

Introduced by Senator Torres

February 18, 2014

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

LEGISLATIVE COUNSEL'S DIGEST

SB 1069, as introduced, Torres. Private postsecondary education: refunds.

The California Private Postsecondary Education Act of 2009 requires, among other things, institutions that do not participate in the federal student financial aid programs to comply with specified requirements, including to refund to a student 100% of the amount paid for institutional charges, less a reasonable deposit or application fee, as specified, 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 make a nonsubstantive change to the above provisions relating to refunds by institutions not participating in federal student financial aid programs.

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:
- 3 94920. An institution that does not participate in the federal
- 4 student financial aid programs shall do all of the following:
- 5 (a) The institution shall advise each student that a notice of
- 6 cancellation shall be in writing, and that a withdrawal may be

1 effectuated by the student’s written notice or by the student’s
2 conduct, including, but not necessarily limited to, a student’s lack
3 of attendance.

4 (b) Institutions shall refund 100 percent of the amount paid for
5 institutional charges, less a reasonable deposit or application fee
6 not to exceed two hundred fifty dollars (\$250), if notice of
7 cancellation is ~~made~~ *provided* through attendance at the first class
8 session, or the seventh day after enrollment, whichever is later.

9 (c) The bureau may adopt by regulation a different method of
10 calculation for instruction delivered by other means, including,
11 but not necessarily limited to, distance education.

12 (d) The institution shall have a refund policy for the return of
13 unearned institutional charges if the student cancels an enrollment
14 agreement or withdraws during a period of attendance. The refund
15 policy for students who have completed 60 percent or less of the
16 period of attendance shall be a pro rata refund.

17 (e) The institution shall pay or credit refunds within 45 days of
18 a student’s cancellation or withdrawal.