

ASSEMBLY THIRD READING
AB 714 (Fong)
As Introduced February 14, 2025
Majority vote

SUMMARY

Provides that an existing exemption from the California Private Postsecondary Education Act of 2009 (Act) 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 Class A, B, or C commercial driving licenses (CDL).

Major Provisions

- 1) Specifies that institutions that provide any training or curriculum for Class A, B, or C commercial driving licenses (CDL) are not eligible for an existing exemption from provisions of the Act, specifically an exemption for an institution that does not award degrees and that solely provides educational programs for total charges of \$2,500 or less, as provided.
- 2) Finds and declares that:
 - 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.

COMMENTS

The Bureau on Private Postsecondary Education (BPPE). AB 48 (Portantino), Chapter 310, Statutes of 2009 established the BPPE after several failed legislative attempts to remedy the structural challenges of the former Bureau for Private Postsecondary and Vocational Education. AB 48 took effect January 1, 2010, and provided the BPPE responsibility for oversight of private postsecondary educational institutions operating with a physical presence in California. While the Legislature has amended the Act several times since the initial passage of AB 48, it has consistently directed BPPE to make protection of the public the highest priority in performing duties and exercising powers. Today, the Act expresses Legislative intent that BPPE:

- 1) Ensure minimum educational quality standards and opportunities for success for California students attending private postsecondary schools in California.
- 2) Provide meaningful student protections through essential avenues of recourse for students.
- 3) Establish a regulatory structure that provides an appropriate level of oversight.
- 4) Provide a regulatory structure that ensures all stakeholders have a voice and are heard in policymaking by the BPPE.

- 5) Ensure accountability and oversight by the Legislature through program monitoring and periodic reports.
- 6) Prevent harm to students and the deception of the public that results from fraudulent or substandard educational programs and degrees.

BPPE also actively investigates and combats unlicensed activity, administers the STRF, and conducts outreach and education activities for students and private postsecondary educational institutions within the state. Within BPPE exists the Office of Student Assistance and Relief, established by SB 1192 (Hill), Chapter 593, Statutes of 2016, which exists to advance the rights of students at private postsecondary educational institutions and assist students who have suffered economic loss due to unlawful activities or the closure of an institution.

The exemptions in the Act, and attempts to create additional exemptions, have been an ongoing source of consideration for the Legislature.

Action taken by the US Department of Education in 2010 aimed at improving the integrity of programs authorized under Title IV of the Higher Education Act requires, among other things, that to remain eligible for Title IV, postsecondary education institutions must be authorized to operate in the state they are located and must ensure access to a complaint process that will permit student consumers to address alleged violations of state consumer protection laws. These changes rendered independent institutions of higher education, exempt from Bureau oversight and regulation under the Act by virtue of being accredited by a regional accrediting agency, potentially unable to meet the state authorization and complaints process requirements for Title IV. In response, the Department of Finance issued a Spring Finance Letter in May 2015 that proposed statutory changes allowing independent institutions of higher education to be recognized by the state and to enter into a contract with BPPE to establish a state-level student complaint process. The BPPE subsequently entered into contracts with over 100 institutions in 2015.

A number of institutions previously verified as exempt under the Act have now sought voluntary approval by BPPE to comply with federal Title IV requirements.

Trucking background. The Federal Motor Carrier Safety Administration (FMCSA) Entry Level Driver Training (ELDT) regulations set the baseline for training requirements for entry-level drivers. This applies to those seeking to:

- 1) Obtain a Class A or Class B Commercial Driver's License (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 for the first time.

The ELDT regulations are not retroactive; individuals who were issued a CDL or an S, P, or H endorsement prior to February 7, 2022 are not required to complete training for the respective CDL or endorsement.

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 vehicle(s) being towed is in excess of 10,000 pounds.

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.

A Class C CDL is required for any Class C vehicle with one or more of the following endorsements: hazardous materials (HazMat), passenger vehicle (PV), or tank vehicle (TV).

For Class A, B, and C FMCSA training there are no required minimum instruction hours for theory training, but the instructor must cover all the topics in the curriculum. Training providers must use assessments (in written or electronic format) to determine if trainees are proficient in all units of the theory curriculum. Students must earn a minimum overall score of 80 percent on the theory assessment(s).

For Class A, B, and C FMCSA training there is here are no required minimum instruction hours for behind the wheel range and public road training, but the instructor must cover all topics set forth in the BTW range curriculum. The instructor must document the total number of clock hours (one clock hour for each 60 minutes of instruction) each trainee takes to complete the BTW range curriculum. The instructor must document that each trainee is proficient in all elements of the BTW range curriculum for the trainee to successfully complete these requirements.

According to information provided by the sponsor, "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."

According to the Author

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."

Additionally, the author states that "AB 714 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. BPPE's founding statute proclaims that protection of the public shall be the bureau's highest priority. AB 714 allows the BPPE to better fulfill its mandate, improve commercial driving training, and protect Californians by reducing large truck fatalities."

Arguments in Support

The California Association of Highway Patrolmen (CAHP), a co-sponsor of this measure, wrote that "According to the National Highway Traffic Safety Administration's Fatality Analysis

Reporting System, there were 436 heavy truck fatalities in California in 2022, the second highest in the nation. California averages more than one death per day as a result of trucking accidents, demonstrating the need for improved driver training. AB 714 would remove a loophole and require all heavy truck driving education programs to be [approved] by the [BPPE]. The CAHP believes that education and proper training are basic and critical elements to improve driver safety, especially for truck drivers."

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations:

- 1) 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.
- 2) 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.

VOTES

ASM HIGHER EDUCATION: 9-0-1

YES: Fong, Boerner, Jeff Gonzalez, Jackson, Muratsuchi, Patel, Celeste Rodriguez, Sharp-Collins, Tangipa

ABS, ABST OR NV: DeMaio

ASM BUSINESS AND PROFESSIONS: 17-0-1

YES: Berman, Flora, Ahrens, Alanis, Bains, Bauer-Kahan, Caloza, Chen, Elhawary, Wilson, Irwin, Jackson, Krell, Lowenthal, Macedo, Nguyen, Pellerin

ABS, ABST OR NV: Hadwick

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Hoover, Stefani, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Bauer-Kahan, Pacheco, Pellerin, Solache, Ta, Tangipa

UPDATED

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