July 25, 2022

The Honorable Chris Holden
Assembly Appropriations Committee
1021 O Street, Suite 8220
Sacramento, California 95814

RE: SB 1433 (Roth): Private postsecondary education
SUPPORT AS AMENDED 6/22/22

Dear Chair Holden,

We represent a group of student, 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 respectfully ask that you support SB 1433 (Roth) because it will provide the Bureau of Private Postsecondary Education (Bureau) with the needed resources and capacity to proactively protect and aid some of California’s most vulnerable students.

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 COVID-19 and a loose postsecondary education regulatory environment has led to significant increases in enrollment at for-profit colleges and decreases in public and nonprofit enrollment. The most vulnerable students - including the unemployed, veterans, foster youth, and single mothers - are often the ones targeted by for-profit programs and bear disproportionate financial risk. When enrolled at for-profit programs, these students are less likely to graduate and more likely to face significant debt and default on student loans, compared to their traditional 4-year-degree counterparts.

From a fiscal perspective, the recent 2022-23 Budget included a $24 million allocation, over three years, to provide the Bureau with stable funding while it develops an improved fee model for its licensees. This off-setting cost for this bill will allow the Bureau to continue its role of protecting students and consumers in this environment. TICAS appreciates the language within SB 1433 (Roth), which will enable the Bureau not only to take steps to proactively shield students who are at risk of harm, but also allows the Bureau to address situations where accrediting agencies lose federal recognition; provides clarity about what it means “to operate” in California; expands requirements for institutions to notify the Bureau on government investigations; requires institutions to add information about OSAR to required school catalog disclosures; and, empowers the Bureau to deny an application if they have concerns about institutional leadership.
It is imperative that the Bureau be reauthorized this year. When paired with the Budget allocation for the Bureau, this policy package will grant it sufficient authority and capacity to carry out its responsibility of protecting California’s students. For these reasons, TICAS and our partners urge your AYE vote for SB 1433 (Roth) when it comes before the committee.

Sincerely,

Robert Fellmeth
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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.


California Education Code § 94875.