

ASSEMBLY BILL

No. 1529

Introduced by Assembly Member Runner

February 26, 1999

An act to amend Section 94739 of the Education Code, relating to private postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

AB 1529, as introduced, Runner. Private postsecondary education: religious institutions.

The existing Private Postsecondary and Vocational Education Reform Act of 1989, which is administered by the Bureau for Private Postsecondary and Vocational Education in the Department of Consumer Affairs, generally effectuates legislative intent to ensure minimum standards of instructional quality and institutional stability in private postsecondary educational institutions, as defined. The act excludes from the definition of private postsecondary educational institutions subject to regulation under its provisions a nonprofit institution owned, controlled, and operated and maintained by a bona fide church, religious denomination, or religious organization which is lawfully operating as a nonprofit religious corporation, if the education provided by the institution is limited to religious instruction, as specified. The act requires an institution that is not subject to regulation under the act because of this exemption to file annually with the bureau evidence to demonstrate its status as a nonprofit religious corporation.

This bill would delete the limitation of the religious exemption from the act to the specified religious instruction, thereby making all nonprofit institutions owned, controlled, and operated and maintained by a bona fide church, religious denomination, or religious organization, which is lawfully operating as a nonprofit religious corporation, exempt from regulation as a private postsecondary educational institution under the act. The bill would also delete the requirement that an institution that is not subject to regulation under the act because of this exemption file evidence annually with the bureau evidence to demonstrate its status as a nonprofit religious corporation.

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

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

1 SECTION 1. Section 94739 of the Education Code is
2 amended to read:
3 94739. (a) “Private postsecondary educational
4 institution” means any person doing business in
5 California that offers to provide or provides, for a tuition,
6 fee, or other charge, any instruction, training, or
7 education under any of the following circumstances:
8 (1) A majority of the students to whom instruction,
9 training, or education is provided during any 12-month
10 period is obtained from, or on behalf of, students who
11 have completed or terminated their secondary education
12 or are beyond the age of compulsory high school
13 attendance.
14 (2) More than 50 percent of the revenue derived from
15 providing instruction, training, or education during any
16 12-month period is obtained from, or on behalf of,
17 students who have completed or terminated their
18 secondary education or are beyond the age of compulsory
19 high school attendance.
20 (3) More than 50 percent of the hours of instruction,
21 training, or education provided during any 12-month
22 period is provided to students who have completed or



1 terminated their secondary education or are beyond the
2 age of compulsory high school attendance.

3 (4) A substantial portion, as determined by the
4 council, by regulation, of the instruction, training, or
5 education provided is provided to students who have
6 completed or terminated their secondary education or
7 are beyond the age of compulsory high school
8 attendance.

9 (b) The following are not considered to be private
10 postsecondary educational institutions under this
11 chapter:

12 (1) Institutions exclusively offering instruction at any
13 or all levels from preschool through ~~the 12th~~ grade 12.

14 (2) Institutions offering education solely avocational
15 or recreational in nature, and institutions offering this
16 education exclusively.

17 (3) Institutions offering education sponsored by a
18 bona fide trade, business, professional, or fraternal
19 organization, solely for that organization's membership.

20 (4) Postsecondary or vocational educational
21 institutions established, operated, and governed by the
22 federal government or by this state, or its political
23 subdivisions.

24 (5) Institutions offering continuing education where
25 the institution or the program is approved, certified, or
26 sponsored by any of the following:

27 (A) A government agency, other than the bureau, that
28 licenses persons in a particular profession, trade, or job
29 category.

30 (B) A state-recognized professional licensing body,
31 such as the State Bar of California, that licenses persons
32 in a particular profession, trade, or job category.

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

35 (6) (A) A nonprofit institution owned, controlled,
36 and operated and maintained by a bona fide church,
37 religious denomination, or religious organization
38 comprised of multidenominational members of the same
39 well-recognized religion, lawfully operating as a
40 nonprofit religious corporation pursuant to Part 4



1 (commencing with Section 9110) of Division 2 of Title 1
2 of the Corporations Code, ~~if the education is limited to~~
3 ~~instruction in the principles of that church, religious~~
4 ~~denomination, or religious organization, or to courses~~
5 ~~offered pursuant to Section 2789 of the Business and~~
6 ~~Professions Code, and the diploma or degree is limited to~~
7 ~~evidence of completion of that education, and the~~
8 ~~meritorious recognition upon which any honorary degree~~
9 ~~is conferred is limited to the principles of that church,~~
10 ~~religious denomination, or religious organization.~~
11 ~~Institutions operating under this paragraph shall offer~~
12 ~~degrees and diplomas only in the beliefs and practices of~~
13 ~~the church, religious denomination, or religious~~
14 ~~organization. The.~~

15 (B) *The* enactment of this paragraph expresses the
16 legislative intent that the state shall not involve itself in
17 the content of degree programs awarded by any
18 institution operating under this paragraph, ~~as long as the~~
19 ~~institution awards degrees and diplomas only in the~~
20 ~~beliefs and practices of the church, religious~~
21 ~~denomination, or religious organization. Institutions.~~

22 (C) *Institutions* operating under this paragraph shall
23 not award degrees in any area of physical science. Any
24 degree or diploma granted in any area of study under
25 these provisions shall contain on its face, in the written
26 description of the title of the degree being conferred, a
27 reference to the theological or religious aspect of the
28 degree's subject area. Degrees awarded under this
29 paragraph shall reflect the nature of the degree title, such
30 as "Associate of Religious Studies," or "Bachelor of
31 Religious Studies," or "Master of Divinity" or "Doctor of
32 Divinity." The use of the degree titles "Associate of Arts"
33 or "Associate of Science," "Bachelor of Arts" or "Bachelor
34 of Science," "Master of Arts" or "Master of Science," or
35 "Doctor of Philosophy" or "Ph.D." shall only be awarded
36 by institutions approved to operate under Article 8
37 (commencing with Section 94900) or meeting the
38 requirements for an exemption under Section 94750. ~~The~~

39 (D) *The* enactment of this paragraph is intended to
40 prevent any entity claiming to be a nonprofit institution



1 owned, controlled, and operated and maintained by a
2 bona fide church, religious denomination, or religious
3 organization comprised of multidenominational
4 members of the same well-recognized religion, lawfully
5 operating as a nonprofit religious corporation pursuant to
6 Part 4 (commencing with Section 9110) of Division 2 of
7 Title 1 of the Corporations Code, from marketing and
8 granting degrees or diplomas that are represented as
9 being linked to their church, religious denomination, or
10 religious organization, but which, in reality, are degrees
11 in secular areas of study. ~~An institution operating under
12 this paragraph shall file annually with the council
13 evidence to demonstrate its status as a nonprofit religious
14 corporation under the Corporations Code.~~ A college or
15 university operating under this paragraph shall file
16 annually with the council evidence to demonstrate its
17 status as a nonprofit religious corporation under the
18 ~~Corporation~~ Corporations Code.

19 (7) (A) Public institutions accredited by the senior
20 commission or the junior commission of the Western
21 Association of Schools and Colleges.

22 (B) Institutions accredited by the senior commission
23 or the junior commission of the Western Association of
24 Schools and Colleges that are incorporated and lawfully
25 operating as a nonprofit public benefit corporation
26 pursuant to Part 2 (commencing with Section 5110) of
27 Division 2 of Title 1 of the Corporations Code and that are
28 not managed by any entity for profit.

29 (C) For-profit institutions accredited by the senior or
30 the junior commission of the Western Association of
31 Schools and Colleges, if the institution exclusively confers
32 degrees upon the completion of a course of study of two
33 or more years.

34 (D) Institutions accredited by the Western
35 Association of Schools and Colleges that do not meet all
36 of the criteria in subparagraph (B) and that are
37 incorporated and lawfully operating as a nonprofit public
38 benefit corporation pursuant to Part 2 (commencing
39 with Section 5110) of Division 2 of Title 1 of the
40 Corporations Code, that have been in continuous



1 operation since April 15, 1997, and that are not managed
2 by any entity for profit. Notwithstanding this subdivision,
3 institutions that meet the criteria in this subparagraph
4 shall be subject to Section 94831, except subdivision (c)
5 of that section, and Sections 94832, 94834, 94838, and
6 94985.

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