AB 2296 (Block) – California Private Postsecondary Education Act of 2009

Introduced February 24, 2012, Chaptered 9/26/12

This bill would require institutions regulated by the Bureau for Private Postsecondary Education (Bureau) to provide additional disclosures to prospective students. Specifically, this bill:

1) Requires institutions regulated by the Bureau for Private Postsecondary Education (Bureau) to provide additional disclosures, specifically regarding the following:
   a) Whether the institution offers an unaccredited associate, baccalaureate, or master's degree and whether a graduate will be able to sit for any applicable licensure exam, that the degree is not recognized for some employment positions, including positions with the State of California, and that a student will not be eligible for federal financial aid;
   b) That the school catalog state whether the institution, or any of its programs, are accredited, and if unaccredited to disclose the limitations of any degree program as in 1);
   c) That all institutions disclose salary and wage data, and in a manner that the bureau deems sufficient to independently determine salary and wage information for each graduate of each education program;
   d) That the School Performance Fact Sheet and the annual report disclose the institution's most recent three-year cohort default rate and the percentage of students receiving federal student loans;
   e) That an institution maintaining a Web site to provide the school catalog, School Performance Fact Sheet for each educational program, any brochures offered to students, a link to the bureau's Web site in the institution's most recent annual report; and,
   f) That specified information used to substantiate the Student Performance Fact Sheet data be documented and maintained by the institution for five years.

2) Establishes a new definition of "graduates employed in the field" to mean graduates gainfully employed in a position for at least 13 weeks and working at least 17.5 hours per week in an occupation identified by the institution.

Existing law establishes the Private Postsecondary Education Act (Act) which, among its numerous provisions, requires numerous program performance and student outcome data disclosures and prohibits certain conduct on the part of private postsecondary education institutions. The Act establishes the Bureau within the Department of Consumer Affairs (DCA) to provide oversight and regulation of private postsecondary institutions.

California has a long and arduous history of attempted oversight of the private postsecondary education sector. On January 1, 2007, the former law authorizing the

regulation of the private postsecondary education sector was allowed to sunset. Between 2007 and 2009, several attempts to establish a new regulatory structure failed. AB 48 (Portantino), Chapter 310, Statutes of 2009, established a new Bureau with the Department of Consumer Affairs to enforce the provisions of the new Act, which are scheduled to sunset on January 1, 2015.

On February 14, 2012, the Assembly Higher Education Committee conducted a joint legislative oversight hearing with the Senate Business, Professions and Economic Development Committee to evaluate California's regulatory structure for private postsecondary education. This hearing included a discussion of the Act and the Bureau's implementation of its provisions. According to the author, this bill is intended to respond to several of the concerns raised in the committee oversight hearing.

Existing law requires institutions offering unaccredited doctoral degrees to disclose to students that the degree is unaccredited, along with any known limitations of the degree, including whether the degree is recognized for licensure in California or other states. This bill would require institutions to disclose to students whether the institution is accredited and the various limitations of unaccredited degrees. Accreditation is a voluntary, non-governmental peer review process utilized for the purpose of determining academic quality of higher education institutions and programs. Unaccredited degrees can limit a student's career options. Some career fields and employers require degrees from accredited colleges; this is especially true in professions like education and health care, where certification or licensure is a pre-requisite for employment. Degrees from unaccredited institutions are not recognized for employment with the State of California. Further, students attending unaccredited institutions are not eligible to participate in federal and state financial aid programs.

This bill would establish specific disclosure requirements, and make several changes to the way placement rates are calculated and reported.

Existing law requires the Bureau to post institutional information such as School Performance Fact Sheets and school catalogs on the Bureau Web site. However, supporters of this bill argue that many students look to institutional Web sites for information regarding programs and performance data. This bill would require institutions to post on their Web sites specific school and program performance data.

Assembly Bill No. 2296

CHAPTER 585

An act to amend Sections 94897, 94909, 94910, 94911, 94928, 94929.5, and 94929.7 of, and to add Section 94913 to, the Education Code, relating to private postsecondary education.

[Approved by Governor September 26, 2012. Filed with Secretary of State September 26, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2296, Block. California Private Postsecondary Education Act of 2009.

(1) Existing law, the California Private Postsecondary Education Act of 2009, provides, among other things, for student protections and regulatory oversight of private postsecondary schools in the state. The act is enforced by the Bureau for Private Postsecondary Education within the Department of Consumer Affairs. The act prohibits an institution, as defined, from, among other things, offering an unaccredited doctoral degree program without disclosing to prospective students prior to enrollment that the degree program is unaccredited, whether the degree issued is in a field that requires licensure in California, and any known limitation of the degree, including, but not limited to, whether the degree is recognized for licensure or certification in California and other states.

This bill would apply that prohibition to the offering of associate, baccalaureate, and master's degree programs without disclosing that the institution, or specified degree program, is unaccredited, and would list specified limitations of the degree program whose disclosure the bill would require.

(2) The act requires an institution to provide a prospective student prior to enrollment with a school catalog, which is required to contain specified disclosures relating to the school or a particular educational program.

This bill would require the school catalog to include a statement specifying whether the institution, or any of its programs, are accredited by an accrediting agency recognized by the United States Department of Education, and, if the institution is unaccredited, or offers an associate, baccalaureate, master's, or doctoral degree program that is not accredited, the bill would require the statement to disclose the known and specified limitations of the degree program.

(3) The act requires an institution to provide a prospective student prior to enrollment with a School Performance Fact Sheet, which is required to contain specified information relating to the educational program, including, among other things, salary or wage information if the institution or a representative of the institution makes any express or implied claim about the salary that may be earned after completing the educational program.

This bill would remove that limitation, and require all institutions to include salary or wage information in the fact sheet, not just institutions that make express or implied claims about the salary that may be earned after completing the educational program. The bill would require the fact sheet to include the most recent 3-year cohort default rate for federal student loans reported by the United States Department of Education and the percentage of students receiving federal student loans if the institution participates in federal financial aid programs, as specified.

(4) Existing law defines graduates employed in the field for purposes of the act.

This bill would revise that definition to include graduates who are gainfully employed within 6 months of a specified date in a single position for which the institution represents the program prepares its graduates, as specified.

(5) Existing law requires an institution to annually report specified information regarding completion rates, job placement rates, license examination passage rates, and salary and wage information to the bureau and to publish that information in its School Performance Fact Sheet. Existing law requires the information used to substantiate these rates to be documented and maintained by the institution for at least 5 years, and authorizes an institution to retain the information in electronic format.

This bill would additionally require an institution to annually report, and publish in its School Performance Fact Sheet, the most recent official 3-year cohort default rate for federal student loans for the institution and the percentage of enrolled students receiving federal student loans. The bill also would require the information used to substantiate the annually reported rates and information to include specified information, and would require an institution to retain the information in an electronic format and make it available to the bureau upon request.

(6) The bill would require an institution that maintains an Internet Web site to provide, on that Internet Web site, the school catalog, a School Performance Fact Sheet for each educational program offered by the institution, student brochures offered by the institution, a link to the bureau's Internet Web site, and the institution's most recent annual report submitted to the bureau. The bill would also require the institution to include information concerning where students may access the bureau's Internet Web site anywhere the institution identifies itself as being approved by the bureau.

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

SECTION 1. Section 94897 of the Education Code is amended to read:

94897. An institution shall not do any of the following:

(a) Use, or allow the use of, any reproduction or facsimile of the Great Seal of the State of California on a diploma.

(b) Promise or guarantee employment, or otherwise overstate the availability of jobs upon graduation.

(c) Advertise concerning job availability, degree of skill, or length of time required to learn a trade or skill unless the information is accurate and not misleading.

(d) Advertise, or indicate in promotional material, without including the fact that the educational programs are delivered by means of distance education if the educational programs are so delivered.

(e) Advertise, or indicate in promotional material, that the institution is accredited, unless the institution has been accredited by an accrediting agency.

(f) Solicit students for enrollment by causing an advertisement to be published in "help wanted" columns in a magazine, newspaper, or publication, or use "blind" advertising that fails to identify the institution.

(g) Offer to compensate a student to act as an agent of the institution with regard to the solicitation, referral, or recruitment of any person for enrollment in the institution, except that an institution may award a token gift to a student for referring an individual, provided that the gift is not in the form of money, no more than one gift is provided annually to a student, and the gift's cost is not more than one hundred dollars ($100).

(h) Pay any consideration to a person to induce that person to sign an enrollment agreement for an educational program.

(i) Use a name in any manner improperly implying any of the following:

(1) The institution is affiliated with any government agency, public or private corporation, agency, or association if it is not, in fact, thus affiliated.

(2) The institution is a public institution.

(3) The institution grants degrees, if the institution does not grant degrees.

(j) In any manner make an untrue or misleading change in, or untrue or misleading statement related to, a test score, grade or record of grades, attendance record, record indicating student completion, placement, employment, salaries, or financial information, including any of the following:

(1) A financial report filed with the bureau.

(2) Information or records relating to the student's eligibility for student financial aid at the institution.

(3) Any other record or document required by this chapter or by the bureau.

(k) Willfully falsify, destroy, or conceal any document of record while that document of record is required to be maintained by this chapter.

(*l*) Use the terms "approval," "approved," "approval to operate," or "approved to operate" without stating clearly and conspicuously that approval to operate means compliance with state standards as set forth in this chapter. If the bureau has granted an institution approval to operate, the institution may indicate that the institution is "licensed" or "licensed to operate," but may not state or imply either of the following:

(1) The institution or its educational programs are endorsed or recommended by the state or by the bureau.

(2) The approval to operate indicates that the institution exceeds minimum state standards as set forth in this chapter.

(m) Direct any individual to perform an act that violates this chapter, to refrain from reporting unlawful conduct to the bureau or another government agency, or to engage in any unfair act to persuade a student not to complain to the bureau or another government agency.

(n) Compensate an employee involved in recruitment, enrollment, admissions, student attendance, or sales of educational materials to students on the basis of a commission, commission draw, bonus, quota, or other similar method related to the recruitment, enrollment, admissions, student attendance, or sales of educational materials to students, except as provided in paragraph (1) or (2):

(1) If the educational program is scheduled to be completed in 90 days or less, the institution shall pay compensation related to a particular student only if that student completes the educational program.

(2) For institutions participating in the federal student financial aid programs, this subdivision shall not prevent the payment of compensation to those involved in recruitment, admissions, or the award of financial aid if those payments are in conformity with federal regulations governing an institution's participation in the federal student financial aid programs.

(o) Require a prospective student to provide personal contact information in order to obtain, from the institution's Internet Web site, educational program information that is required to be contained in the school catalog or any information required pursuant to the consumer information requirements of Title IV of the federal Higher Education Act of 1965, and any amendments thereto.

(p) Offer an associate, baccalaureate, master's, or doctoral degree without disclosing to prospective students prior to enrollment whether the institution or the degree program is unaccredited and any known limitation of the degree, including, but not limited to, all of the following:

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

(2) A statement that reads: "A degree program that is unaccredited or a degree from an unaccredited institution is not recognized for some employment positions, including, but not limited to, positions with the State of California."

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

SEC. 2. Section 94909 of the Education Code is amended to read:

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

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

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

(3) The following statements:

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

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

(C) "A student or any member of the public may file a complaint about this institution with the Bureau for Private Postsecondary Education by calling (toll-free telephone number) or by completing a complaint form, which can be obtained on the bureau's Internet Web site (Internet Web site address)."

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

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

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

(7) Information regarding the faculty and their qualifications.

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

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

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

(C) Probation and dismissal policies.

(D) Attendance policies.

(E) Leave-of-absence policies.

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

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

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

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

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

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

(15) The following statement:

"NOTICE CONCERNING TRANSFERABILITY OF CREDITS AND CREDENTIALS EARNED AT OUR INSTITUTION

The transferability of credits you earn at (name of institution) is at the complete discretion of an institution to which you may seek to transfer. Acceptance of the (degree, diploma, or certificate) you earn in (name of educational program) is also at the complete discretion of the institution to which you may seek to transfer. If the (credits or degree, diploma, or certificate) that you earn at this institution are not accepted at the institution to which you seek to transfer, you may be required to repeat some or all of your coursework at that institution. For this reason you should make certain that your attendance at this institution will meet your educational goals. This may include contacting an institution to which you may seek to transfer after attending (name of institution) to determine if your (credits or degree, diploma or certificate) will transfer."

(16) A statement specifying whether the institution, or any of its degree programs, are accredited by an accrediting agency recognized by the United

States Department of Education. If the institution is unaccredited and offers an associate, baccalaureate, master's, or doctoral degree, or is accredited and offers an unaccredited program for an associate, baccalaureate, master's, or doctoral degree, the statement shall disclose the known limitations of the degree program, including, but not limited to, all of the following:

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

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

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

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

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

SEC. 3. Section 94910 of the Education Code is amended to read:

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

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

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

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

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

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

(f) All of the following:

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

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

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

(g) The following statements:

(1) "This fact sheet is filed with the Bureau for Private Postsecondary Education. Regardless of any information you may have relating to completion rates, placement rates, starting salaries, or license exam passage rates, this fact sheet contains the information as calculated pursuant to state law."

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

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

SEC. 4. Section 94911 of the Education Code is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) (1) The following statement: "Prior to signing this enrollment agreement, you must be given a catalog or brochure and a School Performance Fact Sheet, which you are encouraged to review prior to signing this agreement. These documents contain important policies and performance data for this institution. This institution is required to have you sign and date the information included in the School Performance Fact Sheet relating to completion rates, placement rates, license examination passage rates, salaries or wages, and the most recent three-year cohort default rate, if applicable, prior to signing this agreement."

(2) Immediately following the statement required by paragraph (1), a line for the student to initial, including the following statement: "I certify that I have received the catalog, School Performance Fact Sheet, and information regarding completion rates, placement rates, license examination passage rates, salary or wage information, and the most recent three-year cohort default rate, if applicable, included in the School Performance Fact sheet, and have signed, initialed, and dated the information provided in the School Performance Fact Sheet."

(j) The following statements:

(1) "Any questions a student may have regarding this enrollment agreement that have not been satisfactorily answered by the institution may be directed to the Bureau for Private Postsecondary Education at (address), Sacramento, CA (ZIP Code), (Internet Web site address), (telephone and fax numbers)."

(2) "A student or any member of the public may file a complaint about this institution with the Bureau for Private Postsecondary Education by calling (toll-free telephone number) or by completing a complaint form, which can be obtained on the bureau's Internet Web site (Internet Web site address)."

(k) The following statement above the space for the student's signature:

"I understand that this is a legally binding contract. My signature below certifies that I have read, understood, and agreed to my rights and responsibilities, and that the institution's cancellation and refund policies have been clearly explained to me."

SEC. 5. Section 94913 is added to the Education Code, to read:

94913. (a) An institution that maintains an Internet Web site shall provide on that Internet Web site all of the following:

(1) The school catalog.

(2) A School Performance Fact Sheet for each educational program offered by the institution.

(3) Student brochures offered by the institution.

(4) A link to the bureau's Internet Web site.

(5) The institution's most recent annual report submitted to the bureau.

(b) An institution shall include information concerning where students may access the bureau's Internet Web site anywhere the institution identifies itself as being approved by the bureau.

SEC. 6. Section 94928 of the Education Code is amended to read:

94928. As used in this article, the following terms have the following meanings:

(a) "Cohort population" means the number of students that began a program on a cohort start date.

(b) "Cohort start date" means the first class day after the cancellation period during which a cohort of students attends class for a specific program.

(c) "Graduates" means the number of students who complete a program within 100 percent of the published program length. An institution may separately state completion information for students completing the program within 150 percent of the original contracted time, but that information may not replace completion information for students completing within the original scheduled time. Completion information shall be separately stated for each campus or branch of the institution.

(d) "Graduates available for employment" means the number of graduates minus the number of graduates unavailable for employment.

(e) (1) "Graduates employed in the field" means graduates who are gainfully employed in a single position for which the institution represents the program prepares its graduates within six months after a student completes the applicable educational program. For occupations for which the state requires passing an examination, the period of employment shall begin within six months of the announcement of the examination results

for the first examination available after a student completes an applicable educational program.

(2) The bureau shall define by July 1, 2014, specific measures and standards for determining whether a student is gainfully employed in a full-time or part-time position for which the institution represents the program prepares its graduates, including self-employment or conducting freelance work, and may set the standards for the hours per week and duration of employment and utilize any job classification methodology the bureau determines appropriate for this purpose, including, but not limited to, the United States Department of Labor's Standard Occupational Classification codes.

(3) This subdivision does not prohibit the bureau from authorizing an institution to aggregate single positions held by a graduate for purposes of meeting the hours per week standards established by the bureau.

(f) "Graduates unavailable for employment" means graduates who, after graduation, die, become incarcerated, are called to active military duty, are international students that leave the United States or do not have a visa allowing employment in the United States, or are continuing their education at an accredited or bureau-approved postsecondary institution.

(g) "Students available for graduation" means the cohort population minus the number of students unavailable for graduation.

(h) "Students unavailable for graduation" means students who have died, been incarcerated, or called to active military duty.

SEC. 7. Section 94929.5 of the Education Code is amended to read:

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

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

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

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

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

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

(1) Useful to students.

(2) Useful to policymakers.

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

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

SEC. 8. Section 94929.7 of the Education Code is amended to read:

94929.7. (a) The information used to substantiate the rates and information calculated pursuant to Sections 94929 and 94929.5 shall do both of the following:

(1) Be documented and maintained by the institution for five years from the date of the publication of the rates and information.

(2) Be retained in an electronic format and made available to the bureau upon request.

(b) An institution shall provide a list of employment positions used to determine the number of graduates employed in the field for purposes of calculating job placement rates pursuant to this article.

(c) The bureau shall identify the specific information that an institution is required to document and maintain to substantiate rates and information pursuant to this section.

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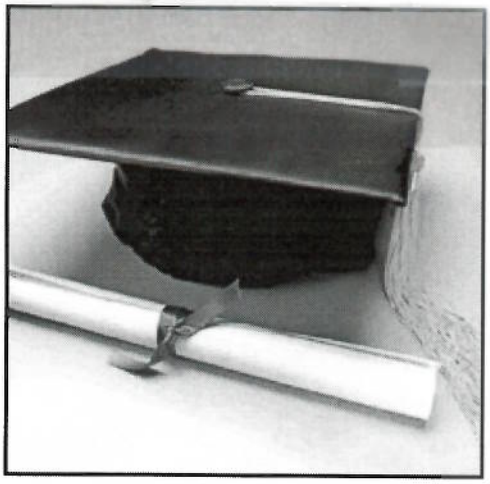
Vocational students get more protections

Brown signs bill requiring schools to post graduation rates, accreditation status



By Jennifer Gollan on September 27, 2012 - 12:01 a.m. PDT

Jeffrey Hamilton/Photodisc/Thinkstock

California's private vocational schools must disclose critical details about the quality of their programs, including their accreditation status and graduation rates, under a bill signed yesterday by Gov. Jerry Brown.

The law, which takes effect Jan. 1, will require vocational schools offering associate, bachelor's, master's and doctoral degrees to indicate in their course catalogs whether they are accredited. Schools that are not accredited must inform students of any drawbacks to their degrees, such as whether certifying agencies would prohibit them from taking licensing exams.

In addition, schools will have to post job placement and graduation rates, and how much graduates earn, among other data. The law also requires vocational schools to post annual reports, student brochures and course catalogues on their websites.

The legislation was sponsored by Assemblyman Marty Block, D-San Diego, in response to a series of stories by The Bay Citizen, which revealed California regulators' lax oversight of for-profit vocational schools and diploma mills.

The Bay Citizen found that the state agency responsible for oversight, the California Bureau for Private Postsecondary Education, had allowed dozens of unaccredited schools to operate for years without state approval or inspections. In addition, the agency did not investigate some complaints against schools or shut down illegal diploma mills – schools that offer dubious degrees for little coursework and that lack accreditation by a recognized government agency.

The bureau was launched in January 2010 to strengthen protections for students attending private vocational schools. It replaced a regulatory agency that was disbanded in 2007 because lawmakers deemed it ineffective. State regulators said budget cuts and hiring freezes had prevented the current bureau from holding more schools accountable.

Block said the new law improves protections for the 400,000 vocational students in California, many of whom are from low-income backgrounds.

"At these schools, students are often spending $40,000 or more," said Block, who is chairman of the Assembly Higher Education Committee. "They are often doing so without sufficient information, and this will give them the information they need to make a smart consumer choice."

Most notably, graduates of unaccredited institutions face limited job prospects. They are barred from many civil service jobs in states such as California, Michigan and Oregon, as well as most jobs requiring professional licenses and teaching certificates.

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Despite past problems, bureau officials say they are prepared to enforce the law.

"Most of it will be on the schools to comply," said Russ Heimerich, a spokesman for the state Department of Consumer Affairs, which oversees the California Bureau for Private Postsecondary Education. "If schools don't follow the law, it will be on the bureau to take enforcement actions. It is not like it is creating additional work for us, except that we will be checking to make sure the schools are making their additional disclosures."

Following The Bay Citizen's series, the state shut down a medical school that made false claims about its accreditation status and regulators pledged to investigate 77 schools operating without state approval. The bureau's head of enforcement resigned, and Brown named a new bureau chief.

Student advocates praised Brown for signing the measure.

"This bill takes a big step forward in better protecting students," said Elisabeth Voigt, a senior staff attorney at Public Advocates, a civil rights organization based in San Francisco. "One of the major reasons this is so important is that it makes sure that low-income students have fact-based counterweights to very aggressive recruiting practices by for-profit schools."

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