or both of the following:

6 (1) An order of abatement that may require an institution to  
7 demonstrate how future compliance with this chapter or regulations  
8 adopted pursuant to this chapter will be accomplished.

9 ~~Notwithstanding Section 125.9 of the Business and~~  
10 ~~Professions Code, an~~ An administrative fine not to exceed five  
11 thousand dollars (\$5,000) for each violation. The ~~bureau~~  
12 *commission* shall base its assessment of the administrative fine on:

13 (A) The nature and seriousness of the violation.

14 (B) The persistence of the violation.

15 (C) The good faith of the institution.

16 (D) The history of previous violations.

17 (E) The purposes of this chapter.

18 (F) The potential harm to students.

19 (c) (1) The citation shall be in writing and describe the nature  
20 of the violation and the specific provision of law or regulation that  
21 is alleged to have been violated.

22 (2) The citation shall inform the institution of its right to request  
23 a hearing in writing within 30 days from service of the citation.

24 (3) If a hearing is requested, the ~~bureau~~ *commission* shall select  
25 an informal hearing pursuant to Article 10 (commencing with  
26 Section 11445.10) of Chapter 4.5 of Part 1 of Division 3 of Title  
27 2 of the Government Code or a formal hearing pursuant to Chapter  
28 5 (commencing with Section 11500) of Part 1 of Division 3 of  
29 Title 2 of the Government Code.

30 (4) If a hearing is not requested, payment of the administrative  
31 fine is due 30 days from the date of service, and shall not constitute  
32 an admission of the violation charged.

33 (5) If a hearing is conducted and payment of an administrative  
34 fine is ordered, the administrative fine is due 30 days from when  
35 the final order is entered.

36 (6) The ~~bureau~~ *commission* may enforce the administrative fine  
37 as if it were a money judgment pursuant to Title 9 (commencing  
38 with Section 680.010) of Part 2 of the Code of Civil Procedure.

39 (d) All administrative fines shall be deposited in the Private  
40 Postsecondary Education Administration Fund.

1 SEC. 19. Section 94937 of the Education Code is amended to  
2 read:

3 94937. (a) As a consequence of an investigation, and upon a  
4 finding that an institution has committed a violation, the ~~bureau~~  
5 *commission* may place an institution on probation or may suspend  
6 or revoke an institution’s approval to operate for:

- 7 (1) Obtaining an approval to operate by fraud.
- 8 (2) A material violation or repeated violations of this chapter  
9 or regulations adopted pursuant to this chapter that have resulted  
10 in harm to students. For purposes of this paragraph, “material  
11 violation” includes, but is not limited to, misrepresentation, fraud  
12 in the inducement of a contract, and false or misleading claims or  
13 advertising, upon which a student reasonably relied in executing  
14 an enrollment agreement and that resulted in harm to the student.

15 (b) The ~~bureau~~ *commission* shall adopt regulations, within one  
16 year of the enactment of this chapter, governing probation and  
17 suspension of an approval to operate.

18 (c) The ~~bureau~~ *commission* may seek reimbursement of the  
19 *reasonable costs of the investigation and enforcement of the case*  
20 *from the institution found to have committed the violation* pursuant  
21 to ~~Section 125.3 of the Business and Professions Code~~ *a formal*  
22 *hearing pursuant to Chapter 5 (commencing with Section 11500)*  
23 *of Part 1 of Division 3 of Title 2 of the Government Code.*

24 (d) An institution shall not be required to pay the cost of  
25 investigation to more than one agency.

26 SEC. 20. Section 95000 of the Education Code is amended to  
27 read:

28 95000. (a) Notwithstanding any other law, upon the repeal of  
29 Chapter 8 (commencing with Section 94800), the Student Tuition  
30 Recovery Fund shall be continued in existence under the  
31 administration of the ~~Department of Consumer Affairs~~ *California*  
32 *Postsecondary Education Commission*, and the moneys remaining  
33 in the fund shall be continuously appropriated to the ~~Department~~  
34 ~~of Consumer Affairs~~ *California Postsecondary Education*  
35 *Commission* for the purpose of paying claims filed under Chapter  
36 8 (commencing with Section 94800).

37 (b) Notwithstanding any other law, upon the repeal of Chapter  
38 8 (commencing with Section 94800), the ~~Department of Consumer~~  
39 ~~Affairs~~ *California Postsecondary Education Commission* shall  
40 continue to process and pay claims against the Student Tuition

1 Recovery Fund until all claims pending as of the repeal of Chapter  
2 8 (commencing with Section 94800) are processed, or until the  
3 moneys remaining in the fund are exhausted, whichever occurs  
4 first.

O