

Date of Hearing: April 29, 2025

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS

Marc Berman, Chair

AB 714 (Fong) – As Introduced February 14, 2025

NOTE: This bill is double referred and passed the Assembly Higher Education Committee on April 8, 2025, by a vote of 9-0-1.

SUBJECT: California Private Postsecondary Education Act of 2009: exemptions: commercial driving licenses.

SUMMARY: Provides that an existing exemption from the California Private Postsecondary Education Act of 2009 for institutions that do not award degrees and that solely provide educational programs for total charges of \$2,500 or less does not apply to institutions that provide any training or curriculum for a Class A, B, or C commercial driving license (CDL).

EXISTING LAW:

- 1) Establishes the California Private Postsecondary Education Act, subject to repeal on January 1, 2027. (Education Code (EDC) §§ 94800-94950)
- 2) Establishes the Bureau for Private Postsecondary Education (BPPE) within the Department of Consumer Affairs to regulate private postsecondary educational institutions. (EDC § 94875)
- 3) Defines “institution” as any private postsecondary educational institution, including its branch campuses and satellite locations. (EDC § 94843)
- 4) Defines “private postsecondary educational institution” as a private entity with a physical presence in California that offers postsecondary education to the public for an institutional charge. (EDC § 94858)
- 5) Requires the BPPE to adopt regulations establishing minimum operating standards for private postsecondary educational institutions. (EDC § 94885)
- 6) Prohibits a person from opening, conducting, or doing business as a private postsecondary educational institution in this state without obtaining an approval to operate from the BPPE. (EDC § 94886)
- 7) Authorizes the BPPE to grant approval to operate only after an applicant has presented sufficient evidence to the bureau, and the bureau has independently verified the information provided by the applicant through site visits or other methods deemed appropriate by the bureau, that the applicant has the capacity to satisfy the minimum operating standards; requires the BPPE to deny an application for an approval to operate if the application does not satisfy those standards. (EDC § 94887)
- 8) Provides that a standard approval to operate shall be valid for five years. (EDC § 94889)

- 9) Requires the BPPE to grant an accredited institution an approval to operate by means of its accreditation. An approval to operate by means of accreditation is coterminous with the term of accreditation. (EDC § 94890)
- 10) Exempts 11 types of institutions from the BPPE-approval requirement and any requirement on institutions under the California Private Postsecondary Education Act. (EDC § 24874)
- 11) Specifies that institutions that do not award degrees and that solely provide educational programs for total charges of \$2,500 or less when no part of the total charges is paid from state or federal student financial aid programs are exempt from the California Private Postsecondary Education Act. The BPPE may adjust this cost threshold based upon the California Consumer Price Index and post notification of the adjusted cost threshold on its website. (EDC § 94874(f))
- 12) Prohibits institutions that are operating in this state and subject to approval or registration requirements from engaging in specified business practices. (EDC § 94897)

THIS BILL:

- 1) Makes any institution that provides any training or curriculum for Class A, B, or C commercial driving licenses ineligible for the existing exemption from the BPPE-approval requirement for institutions that do not award degrees and that solely provide educational programs for total charges of \$2,500 or less.
- 2) Finds and declares the following:
 - a) California's highways and freeways are some of the busiest thoroughfares in the nation;
 - b) California's highways and freeways collectively serve as some of the busiest goods movement corridors in the country; and,
 - c) According to the National Safety Council's (NSC) Injury Facts, there were 421 fatal truck accidents in California in 2022, the second most fatalities in the country, behind only Texas.

FISCAL EFFECT: Unknown. This bill has been keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. This bill is sponsored by *160 Driving Academy*. According to the author:

Every day, millions of Californians share the road with large trucks that, while crucial to our economy, pose risks we must continually try to mitigate. In 2022, we experienced 436 traffic fatalities involving large trucks – the second highest in the nation and averaging more than one per day. This is unacceptable and we must continue to identify and address all potential causes – including weaknesses in driver training. Currently programs that offer commercial driving training for less than \$2,500 are exempt from regulation intended to ensure quality of education. [This bill] closes an unintended legal loophole, increases road safety, and protects students and drivers. This bill will remove commercial driving programs from being exempted from basic regulation. The Bureau

for Private Postsecondary Education's founding statute proclaims that protection of the public shall be the bureau's highest priority. [This bill] allows the Bureau to better fulfill its mandate, improve commercial driving training, and protect Californians by reducing large truck fatalities.

Background.

The Bureau for Private Postsecondary Education. The BPPE is responsible for oversight of private postsecondary educational institutions that have a physical presence in California and for enforcing the California Private Postsecondary Education Act, which seeks to protect students from predatory, substandard, or other institutions that do not ultimately provide students with a meaningful degree. Specifically, the Act directs the BPPE to, in part, review and approve private postsecondary educational institutions; establish minimum operating standards to ensure educational quality; provide an opportunity for student complaints to be resolved; enforce the prohibition against false advertising and inappropriate recruiting and requirement for disclosure of specific information about the educational programs being offered, graduation and job placement rates, and licensing information, and ensure private postsecondary educational institutions offer accurate information to prospective students about school and student performance. The BPPE also investigates and combats unlicensed activity, conducts research and outreach to students and postsecondary educational institutions, and administers the Student Tuition Recovery Fund, which provides relief to students financially harmed by an institution under the bureau's oversight via closure or discontinuation of educational programs.

U.S Department of Transportation's Federal Motor Carrier Safety Administration's (FMCSA) Entry-Level Driver Training (ELDT). The FMCSA's ELDT regulations establish the baseline for training for entry-level drivers of commercial motor vehicles. The regulations apply to individuals who obtain a commercial learner's permit on or after February 7, 2022, and seek to:

- 1) Obtain a Class A or Class B CDL for the first time;
- 2) Upgrade an existing Class B CDL to a Class A CDL; or
- 3) Obtain a School Bus (S), Passenger (P), or Hazardous Materials (H) endorsement.

According to the Department of Motor Vehicles, a Class A CDL is required for any legal combination of vehicles with a gross combination weight rating (GCWR) of 26,001 pounds or more, provided the gross vehicle weight rating (GVWR) of the vehicles being towed is in excess of 10,000 pounds.¹ A Class B CDL is required for any single vehicle with a GVWR of more than 26,000 pounds, any such vehicle towing a vehicle not in excess of 10,000 pounds GVWR, or a 3-axle vehicle weighing over 6,000 pounds.

Entry-level drivers subject to the ELDT regulations must select a training provider that is listed on the FMCSA's Training Provider Registry. Companies wishing to provide entry-level driving training must register and self-certify that they meet all FMCSA requirements that apply to curricula, instructors, facilities, vehicles, assessments, driver training certifications, document and record retention, and FMCSA audits. If the FMCSA finds that a provider does not meet all of the requirements, FMCSA may remove the provider from the list of registered training providers. Registered providers must submit certification of a driver's completion of entry-level

¹ California Department of Motor Vehicles, *Commercial Driver's License Classes and Certifications*.

driver training to the Training Provider Registry by midnight of the scenic business day after the driver completes training. States are required to verify that certification information has been submitted to the Training Provider Registry before allowing a driver to take the required DCL skills or knowledge test.²

The FMCSA does not require a minimum number of instruction hours for either the theory or behind-the-wheel training, but the training provider must cover all of the topics in the curriculum and determine whether trainees are proficient in all elements of the behind-the-wheel training. However, applicants for a Class A or B license in California must, in addition to the federal requirements, complete at least 15 hours of behind-the-wheel training and submit a California Commercial Driver Behind the Wheel Training Certification to the DMV.

According to CDL Training Today, most CDL training programs require 160 hours of training, with private truck driving schools costing between \$3,000 and \$7,000. For example, the sponsor of this bill, 160 Driving Academy, offers a 160-hour training course for \$4,950. However, a brief internet search indicates that some providers offer accelerated training programs in just 10 days³ or in 40 hours.⁴

Exempt institutions may, but are not required to, verify their exemption with the BPPE. Because the verification of exemption process is voluntary, it is unclear how many registered training providers offer CDL programs for less than \$2,500. The BPPE believes there are about 125 institutions offering CDL training in California. The BPPE has approved 42 providers and verified the exemption of 16 others, leaving about 67 others that are neither approved nor verified exempt. This bill would make CDL training providers ineligible for the existing exemption for institutions that do not award degrees and that solely provide educational programs for \$2,500 or less, no matter the cost of their CDL training programs.

Current Related Legislation. *SB 372 (Arreguín)* would exempt from the California Private Postsecondary Education Act of 2009 an institution that was incorporated in California in 1877, operated continuously as an independent nonprofit institution, and was previously exempt from the Act until 2022. *That bill is pending in the Senate Education Committee.*

Prior Related Legislation. *SB 1449 (Newman) of 2024* would have expanded on the existing exemption for law schools from regulation under the California Private Postsecondary Education Act of 2009 and oversight by the BPPE by authorizing exempt law schools to execute a contract with BPPE to handle complaint processing. *SB 1449 (Newman) was held on suspense in the Assembly Committee on Appropriations.*

SB 802 (Roth), Chapter 552, Statutes of 2021, revises definitions, clarifies that institutions cannot qualify for the trade or fraternal organization exemption by sponsoring their own educational programs, allows the BPPE to extend the accreditation deadlines under certain conditions, clarifies the bureau's authority to suspend an institution's educational programs and approval to operate, expands the types of changes requiring bureau approval to include changes to educational programs related to clock and credit hours or distance learning, and those relating to an institution's participation in certain federal student aid programs.

² Federal Motor Carrier Safety Administration, *Training Provider Registry*.

³ Premier Truck Driving School, <https://www.premiertruckdrivingschool.com/>.

⁴ Trucking School in Red Bluff, <https://www.premiertruckschool.com/>.

AB 70 (Berman), Chapter 153, Statutes of 2020, prohibits the BPPE from approving an exemption or handling complaints for a nonprofit institution that the Attorney General determines does not meet specified criteria of a nonprofit corporation.

AB 868 (Berman), Chapter 260, Statutes of 2017, created an exemption for an institution owned, controlled, operated, and maintained by a community-based organization that satisfies specified criteria.

SB 1192 (Hill), Chapter 593, Statutes of 2016, extended the sunset for the BPPE and made numerous changes.

AB 509 (Perea) Chapter 558, Statutes of 2015, created an exemption from the California Private Postsecondary Education Act for a bona fide organization, association, or council that offers pre-apprenticeship training programs, on behalf of one or more Division of Apprenticeship Standards-approved apprenticeship programs.

SB 1247, Chapter 840, Statutes of 2014, in part, prohibited an institution that is approved to participate in veterans' financial aid programs that is not an independent institution of higher education from claiming an exemption to the California Private Postsecondary Education Act.

SB 619 (Fuller), Chapter 309, Statutes of 2011, created an exemption for flight schools if they do not require the upfront payment of tuition or fees, and do not require students to enter into a contract of indebtedness in order to receive training.

AB 797 (Conway) of 2011 would have exempted cosmetology schools, as defined, from the Act. *That bill was held in the Assembly Committee on Higher Education.*

AB 48 (Portantino) Chapter 310, Statutes of 2009, established the Bureau for Private Postsecondary Education and the California Private Postsecondary Educational Act.

ARGUMENTS IN SUPPORT:

As the sponsor of this bill, *160 Driving Academy* writes in support:

[This bill] directly improves commercial truck safety for all California residents attending commercial driving programs by closing an unintended loophole that exempts certain commercial driving programs from regulation by BPPE– the governing body for Commercial Driving programs in the State...Today, BPPE maintains an exemption that any training provider does not require licensing or oversight from the BPPE if the provider charges less than \$2,500 to a consumer. This exemption is intended for extreme short-term training such as SAT, MCAT or Microsoft Word training. The BPPE was not intended to apply to such high-risk vocations where significant technical training, repetitive instruction and reinforced learning is required, such as Commercial Driver training.

The industry standard for minimum training hours for a Commercial Driver's License in just about every state is 160 hours. It would be impossible to complete the minimum CDL training required training as mandated by the Federal ELDT training rules in less

than 160 hours. Per the BPPE, the average tuition for *licensed* CDL training providers is \$6,000 to \$7,000 due to the training intensity required. However, numerous CDL training providers across California are exploiting the BPPE loophole and charging unknowing consumers \$2,500 or less. The curriculum, safety requirements, level and quality of training covered in these \$2,5000 programs is highly suspect and creates downstream significant safety risks for unsuspecting employers and the motoring public.

This BPPE loophole for Commercial Driver training exposes the public to safety risks and must be addressed with legislation to ensure that commercial drivers are trained through programs that are safe and properly regulated.

ARGUMENTS IN OPPOSITION:

There is no opposition on file.

POLICY ISSUE(S) FOR CONSIDERATION:

Need for the bill. The proponents of this bill argue that it is necessary to improve road safety, but it is unknown to what extent the current exemption has contributed to traffic fatalities involving large trucks.

REGISTERED SUPPORT:

160 Driving Academy (Sponsor)
California Association of Highway Patrolmen
California Chamber of Commerce
California Teamsters Public Affairs Council
California Trucking Association

REGISTERED OPPOSITION:

There is no opposition on file.

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