

Date of Hearing: May 14, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

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

Policy Committee:

Higher Education

Vote: 9 - 0

Business and Professions

17 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill subjects to oversight and approval by the Bureau of Private Postsecondary Education (BPPE) an institution that does not award degrees and solely provides educational programs for total charges of \$2,500 or less and provides any training or curriculum for Class A, B, or C commercial driving licenses (CDL).

FISCAL EFFECT:

One-time General Fund costs of \$854,000 and \$814,000 General Fund ongoing for the Department of Consumer Affairs (DCA), the department in which BPPE resides, to hire five additional staff responsible for approving new institutions and renewals, reviewing details of educational operations of unaccredited schools including their curriculum, staff, and compliance measures, conducting regular inspections and monitoring of newly approved institutions, providing technical assistance, and resolving complaints.

The BPPE estimates there are approximately 125 total private postsecondary educational institutions in California currently offering CDL training. Of those, the bill results in an estimated 83 institutions requiring approval and oversight by the BPPE. Because the BPPE collects fee revenue from institutions applying for approval and licensing, the costs stated above may be offset by up to approximately \$450,000 in fee revenue per year.

COMMENTS:

1) **Purpose.** 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.

- 2) **Background. *The Bureau for Private Postsecondary Education.*** The BPPE oversees any private postsecondary educational institution that has a physical presence in California and enforces 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, to oversee review and approval of institutions, establish minimum standards, provide a complaint resolution process for students, and enforce compliance. 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.

CDL Training. State law requires class A and B license candidates complete at least 15 hours of behind-the-wheel training. According to CDL Training Today, an organization specializing in CDL training resources for prospective candidates, 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, there are providers offering accelerated training programs in just 10 days or in 40 hours.

Exempt institutions may, but current law does not require them to, verify their exemption with the BPPE. Because the verification of exemption process is voluntary, the BPPE is unaware of precisely 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 makes an institution providing CDL training ineligible for the existing exemption for institutions that do not award degrees and that solely provide educational programs for \$2,500 or less, regardless of the cost of its program.

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