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the institute for
college
access & success

The Honorable Senator Roth
Senate Business, Professions, and Economic Development Committee
1021 O Street, Room 3320
Sacramento, CA 95814

April 13, 2022

RE: SUPPORT for SB 1433 (Roth)

Dear Chair Roth:

We represent a group of student, veteran, consumer, civil rights, and higher education advocates focused on ensuring that higher education students in California are protected from predatory schools and have access to high quality education that does not leave them with unmanageable debt. Thank you for the opportunity to offer comments relating to SB 1433, and on the importance of the Bureau of Private Postsecondary Education (Bureau).

The Bureau serves an essential function for the state of California, tasked with serving as the first line of defense for students who enroll in private postsecondary programs and the primary state-level regulator of for-profit schools in California. The agency's enacting statute encapsulates the need to prioritize student and consumer needs: "...Protection of the public shall be the bureau's highest priority."¹ We therefore appreciate the proposed amendments contained in SB 1433, which will enable the Bureau to take steps to proactively protect and aid students who are at risk of harm. At a time when enrollment is likely to increase, and when abusive practices may newly emerge, it is especially important that the Bureau has the authority and capacity necessary to carry out its responsibility to protect students.

In the past, the overlap of an economic recession and a loose postsecondary education regulatory environment has led to significant increases in enrollment at for-profit colleges, as predatory programs target the unemployed with aggressive recruiting efforts.² Unfortunately, the impact of the pandemic and regulatory rollbacks by the Trump administration³ have resulted in similar problematic patterns; there have been significant decreases in enrollment at community colleges and other public and nonprofit universities, and more students are enrolling in for-profit institutions.⁴ The most vulnerable students - including veterans, foster youth, students of color, and single mothers - are often targeted by predatory

¹ California Education Code § 94875.

² From 2007-2010, undergraduate enrollment at for-profit colleges skyrocketed, growing by as much as 19 percent a year in California and 22 percent a year nationally. See The Institute for College Access & Success. College Insight, <http://college-insight.org>. Student debt and undergraduate financial aid data are licensed from Peterson's Undergraduate Financial Aid and Undergraduate Databases, © 2019 Peterson's LLC, all rights reserved. All data may be reproduced, with attribution, subject to restrictions under this Creative Commons license: <https://creativecommons.org/licenses/by-nc-nd/3.0>.

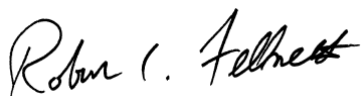
³ Natalie Schwartz (Oct. 29, 2020). "How has the Trump administration changed higher education?" HigherEd Dive. Available at: <https://www.highereddive.com/news/how-has-the-trump-administration-changed-higher-education/588044/>.

⁴ Thomas Peele (June 15, 2021). "California Community Colleges Lose Students to More Expensive For-Profit Colleges." EdSource. Available at: <https://edsources.org/2021/california-community-colleges-must-address-why-students-are-opting-for-more-expensive-for-profit-schools/656436>.

programs, bear a disproportionate risk, and suffer the consequences.⁵ And unfortunately, students at for-profit institutions are less likely to graduate and more likely to have significant debt and default on their loans, compared to their traditional 4-year-degree counterparts.⁶

It is therefore essential that the Bureau be reauthorized this year, and imperative that the Bureau has sufficient authority and capacity to carry out its responsibilities. For the reasons stated above we support SB 1433 and urge you to support the bill when it comes before the committee. Thank you again for the opportunity to provide comments, and please feel free to contact Angela Perry at (510) 318-7902 or APerry@TICAS.org with any questions.

Sincerely,



Robert Fellmeth
Executive Director
Children's Advocacy Institute



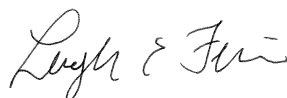
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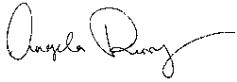
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⁵ Jasper Craven (Apr. 22, 2020). "Scammed Out of Their GI Bill Money, Army Veterans Are Standing Up Against Predatory Colleges." Arnold Ventures. Available at: <https://www.arnoldventures.org/stories/veterans-finding-a-new-battle-to-fight/>. Annie Waldman (Mar. 18, 2016). "How a For-Profit College Targeted the Homeless and Kids With Low Self-Esteem." ProPublica. Available at: <https://www.propublica.org/article/how-a-for-profit-college-targeted-homeless-and-kids-with-low-self-esteem>. Genevieve Bonadies, Joshua Rovenger, Eileen Connor, Brenda Shum and Toby Merrill (July 30, 2018). "For-Profit Schools' Predatory Practices and Students of Color: A Mission to Enroll Rather than Educate." Harvard Law Review Blog. Available at: <https://blog.harvardlawreview.org/for-profit-schools-predatory-practices-and-students-of-color-a-mission-to-enroll-rather-than-educate/>. The Leadership Conference Education Fund (Oct. 2019). "Gainful Employment: A Civil Rights Perspective." Available at: <https://tacc.org/sites/default/files/documents/2019-11/gainful-employment-brief.pdf>. The Campaign for College Opportunity (Feb. 2021). "The State of Higher Education for Black Californians." Available at: <https://collegecampaign.org/wp-content/uploads/2020/01/SHE-Black-Californians-2021-FINAL.pdf>. Christina Cauterucci (Sept. 22, 2017). "More Single Mothers Are Going to College Than Ever. But Very Few Will Graduate." Slate. Available at: <https://slate.com/human-interest/2017/09/for-profit-schools-and-low-graduation-rates-plague-a-rising-population-of-single-student-mothers.html>.

⁶ The Leadership Conference Education Fund (Oct. 2019). "Gainful Employment: A Civil Rights Perspective." Available at: <https://tacc.org/sites/default/files/documents/2019-11/gainful-employment-brief.pdf>. Jordan Matsudaira and Lesley Turner (Nov. 2020). "Towards a Framework for Federal Financial Assistance Programs in Postsecondary Education." The Brookings Institute. Available at: <https://brook.gs/2XjmRe1>. Anthony Carnevale, Ban Cheah, Martin Van Der Werf, and Artem Gulish (2020). "Buyer Beware: First-Year Earnings and Debt for 37,000 College Majors at 4,400 Institutions." Georgetown University Center on Education and the Workforce. Available at: <https://cew.georgetown.edu/cew-reports/collegemajorroi/>.



Angela Perry
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The Institute for College Access and Success

CC: Members of the Senate Business, Professions, and Economic Development Committee
Honorable Senator Richard Roth