
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2771 (Committee on Business and Professions) - California Private Postsecondary Education Act of 2009

Version: June 25, 2026

Urgency: No

Hearing Date: August 13, 2026

Policy Vote: B., P. & E.D. 11 - 0, ED. 7 - 0

Mandate: Yes

Consultant: Janelle Miyashiro

Bill Summary: AB 2771 is the sunset bill for the Bureau for Private Postsecondary Education and makes various changes recommended during the joint sunset review of the Bureau.

***** ANALYSIS ADDENDUM – SUSPENSE FILE *****

The following information is revised to reflect amendments
adopted by the committee on August 13, 2026

Fiscal Impact: The Bureau anticipates minor and absorbable workload costs for most of the bill's provisions; however, it did identify costs related to the modifications of Education Code Section 94874(f). Because the bill specifies this section no longer applies to institutions providing training or curriculum for Class A, B, or C commercial driver's licenses (CDLs), these institutions would be required to seek Bureau approval under this bill.

The Bureau estimates:

- Costs of \$854,000 in FY 2026-27 and \$814,000 ongoing annually for 5.0 permanent staff to provide outreach and technical assistance, evaluate curricula, conduct inspections, monitor compliance, and investigate complaints. The Bureau's estimate assumes 83 of the approximately 125 total private postsecondary educational institutions in California currently offering CDL training would require Bureau approval and oversight. The Bureau notes these costs are not absorbable.
- Total increased application and annual fee revenue of approximately \$478,000, which will offset the Bureau's administrative and enforcement workload costs to some extent. Actual revenue increases will depend on the number of programs that seek Bureau approval.
- Unknown increase in Student Tuition Recovery Fund (STRF) fee revenue, to the extent the Bureau begins collecting these assessments again.

Author Amendments:

- Require an institution seeking a verification exemption to use the term "university" in accordance with the Bureau's regulations and make conforming changes.
- Increase annual contract workload fee from \$1076 to \$2500
- Require out-of-state institutions to register with the Bureau before enrolling students in a distance program.

- Require institutions under an income share agreement to refund specified withdrawing students 100 percent of the total charges based on the unattended portion of the period of attendance the student was charged.
- Clarify that STRF only applies to losses that have a direct connection to enrollment.
- Add specified U.S. Department of Education programs for purposes of qualifying relief under STRF and make other technical changes.
- Make various other fee increases and adjustments.
- Subject out-of-state institutions that fail to comply with the new registration requirement for distance programs to the Bureau's fine penalties.

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