

Gov. Newsom Signs Three California Private Postsecondary Education Bills

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As we detailed in our most [recent post](#) on this topic, out of an original package of seven, three private higher education bills made it through the California legislative process and went to the governor for his approval in September. On October 4, Gov. Gavin Newsom approved all three of the bills, and they have now been officially “chaptered,” which in California legis-speak means they will become law on their respective effective dates.

Given our last post provides detailed information regarding each bill, we won’t again regale you with all the minutiae, but it is important to note when the provisions of each of these bills will go into effect.

[AB1340](#), which creates a modified gainful employment reporting and disclosure process for California Bureau of Private Postsecondary Education (BPPE)-approved institutions, becomes effective on January 1, 2020, with implementation to occur in two phases. Institutions will be required to collect and retain data about program graduates required in the statute starting on January 1, 2020. However, the reporting of that data is delayed until the California Department of Consumer Affairs confirms that the data system used by the BPPE to collect the institutional information has “been updated and is capable of processing data.” Since the BPPE is actually in the midst of a data system upgrade expected to be completed sometime in 2021, we anticipate that would be the earliest point at which institutions will be required to report this info to the BPPE. Once that reporting process has begun, the BPPE will be required to match institutional data with wage data maintained by the California Employment Development Department to identify the debt and earnings of individual programs. This information will be posted by the BPPE on its own website.

[AB1344](#), which changes the application requirements for out-of-state institutions to register with the BPPE for purposes of offering online education to California residents, will not go into effect until January 2022. In the interim period, the current language of California Education Code §94801.5 will continue to apply.

[AB1346](#), which expands access to the Student Tuition Recovery Fund to additional students impacted by the Corinthian Colleges closure, as well as updates to the economic loss definition, will become effective on January 1, 2020.

The second half of the 2019/2020 California legislative session begins on January 6, 2020. The California Private Postsecondary Education Act, which governs the BPPE and the schools it oversees, is sunseting at the end of 2020, meaning that the entire act will be up for reauthorization in the coming year. We expect to see many of the same issues that were raised in bills that failed in 2019 reappear in 2020 during the sunset review. Note that unlike federal laws which typically are extended beyond their reauthorization dates (like the eternally delayed reauthorization of the Higher Education Act), California’s sunset requirements means what it says: if a law is not reauthorized by its sunset date, it is essentially repealed. That happened to the law authorizing the BPPE in 2007, which resulted in more than two years without an authorizing agency in the state (and, at least in part, accounts for the existence of the federal state authorization rule).

Cooley will be actively monitoring that process, along with other higher education bills of interest, as the 2020 session proceeds.

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