

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2771 (Committee on Business and Professions) – As Amended April 7, 2026

Policy Committee:	Higher Education	Vote:	8 - 1
	Business and Professions		19 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: Yes

SUMMARY:

This bill is the sunset review vehicle for the Bureau for Private Postsecondary Education (BPPE). The bill extends the sunset date for BPPE, from January 1, 2027, to January 1, 2031, and makes various immediate technical and policy changes in response to issues raised during the BPPE’s sunset review process.

Specifically, among other things, this bill (a) makes technical changes to the consumer complaint resolution process, (b) specifies that religious verbiage added to otherwise secular programming offered by a religions organization does not limit said instruction to the principles of the organization, (c) removes the exemption for institutions charging less than \$2,500 if the institution receives any state or federal funds, not limited to student financial aid, (d) prescribes circumstances under which the BPPE may deny a request for bureau verification, (e) places a 25% of total enrollment cap on enrollment for any provisionally approved degree program, (f) establishes a minimum recommended fund balance for the Student Tuition Recovery Fund, and (g) updates disclosure requirements for enrollment agreements.

FISCAL EFFECT:

- 1) Minor and absorbable costs to the BPPE. The bill makes no modifications to application fees, annual fees, or other revenue generating mechanisms for private postsecondary institutions. Therefore, the bill creates no expected revenue loss or gain for the BPPE.

According to BPPE, increases in operating costs resulting from the implementation of new legislative mandates may place additional pressure on existing fee structures that may necessitate legislation to raise licensee fees.

- 2) Minor and absorbable General Fund costs to the Office of Information Services for IT requirements associated with this bill.

COMMENTS:

- 1) **Sunset Review.** To ensure California’s professional boards and bureaus are meeting the Legislature’s priorities, authorizing statutes for these entities are subject to statutory dates of repeal, at which point the entity “sunset” unless the repeal date is extended by legislation. The “sunset review” process allows the Legislature to reevaluate boards and bureaus and consider changes to their operations. Sunset review typically occurs every four years. During sunset review, an entity is to provide a report to the Legislature’s relevant policy committees,

which are to prepare a “background paper” on the entity’s strengths and weaknesses. Legislation is then introduced to extend the repeal date for the entity along with any reforms identified during the sunset review process.

- 2) **BPPE.** BPPE is responsible for oversight of private postsecondary educational institutions with a physical presence in California. BPPE was established by AB 48 (Portantino), Chapter 310, Statutes of 2009, after various attempts to reform its regulatory predecessor. BPPE’s sunset has been extended several times, most recently in 2022, by SB 1433 (Roth) Chapter 544, Statutes of 2022, which made several changes similar to this bill and further temporarily extended BPPE’s sunset date until January 1, 2027, to allow time to consider additional changes. This bill addresses other issues and extends BPPE’s sunset until January 1, 2031.
- 3) **BPPE’s Budget.** BPPE is funded through fees paid by the private for-profit institutions it regulates. BPPE’s expenditures have increased significantly in recent years. These increases are attributable to employee compensation and retirement rate increases, additional duties assigned by legislation, IT expenses, pro rata charged by the Department of Consumer Affairs and lost fee revenue from major school closures. Starting with the 2026 Governor’s Budget, BPPE will maintain a budget for state operations of \$20.7 million special fund for fiscal year 2026-27 and the Student Tuition Recovery Fund has an estimated ending fund balance of \$15.9 million.

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