

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

Introduced February 24, 2012, Amended April 9, 2012

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.

AMENDED IN ASSEMBLY APRIL 9, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2296

Introduced by Assembly Member Block

February 24, 2012

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

LEGISLATIVE COUNSEL'S DIGEST

AB 2296, as amended, Block. *California Private Postsecondary Education Act of 2009: disclosures: 2009.*

~~Existing~~

(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 ~~masters~~ *master's* degree programs ~~as well without disclosing that the institution, or specified degree program, is not~~

accredited, and would list specified limitations of the degree program whose disclosure the bill would require.

The

(2) The act requires an institution to provide a prospective student prior to enrollment with a school catalog and a School Performance Fact Sheet, which are is required to contain specified disclosures relating to the school or a particular educational program. The act also requires an institution to submit an annual report to the bureau that includes specified information for educational programs offered in the reporting period.

This bill would require the school catalog to include a statement specifying whether the institution, or any of its programs, are accredited by an approved accrediting agency of the United States Department of Education, and, if the institution is not accredited, or offers an associate, baccalaureate, masters master's, or doctoral degree program that is not accredited by such an agency in a field that requires licensure in California, the bill would require the statement would be required to disclose that nonaccreditation and all known and specified limitations of the degree program. The

(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 also would require the fact sheet to disclose salary or wage data in a manner that the bureau, in collaboration with other agencies, deems sufficient for the bureau to independently calculate employment and salary or wage information for each graduate of each 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.

(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 at least 13 weeks, working at least 17.5 hours per week in a certain occupation listed by the institution, 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 3-year cohort default rate for federal student loans for the institution, the percentage of enrolled students receiving federal student loans, and a list of occupations for which each of the institution's educational programs is intended to train students, as specified. 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.

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

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

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

- 1 94897. An institution shall not do any of the following:
- 2 (a) Use, or allow the use of, any reproduction or facsimile of
- 3 the Great Seal of the State of California on a diploma.
- 4 (b) Promise or guarantee employment, or otherwise overstate
- 5 the availability of jobs upon graduation.
- 6 (c) Advertise concerning job availability, degree of skill, or
- 7 length of time required to learn a trade or skill unless the
- 8 information is accurate and not misleading.
- 9 (d) Advertise, or indicate in promotional material, without
- 10 including the fact that the educational programs are delivered by
- 11 means of distance education if the educational programs are so
- 12 delivered.
- 13 (e) Advertise, or indicate in promotional material, that the
- 14 institution is accredited, unless the institution has been accredited
- 15 by an accrediting agency.
- 16 (f) Solicit students for enrollment by causing an advertisement
- 17 to be published in "help wanted" columns in a magazine,
- 18 newspaper, or publication, or use "blind" advertising that fails to
- 19 identify the institution.
- 20 (g) Offer to compensate a student to act as an agent of the
- 21 institution with regard to the solicitation, referral, or recruitment
- 22 of any person for enrollment in the institution, except that an
- 23 institution may award a token gift to a student for referring an
- 24 individual, provided that the gift is not in the form of money, no
- 25 more than one gift is provided annually to a student, and the gift's
- 26 cost is not more than one hundred dollars (\$100).
- 27 (h) Pay any consideration to a person to induce that person to
- 28 sign an enrollment agreement for an educational program.
- 29 (i) Use a name in any manner improperly implying any of the
- 30 following:
- 31 (1) The institution is affiliated with any government agency,
- 32 public or private corporation, agency, or association if it is not, in
- 33 fact, thus affiliated.
- 34 (2) The institution is a public institution.
- 35 (3) The institution grants degrees, if the institution does not
- 36 grant degrees.
- 37 (j) In any manner make an untrue or misleading change in, or
- 38 untrue or misleading statement related to, a test score, grade or
- 39 record of grades, attendance record, record indicating student

1 completion, placement, employment, salaries, or financial
2 information, including any of the following:

3 (1) A financial report filed with the bureau.

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

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

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

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

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

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

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

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

34 (1) If the educational program is scheduled to be completed in
35 90 days or less, the institution shall pay compensation related to
36 a particular student only if that student completes the educational
37 program.

38 (2) For institutions participating in the federal student financial
39 aid programs, this subdivision shall not prevent the payment of
40 compensation to those involved in recruitment, admissions, or the

1 award of financial aid if those payments are in conformity with
2 federal regulations governing an institution's participation in the
3 federal student financial aid programs.

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

11 (p) Offer an unaccredited associate, baccalaureate, ~~masters~~
12 ~~master's~~, or doctoral degree program without disclosing to
13 prospective students prior to enrollment that the ~~degree program~~
14 ~~is unaccredited, whether the degree issued is in a field that requires~~
15 ~~licensure in California; institution is not accredited or, if it offers~~
16 ~~a degree program in a field that requires licensure in California,~~
17 ~~that the degree program is not accredited~~ and any known limitation
18 of the degree, including, but not limited to, ~~whether all of the~~
19 ~~following:~~

20 (1) *Whether the degree is recognized for licensure or*
21 *certification in California and other states.*

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

25 (3) *That a degree from an unaccredited institution is not*
26 *recognized for some employment positions, including, but not*
27 *necessarily limited to, positions with the State of California.*

28 (4) *That a student attending an unaccredited institution is not*
29 *eligible for federal financial aid programs.*

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

32 94909. (a) Prior to enrollment, an institution shall provide a
33 prospective student, either in writing or electronically, with a
34 school catalog containing, at a minimum, all of the following:

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

37 (2) Except as specified in Article 2 (commencing with Section
38 94802), a statement that the institution is a private institution and
39 that it is approved to operate by the bureau.

40 (3) The following statements:

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

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

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

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

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

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

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

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

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

38 (B) Cancellation, withdrawal, and refund policies, including an
39 explanation that the student has the right to cancel the enrollment
40 agreement and obtain a refund of charges paid through attendance

1 at the first class session, or the seventh day after enrollment,
2 whichever is later. The text shall also include a description of the
3 procedures that a student is required to follow to cancel the
4 enrollment agreement or withdraw from the institution and obtain
5 a refund consistent with the requirements of Article 13
6 (commencing with Section 94919).

7 (C) Probation and dismissal policies.

8 (D) Attendance policies.

9 (E) Leave-of-absence policies.

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

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

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

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

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

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

40 (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 programs, are accredited by an approved accrediting agency of the United States Department of Education. If the institution *is not accredited, or offers an associate, baccalaureate, ~~masters~~ master's, or doctoral degree program that is not accredited in a field that requires licensure in California*, the statement shall disclose that nonaccreditation and all known limitations of the ~~degree program~~ *program, including, but not limited to, all of the following:*

(A) *Whether the degree is recognized for licensure or certification in California and other states.*

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

(C) *That a degree from an unaccredited institution is not recognized for some employment positions, including, but not necessarily limited to, positions with the State of California.*

(D) *That a student attending 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

1 prior to enrollment. In addition, if the institution has a
2 program-specific student brochure for the program in which the
3 prospective student seeks to enroll, the institution shall provide
4 the program-specific student brochure to the prospective student
5 prior to enrollment.

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

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

12 94910. Prior to enrollment, an institution shall provide a
13 prospective student with a School Performance Fact Sheet
14 containing, at a minimum, the following information, as it relates
15 to the educational program:

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

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

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

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

32 (2) ~~Additionally, each~~ *Each* institution that offers an educational
33 ~~program designed to lead to a particular career, occupation,~~
34 ~~vocation, trade, job, or job title shall disclose the wage and salary~~
35 ~~data for the particular career, occupation, trade, job, or job title,~~
36 ~~as provided by the Employment Development Department's~~
37 ~~Occupational Employment Statistics, if that data is available shall~~
38 ~~disclose data in a manner that the bureau, in collaboration with~~
39 ~~other agencies, deems sufficient for the bureau to independently~~

1 *calculate employment and salary or wage information for each*
2 *graduate of each educational program.*

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

12 (f) All of the following:

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

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

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

27 (g) The following statements:

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

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

38 (h) *If the institution participates in federal financial aid*
39 *programs, the most recent three-year cohort default rate reported*
40 *by the United States Department of Education for the institution*

1 *and the percentage of enrolled students receiving federal student*
2 *loans.*

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

5 94911. An enrollment agreement shall include, at a minimum,
6 all of the following:

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

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

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

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

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

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

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

35 (f) A statement specifying that, if the student obtains a loan to
36 pay for an educational program, the student will have the
37 responsibility to repay the full amount of the loan plus interest,
38 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, ~~and~~ 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, ~~and~~ 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)."

1
2 (2) "A student or any member of the public may file a complaint
3 about this institution with the Bureau for Private Postsecondary
4 Education by calling (toll-free telephone number) or by completing
5 a complaint form, which can be obtained on the bureau's Internet
6 Web site (Internet Web site address)."

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

9
10 "I understand that this is a legally binding contract. My
11 signature below certifies that I have read, understood, and
12 agreed to my rights and responsibilities, and that the
13 institution's cancellation and refund policies have been clearly
14 explained to me."

15
16 ~~SEC. 3.~~

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

18 94913. (a) An institution that maintains an Internet Web site
19 shall provide on that Internet Web site all of the following:

20 (1) The school catalog.

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

23 (3) Student brochures offered by the institution.

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

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

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

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

32 94928. As used in this article, the following terms have the
33 following meanings:

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

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

39 (c) "Graduates" means the number of students who complete a
40 program within 100 percent of the published program length. An

1 institution may separately state completion information for students
2 completing the program within 150 percent of the original
3 contracted time, but that information may not replace completion
4 information for students completing within the original scheduled
5 time. Completion information shall be separately stated for each
6 campus or branch of the institution.

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

10 (e) "Graduates employed in the field" means graduates who are
11 gainfully employed within six months of graduation in a position
12 for which the skills obtained through the education and training
13 provided by the institution are required or provided a significant
14 advantage to the graduate in obtaining the position. in a single
15 position for at least 13 weeks, working at least 17.5 hours per
16 week in one of the occupations included in the list provided by the
17 institution pursuant to subdivision (e) of Section 94929.5. For
18 occupations for which the state does not require passing an
19 examination, the period of employment shall begin within six
20 months after a student completes the applicable educational
21 program. For occupations for which the state requires passing an
22 examination, the period of employment shall begin within six
23 months of the announcement of the examination results for the
24 first examination available after a student completes an applicable
25 educational program. Those graduates working in a single
26 qualifying position between 17.5 and 32 hours per week, and those
27 graduates working in a single qualifying position for at least 32
28 hours per week, shall be reported separately as graduates
29 employed in the field.

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

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

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

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

3 94929.5. An institution shall annually report to the bureau, as
4 part of the annual report, and shall publish in its School
5 Performance Fact Sheet, all of the following:

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

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

22 (c) Salary and wage information, consisting of the total number
23 of graduates employed in the field and the annual wages or salaries
24 of those graduates stated in increments of five thousand dollars
25 (\$5,000).

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

30 (e) *A list of the occupations for which each of the institution's*
31 *educational programs is intended to train students using the United*
32 *States Department of Labor's Standard Occupational Classification*
33 *codes.*

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

36 94929.7. (a) The information used to substantiate the rates
37 *and information* calculated pursuant to Sections 94929 and 94929.5
38 *shall be do all of the following:*

39 (1) *Be documented and maintained by the institution for five*
40 *years from the date of the publication of those rates the rates and*

1 ~~information. An institution may retain this information in an~~
2 ~~electronic format.~~

3 (2) *Include records of employment for all students counted as*
4 *graduates employed in the field, including the names, addresses,*
5 *and telephone numbers of all students reported as employed in the*
6 *field and all hiring employers; the names, titles, or descriptions*
7 *of the jobs; the starting dates of employment; and information*
8 *concerning whether students are employed in a full-time or*
9 *part-time position, including the number of hours worked per week.*

10 (3) *Include the names, addresses, and telephone numbers of*
11 *graduating students who choose not to seek employment and*
12 *instead enroll in another educational program to earn another*
13 *degree or credential; the names and addresses of the institutions*
14 *in which those students enroll; and the type of degree or credential*
15 *those students intend to earn at those institutions.*

16 (4) *Be retained in an electronic format and made available to*
17 *the bureau upon request.*

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

