



The Honorable Wendy Carrillo
Chair, Assembly Committee on Budget,
Subcommittee 4 State Administration
1021 O Street, Suite 8230
Sacramento, CA 95814

The Honorable Sydney Kamlager
Chair, Senate Budget and Fiscal Review
Committee, Subcommittee 4 on State
Administration and General Government
1020 N Street, Room 502
Sacramento, CA 95814

The Honorable Connie M. Leyva
Chair, Senate Education Committee
1021 O Street, Room 6740
Sacramento, CA 95814

The Honorable Jose Medina
Chair, Assembly Committee on Higher Education
1020 N Street, Room 173
Sacramento, CA 95814

The Honorable Nancy Skinner
Chair, Senate Budget and Fiscal Review
Committee
1020 N Street, Room 502
Sacramento, CA 95814

The Honorable Philip Y. Ting
Chair, Assembly Committee on Budget
1021 O Street, Suite 8230
Sacramento, CA 95814

June 1, 2022

RE: Investments to Support the Bureau for Private Postsecondary Education in May Revise

Dear Chair Carrillo, Chair Kamlager, Chair Leyva, Chair Medina, Chair Skinner, and Chair Ting:

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. We are writing in support of the \$24 million investment in the Bureau for Private Postsecondary Education in the May Revise budget.

The Bureau is the first line of defense for students who enroll in private postsecondary programs and the primary state-level regulator of private colleges and institutions in California. The most historically underserved and vulnerable students - including BIPOC students, veterans, foster youth, and single mothers - are often targeted by predatory programs, bear a disproportionate risk, and suffer the

consequences.¹ 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.² The Bureau serves an essential function for the state and protects students from predatory institutions, and the agency’s enacting statute makes “protection of the public” the Bureau’s “highest priority.”³ However, despite this important responsibility, the agency has struggled with unstable funding for years as a result of an outdated fee model that has not been substantively updated since 2009, at a time when the higher education landscape looked much different.

In the May Revise, Governor Newsom has proposed a \$24 million investment spread out over three years which will allow the Bureau to address its existing fiscal crisis and give the agency financial support while it develops and implements a new fee model. This analysis and planning process will take time, and must ultimately be approved through legislation, meaning the Bureau will likely not have a new fee structure in place for several years, and the three-year timeline provides support for the Bureau as it creates a new model that supports the long-term fiscal stability needed for effective consumer protection.

For the reasons above, we urge your support for the budget investment in the Bureau. We look forward to working together with you and the Governor to enact a budget with targeted reforms and equity-focused investments that protect and support students

Sincerely,



Robert C. Fellmeth
Executive Director
Children's Advocacy Institute



Robert Herrell
Executive Director
Consumer Federation of California

¹ 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>.

² 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/>.

³ California Education Code § 94875.



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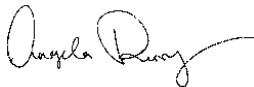
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Senior Fellow and Director of Higher Education
Excellence
The Century Foundation



Angela Perry
Director of Policy & Advocacy
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CC: Senator Toni G. Atkins, Senate President Pro Tempore
Assemblymember Anthony Rendon, Speaker of the Assembly
Ben Chida, Chief Deputy Cabinet Secretary
Nichole Munoz-Murillo, Deputy Legislative Secretary
Amy Jarvis, Program Budget Manager, California Department of Finance
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