



This story is taken from [Sacbee](#) / [Politics](#) / [California Politics](#).

.....

Dan Walters: Bill to crack down on diploma mills stalls

By Dan Walters - dwalters@sacbee.com

Published 12:00 am PDT Wednesday, July 2, 2008

A legislative staff analysis of Senate Bill 823 declares that during the 1980s, California acquired the reputation of being "the diploma mill capital of the world."

That's not quite true. There were a couple of states, including neighboring Arizona, with worse reputations as redoubts for private, for-profit, trade and professional schools that charged big fees to students and offered little educational value. But California was right up there as a haven for diploma mills.

In response to a ruckus from defrauded students, consumer groups and the media, the Legislature tightened regulation of private schools and colleges a couple of decades ago. But the regulatory law expired a year ago, which would have been an open invitation for diploma mills to crank up again.

Gov. Arnold Schwarzenegger had vetoed a bill to extend regulation, saying he wanted "meaningful protections for students" and promising that he would propose "comprehensive reform" himself. But like many of the governor's grandiose pledges, it came to naught. The only thing Capitol politicians could do was extend the existing regulatory system for a year and say they'd work to do what needed to be done.

Senate President Pro Tem Don Perata has been the leading political figure involved. He did, in fact, work on it, finally developing a new regulatory scheme that he wrote into Senate Bill 823. But it's faced rough sailing in the Legislature. The up-and-up private schools – and there are many – dislike some of its regulatory provisions. And the diploma mills don't want anything to impede their shoddy operations, such as the bill's requirement that they disclose more information to students, including their rates of success of students in gaining licenses and getting jobs.

This is no small matter. There are hundreds of schools ranging from those that train truck drivers to those offering advanced professional degrees. They collect untold millions of dollars from at least 400,000 students. It's not uncommon for students to commit their life's savings or go deeply into debt to finance their schooling in hopes of bettering their lives.

"With no regulation for these schools, many students find themselves tens of thousands of dollars in debt with no jobs or marketable skills or who paid tuition only to have the school close and no refunds given," Perata says.

A case in point occurred in the past year when an outfit called Corinthian Colleges, based in

Santa Ana, paid \$6.5 million to settle a lawsuit alleging that it had exaggerated its record of placing students in jobs. Four years ago, the state's best known for-profit college, the University of Phoenix, paid a \$9.8 million fine to the federal Department of Education after an investigation into its recruitment practices.

The University of Phoenix's billionaire founder, John Sperling, often dabbles in California politics, both on matters affecting private schools and on other causes, such as easing marijuana laws. He and son Peter are the prime sponsors of Proposition 7, a November ballot measure that would push the state more deeply into renewable power.

Perata's bill would create a "Bureau of Private Secondary Education" in the Department of Education to regulate the industry. The measure is being denounced by lobbyists for the private schools as a mishmash of regulation with punishments that could cripple smaller trade schools.

The bill reached the Assembly floor Monday, the last day before the one-year extension of the old regulatory scheme would expire. As an urgency bill, it needed a two-thirds vote. With Republicans solidly opposed, it failed to gain passage.

Perata may have to amend the measure so that it wouldn't take effect until January, which Democrats could pass without Republican votes. Schwarzenegger's position, however, is still uncertain.

Go to: [Sacbee](#) / [Back to story](#)

=====

This article is protected by copyright and should not be printed or distributed for anything except personal use.
The Sacramento Bee, 2100 Q St., P.O. Box 15779, Sacramento, CA 95852
Phone: (916) 321-1000

[Copyright](#) © [The Sacramento Bee](#)