

AMENDED IN ASSEMBLY AUGUST 22, 2014

AMENDED IN ASSEMBLY AUGUST 18, 2014

AMENDED IN ASSEMBLY JULY 1, 2014

AMENDED IN ASSEMBLY JUNE 18, 2014

AMENDED IN ASSEMBLY JUNE 5, 2014

SENATE BILL

No. 1247

Introduced by Senator Lieu

(Principal coauthor: Assembly Member Bonilla)

February 20, 2014

An act to amend Sections 94801, 94802, 94809, 94813, 94816, 94829, 94837, 94847, 94874, 94874.1, 94876, 94877, 94878, 94879, 94880, 94885, 94888, 94890, 94891, 94904, 94909, 94910, 94916, 94923, 94924, 94925, 94929.5, 94930.5, 94932.5, 94941, 94945, 94948, and 94950 of, to add Sections 94874.2, 94880.1, 94885.5, ~~94947, and 94949.5 and 94947~~ to, to add and repeal Sections 94885.1 and 94929.9 of, and to repeal and add Section 94949 of, the Education Code, relating to private postsecondary education, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1247, as amended, Lieu. Private postsecondary education: California Private Postsecondary Education Act of 2009.

Existing law, the California Private Postsecondary Education Act of 2009, provides for the regulation of private postsecondary educational institutions by the Bureau for Private Postsecondary Education in the Department of Consumer Affairs. The act exempts an institution from its provisions, if any of a list of specific criteria are met.

This bill would recast and revise various provisions of the act. The bill would, beginning January 1, 2016, remove the exemption from its provisions for an institution that is approved to participate in veterans financial aid programs pursuant to a specified federal law, and that is not an independent institution of higher education, thereby making the act applicable to the institution.

The bill would require the bureau to, among other things, contract with the Office of the Attorney General, or other appropriate state agency, to establish a process for bureau staff to be trained to investigate complaints filed with the bureau, post specified information on its Internet Web site, establish a task force no later than March 1, 2015, to identify standards for specified educational and training programs and provide a report to the Legislature regarding those programs, adopt minimum operating standards for an institution that ensure, among other things, that an institution offering a degree is accredited and that an unaccredited institution offering a degree satisfies certain requirements, and establish application processing goals and timelines to ensure that an institution's approval to operate application is promptly reviewed by the bureau.

~~The bill would require the Secretary of Business, Consumer Services, and Housing, in consultation with the Legislature, to appoint a Bureau for Private Postsecondary Education Monitor to carry out specified duties to improve the bureau's operations, and would require the monitor to submit specified reports to the Legislature related to the bureau.~~

The bill would make other technical and conforming changes.

The act establishes the Student Tuition Recovery Fund and requires the bureau to adopt regulations governing the administration and maintenance of the fund, including requirements relating to assessments on students and student claims against the fund, and establishes that the moneys in this fund are continuously appropriated to the bureau for specified purposes.

This bill would require those regulations to ensure that students are eligible for payment from the fund in specified circumstances.

Existing law repeals that act on January 1, 2015.

This bill would instead repeal that act on January 1, 2017, thus extending the operation of the act by 2 years.

By extending the operation of the Student Tuition Recovery Fund, a continuously appropriated fund, this bill would make an appropriation.

Under existing law, the act specifies conduct by regulated institutions that, if undertaken, is a crime.

Because this bill would extend the application of those criminal provisions, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would appropriate \$130,000 from the Private Postsecondary Education Administration Fund to the bureau for the 2014–15 fiscal year for staff support to the bureau and the advisory committee, as specified.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

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

1 SECTION 1. Section 94801 of the Education Code is amended
2 to read:

3 94801. The Legislature finds and declares all of the following:
4 (a) In 2013, more than 300,000 Californians attended more than
5 1,100 private postsecondary schools in California.

6 (b) Private postsecondary schools can complement the public
7 education system and help develop a trained workforce to meet
8 the demands of California businesses and the economy; however,
9 concerns about the value of degrees and diplomas issued by private
10 postsecondary schools, and the lack of protections for private
11 postsecondary school students and consumers of those schools’
12 services, have highlighted the need for strong state-level oversight
13 of private postsecondary schools.

14 (c) Numerous reports and studies have concluded that
15 California’s previous attempts at regulatory oversight of private
16 postsecondary schools under the Department of Consumer Affairs
17 have consistently failed to ensure student protections or provide
18 effective oversight of private postsecondary schools.

19 (d) It is the intent of the Legislature in continuing the operation
20 of this chapter for two years until January 1, 2017, to ensure all of
21 the following:

22 (1) Minimum educational quality standards and opportunities
23 for success for California students attending private postsecondary
24 schools in California.

1 (2) Meaningful student protections through essential avenues
2 of recourse for students.

3 (3) A regulatory structure that provides for an appropriate level
4 of oversight.

5 (4) A regulatory governance structure that ensures that all
6 stakeholders have a voice and are heard in policymaking by the
7 bureau.

8 (5) A regulatory governance structure that provides for
9 accountability and oversight by the Legislature through program
10 monitoring and periodic reports.

11 (6) Prevention of the harm to students and the deception of the
12 public that results from fraudulent or substandard educational
13 programs and degrees.

14 (e) The Legislature advises future policymakers to continually
15 and carefully evaluate this chapter and its administration and
16 enforcement. Where there are deficiencies in the law or regulatory
17 oversight, the Governor and the Legislature should act quickly to
18 correct them.

19 SEC. 2. Section 94802 of the Education Code is amended to
20 read:

21 94802. An institution that had a valid approval to operate on
22 June 30, 2007, issued by the former Bureau for Private
23 Postsecondary and Vocational Education pursuant to former
24 Chapter 7 (commencing with Section 94700) of Part 59 of Division
25 10 of Title 3 of the Education Code, as it read on June 30, 2007,
26 shall maintain that approval under this chapter. For the purposes
27 of this chapter, the approval to operate shall be valid for three
28 calendar years after the expiration date of the approval, as it read
29 on June 30, 2007.

30 SEC. 3. Section 94809 of the Education Code is amended to
31 read:

32 94809. (a) An institution that had an application for an
33 approval to operate pending with the former Bureau for Private
34 Postsecondary and Vocational Education on June 30, 2007, may
35 continue to operate until a decision is made in regard to the
36 institution regarding the application for approval to operate, but
37 shall comply with, and is subject to, this chapter.

38 (b) An institution that did not have a valid approval to operate
39 issued by, and did not have an application for approval to operate
40 pending with, the former Bureau for Private Postsecondary and

1 Vocational Education on June 30, 2007, that began operations
2 between July 1, 2007, and January 1, 2010, may continue to operate
3 unless a denial of approval to operate has been issued and has
4 become final, but shall comply with, and is subject to, this chapter.

5 (c) Students seeking to enroll in institutions operating under
6 subdivisions (a) and (b) shall be notified by the institution, in
7 writing and prior to executing an enrollment agreement, that the
8 institution’s application for approval to operate has not been
9 reviewed by the bureau.

10 (d) (1) An institution that is denied an approval to operate
11 pursuant to subdivision (a) or (b) may file an appeal pursuant to
12 the procedures established in Section 94888.

13 (2) An institution that has filed an appeal may continue to
14 operate during the appeal process but must disclose in a written
15 statement approved by the bureau, to all current and prospective
16 students, that the institution’s application for approval to operate
17 was denied by the bureau because the bureau determined the
18 application did not satisfy the requirements to operate in California,
19 that the institution is appealing the bureau’s decision, and that the
20 loss of the appeal may result in the institution’s closure.

21 (3) If the bureau determines that the continued operation of an
22 institution poses a significant risk of harm to students, the bureau
23 shall make an emergency decision pursuant to Section 94938.

24 SEC. 4. Section 94813 of the Education Code is amended to
25 read:

26 94813. “Accredited” means an institution is accredited by an
27 accrediting agency recognized by the United States Department
28 of Education.

29 SEC. 5. Section 94816 of the Education Code is amended to
30 read:

31 94816. “Applicant” means a person, as defined in Section
32 94855, who has submitted an application to the board for an
33 approval to operate or for a renewal of an approval to operate. An
34 approval to operate shall be issued only to an applicant.

35 SEC. 6. Section 94829 of the Education Code is amended to
36 read:

37 94829. “Default” means failure of a borrower and endorser, if
38 any, to make an installment payment for a loan received under the
39 federal student financial aid programs when due, or to meet other
40 terms of the promissory note, provided that this failure persists for

1 270 days if payment is due monthly or 360 days if payment is due
2 less frequently. For purposes of this section, “endorser” means an
3 individual who signs a promissory note and agrees to repay the
4 loan in the event that the borrower does not.

5 SEC. 7. Section 94837 of the Education Code is amended to
6 read:

7 94837. “Educational program” means a planned sequence
8 composed of a single course or module, or set of related courses
9 or modules, that provides education, training, skills, or experience,
10 or a combination of these.

11 SEC. 8. Section 94847 of the Education Code is amended to
12 read:

13 94847. “License and examination preparation” means
14 instruction designed to assist students to prepare for an examination
15 for licensure. “License and examination preparation” does not
16 include an educational program designed to instruct students in
17 the skills and knowledge necessary to satisfy the qualifications for
18 licensure.

19 SEC. 9. Section 94874 of the Education Code is amended to
20 read:

21 94874. Except as provided in Section 94874.2, the following
22 are exempt from this chapter:

23 (a) An institution that offers solely avocational or recreational
24 educational programs.

25 (b) An institution offering educational programs sponsored by
26 a bona fide trade, business, professional, or fraternal organization,
27 solely for that organization’s membership.

28 (c) A postsecondary educational institution established, operated,
29 and governed by the federal government or by this state or its
30 political subdivisions.

31 (d) An institution offering either of the following:

32 (1) Test preparation for examinations required for admission to
33 a postsecondary educational institution.

34 (2) Continuing education or license examination preparation,
35 if the institution or the program is approved, certified, or sponsored
36 by any of the following:

37 (A) A government agency, other than the bureau, that licenses
38 persons in a particular profession, occupation, trade, or career field.

1 (B) A state-recognized professional licensing body, such as the
2 State Bar of California, that licenses persons in a particular
3 profession, occupation, trade, or career field.

4 (C) A bona fide trade, business, or professional organization.

5 (e) (1) An institution owned, controlled, and operated and
6 maintained by a religious organization lawfully operating as a
7 nonprofit religious corporation pursuant to Part 4 (commencing
8 with Section 9110) of Division 2 of Title 1 of the Corporations
9 Code, that meets all of the following requirements:

10 (A) The instruction is limited to the principles of that religious
11 organization, or to courses offered pursuant to Section 2789 of
12 Business and Professions Code.

13 (B) The diploma or degree is limited to evidence of completion
14 of that education.

15 (2) An institution operating under this subdivision shall offer
16 degrees and diplomas only in the beliefs and practices of the
17 church, religious denomination, or religious organization.

18 (3) An institution operating under this subdivision shall not
19 award degrees in any area of physical science.

20 (4) Any degree or diploma granted under this subdivision shall
21 contain on its face, in the written description of the title of the
22 degree being conferred, a reference to the theological or religious
23 aspect of the degree's subject area.

24 (5) A degree awarded under this subdivision shall reflect the
25 nature of the degree title, such as "associate of religious studies,"
26 "bachelor of religious studies," "master of divinity," or "doctor of
27 divinity."

28 (f) An institution that does not award degrees and that solely
29 provides educational programs for total charges of two thousand
30 five hundred dollars (\$2,500) or less when no part of the total
31 charges is paid from state or federal student financial aid programs.
32 The bureau may adjust this cost threshold based upon the California
33 Consumer Price Index and post notification of the adjusted cost
34 threshold on its Internet Web site, as the bureau determines,
35 through the promulgation of regulations, that the adjustment is
36 consistent with the intent of this chapter.

37 (g) A law school that is accredited by the Council of the Section
38 of Legal Education and Admissions to the Bar of the American
39 Bar Association or a law school or law study program that is
40 subject to the approval, regulation, and oversight of the Committee

1 of Bar Examiners, pursuant to Sections 6046.7 and 6060.7 of the
2 Business and Professions Code.

3 (h) A nonprofit public benefit corporation that satisfies all of
4 the following criteria:

5 (1) Is qualified under Section 501(c)(3) of the United States
6 Internal Revenue Code.

7 (2) Is organized specifically to provide workforce development
8 or rehabilitation services.

9 (3) Is accredited by an accrediting organization for workforce
10 development or rehabilitation services recognized by the
11 Department of Rehabilitation.

12 (i) An institution that is accredited by the Accrediting
13 Commission for Senior Colleges and Universities, Western
14 Association of Schools and Colleges, or the Accrediting
15 Commission for Community and Junior Colleges, Western
16 Association of Schools and Colleges.

17 (j) An institution that satisfies all of the following criteria:

18 (1) The institution has been accredited, for at least 10 years, by
19 an accrediting agency that is recognized by the United States
20 Department of Education.

21 (2) The institution has operated continuously in this state for at
22 least 25 years.

23 (3) During its existence, the institution has not filed for
24 bankruptcy protection pursuant to Title 11 of the United States
25 Code.

26 (4) The institution's cohort default rate on guaranteed student
27 loans does not exceed 10 percent for the most recent three years,
28 as published by the United States Department of Education.

29 (5) The institution maintains a composite score of 1.5 or greater
30 on its equity, primary reserve, and net income ratios, as provided
31 under Section 668.172 of Title 34 of the Code of Federal
32 Regulations.

33 (6) The institution provides a pro rata refund of unearned
34 institutional charges to students who complete 75 percent or less
35 of the period of attendance.

36 (7) The institution provides to all students the right to cancel
37 the enrollment agreement and obtain a refund of charges paid
38 through attendance at the second class session, or the 14th day
39 after enrollment, whichever is later.

1 (8) The institution submits to the bureau copies of its most recent
2 IRS Form 990, the institution’s Integrated Postsecondary Education
3 Data System Report of the United States Department of Education,
4 and its accumulated default rate.

5 (9) The institution is incorporated and lawfully operates as a
6 nonprofit public benefit corporation pursuant to Part 2
7 (commencing with Section 5110) of Division 2 of Title 1 of the
8 Corporations Code and is not managed or administered by an entity
9 for profit.

10 (k) Flight instruction providers or programs that provide flight
11 instruction pursuant to Federal Aviation Administration regulations
12 and meet both of the following criteria:

13 (1) The flight instruction provider or program does not require
14 students to enter into written or oral contracts of indebtedness.

15 (2) The flight instruction provider or program does not require
16 or accept prepayment of instruction-related costs in excess of two
17 thousand five hundred dollars (\$2,500).

18 SEC. 10. Section 94874.1 of the Education Code is amended
19 to read:

20 94874.1. (a) Except as provided in Section 94874.2, an
21 institution that is accredited by a regional accrediting agency that
22 is recognized by the United States Department of Education, and
23 is not an agency described in subdivision (i) of Section 94874, is
24 exempt from this chapter, except Article 14 (commencing with
25 Section 94923).

26 (b) This section shall remain in effect only until January 1, 2016,
27 and as of that date is repealed, unless a later enacted statute, that
28 is enacted before January 1, 2016, deletes or extends that date.

29 SEC. 11. Section 94874.2 is added to the Education Code, to
30 read:

31 94874.2. Beginning January 1, 2016, an institution that is
32 approved to participate in veterans’ financial aid programs pursuant
33 to Section 21.4253 of Title 38 of the Code of Federal Regulations
34 that is not an independent institution of higher education, as defined
35 in subdivision (b) of Section 66010, may not claim an exemption
36 from this chapter.

37 SEC. 12. Section 94876 of the Education Code is amended to
38 read:

39 94876. (a) The powers and duties set forth in this chapter are
40 vested in the Director of Consumer Affairs, who may delegate

1 them to a bureau chief, subject to the provisions of this section.
2 The bureau chief shall work in collaboration with the director. The
3 director is responsible for the implementation of this chapter and
4 he or she shall ensure that the protection of the public is the
5 bureau's highest priority.

6 (b) The bureau chief shall be appointed by the Governor, subject
7 to confirmation by the Senate, and is exempt from the State Civil
8 Service Act pursuant to Part 2 (commencing with Section 18500)
9 of Division 5 of Title 2 of the Government Code.

10 (c) Each power granted to, or duty imposed upon, the bureau
11 under this chapter shall be exercised and performed in the name
12 of the bureau, subject to any conditions and limitations the director
13 may prescribe. The bureau chief may delegate any powers or duties
14 to a designee.

15 (d) As may be necessary to carry out this chapter, the director,
16 in accordance with the State Civil Service Act, may appoint and
17 fix the compensation of personnel.

18 SEC. 13. Section 94877 of the Education Code is amended to
19 read:

20 94877. (a) The bureau shall adopt and shall enforce regulations
21 to implement this chapter pursuant to the Administrative Procedure
22 Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of
23 Division 3 of Title 2 of the Government Code).

24 (b) The bureau shall develop and implement an enforcement
25 program, pursuant to Article 18 (commencing with Section 94932)
26 to implement this chapter. The enforcement program shall include
27 a plan for investigating complaints filed with the bureau. The
28 bureau shall contract with the office of the Attorney General, or
29 other appropriate state agency, to establish a process for the
30 bureau's staff to be trained to investigate complaints, including,
31 but not limited to, the information, evidence, and materials needed
32 to process complaints.

33 (c) The bureau shall institute training to ensure that its staff are
34 equipped to review and verify the accuracy of the data contained
35 in consumer disclosures, including, but not limited to, the School
36 Performance Fact Sheet.

37 (d) The bureau shall establish a program to proactively identify
38 unlicensed institutions, identify material or repeated violations of
39 this chapter and regulations implementing this chapter, and take
40 all appropriate legal action.

1 SEC. 14. Section 94878 of the Education Code is amended to
2 read:

3 94878. (a) The bureau shall establish an Internet Web site that
4 includes at least all of the following information:

5 (1) An explanation of the bureau's scope of authority.

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

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

11 (i) The status of the institution's approval to operate.

12 (ii) The information provided by the institutions, including, but
13 not limited to, the annual report, as required by Section 94934,
14 including the school catalog and the School Performance Fact
15 Sheet. The School Performance Fact Sheet shall be maintained on
16 the directory for at least five years after the date of its submission
17 to the bureau.

18 (iii) If a law school satisfies the requirements of this chapter
19 regarding a School Performance Fact Sheet by complying with
20 the requirements of Section 94910.5, the bureau shall include the
21 information provided by the institution pursuant to Section 94910.5
22 on its Internet Web site and shall maintain the information in the
23 same manner as required by clause (ii).

24 (iv) The disciplinary history of the institution, which shall
25 include, but shall not be limited to, all of the following:

26 (I) Pending formal accusations filed by the bureau.

27 (II) Suspensions, revocations, citations, fines, infractions,
28 probations, pending litigation filed by the bureau, and final
29 judgments resulting from litigation filed by the bureau.

30 (III) Pending or final civil or criminal cases filed by the Attorney
31 General, a city attorney, or a district attorney in this state, or filed
32 in any state by an attorney general or a federal regulatory or
33 prosecutorial agency if the case would be actionable under
34 California or federal law, of which the bureau has received notice.

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

37 (V) All disciplinary actions ordered by an accreditation agency,
38 including any order to show cause, of which the bureau has
39 received notice pursuant to Section 94934 or other information

1 otherwise publicly available of which the ~~board~~ *bureau* has
2 received notice.

3 (b) The bureau shall maintain the Internet Web site described
4 in subdivision (a). The bureau shall ensure that the information
5 specified in subdivision (a) is kept current. The bureau shall update
6 the Internet Web site at least annually, to coincide with the
7 submission of annual reports by the institutions pursuant to Section
8 94934.

9 (c) (1) The bureau shall post on its Internet Web site a list of
10 all institutions that were denied approval to operate, after the denial
11 is final, and describe in clear and conspicuous language the reason
12 the institution was denied approval. The bureau shall include with
13 this list the statement provided in paragraph (2) on its Internet Web
14 site.

15 (2) “The following institutions were denied approval to operate
16 by the Bureau for Private Postsecondary Education for failing to
17 satisfy the standards relating to educational quality, or consumer
18 protection, or both. These unlicensed institutions are not operating
19 in compliance with the law, and students are strongly discouraged
20 from attending these institutions.”

21 SEC. 15. Section 94879 of the Education Code is amended to
22 read:

23 94879. The bureau shall conduct an outreach program to
24 secondary school pupils as well as prospective and current private
25 postsecondary students, to provide them with information on how
26 to best select a private postsecondary institution, how to enter into
27 enrollment agreements, how to make informed decisions in the
28 private postsecondary education marketplace, and how to contact
29 the bureau for assistance. The bureau may accomplish the purposes
30 of this section in cooperation with other federal, state, or local
31 entities, or any combination of these entities.

32 SEC. 16. Section 94880 of the Education Code is amended to
33 read:

34 94880. (a) There is within the bureau a 14-member advisory
35 committee. On or before July 1, 2015, the members of the
36 committee shall be appointed as follows:

37 (1) Three members, who shall have a demonstrated record of
38 advocacy on behalf of consumers, of which the director, the Senate
39 Committee on Rules, and the Speaker of the Assembly shall each
40 appoint one member.

1 (2) Two members, who shall be current or past students of
2 institutions, appointed by the director.

3 (3) Three members, who shall be representatives of institutions,
4 appointed by the director.

5 (4) *Two members, which shall be employers that hire students,*
6 *appointed by the director.*

7 ~~(4)~~

8 (5) One public member appointed by the Senate Committee on
9 Rules.

10 ~~(5)~~

11 (6) One public member appointed by the Speaker of the
12 Assembly.

13 ~~(6) Four~~

14 (7) *Two nonvoting, ex-officio members as follows:*

15 (A) ~~The chair, or the designee of the chair,~~ of the policy
16 committee of the Assembly with jurisdiction over legislation
17 relating to the ~~bureau,~~ *bureau or designee* appointed by the Speaker
18 of the Assembly.

19 (B) ~~The chair, or the designee of the chair,~~ of the policy
20 committee of the Senate with jurisdiction over legislation relating
21 to the ~~bureau,~~ *bureau or designee* appointed by the Senate
22 Committee on Rules.

23 ~~(C) One attorney employed in the consumer law section of the~~
24 ~~Office of the Attorney General, to be appointed by the Attorney~~
25 ~~General.~~

26 ~~(D) A representative employed in the career and college~~
27 ~~transition division of the State Department of Education, to be~~
28 ~~appointed by the Superintendent of Public Instruction.~~

29 (b) (1) A public member shall not, either at the time of his or
30 her appointment or during his or her tenure in office, have any
31 financial interest in any organization currently or previously subject
32 to regulation by the bureau, be a close family member of an
33 employee, officer, or the director of any institution subject to
34 regulation by the bureau, or currently have, or previously have
35 had, a business relationship, in the five years preceding his or her
36 appointment, with any institution subject to regulation by the
37 bureau.

38 (2) A public member shall not, within the five years immediately
39 preceding his or her appointment, have engaged in pursuits on
40 behalf of an institution or institutional accreditor or have provided

1 representation to the postsecondary educational industry or a
2 profession regulated by the bureau, if he or she is employed in the
3 industry or a member of the profession, respectively, and he or
4 she shall not engage in those pursuits or provide that representation
5 during his or her term of office.

6 (c) The advisory committee shall examine the oversight
7 functions and operational policies of the bureau and advise the
8 bureau with respect to matters relating to private postsecondary
9 education and the administration of this chapter, including annually
10 reviewing the fee schedule and the equity of the schedule relative
11 to the way institutions are structured, and the licensing and
12 enforcement provisions of this chapter. The advisory committee
13 shall make recommendations with respect to policies, practices,
14 and regulations relating to private postsecondary education, and
15 shall provide any assistance as may be requested by the bureau.

16 (d) The bureau shall actively seek input from, and consult with,
17 the advisory committee regarding the development of regulations
18 to implement this chapter prior to the adoption, amendment, or
19 repeal of its regulations, and provide the advisory committee with
20 sufficient time to review and comment on those regulations. The
21 bureau shall take into consideration and respond to all feedback
22 provided by members of the advisory committee.

23 (e) The bureau chief shall attend all advisory committee
24 meetings and shall designate staff to provide ongoing
25 administrative support to the advisory committee.

26 (f) Until January 1, 2017, the director shall personally attend,
27 and testify and answer questions at, each meeting of the advisory
28 committee.

29 (g) The advisory committee shall have the same access to
30 records within the Department of Consumer Affairs related to the
31 operation and administration of this chapter as do members of
32 constituent boards of the department in regard to records related
33 to their functions.

34 (h) Advisory committee meetings shall be subject to the
35 Bagley-Keene Open Meetings Act. Advisory committee meeting
36 materials shall be posted on the Internet.

37 (i) The advisory committee shall meet at least quarterly and
38 shall appoint a member of the committee to represent the committee
39 for purposes of communicating with the Legislature.

1 (j) The Department of Consumer Affairs shall review, and revise
2 if necessary, the department's conflicts of interest regulations to
3 ensure that each advisory committee member is required to disclose
4 conflicts of interest to the public.

5 SEC. 17. Section 94880.1 is added to the Education Code, to
6 read:

7 94880.1. (a) (1) The bureau shall establish a task force no
8 later than March 1, 2015, to review standards for educational and
9 training programs specializing in innovative subject matters and
10 instructing students in high-demand technology fields for which
11 there is a demonstrated shortage of skilled employees. The
12 members of the task force may include postsecondary education
13 experts, owners of institutions, consumer advocates focused on
14 education, high technology employers, students of short-term
15 focused high technology training programs, and providers of high
16 technology training in subjects including, but not necessarily
17 limited to, programming, software development, computer science,
18 and coding.

19 (2) At least two members of the task force shall be members of
20 the advisory committee. One of these members shall serve as chair
21 of the task force.

22 (3) The task force shall transmit a report with its
23 recommendations and findings to the advisory committee no later
24 than January 1, 2016. The task force's report shall include, but not
25 necessarily be limited to, all of the following:

26 (A) Whether students attending institutions should receive
27 certain disclosures prior to enrolling in an educational program
28 offered by those institutions.

29 (B) Whether the means of reporting student outcomes and the
30 content of those reports are appropriate.

31 (C) The steps the state may take to promote the growth of
32 high-quality training programs in skills for high technology
33 occupations.

34 (b) The advisory committee shall review and approve, modify,
35 or reject the report prepared pursuant to paragraph (3) of
36 subdivision (a). The bureau shall provide the approved report to
37 the Legislature no later than July 1, 2016.

38 (c) The requirement for submitting a report imposed under this
39 subdivision is inoperative on January 1, 2017, pursuant to Section
40 10231.5 of the Government Code.

1 (d) The report to be submitted to the Legislature pursuant to
2 subdivision (c) shall be submitted in compliance with Section 9795
3 of the Government Code.

4 SEC. 18. Section 94885 of the Education Code is amended to
5 read:

6 94885. (a) The bureau shall adopt by regulation minimum
7 operating standards for an institution that shall reasonably ensure
8 that all of the following occur:

9 (1) The content of each educational program can achieve its
10 stated objective.

11 (2) The institution maintains specific written standards for
12 student admissions for each educational program and those
13 standards are related to the particular educational program.

14 (3) The facilities, instructional equipment, and materials are
15 sufficient to enable students to achieve the educational program's
16 goals.

17 (4) The institution maintains a withdrawal policy and provides
18 refunds.

19 (5) The directors, administrators, and faculty are properly
20 qualified.

21 (6) The institution is financially sound and capable of fulfilling
22 its commitments to students.

23 (7) That, upon satisfactory completion of an educational
24 program, the institution gives students a document signifying the
25 degree or diploma awarded.

26 (8) Adequate records and standard transcripts are maintained
27 and are available to students.

28 (9) The institution is maintained and operated in compliance
29 with this chapter and all other applicable ordinances and laws.

30 (b) Except as provided in Section 94855.1, an institution offering
31 a degree must satisfy one of the following requirements:

32 (i) Accreditation by an accrediting agency recognized by the
33 United States Department of Education, with the scope of that
34 accreditation covering the offering of at least one degree program
35 by the institution.

36 (ii) An accreditation plan, approved by the bureau, for the
37 institution to become fully accredited within five years of the
38 bureau's issuance of a provisional approval to operate to the
39 institution. The provisional approval to operate to an unaccredited

1 degree-offering institution shall be in compliance with Section
2 94885.5.

3 SEC. 19. Section 94885.1 is added to the Education Code, to
4 read:

5 94885.1. (a) An institution that is not accredited by an
6 accrediting agency recognized by the United States Department
7 of Education and offering at least one degree program, and that
8 has obtained an approval to operate from the bureau on or before
9 January 1, 2015, shall be required to satisfy at least one of the
10 following no later than July 1, 2015:

11 (1) Accreditation by an accrediting agency recognized by the
12 United States Department of Education, with the scope of that
13 accreditation covering the offering of at least one degree program
14 by the institution.

15 (2) Compliance with subdivision (b).

16 (b) The bureau shall identify institutions that are subject to
17 subdivision (a) and notify those institutions by February 1, 2015
18 of the accreditation requirements pursuant to this section and that
19 the institution is required provide the following information to the
20 bureau if the institution plans to continue to offer a degree program
21 after July 1, 2015:

22 (1) An accreditation plan that, at a minimum, identifies an
23 accrediting agency recognized by the United States Department
24 of Education from which the institution will seek accreditation,
25 with the scope of that accreditation covering the offering of at least
26 one degree program, and outlines the process by which the
27 institution will achieve accreditation candidacy or pre-accreditation
28 by July 1, 2017, and full accreditation by July 1, 2020.

29 (2) Evidence of having achieved accreditation candidacy or
30 pre-accreditation by July 1, 2017.

31 (3) Evidence of having obtained full accreditation by July 1,
32 2020.

33 (4) Any additional documentation the bureau deems necessary.

34 (c) An institution that satisfies the requirements of subdivision
35 (b) shall comply with all of the following:

36 (1) Notify students seeking to enroll in the institution, in writing,
37 prior to the execution of the student's enrollment agreement, that
38 the institution's approval to offer a degree program is contingent
39 upon the institution being subsequently accredited.

1 (2) A visiting committee, empaneled by the bureau pursuant to
2 Section 94882, shall review the institution by January 1, 2017, and
3 determine if the institution is likely to achieve full accreditation
4 by July 1, 2020. If the visiting committee finds the institution
5 deficient in its accreditation plan, the bureau may prohibit the
6 institution from enrolling new students in its degree program or
7 programs, and require the execution of a teach-out plan for its
8 enrolled students.

9 (d) Any institution that fails to comply with the requirements
10 of this section by the dates provided, as required, shall have its
11 approval to operate automatically suspended on the applicable
12 date. The bureau shall issue an order suspending the institution
13 and that suspension shall not be lifted until the institution complies
14 with the requirements of this section. A suspended institution shall
15 not enroll new students in any of its degree programs, and shall
16 execute a teach-out plan for its enrolled students.

17 (e) *The bureau shall adopt emergency regulations for purposes*
18 *of implementing this section. The adoption of these regulations*
19 *shall be deemed to be an emergency and necessary for the*
20 *immediate preservation of the public peace, health and safety, or*
21 *general welfare for purposes of Sections 11346.1 and 11349.6 of*
22 *the Government Code. These emergency regulations shall become*
23 *law through the regular rulemaking process within one year of*
24 *the enactment of this section.*

25 (e)

26 (f) This section shall remain in effect until January 1, 2021,
27 and as of that date is repealed, unless a later enacted statute, that
28 is enacted before January 1, 2021, deletes or extends that date.

29 SEC. 20. Section 94885.5 is added to the Education Code, to
30 read:

31 94885.5. (a) If an institution that has not been accredited by
32 an accrediting agency recognized by the United States Department
33 of Education seeks to offer one or more degree programs, the
34 institution shall satisfy the following requirements in order to be
35 issued a provisional approval to operate from the bureau:

36 (1) The institution may not offer more than two degree programs
37 during the term of its provisional approval to operate.

38 (2) The institution shall submit an accreditation plan, approved
39 by the bureau, for the institution to become fully accredited within
40 five years of issuance of its provisional approval to operate. The

1 plan shall include, at a minimum, identification of an accreditation
2 agency recognized by the United States Department of Education,
3 from which the institution plans to seek accreditation, and outline
4 the process by which the institution will achieve accreditation
5 candidacy or pre-accreditation within two years, and full
6 accreditation within five years, of issuance of its provisional
7 approval.

8 (3) The institution shall submit to the bureau all additional
9 documentation the bureau deems necessary to determine if the
10 institution will become fully accredited within five years of
11 issuance of its provisional approval to operate.

12 (b) If an institution is granted a provisional approval to operate
13 pursuant to subdivision (a), the following is required:

14 (1) Students seeking to enroll in that institution shall be notified
15 in writing by the institution, prior to the execution of the student's
16 enrollment agreement, that the institution's approval to operate is
17 contingent upon it being subsequently accredited.

18 (2) Within the first two years of issuance of the provisional
19 approval, a visiting committee, empaneled by the bureau pursuant
20 to Section 94882, shall review the institution's application for
21 approval and its accreditation plan, and make a recommendation
22 to the bureau regarding the institution's progress to achieving full
23 accreditation.

24 (3) The institution shall provide evidence of accreditation
25 candidacy or preaccreditation within two years of issuance of its
26 provisional approval, and evidence of accreditation within five
27 years of issuance of its provisional approval, with the scope of that
28 accreditation covering the offering of at least one degree program.

29 (c) An institution required to comply with this section that fails
30 to do so by the dates provided, as required, shall have its
31 provisional approval to operate automatically suspended on the
32 applicable date. The bureau shall issue an order suspending the
33 institution and that suspension shall not be lifted until the institution
34 complies with the requirements of this section. A suspended
35 institution shall not enroll new students in any of its degree
36 programs and shall execute a teach-out plan for its enrolled
37 students.

38 (d) An institution issued a provisional approval under this
39 section is required to comply with all other laws and regulations.

1 (e) The bureau shall adopt emergency regulations for purposes
2 of implementing this section. The adoption of these regulations
3 shall be deemed to be an emergency and necessary for the
4 immediate preservation of the public peace, health and safety, or
5 general welfare for purposes of Sections 11346.1 and 11349.6 of
6 the Government Code. These emergency regulations shall become
7 law through the regular rulemaking process within one year of the
8 enactment of this section.

9 SEC. 21. Section 94888 of the Education Code is amended to
10 read:

11 94888. (a) The bureau shall adopt by regulation both of the
12 following:

13 (1) The process and procedures whereby an institution seeking
14 approval to operate may apply for and obtain an approval to
15 operate.

16 (2) The process and procedures governing the bureau's approval
17 and denial of applications for approval to operate, including the
18 process and procedures whereby an applicant for which an
19 application has been denied may appeal that denial.

20 (b) The bureau shall, by regulation, establish both of the
21 following:

22 (1) A process for issuing a notification of a denial of an approval
23 to operate to an institution that submits an application for approval
24 to operate and for which that application is denied. The notification
25 of denial shall include a statement of reasons for the denial.

26 (2) Application processing goals and timelines to ensure an
27 institution that has submitted a complete application for approval
28 to operate has that application promptly reviewed for compliance
29 within 30 days of bureau receipt of the application, or within an
30 appropriate timeline as determined by the bureau. The timelines
31 shall ensure that an institution that has submitted a complete and
32 compliant application receives approval within 30 days of the
33 application being deemed compliant by the bureau, or within an
34 appropriate timeline as determined by the bureau.

35 SEC. 22. Section 94890 of the Education Code is amended to
36 read:

37 94890. (a) (1) The bureau shall grant an institution that is
38 accredited an approval to operate by means of its accreditation.

39 (2) The bureau shall adopt by regulation the process and
40 procedures whereby an institution that is accredited may apply for

1 and obtain an approval by means of that accreditation. The bureau
2 shall establish application processing goals and timelines to ensure
3 that an institution that has submitted a complete application for
4 approval to operate by means of its accreditation has that
5 application promptly reviewed for compliance within 30 days of
6 the bureau's receipt of the application or within an appropriate
7 timeline as determined by the bureau. The timelines shall ensure
8 that an institution that has submitted a complete and compliant
9 application receives approval within 30 days of the application
10 being deemed compliant by the bureau, or within an appropriate
11 timeline as determined by the bureau.

12 (b) The term of an approval to operate pursuant to this section
13 shall be coterminous with the term of accreditation. Upon renewal
14 of the institution's accreditation, the institution shall submit
15 verification to the bureau, on a form provided by the bureau, that
16 the institution's accreditation has been renewed.

17 (c) Institutions that are granted an approval to operate by means
18 of the institution's accreditation shall comply with all other
19 applicable requirements in this chapter.

20 SEC. 23. Section 94891 of the Education Code is amended to
21 read:

22 94891. (a) The bureau shall adopt by regulation the process
23 and procedures whereby an institution may obtain a renewal of an
24 approval to operate.

25 (b) To be granted a renewal of an approval to operate, the
26 institution shall demonstrate its continued capacity to meet the
27 minimum operating standards.

28 (c) (1) An institution that is denied renewal of an approval to
29 operate may file an appeal in accordance with the procedures
30 established by the bureau pursuant to Section 94888.

31 (2) An institution that has filed an appeal of a denial of a renewal
32 application may continue to operate during the appeal process, but
33 must disclose in a written statement, approved by the bureau, to
34 all current and prospective students, that the institution's
35 application for renewal of approval to operate was denied by the
36 bureau because the bureau determined the application did not
37 satisfy the requirements to operate in California, that the institution
38 is appealing the bureau's decision, and that the loss of the appeal
39 may result in the institution's closure.

1 (3) If the bureau determines that the continued operation of the
2 institution during the appeal process poses a significant risk of
3 harm to students, the bureau shall make an emergency decision
4 pursuant to its authority provided in Section 94938.

5 SEC. 24. Section 94904 of the Education Code is amended to
6 read:

7 94904. (a) Before an ability-to-benefit student may execute
8 an enrollment agreement, the institution shall have the student take
9 an independently administered examination from the list of
10 examinations prescribed as of July 1, 2012, by the United States
11 Department of Education pursuant to Section 484(d) of the federal
12 Higher Education Act of 1965 (20 U.S.C. Sec. 1070a et seq.). The
13 student shall not enroll unless the student achieves a score, as
14 specified by the United States Department of Education,
15 demonstrating that the student may benefit from the education and
16 training being offered.

17 (b) If the United States Department of Education does not have
18 a list of relevant examinations that pertain to the intended
19 occupational training, the bureau may publish its own list of
20 acceptable examinations and required passing scores.

21 SEC. 25. Section 94909 of the Education Code is amended to
22 read:

23 94909. (a) Except as provided in subdivision (d), prior to
24 enrollment, an institution shall provide a prospective student, either
25 in writing or electronically, with a school catalog containing, at a
26 minimum, all of the following:

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

29 (2) Except as specified in Article 2 (commencing with Section
30 94802), a statement that the institution is a private institution and
31 that it is approved to operate by the ~~board~~ *bureau*.

32 (3) The following statements:

33 (A) "Any questions a student may have regarding this catalog
34 that have not been satisfactorily answered by the institution may
35 be directed to the ~~Board~~ *Bureau* for Private Postsecondary
36 Education at (address), Sacramento, CA (ZIP Code), (Internet Web
37 site address), (telephone and fax numbers)."

38 (B) "As a prospective student, you are encouraged to review
39 this catalog prior to signing an enrollment agreement. You are also

1 encouraged to review the School Performance Fact Sheet, which
2 must be provided to you prior to signing an enrollment agreement.”

3 (C) “A student or any member of the public may file a complaint
4 about this institution with the ~~Board~~ *Bureau* for Private
5 Postsecondary Education by calling (toll-free telephone number)
6 or by completing a complaint form, which can be obtained on the
7 ~~board’s bureau’s~~ Internet Web site (Internet Web site address).”

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

9 (5) A description of the programs offered and a description of
10 the instruction provided in each of the courses offered by the
11 institution, the requirements for completion of each program,
12 including required courses, any final tests or examinations, any
13 required internships or externships, and the total number of credit
14 hours, clock hours, or other increments required for completion.

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

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

20 (8) A detailed description of institutional policies in the
21 following areas:

22 (A) Admissions policies, including the institution’s policies
23 regarding the acceptance of credits earned at other institutions or
24 through challenge examinations and achievement tests, admissions
25 requirements for ability-to-benefit students, and a list describing
26 any transfer or articulation agreements between the institution and
27 any other college or university that provides for the transfer of
28 credits earned in the program of instruction. If the institution has
29 not entered into an articulation or transfer agreement with any
30 other college or university, the institution shall disclose that fact.

31 (B) Cancellation, withdrawal, and refund policies, including an
32 explanation that the student has the right to cancel the enrollment
33 agreement and obtain a refund of charges paid through attendance
34 at the first class session, or the seventh day after enrollment,
35 whichever is later. The text shall also include a description of the
36 procedures that a student is required to follow to cancel the
37 enrollment agreement or withdraw from the institution and obtain
38 a refund consistent with the requirements of Article 13
39 (commencing with Section 94919).

40 (C) Probation and dismissal policies.

1 (D) Attendance policies.

2 (E) Leave-of-absence policies.

3 (9) The schedule of total charges for a period of attendance and
4 an estimated schedule of total charges for the entire educational
5 program.

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

10 (11) A statement specifying that, if a student obtains a loan to
11 pay for an educational program, the student will have the
12 responsibility to repay the full amount of the loan plus interest,
13 less the amount of any refund, and that, if the student has received
14 federal student financial aid funds, the student is entitled to a refund
15 of the moneys not paid from federal student financial aid program
16 funds.

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

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

25 (14) A description of the student’s rights and responsibilities
26 with respect to the Student Tuition Recovery Fund. This statement
27 shall specify that it is a state requirement that a student who pays
28 his or her tuition is required to pay a state-imposed assessment for
29 the Student Tuition Recovery Fund. This statement shall also
30 describe the purpose and operation of the Student Tuition Recovery
31 Fund and the requirements for filing a claim against the Student
32 Tuition Recovery Fund.

33 (15) The following statement:

34
35 “NOTICE CONCERNING TRANSFERABILITY OF
36 CREDITS AND CREDENTIALS EARNED AT OUR
37 INSTITUTION

38 The transferability of credits you earn at (name of institution)
39 is at the complete discretion of an institution to which you
40 may seek to transfer. Acceptance of the (degree, diploma, or

1 certificate) you earn in (name of educational program) is also
2 at the complete discretion of the institution to which you may
3 seek to transfer. If the (credits or degree, diploma, or
4 certificate) that you earn at this institution are not accepted at
5 the institution to which you seek to transfer, you may be
6 required to repeat some or all of your coursework at that
7 institution. For this reason you should make certain that your
8 attendance at this institution will meet your educational goals.
9 This may include contacting an institution to which you may
10 seek to transfer after attending (name of institution) to
11 determine if your (credits or degree, diploma, or certificate)
12 will transfer.”

13
14 (16) A statement specifying whether the institution, or any of
15 its degree programs, are accredited by an accrediting agency
16 recognized by the United States Department of Education. If the
17 institution is unaccredited and offers an associate, baccalaureate,
18 master’s, or doctoral degree, or is accredited and offers an
19 unaccredited program for an associate, baccalaureate, master’s, or
20 doctoral degree, the statement shall disclose the known limitations
21 of the degree program, including, but not limited to, all of the
22 following:

23 (A) Whether a graduate of the degree program will be eligible
24 to sit for the applicable licensure exam in California and other
25 states.

26 (B) A degree program that is unaccredited or a degree from an
27 unaccredited institution is not recognized for some employment
28 positions, including, but not limited to, positions with the State of
29 California.

30 (C) That a student enrolled in an unaccredited institution is not
31 eligible for federal financial aid programs.

32 (b) If the institution has a general student brochure, the
33 institution shall provide that brochure to the prospective student
34 prior to enrollment. In addition, if the institution has a
35 program-specific student brochure for the program in which the
36 prospective student seeks to enroll, the institution shall provide
37 the program-specific student brochure to the prospective student
38 prior to enrollment.

39 (c) An institution shall provide the school catalog to any person
40 upon request. In addition, if the institution has student brochures,

1 the institution shall disclose the requested brochures to any
2 interested person upon request.

3 (d) An accredited institution is not required to provide a School
4 Performance Fact Sheet to a prospective student who is not a
5 California resident, not residing in California at the time of his or
6 her enrollment, and enrolling in an accredited distance learning
7 degree program offered by the institution, if the institution complies
8 with all federal laws, the applicable laws of the state where the
9 student is located, and other appropriate laws, including, but not
10 limited to, consumer protection and student disclosure
11 requirements.

12 SEC. 26. Section 94910 of the Education Code is amended to
13 read:

14 94910. Except as provided in subdivision (d) of Section 94909
15 and Section 94910.5, prior to enrollment, an institution shall
16 provide a prospective student with a School Performance Fact
17 Sheet containing, at a minimum, the following information, as it
18 relates to the educational program:

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

21 (b) Placement rates for each educational program, as calculated
22 pursuant to Article 16 (commencing with Section 94928), if the
23 educational program is designed to lead to, or the institution makes
24 any express or implied claim related to preparing students for, a
25 recognized career, occupation, vocation, job, or job title.

26 (c) License examination passage rates for programs leading to
27 employment for which passage of a state licensing examination is
28 required, as calculated pursuant to Article 16 (commencing with
29 Section 94928).

30 (d) Salary or wage information, as calculated pursuant to Article
31 16 (commencing with Section 94928).

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

1 (f) All of the following:

2 (1) A description of the manner in which the figures described
3 in subdivisions (a) to (d), inclusive, are calculated or a statement
4 informing the reader of where he or she may obtain a description
5 of the manner in which the figures described in subdivisions (a)
6 to (d), inclusive, are calculated.

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

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

16 (g) The following statements:

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

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

27 (h) If the institution participates in federal financial aid
28 programs, the most recent three-year cohort default rate reported
29 by the United States Department of Education for the institution
30 and the percentage of enrolled students receiving federal student
31 loans.

32 (i) Data and information disclosed pursuant to subdivisions (a)
33 to (d), inclusive, is not required to include students who satisfy
34 the qualifications specified in subdivision (d) of Section 94909,
35 but an institution shall disclose whether the data, information, or
36 both provided in its fact sheet excludes students pursuant to this
37 subdivision. An institution shall not actively use data specific to
38 the fact sheet in its recruitment materials or other recruitment
39 efforts of students who are not California residents and do not
40 reside in California at the time of their enrollment.

1 SEC. 27. Section 94916 of the Education Code is amended to
2 read:

3 94916. An institution extending credit or lending money to an
4 individual for institutional and noninstitutional charges for an
5 educational program shall cause any note, instrument, or other
6 evidence of indebtedness taken in connection with that extension
7 of credit or loan to be conspicuously marked on its face in at least
8 12-point type with the following notice:

9

10 ~~Notice~~ “NOTICE”

11 ~~You~~ “You may assert against the holder of the promissory note
12 you signed in order to finance the cost of the educational program
13 all of the claims and defenses that you could assert against this
14 institution, up to the amount you have already paid under the
15 promissory note.”

16

17 SEC. 28. Section 94923 of the Education Code is amended to
18 read:

19 94923. (a) The Student Tuition Recovery Fund relieves or
20 mitigates economic loss suffered by a student while enrolled in an
21 educational program, as defined in Section 94837, at an institution
22 not exempt from this article pursuant to Article 4 (commencing
23 with Section 94874), who, at the time of his or her enrollment,
24 was a California resident or was enrolled in a California residency
25 program, prepaid tuition, and suffered economic loss.

26 (b) The bureau shall adopt by regulation procedures governing
27 the administration and maintenance of the Student Tuition
28 Recovery Fund, including requirements relating to assessments
29 on students and student claims against the Student Tuition
30 Recovery Fund. The regulations shall provide for awards to
31 students who suffer economic loss.

32 The regulations shall ensure that the following students, and any
33 other students deemed appropriate, are eligible for payment from
34 the Student Tuition Recovery Fund:

35 (1) Any student who was enrolled at an institution, at a location
36 of the institution, or in an educational program offered by the
37 institution, at the time that institution, location, or program was
38 closed or discontinued, as applicable, who did not choose to
39 participate in a teach-out plan approved by the bureau or did not
40 complete a chosen teach-out plan approved by the bureau.

1 (2) Any student who was enrolled at an institution or a location
2 of the institution within the 120-day period before the closure of
3 the institution or location of the institution, or who was enrolled
4 in an educational program within the 120-day period before the
5 program was discontinued, if the bureau determines there was a
6 significant decline in the quality or value of that educational
7 program during that time period.

8 (3) Any student who was enrolled at an institution or a location
9 of the institution more than 120 days before the closure of the
10 institution or location of the institution, in an educational program
11 offered by the institution as to which the bureau determines there
12 was a significant decline in the quality or value of the program
13 more than 120 days before closure.

14 (4) A student to whom an institution has been ordered to pay a
15 refund by the bureau but has failed to do so.

16 (5) A student to whom an institution has failed to pay or
17 reimburse loan proceeds under a federal student loan program as
18 required by law, or has failed to pay or reimburse proceeds received
19 by the institution in excess of tuition and other costs.

20 (6) A student who has been awarded restitution, a refund, or
21 other monetary award by an arbitrator or court, based on a violation
22 of this chapter by an institution or representative of an institution,
23 but who has been unable to collect the award from the institution.
24 The bureau shall review the award or judgment and shall ensure
25 the amount to be paid from the fund does not exceed the student's
26 economic loss.

27 (c) Any student who is required to pay a Student Tuition
28 Recovery Fund assessment who pays tuition equal to or greater
29 than the required assessment shall be deemed to have paid the
30 required assessment, whether or not his or her enrollment
31 agreement specifies collection of the required assessment, and
32 whether or not the institution identifies any money collected from
33 the student as a Student Tuition Recovery Fund assessment.

34 (d) The bureau shall establish regulations ensuring, as
35 permissible under California law, that a student who suffers
36 educational opportunity losses, whose charges are paid by a
37 third-party payer, is eligible for educational credits under the fund.

38 (e) The bureau may seek repayment to the Student Tuition
39 Recovery Fund from an institution found in violation of the law
40 for which a student claim was paid. An institution shall not be

1 eligible to renew its approval to operate with the bureau if the
2 repayment is not made to the bureau as requested.

3 (f) The bureau shall, by regulation, define “economic loss.” The
4 regulation shall ensure that the definition of “economic loss”
5 includes, but is not necessarily limited to, pecuniary loss, which
6 is the sum of the student’s tuition, all other institutional charges
7 as defined in Section 94844, the cost of equipment and materials
8 required for the educational program as defined in Section 94837,
9 interest on any student loan used to pay for such charges, collection
10 costs, penalties, and any license or examination fees the student
11 paid to the institution but is unable to recover. Economic loss shall
12 also include the amount the institution collected and failed to pay
13 to third parties on behalf of the student for license fees or any other
14 purpose. Economic loss does not include Student Tuition Recovery
15 Fund assessments, unless the student is entitled to a full refund
16 under Section 94919 or 94920, room and board, supplies,
17 transportation, application fees, or nonpecuniary damages such as
18 inconvenience, aggravation, emotional distress, or punitive
19 damages. Economic loss does not include legal fees, attorney fees,
20 court costs, or arbitration fees. Nothing in this subdivision shall
21 prevent the bureau from further defining economic loss to include
22 loss of educational opportunity.

23 SEC. 29. Section 94924 of the Education Code is amended to
24 read:

25 94924. (a) The bureau shall determine the amount of Student
26 Tuition Recovery Fund assessments to be collected for each
27 student.

28 (b) All assessments collected pursuant to this article shall be
29 credited to the Student Tuition Recovery Fund, along with any
30 accrued interest, for the purpose of this article. Notwithstanding
31 Section 13340 of the Government Code, the moneys in the Student
32 Tuition Recovery Fund are continuously appropriated to the bureau,
33 without regard to fiscal year, for the purposes of this article.

34 (c) Except when an institution provides a full refund pursuant
35 to Section 94919 or Section 94920, the Student Tuition Recovery
36 Fund assessment is nonrefundable.

37 SEC. 30. Section 94925 of the Education Code is amended to
38 read:

1 94925. (a) The amount in the Student Tuition Recovery Fund
2 shall not exceed twenty-five million dollars (\$25,000,000) at any
3 time.

4 (b) If the bureau has temporarily stopped collecting the Student
5 Tuition Recovery Fund assessments because the fund has
6 approached the twenty-five million dollar limit in subdivision (a),
7 the bureau shall resume collecting Student Tuition Recovery Fund
8 assessments when the fund falls below twenty million dollars
9 (\$20,000,000).

10 (c) An otherwise eligible student who enrolled during a period
11 when institutions were not required to collect Student Tuition
12 Recovery Fund assessments is eligible for Student Tuition
13 Recovery Fund payments despite not having paid any Student
14 Tuition Recovery Fund assessment.

15 SEC. 31. Section 94929.5 of the Education Code is amended
16 to read:

17 94929.5. (a) An institution shall annually report to the bureau,
18 as part of the annual report, and shall publish in its School
19 Performance Fact Sheet, all of the following:

20 (1) The job placement rate, calculated by dividing the number
21 of graduates employed in the field by the number of graduates
22 available for employment for each program that is either (1)
23 designed, or advertised, to lead to a particular career, or (2)
24 advertised or promoted with any claim regarding job placement.

25 (2) The license examination passage rates for the immediately
26 preceding two years for programs leading to employment for which
27 passage of a state licensing examination is required, calculated by
28 dividing the number of graduates who pass the examination by the
29 number of graduates who take the licensing examination the first
30 time that the examination is available after completion of the
31 educational program. The institution shall use state agency
32 licensing data to calculate license examination passage rates. If
33 those data are unavailable, the institution shall calculate the license
34 examination passage rate in a manner consistent with regulations
35 adopted by the bureau.

36 (3) Salary and wage information, consisting of the total number
37 of graduates employed in the field and the annual wages or salaries
38 of those graduates stated in increments of five thousand dollars
39 (\$5,000).

1 (4) If applicable, the most recent official three-year cohort
2 default rate reported by the United States Department of Education
3 for the institution and the percentage of enrolled students receiving
4 federal student loans.

5 (b) Nothing in this section shall limit the bureau's authority to
6 collect information from an institution to comply with this section
7 and ensure, by regulation and other lawful means, that the
8 information required by this section, and the manner in which it
9 is collected and reported, is all of the following:

10 (1) Useful to students.

11 (2) Useful to policymakers.

12 (3) Based upon the most credible and verifiable data available.

13 (4) Does not impose undue compliance burdens on an institution.

14 (c) Data and information disclosed pursuant to paragraphs (1)
15 to (3), inclusive, of subdivision (a) is not required to include
16 students who satisfy the qualifications specified in subdivision (d)
17 of Section 94909, but an institution shall disclose on its fact sheet
18 and to the bureau whether its data, information, or both, excludes
19 any students pursuant to this subdivision.

20 SEC. 32. Section 94929.9 is added to the Education Code, to
21 read:

22 94929.9. (a) The bureau shall consider the graduate salary and
23 other outcome data and reporting requirements that are utilized by
24 the United States Department of Education, the Student Aid
25 Commission, accrediting agencies, and student advocate
26 associations. The bureau shall consider the reporting requirements
27 of public postsecondary institutions in California to evaluate the
28 feasibility of adopting these reporting requirements for private
29 postsecondary institutions. The bureau shall make
30 recommendations to the Legislature, on or before December 31,
31 2016, on how reporting requirements under this chapter should be
32 altered to ensure accurate, useful, and consistent reporting by
33 private postsecondary institutions to the bureau and students.

34 (b) The bureau is authorized to enter into a personal services
35 contract with an appropriate independent contractor to assist in
36 the evaluation required by subdivision (a). In this connection, the
37 Legislature finds, pursuant to Section 19130 of the Government
38 Code, that this is a new state function.

1 (c) (1) A report to be submitted to the Legislature pursuant to
2 subdivision (a) shall be submitted in compliance with Section 9795
3 of the Government Code.

4 (2) Pursuant to Section 10231.5 of the Government Code, this
5 section is repealed January 1, 2017.

6 SEC. 33. Section 94930.5 of the Education Code is amended
7 to read:

8 94930.5. Subject to Section 94930, an institution shall remit
9 to the bureau for deposit in the Private Postsecondary Education
10 Administration Fund the following fees, in accordance with the
11 following schedule:

12 (a) The following fees shall be remitted by an institution
13 submitting an application for an approval to operate, if applicable:

14 (1) Application fee for an approval to operate: five thousand
15 dollars (\$5,000).

16 (2) Application fee for the approval to operate a new branch of
17 the institution: three thousand dollars (\$3,000).

18 (3) Application fee for an approval to operate by means of
19 accreditation: seven hundred fifty dollars (\$750).

20 (b) The following fees shall be remitted by an institution seeking
21 a renewal of its approval to operate, if applicable:

22 (1) Renewal fee for the main campus of the institution: three
23 thousand five hundred dollars (\$3,500).

24 (2) Renewal fee for a branch of the institution: three thousand
25 dollars (\$3,000).

26 (3) Renewal fee for an institution that is approved to operate by
27 means of accreditation: five hundred dollars (\$500).

28 (c) The following fees shall apply to an institution seeking
29 authorization of a substantive change to its approval to operate, if
30 applicable:

31 (1) Processing fee for authorization of a substantive change to
32 an approval to operate: five hundred dollars (\$500).

33 (2) Processing fee in connection with a substantive change to
34 an approval to operate by means of accreditation: two hundred
35 fifty dollars (\$250).

36 (d) (1) In addition to any fees paid to the bureau pursuant to
37 subdivisions (a) to (c), inclusive, each institution that is approved
38 to operate pursuant to this chapter shall remit both of the following:

39 (A) An annual institutional fee, in an amount equal to
40 three-quarters of 1 percent of the institution's annual revenues

1 derived from students in California, but not exceeding a total of
2 twenty-five thousand dollars (\$25,000) annually.

3 (B) An annual branch fee of one thousand dollars (\$1,000) for
4 each branch or campus of the institution operating in California.

5 (2) The amount of the annual fees pursuant to paragraph (1)
6 shall be proportional to the bureau's cost of regulating the
7 institution under this chapter.

8 SEC. 34. Section 94932.5 of the Education Code is amended
9 to read:

10 94932.5. (a) As part of its compliance program, the bureau
11 shall perform announced and unannounced inspections of
12 institutions at least every five years.

13 (b) On or before January 1, 2017, the bureau shall adopt
14 regulations setting forth policies and practices to ensure that student
15 protections are the highest priority of inspections and that
16 inspections are conducted based on risk and potential harm to
17 students. The regulations shall also set forth policies and practices
18 for providing notice to students enrolled at an institution of the
19 results of each inspection of the institution.

20 SEC. 35. Section 94941 of the Education Code is amended to
21 read:

22 94941. (a) An individual who has cause to believe that an
23 institution has violated this chapter, or regulations adopted pursuant
24 to this chapter, may file a complaint with the bureau against the
25 institution. The complaint shall set forth the alleged violation, and
26 shall contain any other information as may be required by the
27 bureau.

28 (b) To ensure that the bureau's resources are maximized for the
29 protection of the public, the bureau, in consultation with the
30 advisory committee, shall establish priorities for its inspections
31 and other investigative and enforcement resources to ensure that
32 institutions representing the greatest threat of harm to the greatest
33 number of students are identified and disciplined by the bureau or
34 referred to the Attorney General.

35 (c) In developing its priorities for inspection, investigation, and
36 enforcement regarding institutions, the bureau shall consider as
37 posing heightened risks the characteristics of the following
38 institutions:

39 (1) An institution that receives significant public resources,
40 including an institution that receives more than 70 percent of its

1 revenues from federal financial aid, state financial aid, financial
2 aid for veterans, and other public student aid funds.

3 (2) An institution with a large number of students defaulting on
4 their federal loans, including an institution with a three-year cohort
5 default rate above 15.5 percent.

6 (3) An institution with reported placement rates, completion
7 rates, or licensure rates in an educational program that are far
8 higher or lower than comparable educational institutions or
9 programs.

10 (4) An institution that experiences a dramatic increase in
11 enrollment, recently expanded educational programs or campuses,
12 or recently consolidated campuses.

13 (5) An institution that offers only nonremedial educational
14 program courses in English, but enrolls students with limited or
15 no English language proficiency.

16 (6) An institution that has experienced a recent change of
17 ownership or control, or a change in the business organization of
18 the institution.

19 (7) An institution with audited financial statements that do not
20 satisfy the bureau's requirements for financial stability.

21 (8) An institution that has recently been the subject of an
22 investigation, judgment, or regulatory action by, or a settlement
23 with, a governmental agency.

24 (9) An institution that experiences institutional or programmatic
25 accreditation restriction by an accreditor, government restriction
26 of, or injunction against, its approval to operate, or placement on
27 cash-reimbursement or heightened monitoring status by the United
28 States Department of Education.

29 (d) The bureau shall indicate in an annual report, to be made
30 publicly available on its Internet Web site, the number of temporary
31 restraining orders, interim suspension orders, and disciplinary
32 actions taken by the bureau, disaggregated by each priority category
33 established pursuant to subdivision (b).

34 (e) The bureau shall, in consultation with the advisory
35 committee, adopt regulations to establish categories of complaints
36 or cases that are to be handled on a priority basis. The priority
37 complaints or cases shall include, but not be limited to, those
38 alleging unlawful, unfair or fraudulent business acts or practices,
39 including unfair, deceptive, untrue, or misleading statements,

1 including all statements made or required to be made pursuant to
2 the requirements of this chapter, related to any of the following:

3 (1) Degrees, educational programs, or internships offered, the
4 appropriateness of available equipment for a program, or the
5 qualifications or experience of instructors.

6 (2) Job placement, graduation, time to complete an educational
7 program, or educational program or graduation requirements.

8 (3) Loan eligibility, terms, whether the loan is federal or private,
9 or default or forbearance rates.

10 (4) Passage rates on licensing or certification examinations or
11 whether an institution's degrees or educational programs provide
12 students with the necessary qualifications to take these exams and
13 qualify for professional licenses or certifications.

14 (5) Cost of an educational program, including fees and other
15 nontuition charges.

16 (6) Affiliation with or endorsement by any government agency,
17 or by any organization or agency related to the armed forces,
18 including, but not limited to, groups representing veterans.

19 (7) Terms of withdrawal and refunds from an institution.

20 (8) Payment of bonuses, commissions, or other incentives
21 offered by an institution to its employees or contractors.

22 SEC. 36. Section 94945 of the Education Code is amended to
23 read:

24 94945. (a) This chapter does not limit or preclude the
25 enforcement of rights or remedies under any other applicable statute
26 or law.

27 (b) This chapter does not limit or preclude the Attorney General,
28 a district attorney, or a city attorney from taking any action
29 otherwise authorized under any other applicable statute or law.

30 (c) If the bureau has reason to believe that an institution has
31 engaged in a pattern or practice of violating the provisions of this
32 chapter or any other applicable law that involves multiple students
33 or other claimants, the bureau shall contract with the Attorney
34 General for investigative and prosecutorial services, as necessary.

35 SEC. 37. Section 94947 is added to the Education Code, to
36 read:

37 94947. (a) Notwithstanding section 94874.2, an institution
38 described in subdivision (i) of Section 94874 that satisfies all of
39 the following requirements may claim an exemption from this
40 chapter.

1 (1) The institution has been accredited by an accrediting agency
2 recognized by the United States Department of Education for at
3 least 10 years, and has not been placed on probation or on a greater
4 level than standard monitoring, or sanctioned, by its accrediting
5 agency.

6 (2) The institution is headquartered in California and has
7 operated continuously in this state for at least 25 years.

8 (3) The institution is privately held and prior to its current
9 exemption, the institution was granted an approval to operate by
10 the Bureau for Private Postsecondary Education, or its predecessor
11 agency and has experienced no change of ownership since the
12 institution was last approved.

13 (4) During its existence, the institution has not filed for
14 bankruptcy protection.

15 (5) The institution maintains an equity ratio composite score of
16 at least 1.5 based on the current financial stability test.

17 (6) At least ~~15~~ 12.5 percent of the institution's revenues are
18 derived from sources other than financial aid. For purposes of this
19 requirement, financial aid includes all forms of state or federal
20 student assistance, including, but not limited to, financial aid
21 provided to veterans and financial aid through the Cal Grant
22 Program.

23 (7) The institution's cohort default rate does not exceed 13
24 percent for the most recent three years, as published by the United
25 States Department of Education.

26 (8) The institution has a graduation rate that exceeds 60 percent,
27 as reported to the Integrated Postsecondary Education Data System.

28 (9) The institution has not been subject to any legal or regulatory
29 actions by a state attorney general for a violation of consumer
30 protection laws that resulted in monetary settlement, fines, or other
31 documented violations.

32 (10) The institution provides a pro rata refund of unearned
33 institutional charges to students who complete 75 percent or less
34 of the period of attendance.

35 (11) The institution provides to all students the right to cancel
36 the enrollment agreement and obtain a refund of charges paid
37 through attendance at the second class session, or the 14th day
38 after enrollment, whichever is later.

39 (12) The institution complies with all other reasonable criteria,
40 necessary to ensure educational quality and protection of veterans,

1 established by the California State Approving Agency for Veterans
2 Education.

3 (13) The institution verifies its exemption pursuant to Section
4 94874.1.

5 (b) An institution exempt from this chapter pursuant to this
6 section may apply to the bureau for an approval to operate pursuant
7 to section 94874.8

8 (c) It is the intent of the Legislature that if the exemption
9 provided in this section is declared by a court to be invalid for any
10 reason, the requirements of this chapter shall apply to an institution
11 that would otherwise be subject to receive this exemption.

12 SEC. 38. Section 94948 of the Education Code is amended to
13 read:

14 94948. In addition to any other reporting requirements under
15 this chapter, the director shall provide written updates to the
16 Legislature every six months and shall participate in all oversight
17 hearings conducted by the appropriate policy committees and
18 budget subcommittees of the Senate and Assembly. The updates
19 shall describe the bureau's progress in protecting consumers and
20 enforcing the provisions of this chapter.

21 SEC. 39. Section 94949 of the Education Code is repealed.

22 SEC. 40. Section 94949 is added to the Education Code, to
23 read:

24 94949. (a) The director shall provide to the Legislature a copy
25 of an independent review of the bureau's staffing resources needs
26 and requirements no later than March 15, 2015. The director shall
27 include with this report an overview of how the director intends
28 to ensure that the bureau's staff are sufficiently qualified for
29 purposes of implementing the provisions of this chapter, and the
30 estimated costs of meeting staffing and other requirements to
31 implement this chapter based on findings of the independent
32 review. The director shall include a brief evaluation of whether
33 the current fee structure is appropriate to satisfy those staffing and
34 other requirements.

35 (b) (1) A report to be submitted pursuant to subdivision (a)
36 shall be submitted in compliance with Section 9795 of the
37 Government Code.

38 (2) Pursuant to Section 10231.5 of the Government Code, this
39 section is repealed on January 1, 2017.

1 ~~SEC. 41. Section 94949.5 is added to the Education Code, to~~
2 ~~read:~~

3 ~~94949.5. (a) The Legislature finds and declares all of the~~
4 ~~following:~~

5 ~~(1) Two bureaus have operated under the Department of~~
6 ~~Consumer Affairs to regulate private postsecondary education,~~
7 ~~one bureau from 1998 to 2007, inclusive, and one bureau since~~
8 ~~2010. Numerous audits, analyses conducted by state agencies and~~
9 ~~private entities, legislative investigations and public comment have~~
10 ~~concluded that California oversight of private postsecondary~~
11 ~~educational institutions has not adequately served the interests of~~
12 ~~the public.~~

13 ~~(2) The bureau collects substantial amounts of money annually~~
14 ~~from institutions licensed under this chapter but lacks appropriate~~
15 ~~spending authority and staffing to effectively implement this~~
16 ~~chapter.~~

17 ~~(3) California students and the economy benefit from~~
18 ~~government oversight and regulations that result in access to quality~~
19 ~~postsecondary education.~~

20 ~~(4) Transparency in the bureau's functions, operations, priorities,~~
21 ~~and organization will better assist the Legislature in ensuring that~~
22 ~~the Department of Consumer Affairs and the bureau are provided~~
23 ~~with the direction and resources necessary to implement this~~
24 ~~chapter.~~

25 ~~(b) The Secretary of Business, Consumer Services, and Housing,~~
26 ~~in consultation with the Legislature, shall appoint a Bureau for~~
27 ~~Private Postsecondary Education Monitor from a pool of qualified~~
28 ~~candidates by January 1, 2016. The secretary may retain a person~~
29 ~~for this position by a personal services contract. In this connection,~~
30 ~~the Legislature finds, pursuant to Section 19130 of the Government~~
31 ~~Code, that this is a new state function.~~

32 ~~(c) The Secretary shall advertise the availability of this position.~~
33 ~~The requirements for this position shall include experience in~~
34 ~~private postsecondary education, familiarity with state laws, rules,~~
35 ~~and procedures pertaining to the bureau, familiarity with relevant~~
36 ~~administrative law and procedure, administrative complaint~~
37 ~~prioritization, processing, and investigation, and familiarity with~~
38 ~~the Department of Consumer Affairs and its powers and~~
39 ~~procedures. To assume this position, a candidate shall have a record~~
40 ~~of student or consumer, or student and consumer, representation~~

1 or advocacy, and have no current investment in, or be receiving
2 personal remuneration from, any institution subject to the bureau's
3 regulations:

4 (d) (1) The monitor shall perform independent fact gathering
5 and data analysis functions by assessing the bureau's operations,
6 including its approvals to operate, applicant review, and complaint
7 and enforcement processes and procedures, with the primary goals
8 of improving the bureau's overall efficiency, effectiveness, and
9 compliance with state laws, particularly as relates to the bureau's
10 approval to operate, complaint, and enforcement processes:

11 (2) The monitor's duties shall include, but not necessarily be
12 limited to, evaluating relevant state laws, regulations, budgetary
13 actions, and processes to identify revisions that would improve
14 state regulation of private postsecondary institutions and student
15 and public protection:

16 (3) The monitor shall be provided findings from representatives
17 of the Bureau of State Audits, representatives of the Department
18 of Consumer Affairs' Internal Audit Office, and findings from
19 other organizations performing evaluations of the bureau. To the
20 extent feasible, the monitor shall utilize, but not duplicate,
21 information and recommendations provided by audits and reviews
22 previously conducted by the Department of Consumer Affairs, the
23 bureau, the Legislative Analyst's Office, and the Bureau of State
24 Audits, independent staffing resource reviews, and other relevant
25 information:

26 (4) The monitor shall exercise no authority over the bureau's
27 management or staff; however, the bureau and its staff shall
28 cooperate with the monitor, and shall provide all data, information,
29 and files as requested by the monitor to perform his or her duties:

30 (5) The director shall assist the monitor in the performance of
31 his or her duties, and the monitor shall have the same investigative
32 authority related to the bureau as the director:

33 (e) The monitor shall submit an initial written report of his or
34 her findings and conclusions to the Legislature no later than July
35 1, 2016, and shall be available to make oral reports to Legislative
36 committees if requested to do so. The monitor may also provide
37 additional information to the Legislature at his or her discretion
38 or at the request of the Legislature. The monitor's reports shall be
39 made available to the public and posted on the bureau's Internet
40 Web site. The monitor shall make every effort to provide the

1 Department of Consumer Affairs and the bureau with an
2 opportunity to reply to any facts, finding, issues, or conclusions
3 in his or her reports with which the department or the bureau may
4 disagree.

5 (f) The bureau shall reimburse the Business, Consumer Services
6 and Housing Agency for all of the costs associated with the
7 employment of the monitor.

8 ~~SEC. 42.~~

9 *SEC. 41.* Section 94950 of the Education Code is amended to
10 read:

11 94950. This chapter shall remain in effect only until January
12 1, 2017, and as of that date is repealed, unless a later enacted
13 statute, that is enacted before January 1, 2017, deletes or extends
14 that date.

15 ~~SEC. 43.~~

16 *SEC. 42.* The sum of one hundred thirty thousand dollars
17 (\$130,000) is hereby appropriated from the Private Postsecondary
18 Education Administration Fund to the Bureau for Private
19 Postsecondary Education, for the 2014–15 fiscal year, to be
20 combined with any other available funds, for purposes of
21 establishing one permanent attorney position at the bureau to assist
22 the bureau in its regulatory activities, and one permanent analyst
23 position at the bureau to provide support to the advisory committee.

24 ~~SEC. 44.~~

25 *SEC. 43.* No reimbursement is required by this act pursuant to
26 Section 6 of Article XIII B of the California Constitution because
27 the only costs that may be incurred by a local agency or school
28 district will be incurred because this act creates a new crime or
29 infraction, eliminates a crime or infraction, or changes the penalty
30 for a crime or infraction, within the meaning of Section 17556 of
31 the Government Code, or changes the definition of a crime within
32 the meaning of Section 6 of Article XIII B of the California
33 Constitution.