

2016 Annual Conference

Legislation and Regulatory Update

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2016 Key Events

- Legislative Action in Sacramento
- BPPE Reauthorization
- BPPE Regulations
- ACICS Situation – BPPE Response
- ITT Closure

2016 Legislation

- AB 1916 (Irwin) – Surety Bond
 - Failed
- AB 2251 (Stone) – Loan Servicing
 - Passed
- AB 2581 (Medina) – Corinthian Student Assistance
 - Failed, wrapped up in BPPE Bill
- AB 2652 (Eggman) – Distance Ed STRF
 - Failed, wrapped up in BPPE Bill
- SB 1192 (Hill) – BPPE Reauthorization
 - Passed

SB 1192 (Hill) BPPE Reauthorization

■ KEY PROVISIONS

- Extends BPPE until 2021 (4-years)
- Out of State Online Programs Register with BPPE / Comply with STRF
- Heald Students Eligible for STRF
- Creates Office of Student Assistance & Relief
- \$500 legal aid reimbursement paid by STRF
- Institutions notify BPPE regarding “other” investigations
- FEES

2017 BPPE FEES

- Fee Formula lowered from .075 to .045 of revenue
- Mains and Branches treated equally (formula applies to both)
- Cap increased from \$25,000 to \$60,000
- Reevaluate in 2017

BPPE REGS

Worst Regs in the US (Were #1 again); Only took 6 years

No other state or Agency (State or Fed has these kind of definitions)

Still: On-time Graduate: 100% of published program time

CA: GE: 6 digit soc code or what is used in catalog

Employment broken down by employer or employer owned by Institution or by employer who shares an ownership interest with the School

BPPE REGS

- Extensive Loan Data Reporting: 3 yr CDR
- % of Students with loans
- Average loan Debt
- Student initials (everywhere)
- Programs using 150% placement for multi-year programs must use 4 years of data
- Old Maxine Waters notice of cancellation now required

BPPE Regs

- CA GE: defines placement as 30 hours a week for 5 weeks (35 calendar days) or 20 hours a week for 5 weeks
- Part time needs student attestation
- Same employer prior to training: needs attestation that training was need (by employer or student)
- Self-employment: attestation after grad that this was desired outcome by student. Proof required. Website ok, business card-not

BPPE & ACICS Schools

- Initially Threatened closure on final Agency Decision
- Sent notice to every ACICS student
- Revised closure threat based on appeal by ACICS
- Not pursuing reg or legislative State approvals like Wisc. Virginia, Penn. Fla.
- Wants Schools to file for approval as non-accredited
- License removal will take formal action by BPPE

Election Update

- Presidential –Will it impact CA turnout?
- US Senate is only significant statewide race in CA
 - AG Kamala Harris (D) vs. Rep. Loretta Sanchez (D)
- 17 Statewide Ballot Measures (+local)
- State Legislature / Congress
 - 2/3 Democrat Majority??
 - Democrats do better in Presidential Elections

Looking Ahead

- ▣ 2017-18 Session
 - ▣ Approximately 25 New Legislators
 - ▣ Last mass exit until 2024
 - ▣ Continued Fee Discussion
 - ▣ ITT Closure fallout
 - ▣ ACICS

**** DEVELOP RELATIONSHIPS ****

Q & A

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Keith Zakarin, Duane Morris, CAPPS General Counsel

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