

**AMENDMENT TO THE CEFA
ACT TO EXPAND THE DEFINITION OF “PRIVATE COLLEGE”**

Subject: AB 2724 (Laird)

Recommendation: Staff recommends the Authority approve the resolution in support of AB 2724 (Laird)

Status: Passed Assembly Appropriations on May 12, 2004.
Passed Assembly 17 – 3
Floor of the Assembly – June 2004

DISCUSSION

AB 2724 (Laird) amends the definition of "private college" to include nonprofit affiliates of private colleges that are solely engaged in providing support services and to private nonprofit research organizations affiliated with private colleges and engaged in basic research and advanced education. The bill has negligible state fiscal impact as CEFA is self-sufficient and funded through fees paid by program participants.

The CEFA Act currently states the definition of “private college” as follows:

"Private college" means an institution for higher education other than a public college, situated within the state and that, by virtue of law or charter, is a nonprofit private or independent degree-granting educational institution that is regionally accredited and empowered to provide a program of education beyond the high school level.

The proposed language to the Act would change the definition to read as follows:

1. "Private college" means an institution for higher education other than a public college, situated within the state and that, by virtue of law or charter, is a nonprofit private or independent degree-granting educational institution that is regionally accredited and empowered to provide a program of education beyond the high school level.
2. For purposes of obtaining financing under this chapter, "private college" also includes either of the following:
 - (A) A nonprofit affiliate of one or more private colleges , as defined in paragraph (1), the sole or primary purpose of which is to provide administrative or other support services to the affiliated private college or private colleges, and that undertakes the financing of a project for the exclusive use and benefit of one or more of the affiliated private colleges.
 - (B) A private nonprofit research organization affiliated with one or more private colleges, as defined in paragraph (1), and engaged in basic research and advanced education at the predoctoral and postdoctoral levels.