

June 27, 2012

Senator Curren Price  
Chair, Senate Committee on Business, Professions and Economic Development  
State Capitol, Room 2057  
Sacramento, CA 95814

RE: AB 2296, as amended – SUPPORT

Dear Senator Price:

As advocates for civil rights, students, consumers, and foster youth, we strongly support AB 2296, as amended. Ensuring that students are able to make informed decisions when choosing a postsecondary education program is a critical component of the state's consumer protection role and its commitment to promoting quality education and career preparation beyond high school. AB 2296 is an important step toward achieving this goal.

Students need meaningful, accurate information about postsecondary schools when they are choosing where to invest their precious time and resources. Without such performance information, the postsecondary education market does not work. Students are susceptible to aggressive and sometimes deceptive marketing and run a greater risk of attending low-quality programs or programs that do not match their needs, increasing the chances they will drop out or default on their student loans. AB 2296 will help to close inadvertent loopholes in the current law and provide students who attend institutions covered by the Bureau for Private Postsecondary Education with more accurate consumer information. Doing so will benefit students and schools as well as taxpayers who are investing in many of these schools through the CalGrant program.

In particular, AB 2296 will correct the currently misleading job placement definition and salary disclosure requirement. Whether a school's graduates are able to get the type of job for which a school says it prepares students is a critical measure of that school's performance, particularly for vocational programs that make express or implied claims about graduates' employment options. Unfortunately, the current California statutory definition of job placement departs from the definition used by the U.S. Department of Education and does not accurately measure whether a student will likely find the kind of job a program advertises. Instead, the current definition allows a school to count as a placement virtually any job a student obtains after graduating – whether or not it is the type of job for which the student's degree was supposed to prepare him or her. AB 2296 corrects this problem by removing the problematic definition and directing the Bureau for Private Postsecondary Education to develop a new definition that accurately measures meaningful employment in the occupations for which a program represents that it trains its graduates.

In addition to considering job placement rates, students weighing whether to assume potentially life-altering debt for school also understandably look at the salaries earned by a program's graduates. Under current law, however, schools are able to easily skirt the salary disclosure requirements and only report the salaries generally earned in the occupations for

which they claim to train students, often misleading students into thinking those salaries are actually being earned by their graduates. Under AB 2296, schools will instead disclose to students the salaries of their own graduates so that prospective students can make more informed choices.

AB 2296 will also ensure that schools provide other elements of easily-available information that are left out of the currently required disclosures. The first is the percentage of a school's graduates who default on their student loans. According to experts, a high Cohort Default Rate (CDR) reflects that a school did not prepare its students for jobs that would allow them to repay their loans. This is why both the U.S. Department of Education and the CalGrant program use CDRs to measure school quality and determine eligibility. (*See* 34 CFR section 668 subparts M and N; Cal. Educ. Code § 69432.7(1)(3)). AB 2296 will make sure that this critical information that is used by the government to assess performance is also available to students. In addition, AB 2296 ensures that students are informed if their school or program is not accredited and of the limitations of going to an unaccredited school or program.

California's students, especially the disadvantaged students who disproportionately attend vocational schools covered by the Bureau, need accurate information when choosing postsecondary training. AB 2296 will help students select quality programs that meet their needs and lead them to success. If we can provide any additional information or answer questions, please contact Elisabeth Voigt at (415) 431-7430, x321 or [evoigt@publicadvocates.org](mailto:evoigt@publicadvocates.org).

Sincerely,

Asian Law Caucus

California Civil Rights Coalition

California State Students Association

Center for Public Interest Law, University of San Diego School of Law

Children's Advocacy Institute, University of San Diego School of Law

Chinese for Affirmative Action

Consumer Action

Consumers Union of United States, Inc.

LAW Project of Los Angeles

Public Advocates Inc.

The Institute for College Access and Success

Cc: Assembly Member Block  
Members, Senate Committee on Business, Professions and Economic Development  
Chief Consultant, Bill Gage