



State and Consumer Services Agency – Governor Edmund G. Brown Jr.
Bureau for Private Postsecondary Education
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MEMORANDUM

TO: Advisory Committee
FR: Laura Metune, Bureau Chief, Bureau for Private Postsecondary Education
RE: Regulatory Rate Setting - Student Tuition Recovery Fund

The Bureau for Private Postsecondary Education (Bureau) is seeking to amend the Student Tuition Recovery Fund (Fund) assessment rate established in Title 5 of the California Code of Regulations (5 CCR) §76120.

The Fund, established under California Education Code (CEC), Title 3, Division 10, Part 53, Chapter 8, Article 14, exists to relieve or mitigate the economic losses suffered by a student from the closure of a Bureau-approved institution. Pursuant to CEC §94923, the Bureau is required to adopt regulations governing the administration and maintenance of the Fund, including requirements related to the assessment on students. CEC §94925 limits the amount in the Fund at any one time to \$25,000,000.

The STRF assessment rate is established in 5 CCR §76120 at two dollars and fifty cents (\$2.50) per one thousand dollars (\$1,000) of institutional charges, rounded to the nearest thousand dollars. As of July 31, 2012, \$21,902,740 had been collected into the Fund. At the current rate, it is estimated that by the end of October the Fund will reach \$24,000,000.

The Bureau is seeking to amend the Fund assessment rate from two dollars and fifty cents (\$2.50) per one thousand dollars (\$1,000) of institutional charges to fifty cents (\$0.50) per one thousand dollars (\$1,000). Regulatory language reflective of this change is contained below.

Proposed Amendment:

§76120. (a) Each qualifying institution shall collect an assessment of ~~two dollars and fifty cents~~ (\$2.50) per one thousand dollars (\$1,000) of institutional charges, rounded to the nearest thousand dollars, from each student in an educational program who is a California resident or is enrolled in a residency program. For institutional charges of one thousand dollars (\$1,000) or less, the assessment is ~~two dollars and fifty cents~~ (\$2.50).