



Bureau for Private Postsecondary Education
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Bureau for Private Postsecondary Education
Notice of Advisory Committee Meeting and Agenda

Wednesday, May 17, 2017, at 9:30 a.m.
Department of Consumer Affairs
Hearing Room
1625 North Market Blvd., Sacramento, CA 95834

The Bureau plans to webcast this meeting on its website. Webcast availability cannot, however, be guaranteed due to limitations on resources or technical difficulties that may arise. If you wish to participate or to have a guaranteed opportunity to observe, please plan to attend at the physical location. To view the Advisory Committee meeting webcast, please visit the following link: <https://thedcapage.wordpress.com/webcasts/>.

Agenda

The public may provide appropriate comment on any issue before the Advisory Committee at the time the item is discussed. If public comment is not specifically requested, members of the public should feel free to request an opportunity to comment.

1. Welcome, Introductions and Establishment of a Quorum
2. Public Comment on Items not on the Agenda (Note: The Committee may not discuss or take action on any matter raised during this public comment section, except to decide whether to place the matter on the agenda of a future meeting (Government Code Sections 11125 and 11125.7(a))
3. Review and Approval of February 15, 2017, Advisory Committee Meeting Minutes
4. Remarks by Representative of the Department of Consumer Affairs, which may include updates pertaining to the Bureau's Operations, Human Resources, Department's Administrative Services, Enforcement, Information Technology, Communications and Outreach, as well as Regulatory and Policy Matters.
5. Bureau Operations Update and Discussion related to the following:
 - a. Enforcement Report – Yvette Johnson
 - b. Compliance Report – Beth Scott
 - c. Licensing Report – Robert Bayles
 - d. Student Tuition Recovery Fund (STRF) and Student Outreach – Leeza Rifredi
6. Informational Report on the Status of Accrediting Council for Independent Colleges and Schools' (ACICS) Recognition by the Department of Education – Joanne Wenzel

7. Presentation on Annual Fees pursuant to California Education Code (CEC) section 94930.5 and the Status of the Bureau's Fund Condition – Leeza Rifredi
8. Status Updates related to the following Previously Noticed Regulations:
 - a. Student Tuition Recovery Fund (Title 5, California Code of Regulations (CCR) Sections 76000, 76020, 76120, 76130, 76200, 76210, 76212, and 76215)
 - b. Compliance Inspection and Complaint Prioritization (Title 5, CCR Sections 75200 (proposed changes), 75210 and 75300 (new))
 - c. Application Processing Goals and Timelines pursuant to CEC section 94888(b)(2)(Title 5, CCR Section 71400 (proposed changes))
9. Discussion and Consideration of Draft Regulatory Language regarding Registration for Out-of-State Private Postsecondary Educational Institutions (CEC sections 94850.5 and 94801.5)
10. Discussion and Consideration of Draft Regulatory Language regarding English as a Second Language Programs (Title 5, CCR, Chapter 1, Section 70000 (k))
11. Discussion and Consideration of Draft Regulatory Language for the Application For Verification of Exempt Status (CEC Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5); Title 5, CCR Section 71395)
12. Future Agenda Items
13. Adjournment

Notice to the Public

All times are approximate and subject to change. The meeting may be cancelled without notice. A lunch break will be taken at a time determined by the Advisory Committee members. Action may be taken on any item on the agenda. Public comments will be taken on agenda items at the time the item is heard. Total time allocated for public comment may be limited. Agenda items may be taken out of order.

This meeting facility is accessible to the physically disabled. A person who needs a disability-related accommodation or modifications in order to participate in the meeting may make a request by contacting Richie Barnard at (916) 431-6930 or, for the hearing impaired, TDD (800) 326-2297; or by sending a written request to the Bureau at P.O. Box 980818, W. Sacramento, California 95798-0818, Attention: Richie Barnard. Providing at least five working days' notice before the meeting will help ensure the availability of accommodations or modifications.

Interested parties should call the Bureau at (916) 431-6959 to confirm the date and specific meeting site of any Advisory Committee meeting or access the Bureau's website at <http://www.bppe.ca.gov>. Requests for further information should be directed to Richie Barnard at (916) 431-6930.

WELCOME, INTRODUCTIONS AND ESTABLISHMENT OF A QUORUM

Committee Member Roster

Katherine Lee-Carey, Chair

- Institutional Representative (Appointed by DCA Director)

Margaret Reiter, Vice-Chair

- Consumer Advocate (Appointed by Senate Committee on Rules)

Diana Amaya

- Public Member (Appointed by Senate Committee on Rules)

Tamika Butler

- Public Member (Appointed by Speaker of the Assembly)

Joseph Holt

- Institutional Representative (Appointed by DCA Director)

Gabrielle Elise Jimenez

- Past Student of an Institution (Appointed by DCA Director)

David Vice

- Institutional Representative (Appointed by DCA Director)

Assemblymember Jose Medina

- Non-Voting, Ex Officio Member (Appointed by Speaker of the Assembly)

Senator Jerry Hill

- Non-Voting, Ex Officio Member (Appointed by the Senate Committee on Rules)

Agenda Item 2

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

(Note: The Committee may not discuss or take action on any matter raised during this public comment section, except to decide whether to place the matter on the agenda of a future meeting (Government Code Sections 11125 and 11125.7(a).)

Agenda Item 3

**REVIEW AND APPROVAL OF FEBRUARY 15, 2017, ADVISORY COMMITTEE
MEETING MINUTES**

ATTACHMENT:

Advisory Committee Draft Meeting Minutes from February 15, 2017



Business, Consumer Services and Housing Agency— Governor Edmund G. Brown Jr.

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**Advisory Committee Meeting Minutes
Wednesday, February 15, 2017**

**Department of Consumer Affairs
First Floor Hearing Room
1747 North Market Blvd.
Sacramento, CA 95834**

Advisory Committee Members in Attendance

1. Diana Amaya
2. Joseph Holt
3. Gabrielle Elise Jimenez
4. Katherine Lee-Carey
5. Margaret Reiter
6. David Vice

Committee Members Absent

Tamika Butler
Assemblymember Jose Medina
Senator Jerry Hill

Bureau for Private Postsecondary Education (“Bureau”/“BPPE”) and DCA Staff in Attendance

Joanne Wenzel, Bureau Chief
Leeza Rifredi, Deputy Bureau Chief
Beth Scott, Enforcement Chief
Jeffrey Mason, Chief Deputy Director, Department of Consumer Affairs
Norine Marks, Legal Counsel, Department of Consumer Affairs
Mina Hamilton, Legal Counsel, Department of Consumer Affairs
Phuong Thach, Enforcement Manager
Richie Barnard, Program Analyst
Kent Gray, Legislative/Regulatory Analyst

Agenda #1 - Welcome, Introductions, and Establishment of a Quorum

BPPE Advisory Committee Vice-Chair Margaret Reiter called the meeting to order at 9:43 A.M. Ms. Reiter welcomed the Advisory Committee, BPPE Staff, DCA Staff, and the public to the meeting. BPPE staff member Richie Barnard called rolled. Six Advisory Committee members were present, thus a quorum was established.

Agenda #2 - Election of Advisory Committee Chair and Vice Chair by Committee Members

Ms. Reiter asked the Committee for nominations for Committee Chair. David Vice nominated Katherine Lee-Carey for Chair. Diana Amaya nominated Ms. Reiter for Chair. The following members voted in favor of Ms. Lee-Carey for Chair: Joseph Holt, Gabrielle Elise Jimenez, Katherine Lee-Carey, and David Vice. Ms. Amaya voted in favor of Ms. Reiter for Chair. Ms. Lee-Carey won Chair by majority vote.

Ms. Lee-Carey assumed the Chair position. She asked the Committee for Vice Chair nominations. David Vice nominated Ms. Reiter for Vice Chair. No other members were nominated. The following members voted in favor of Ms. Reiter for Vice Chair: Mr. Holt, Ms. Jimenez, Mr. Vice, and Ms. Amaya. Ms. Reiter won Vice-Chair by majority vote.

Agenda #3 - Announcement of Future Meeting Dates

Joanne Wenzel, Bureau Chief, announced the following future BPPE Advisory Committee meeting dates: May 17, 2017; August 15, 2017; and November 15, 2017. Ms. Wenzel noted that all of the announced dates will be held in the Hearing Room at 1625 North Market Blvd. in Sacramento.

Ms. Wenzel stated that there are two open positions on the Advisory Committee, namely one for a past [or current] student of a [private postsecondary] institution, and the other for a consumer advocate.

There was no public comment.

Agenda #4 - Public Comment on Items not on the Agenda

The Chair announced the agenda item. There was no public comment.

Agenda #5 - Review and Approval of May 17, 2016, Advisory Committee Meeting Minutes

Ms. Reiter moved to approve the minutes; Joseph Holt seconded the motion. (Ms. Reiter: Aye; David Vice: Aye; Diana Amaya: Aye; Mr. Holt: Aye; Gabrielle Jimenez: Aye; Ms. Lee-Carey: Aye). The motion passed.

Agenda #6 - Remarks by Representative of the Department of Consumer Affairs

DCA Chief Deputy Director Jeffrey Mason provided remarks on behalf of the Department of Consumer Affairs. Mr. Mason thanked the Committee members for their commitment and public service.

Mr. Mason stated that the DCA executive team is working with the Bureau to establish the Office of Student Assistance and Relief, per Senate Bill No. 1192, Private postsecondary education: California Private Postsecondary Education Act of 2009.

Mr. Mason noted the Bureau is currently working on mapping out its processes and procedures for the transition to a new IT solution. He stated that once the processes and procedures are mapped out then DCA will determine what the best IT solution will be for the Bureau. He stated that many DCA boards and bureaus are on BreZE, but the Bureau's processes and procedures will ultimately determine what IT system is implemented.

Mr. Mason discussed the current situation with Accrediting Council for Independent Colleges and Schools' (ACICS) loss of recognition by the Department of Education. He stated that it is important for DCA and the Bureau to continually reach out to impacted institutions and students to relay pertinent information and options. He added that DCA continues to monitor the situation at the federal level.

Mr. Mason indicated that with all the recent school closings, including ITT, the Bureau has had a positive impact on students through outreach activities. He noted that the Bureau has been helpful by informing students of their rights, recovery options, and directing them where to go for additional help. He added that the Bureau's devotion to the students is evident.

Mr. Mason asked the Committee if they had any questions. Ms. Reiter asked if the Office of Student Assistance Relief (OSAR) positions were open. Ms. Wenzel replied that the positions are currently not open. She continued that the positions are currently going through review by the California Department of Human Resources (CalHR). She added that the OSAR positions have not been funded, but the funding would be included in the Governor's budget, which is up for approval in July 2017. Ms. Wenzel concluded that OSAR needs to be functioning by July 1, 2017 and positions would need to be filled as soon as CalHR approves the positions. Mr. Mason added that creating new positions require a very specific process, and he expects for those positions to be approved by CalHR soon.

Ms. Reiter noted that the Bureau has been waiting 7 years for an updated IT solution. She asked Mr. Mason what the Committee or Bureau could do to get an updated IT system. Mr. Mason reiterated that in order to achieve the most effective IT solution, it is important to entirely map out business processes and procedures first. Ms. Reiter requested that a timeline on the launch of a new IT solution be available at the next Committee meeting.

Ms. Reiter noted that she believed the Bureau's notice to students regarding the ACICS situation had some deficiencies.

Agenda #7 - Bureau Operations Update

Enforcement Report:

BPPE Enforcement Chief Beth Scott provided an update on the compliance unit. She noted that the Bureau completed 168 compliance inspections in calendar year 2015 and completed 166 in calendar year 2016. She stated that one of her main focuses is developing and implementing a comprehensive training program for inspectors. She added that the unit will be working to increase the number and quality of compliance inspections.

Ms. Scott pointed out that the Bureau is working with the Office of Information Services (OIS) to generate a compliance prioritization report that will highlight institutions with the most pressing risk factors. She added that the unit is currently reviewing and mapping out all of the business processes and procedures for the upcoming IT system update. She stated that the unit is exploring alternative methods to administering student surveys in order to reach more students to gain additional input.

Ms. Scott asked the Committee if there were any questions or comments. Ms. Lee-Carey asked how the student surveys are currently being administered. Ms. Scott explained that prior to compliance inspections the unit will reach out to students via email, and that the inspector will administer paper surveys to students at the institution in conjunction with the compliance inspection.

Mr. Holt asked for additional information on the training program for the inspectors. Ms. Scott replied that the goal is to implement a structured academy type training program. She added that the program for new inspectors would focus on rules and regulations, minimum operating standards, and the appropriate items to investigate during an inspection. She explained that part of the intent is to automate some of the processes involved in the inspections to increase efficiency. She concluded that one of the main goals would be for inspectors to work with institutions prior to inspections to resolve concerns that could result in a notice to comply. Mr. Holt asked if there was a timeline for the training program to be implemented. Ms. Scott replied that as new inspectors are hired in the next 6 to 8 weeks there will be a functioning training program in place, but added that the program will be continually improved upon.

Ms. Reiter asked Ms. Scott how close the unit is to meeting the statutory required number of inspections within a 5 year period. Ms. Scott explained that the unit has started streamlining processes and restructuring positions within the unit to increase efficiency. She added that the unit will be hiring personal at the Staff Services Analyst classification to handle less complex inspections, which will give the Associate Governmental Program Analysts more time to complete more complex inspections. She stated that the unit has started to work more with the Annual Reporting unit to help ensure institutions are meeting minimum operating

standards, which should result in fewer compliance issues. She concluded that the unit has been very proactive in encouraging institutions to attend the workshops provided by BPPE in order to reduce the amount of compliance issues encountered during the inspections.

Ms. Reiter stated her interest in seeing the Bureau discover issues with schools that are violating the law prior to the issue escalating further, especially concerning misrepresentations of job placement data and the transferability of credits. Ms. Scott responded that the Bureau is striving to take a proactive approach in addressing issues prior to them escalating.

Mr. Vice asked Ms. Scott if the 166 compliance inspections conducted in 2016 were split evenly between announced and unannounced. Ms. Scott replied that the inspections were roughly evenly split between announced and unannounced. Mr. Vice asked if the compliance unit, due to ACICS losing recognition by the Department of Education, put more focus on ACICS accredited institutions. Ms. Scott confirmed that the unit had put additional focus on ACICS institutions. Mr. Vice asked if there were any distinctive trends found in the ACICS institutions. Ms. Scott replied that she was not aware of any trends.

Ms. Lee-Carey commented to Ms. Scott, in regards to training, that one aspect to focus on is consistency. Ms. Lee-Carey elaborated that one of the challenges that institutions face during inspections are the inconsistencies between what desk investigators report versus what the onsite investigators report. Ms. Lee-Carey asked Ms. Scott if the pre-visit auditing type activities have been combined with the onsite activities to fall under the same investigator. Ms. Scott clarified that currently the desk inspection activities are generally handled by the same person who conducts the onsite investigation. Ms. Lee-Carey added that another challenge for institutions is that inspectors sometimes lack knowledge of how an institution operates. She suggested offering inspectors training on how institutions operate to include the different departmental responsibilities throughout the institution. Ms. Lee-Carey added that perhaps institutions could assist with that aspect of training and provide information on what issues are commonly encountered during the inspections. Ms. Reiter added that it could also be helpful to include student advocates in the training process to relay common issues students encounter.

BPPE Enforcement Manager Phuong Thach provided an update on the complaints investigation unit. Ms. Thach reported that the Bureau received 921 complaints in 2016 and closed 1011 complaints. She stated that 10% more complaints were closed than received, and that there was a 25% increase in closures compared to 2015. She continued that, as of December 31, 2016, the Bureau had 964 pending complaints with 37% of the complaints being internally generated. She noted that in 2015 the average age for a complaint case was 503 days, and in 2016 the case age was reduced by 5% to 478 days.

Ms. Thach reported that 27% of complaints received in 2016 were in the "fraud-other" category. She added that "fraud-other" includes allegations of inaccurate, falsified, or missing records, and the selling of hours. Ms. Lee-Carey asked what is selling of hours. Ms. Thach explained that selling of hours refers to an institution selling a certificate or degree without

requiring the student to do work. Ms. Thach continued that 18% of the complaints received pertained to unapproved institutions, and 9% regarded quality of education issues. She noted that 6% of the complaints were in regards to refunds, and 6% pertained to irregularities in the admission process.

Mr. Vice asked how many of the complaints received in 2016 were from unique individuals. Ms. Wenzel explained that the complaints reported are broken in to internally or externally generated. Ms. Thach added that each external complaint reported came from a different individual.

Mr. Holt asked for more information about the “fraud-other” category in the complaint report. Ms. Thach explained that the Bureau’s IT system only allows for 23 different categories of complaint types. She noted that the Bureau submitted a request to OIS to add more specific categories of allegations into the IT system.

Mr. Holt asked what type of complaints take over 500 days to resolve. Ms. Thach explained that some of the complaints involve other agencies which can extend the case age. Ms. Wenzel explained that the Bureau has been under staffed, which created an extensive backlog. She added that the Bureau has more staff now, and both older and newer complaints are being resolved. She also pointed out that any complaint that involves the attorney general’s office or sworn peace officers increases the case age. Ms. Reiter asked if there is a reason the case age report does not indicate the time when complaints are held up with other agencies. Ms. Wenzel explained that the reports follow a standardized format based on DCA reporting guidelines. Ms. Reiter noted that it could be constructive to include in the report how long complaints are with other agencies.

Mr. Vice asked if the type of institution, such as accredited or unaccredited, is tracked in complaint reporting. Ms. Thach stated that accreditation is not considered. She continued that the type of allegation is more of a priority. Ms. Wenzel added the Bureau is focused on the potential of student harm.

Ms. Reiter asked, in regards to closed complaints, what the difference is between not substantiated/unsubstantiated and not substantiated/insufficient evidence. Ms. Thach explained that not substantiated/unsubstantiated is when the evidence obtained during an investigation does not support the allegation or indicate a violation. She continued that not substantiated/insufficient evidence is when the evidence collected is not sufficient or not complete enough to confirm a violation.

Mr. Vice reiterated that the Bureau consider the different types of institutions when tracking complaints received. He stated that if different institutions accredited by one particular agency begin receiving a large number of complaints, then it could be constructive to track that information to identify trends. Ms. Wenzel asked Mr. Vice the types of institutions he would like to see tracked. Mr. Vice stated that, in addition to the accreditor of an institution, the different categorical types could include accredited/unaccredited/accreditation pending;

approved/unapproved; exempt/non-exempt; length of operation; and number of sites. He continued that part of the reasoning to track accredited versus unaccredited is to see which type of institution is taking up more of the Bureau's resources. He stated that could be a factor in determining how to allocate fees.

Report on BPPE Strategic Plan:

Ms. Wenzel provided a report on the Bureau's strategic plan. She referred to page 7 of the Strategic Plan and named off the following goal areas: licensing, complaints, discipline, compliance, quality of education, regulations and legislation, outreach and consumer education, and organizational effectiveness. She explained that under each goal area there are more specific goals listed. She continued that each unit within the Bureau has analyzed the goals to generate objectives to meet the goals. She concluded that the Bureau actively revisits the plan to track progress.

Ms. Reiter stated her belief that the points in the plan are too broad to provide any input.

Licensing Report:

Deputy Bureau Chief Leeza Rifredi provided a report on licensing. She reported that since July 1, 2016 the Bureau has received 446 applications. She continued that there are 294 applications currently under review by staff and a total of 385 pending applications. She stated that 479 applications were closed with an average approval time of 115 days. She added that on July 1, 2016 there were a total of 423 pending applications, and as of January 1, 2017 there were 385 pending applications; resulting in a 9% reduction in pending applications. She concluded that in the previous fiscal year pending applications were reduced by 40%.

Mr. Vice asked how long it takes for an application to get assigned to an analyst. Ms. Rifredi pointed out that the oldest full approval application that is still pending assignment is from February 22, 2016. She stated that it can take up to a year. She added, however, that staff is working older and newer applications simultaneously. Ms. Lee-Carey stated that a year is a long time to be pending assignment, and asked why it takes so long. Ms. Rifredi pointed out that if applications are received incomplete, then institutions are given up to a year to submit a complete application. Ms. Lee-Carey suggested tracking and reporting how many applications pending assignment are incomplete. Mr. Holt added that, regarding the length of time applications are pending assignment, it would be helpful to distinguish whether administrative non-performance is due to the institution or the Bureau.

Student Tuition Recovery Fund (STRF) Report:

Ms. Rifredi provided a report on STRF and student outreach. She reported that since July 1, 2016 the Bureau has received 465 STRF claims. She added that 132 claims have been paid at an amount of \$502,577.00. She continued that 60 claims were deemed ineligible and 43 were denied. She pointed out that ineligible could mean that the claimant was either not a California

resident or the institution in the claim was not closed. She stated that the claims that are denied could be due to incomplete applications, no proof of attendance, or no economic loss.

Ms. Rifredi continued that 404 claims are currently being reviewed, 215 claims are pending additional information from the student, and 132 claims have been sent to the State Controller's Office for payment. She noted that there are a total of 751 active claims. She added that, of the 132 claims that have been processed for payment, 13 were for Corinthian students and totaled \$14, 394.83. She concluded that 6 Corinthian student claims were deemed ineligible, 4 were denied, and 12 new claims were received.

Mr. Vice asked how long it typically takes to process a STRF claim. Ms. Rifredi estimated that it can take between 60 to 90 days.

Ms. Reiter asked, in regards to the claims that are pending additional information, if the information needed is requested in the application or is it additional information that is not requested in the application. Ms. Rifredi responded that it is generally missing information that was originally requested in the application. She added that it could be pending the outcome of a loan discharge, or it could be insufficient evidence of the economic loss claimed.

Ms. Reiter asked if the number of claims coming from Corinthian students were low due to the students having their loans discharged. Ms. Rifredi confirmed that many of the Corinthian students had their loans discharged. Ms. Lee-Carey asked if the Bureau is expecting an increase in claims filed by Corinthian students due to the changes in Senate Bill No. 1192 (changes to the California Private Postsecondary Education Act of 2009). Ms. Rifredi responded there is an expected increase due to the inclusion of Heald College students. She noted that the Bureau has reached out to Heald students who have previously denied claims and will be reaching out to other Heald students regarding the change in STRF eligibility. Ms. Wenzel added that the Bureau is preparing to reach out to all Corinthian students to include Everest, Heald, and WyoTech.

Ms. Lee-Carey asked how much money is currently in STRF. Ms. Rifredi reported that there is currently 27.5 million dollars in STRF.

Student Outreach Report:

Ms. Rifredi reported that the Bureau attended the following events: in July 2016 the Chicano Latino Expo in Sacramento; in August 2016 the Chicano Latino Youth Leadership Expo in Los Angeles; in October 2016 the SoCal College Fair in Pomona; in October 2016 the Latino College Expo in Montebello; in October 2016 the Tru Hope Youth Summit & College /Career Fair in Stockton; and in November 2016 the Cash for College Expo in Los Angeles. She pointed out that with the establishment of OSAR, to expect the Bureau to participate in many more outreach events for current and prospective students.

Ms. Reiter asked whether any of the outreach events listed included outreach to the schools that closed. Ms. Rifredi responded that the events listed do not include closed schools. Ms. Wenzel added that the Bureau deployed staff to every school closure, including multiple locations for the closure of ITT Technical Institute.

Ms. Rifredi reported that as of January 2017 the Bureau has received 7,381 transcript requests for Corinthian students. She noted that 429 Corinthian student transcripts were not found due to the student attending a non-degree program prior to 2000; the school campus not being located in California; or the Bureau not being the custodian of the transcript.

Ms. Reiter asked how the Bureau handles a request for a transcript when the campus is not located in California. Ms. Rifredi stated the Bureau directs the student to the agency located in the same state as the campus or provides any other information the Bureau has on the custodian of the transcript.

Public Comment:

Robert Johnson representing California Association of Private Postsecondary Schools (CAPPS) provided public comment. Mr. Johnson stated that there have been instances when institutions received contradictory information from separate units of the Bureau regarding compliance issues.

Mr. Johnson asked the Committee which department has the final say on compliance issues. Ms. Wenzel responded that the Enforcement unit makes the final determination on matters regarding compliance. Mr. Johnson stated that there seems to be an issue with interpretation of statutes and regulations from one unit to another. He continued that the approval unit may say one thing, while the enforcement unit says something different. Ms. Wenzel stated that the best course of action would be for the institution to ask for input from management in that unit regarding issues of interpretation. Ms. Wenzel added that one of the greatest challenges for the Bureau is consistency in the application of statutes and regulations.

Mr. Johnson explained a scenario where an applicant sends in additional information based upon request from the Bureau, but never receives a response back on whether the additional information met the requirements of the request. He asked if there is a letter that is generated for these types of instances. Ms. Wenzel explained that there are three types of letters that may be sent to an institution. She stated if the initial application is missing information, then an incomplete application letter will be sent letting the institution know what information was not included. She continued that upon further review by a licensing analyst there may be a deficiency letter sent out, or the analyst may call the institution to request additional information. She added that the licensing analyst will only send one deficiency letter to the institution. She continued that when the application moves on to the Bureau's quality of education unit, then the analyst in quality of education may also send a deficiency letter asking for additional information. She concluded that, following those steps, if an applicant is denied, then a denial letter will be sent out.

Mr. Johnson reiterated that the licensing unit could find something deficient that another unit may not find deficient. Ms. Rifredi responded that the licensing unit will only send one deficiency letter. She continued that if the institution still has deficiencies after responding to the deficiency letter the licensing unit sent, then the application still moves on to the quality of education unit. She stated that the quality of education analyst will include the deficiencies carried over from the licensing unit in the deficiency letter that goes out from the quality of education unit. She added that the quality of education unit may discover deficiencies that are specific to quality of education and will include those deficiencies in the letter.

Ms. Wenzel stated that deficiencies included in a letter sent out by the quality of education unit are not necessarily contradictory or new, but may have been unresolved while in the licensing unit and then carried over with the application. She added that in the past the Bureau sent additional deficiency letters, which resulted in a longer application process. She explained that if an analyst is continually sending deficiency letters to an institution, then that analyst will not have as much time to work on additional applications from other institutions. Ms. Wenzel concluded that the Bureau is always looking for ways to improve processes.

Mr. Johnson commented on transcript retention. He stated that California needs a repository for student transcripts. Ms. Reiter asked Mr. Johnson if his organization has conducted research on what a repository would cost, and what fees institutions could potentially pay to cover the cost of a repository. Mr. Johnson responded that, with the advancements and cost reductions in digital storage, it would cost much less now than when transcripts needed to be stored in a large warehouse. Ms. Wenzel noted that the Bureau has increasingly taken on the role of retaining student transcripts for students.

Mr. Johnson stated that his organization looked at the cost of running a transcript repository. He pointed out that an independent non-profit organization would not have the statutory authority needed to mandate the use of a repository. He continued noting that direction from legislation would be required for a non-governmental entity to effectively run a transcript repository.

Agenda #8 - Informational Report on the Status of Accrediting Council for Independent Colleges and Schools' (ACICS) Recognition by the Department of Education

Ms. Wenzel provided a report on ACICS. She explained that on June 23, 2016, the National Advisory Committee on Institutional Quality and Integrity (NACIQI) recommend to the Department of Education that ACICS re-recognition be denied. She continued that on July 1, 2016, the Bureau contacted 64 institutions that were approved by means of accreditation with ACICS to alert the institutions of the situation and to invite them to attend a stakeholder meeting on July 14, 2016. She added that at the stakeholder meeting she talked about an institution's status of approval to operate should the Department of Education end recognition of ACICS. She stated that institutions will retain approval with the Bureau until the Bureau takes

an action to remove their approval to operate. She added that it is possible emergency actions could be taken if the Bureau believes there is immediate harm to students. She noted that at the stakeholder meeting resolutions were discussed to deal with the immediate situation and to offer institutions ways to reduce risk. She concluded that institutions were advised to apply for “full” approval (approval for institutions not accredited).

Ms. Wenzel stated that on July 26, 2016, the Bureau sent letters to students of ACICS institutions. She added that the letter explained what was happening with ACICS, and encouraged students to speak with their institution regarding their institution’s plan in the event ACICS loses recognition by the Department of Education. She added that the letter included links to the Department of Education that explained the issues and accusations pertaining to ACICS. She pointed out that students were informed the actions being taken against ACICS were not a direct reflection of their institution.

Ms. Wenzel explained that on September 22, 2016, the Department of Education accepted the recommendation of Department staff and NACIQI to deny renewal of recognition. She added that on September 22, 2016, the Bureau sent letters to institutions requesting information on their plan of action in response to ACICS’s situation and requested current student rosters. She continued that on October 3, 2016, a letter was sent to students advising them of the ongoing situation with ACICS and urging them again to speak to their institution.

Ms. Wenzel stated that on October 21, 2016, ACICS appealed the decision, and they remained recognized until a final action on the appeal was taken. She continued that on December 22, 2016, the Secretary of Education upheld the decision of the Department of Education and recognition of ACICS ceased. She noted that institutions with Title IV were given 18 months to find new accreditation.

Ms. Wenzel reported that the vast majority of ACICS institutions applied for full approval with the Bureau. She added that the Bureau has been in the process of drafting and prioritizing actions against institutions based on non-compliance and potential student harm.

Ms. Wenzel explained that ACICS filed suit in a D.C. court but was denied a temporary restraining order to reverse the non-recognition decision on December 21, 2016. She added that a hearing on the issuance of a preliminary injunction order will be held on February 21, 2017.

Ms. Reiter commented about the student letter that the students needed a bit more factual information regarding the reason for the Department’s decision as well as student options like transferring. She also noted that the Court has allowed Attorney Generals to intervene if there is any settlement agreement.

Mr. Holt asked if the Bureau has received the information from institutions that was requested in the letters that were sent by the Bureau. Mr. Barnard replied that the majority of institutions have provided the information that was requested. Mr. Holt asked if the Bureau was satisfied

with the information received or if there are concerns regarding institutions that have not provided the requested information. Ms. Wenzel replied that the Bureau has concerns and is taking appropriate action.

There was no public comment.

Agenda #9 - Summary of Major Provisions in Senate Bill No. 1192: Changes to the California Private Postsecondary Education Act of 2009

Ms. Wenzel reported on the major provisions in Senate Bill No. 1192. She referred to Attachment 9A (December 6, 2016, letter to institutions regarding changes to SB 1192) in the meeting materials and outlined the major provisions.

Public Comment:

Mr. Johnson made a comment regarding the fee increases set forth by Senate Bill No. 1192. Mr. Johnson stated that his organization was able to demonstrate with some evidence that the fees proposed by the new bill will exceed Bureau needs. He suggested that moving forward the Bureau should assist with reassessing fees to ensure it is not exceeding its needs. He expressed that his organization does not think the Bureau should over fund. He stated that his organization aims to resolve fee disagreements between the Bureau and institutions before it becomes a legislative dispute. He continued that increased fees ultimately result in the students paying more for their education. He concluded that the Bureau should continually monitor the fee structure.

Ms. Wenzel responded that the Bureau is monitoring and tracking fees. She added that the fees are being tracked based on school code to include data from main and branch campuses. She noted that the new fee structure became effective in January 2017, and the Bureau will continue to track the fee data moving forward. Mr. Johnson pointed out the importance of tracking branch fees because the fee structure for branches changed significantly.

Agenda #10 - Review of Requirements in the Bagley-Keene Open Meeting Act (Government Code Section 11120 et seq.)

Bureau Legal Counsel Mina Hamilton and Norine Marks provided a presentation on the Bagley-Keene Open Meeting Act. Ms. Hamilton stated that members, as individuals and/or as a group, of the Committee are responsible for adhering to the Bagley-Keene Open Meeting Act. She summarized the Act explaining that its primary purpose is to ensure all Committee activities are open to the public. She added that a knowing violation of the Act is a misdemeanor and can result in a civil lawsuit. She outlined Attachment 10A (Top Ten Rules of the Bagley-Keene Open Meeting Act).

Ms. Reiter asked for clarification regarding having discussions with other members outside of a meeting. Ms. Marks recommended that discussion stay between no more than two members at once to avoid the chance of the discussion reaching a majority of the members.

Mr. Holt asked if there are any restrictions against members getting together if Committee business is not discussed. Ms. Marks explained that it is acceptable as long as there is no discussion on topics that are within the jurisdiction of the Committee.

There was no public comment.

Agenda #11 - Status Updates related to the following Previously Noticed Regulations

Ms. Wenzel provided a status update on previously noticed regulations. She stated that Title 5, CCR Sections 74110 and 74112 (Annual Report, School Performance Fact Sheet Disclosures) were approved on July 14, 2016 and are currently being implemented. Ms. Wenzel added that because the regulations included material changes to the Annual Report and School Performance Fact Sheet, the Bureau has conducted workshops to assist institutions with the changes.

Ms. Wenzel stated that there have been multiple modifications to STRF proposed regulations. She noted that most recently on February 7, 2017, modified language was presented that includes a Spanish language application and other amendments. She added that the comment period ends on February 23, 2017.

Ms. Wenzel explained that Title 5, CCR Sections 75200, 75210, and 75300 (Compliance Inspection and Complaint Prioritization) new and modified regulations will be sent to the Office of Administration Law (OAL) on February 15, 2017. She added that OAL will have 30 days to approve the modifications or suggest changes.

There was no public comment.

Agenda #12 - Discussion of Draft Regulatory Language regarding Registration for Out-of-State Private Postsecondary Educational Institutions (Emergency and Permanent Regulations)

Ms. Lee-Carey led the discussion on the draft regulatory language regarding registration for out-of-state private postsecondary educational institutions. She referenced the draft language in Attachment 12A (Proposed Language to Adopt Section 71396 of Division 7.5 of Title 5 of the California Code of Regulation (CCR) (Application Form; STRF Compliance). She asked the Committee for comments on the proposed language.

Ms. Reiter asked how soon the Bureau anticipated filing the proposed language. Ms. Wenzel replied that the Bureau will be moving forward with the language as soon as possible. She added that [effective July 1, 2017, out-of-state institutions must register with the Bureau]. She

explained that the out-of-state registration application will be processed as an emergency regulation, but the full package will go through the normal regulatory process.

Ms. Lee-Carey asked for clarification on the emergency regulatory process. Bureau Legislative Analyst Kent Gray provided clarification on the emergency process. He explained that once internal approval is obtained from the Department, then there is an advance notice for intent of emergency regulation. He added that there is a 5 day public comment period. He stated that following public comment the emergency package is submitted to OAL, which has 10 business days to process the package. He noted that OAL will continue to accept public comments within the first 5 days of the 10 day period. He explained that following approval by OAL, the emergency regulation will last for 180 days. He added that the emergency regulations can be extended twice for 90 days at a time. He concluded that the permanent regulations for out-of-state registration must be completed by the January 1, 2018 statutory deadline.

The Committee deferred to make a formal recommendation to the Bureau regarding the proposed language for the adoption of Section 71396, 71397, 71398, and 71399 of Division 7.5 of Title 5 of the California Code of Regulation. The Committee agreed that individual Committee members could submit comments during the public comment period on their own behalf.

There was no public comment.

Agenda #13 - Discussion of Draft Regulatory Language regarding English as a Second Language Programs (Title 5, California Code of Regulations, Chapter 1, Section 70000 (k))

Ms. Wenzel provided background on English as a second language (ESL) programs. She explained that ELS programs involve English language learning, the recruitment for students is conducted primarily outside of the United States, and there is no set time frame or specific learning objectives. She added that the programs are not considered vocational because they do not directly lead to employment, and they are not considered academic because they focus only on English as a language. She noted that it is impractical for ESL institutions to complete a performance fact sheet because there are no placement results to be reported. She stated that students of ESL programs are generally not eligible for STRF because they are typically not California residents. She concluded that the current regulatory language does not exempt ESL institutions as it originally intended to do so.

Ms. Reiter pointed out that the proposed language does not exclude ESL institutions that enroll California residents. She explained that, by not excluding institutions that enroll residents of California, there is a possibility institutions that represent job placement could gain exemption. Mr. Vice stated that some institutions offer ESL programs to visa only students, but also offer vocational programs to California residents. Ms. Wenzel stated that the proposed language only pertains to institutions that offer ESL programs exclusively because the Bureau does not deal with program exemptions. She continued that an institution that offers any programs in addition to ESL would not be eligible for exemption under the proposed language.

Ms. Reiter stated that there are often agents that work in foreign countries who recruit students to ESL programs in California. She stated that an agent could make misrepresentations to potential students. She concluded that, in order to gain exemption, an institution should be required to take on liability for the conduct of its recruitment agents. Ms. Wenzel questioned how the Bureau would enforce a provision that deals with activities occurring in a foreign country. Mr. Holt suggested adding language that states that an institution be required to exercise due diligence in monitoring its agents recruitment practices. Mr. Vice stated that the proposed language requires ESL institutions to be accredited, and added that by definition visa students are not allowed to work in the United States. Ms. Reiter clarified that the institution should be required to take liability for any misrepresentation made by the agent.

Ms. Reiter stated that the language should include criteria that states the student may receive a certificate of completion, but shall not receive a diploma or any type of degree upon completion.

Ms. Reiter stated that the language should require institutions to provide an explicit disclaimer to students explaining that the program is strictly recreational and is not intended to lead to job placement or entrance into another educational institution.

Ms. Reiter stated that the portion of the proposed language in CCR 7000 (k)(2)(E-H) should align with standard financial language for the sake of interpretation.

Ms. Reiter stated that the word "offered" in the proposed language in CCR 7000 (k)(3)(B) should be changed to another word like "represent."

Ms. Reiter stated that the Bureau may want to consider including a dollar amount cap in the language. Mr. Vice responded that being overly prescriptive or restrictive in the language could exclude many otherwise suitable institutions from gaining exemption.

Public Comment:

Dr. Raymond Trybus, President of San Diego University of Integrative Studies, provided a comment on the proposed language defining ESL programs. Dr. Trybus stated that his institution strongly opposes the proposed language. He stated that it is unequitable to require institutions that offer ESL programs and vocational programs to go through the approval process required by the Bureau, but not require institutions that only offer ESL programs to go through the same approval process. He also stated that ESL programs require accreditation, which is based on academic standards. He continued that it follows that all ESL institutions should be subject to the approval process through the Bureau because both accreditation and approval deal with academic standards.

Dr. Trybus continued pointing out activities of unregulated ESL institutions. He stated that some institutions fail to generate refunds. He noted instances of recruiting agents misleading

students. He concluded that without the Bureau's oversight the students have no consumer protections.

Dr. Trybus stated that some ESL institutions offer preparation for the Test of English as a Foreign Language (TOEFL). He claimed that preparation for the TOEFL, if not vocational, is at least related to higher education. He concluded that ESL institutions are not purely recreational, but rather prepare students for higher education.

Dr. Trybus noted, in regards to the student performance fact sheets, that the placement numbers may not be relevant, but the program completion numbers are relevant.

Patrick Whalen of Ellison Wilson Advocacy provided a comment on the proposed language defining ESL programs. Mr. Whalen stated that the coalition he represents does not agree that institutions that exclusively offer ESL programs are the same as institutions that offer ESL programs combined with vocational or academic programs. Mr. Whalen characterized the students who attend the institutions in his coalition as those who want a recreational experience that includes a full immersion into the English language. He stated that some students do take the TOEFL or attempt to gain citizenship in the United States, but that is not the core of the students who attend the institutions in his coalition. He added that the focus is on marketing the cultural and tourist aspect, and that recruiting agents are basically travel agents.

Mr. Whalen stated, in regards to the student performance fact sheets, that the program completion rates are difficult to report because students sometimes jump from one program to another without finishing. He added that the fact sheets were intended to regulate vocational or degree granting institutions, while ESL institutions he represents do not offer those types of programs.

Agenda #14 - Discussion of Draft Regulatory Language regarding Application Processing Goals and Timelines pursuant to California Education Code section 94888(b)(2)

Ms. Lee-Carey started the discussion on the draft regulatory language regarding application processing goals and timelines pursuant to California Education Code (CEC) section 94888(b)(2). She summarized the language as requiring the Bureau to notify institutions of an approval within 30 days of the Bureau deeming the application complete and compliant.

Ms. Reiter stated that the drafted language should match CEC section 94887 (Granting Approval to Operate) to say the "applicant has presented sufficient evidence to the Bureau, and the Bureau has independently verified the information provided by the applicant...the applicant has the capacity to satisfy the minimum operating standards."

There was no public comment.

Agenda #15 - General Discussion of Upcoming Rulemaking Packages

Ms. Wenzel provided a status on upcoming rulemaking packages. She explained that the new applications will span multiple rulemaking packages. She noted that the Bureau is working to amend the applications to ensure they are more complete. She added that if any interested parties would like to provide input on the Bureau's applications or minimum operating standards, then the Bureau will work to address any concerns. She concluded that the Bureau is aiming to have proposed language for the applications at the May 15, 2017, BPPE Advisory Committee meeting.

There was no public comment.

Agenda #16 - Future Agenda Items

Ms. Wenzel asked for input from the Committee on future agenda items. Ms. Reiter stated she would like more information on the Bureau's process for issuing and following up with a Notice to Comply. She also stated she would like more information on how the Bureau tracks whether students are getting accurate information in student disclosures.

Public Comment:

Laura Brown with the California Coalition of Accredited Career Schools provided a public comment on future agenda items. She stated that she would like to see an agenda item on the annual fees, in regards to the amount the Bureau has collected and a possible projection on the future intake of fees.

Agenda #17 - Adjournment

Mr. Vice moved to adjourn the meeting; Ms. Amaya seconded. (Ms. Reiter: Aye; Mr. Vice: Aye; Ms. Amaya: Aye; Mr. Holt: Aye; Ms. Jimenez: Aye; Ms. Lee-Carey: Aye). The motion passed. The meeting adjourned at 4:30 p.m.

Agenda Item 4

REMARKS BY REPRESENTATIVE OF THE DEPARTMENT OF CONSUMER AFFAIRS

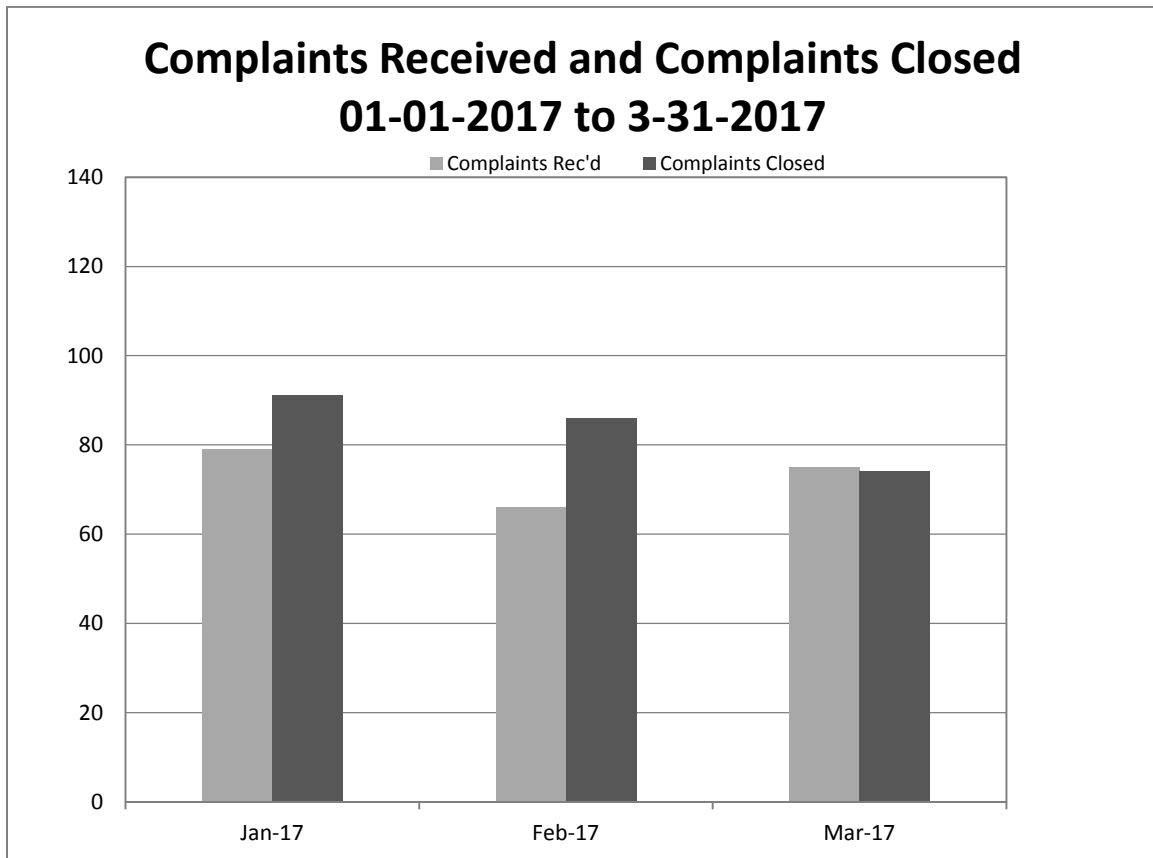
(Note: May include updates pertaining to the Bureau's Operations, Human Resources, Department's Administrative Services, Fees, Enforcement, Information Technology and BreEZe, Communications and Outreach, as well as Regulatory and Policy Matters)

BUREAU OPERATIONS UPDATE RELATED TO THE FOLLOWING:

- a. Enforcement Report – Yvette Johnson**
- b. Compliance Report – Beth Scott**
- c. Licensing Report – Robert Bayles**
- d. Student Tuition Recovery Fund (STRF) and Student Outreach – Leeza Rifredi**

ATTACHMENT:

- A. Enforcement Statistics
- B. Compliance Statistics
- C. Licensing Applications Statistics
- D. Active Student Tuition Recovery Fund Claims

COMPLAINT INVESTIGATIONS STATISTICS**BPPE Advisory Committee Meeting
May 17, 2017**

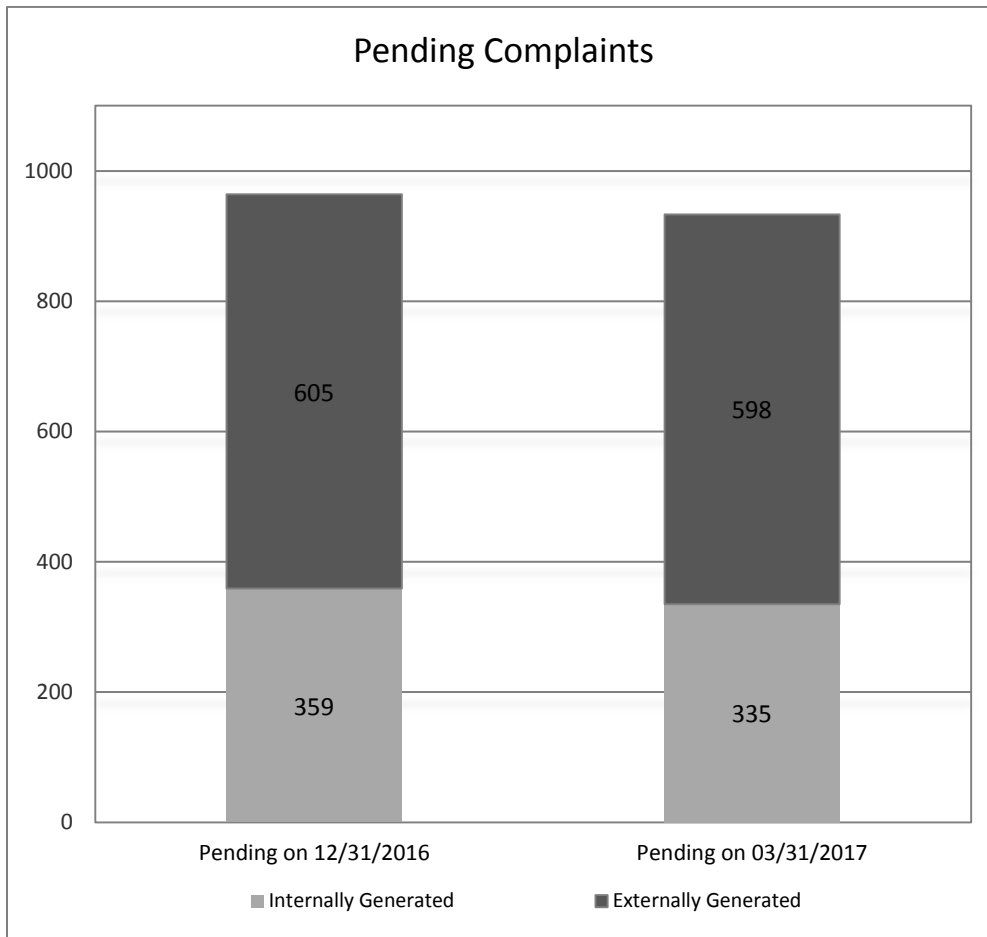
Source: CPEI Monthly Statistical Reports

2017 1st Quarter Summary:

- Received 220 total complaints, an average of 73 complaints per month
- Closed 251 complaints, an average of 84 complaints per month

COMPLAINT INVESTIGATIONS STATISTICS

BPPE Advisory Committee Meeting May 17, 2017



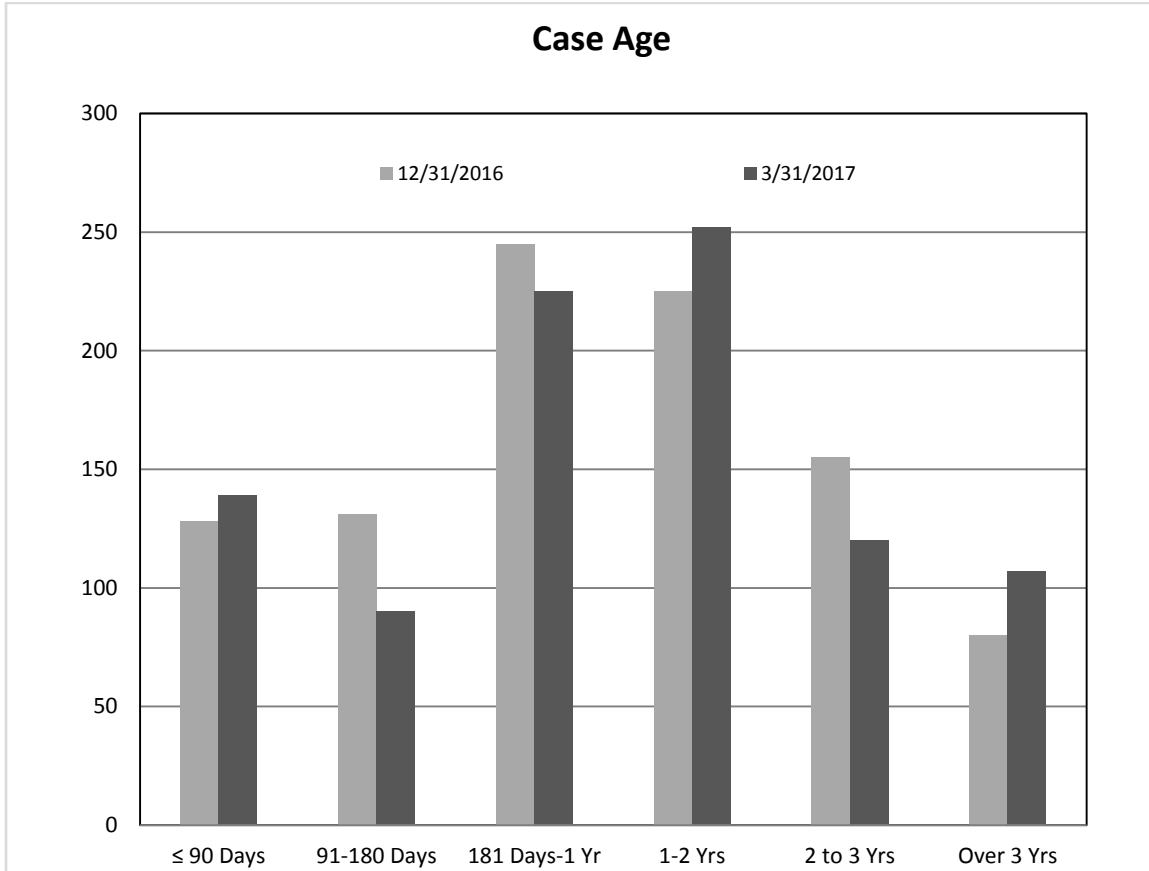
Source: BPPE Complaint Investigations Weekly Statistical Reports

2017 1st Quarter Summary:

- 7% decrease in externally generated complaints.
- 3% decrease in pending complaints.
- External complaints are complaints received from consumers which may be students, their families, other members of the private postsecondary education industry, etc.

COMPLAINT INVESTIGATIONS STATISTICS

BPPE Advisory Committee Meeting May 17, 2017



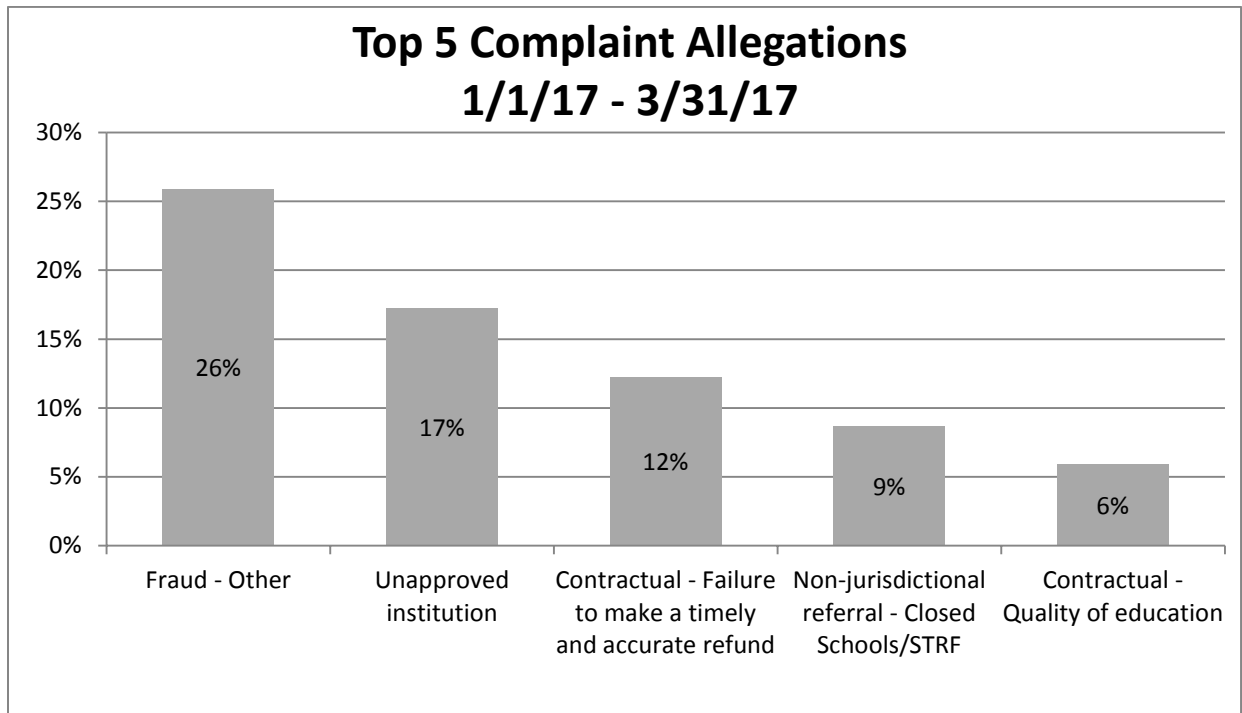
Source: BPPE Complaint Case Tracking Log

Notes:

- The Bureau currently has 5 complaint cases that are pending at/held up by an outside agency.
- On average, it takes the outside agency 442 days to complete a Bureau-referred investigation.

COMPLAINT INVESTIGATIONS STATISTICS

BPPE Advisory Committee Meeting
May 17, 2017



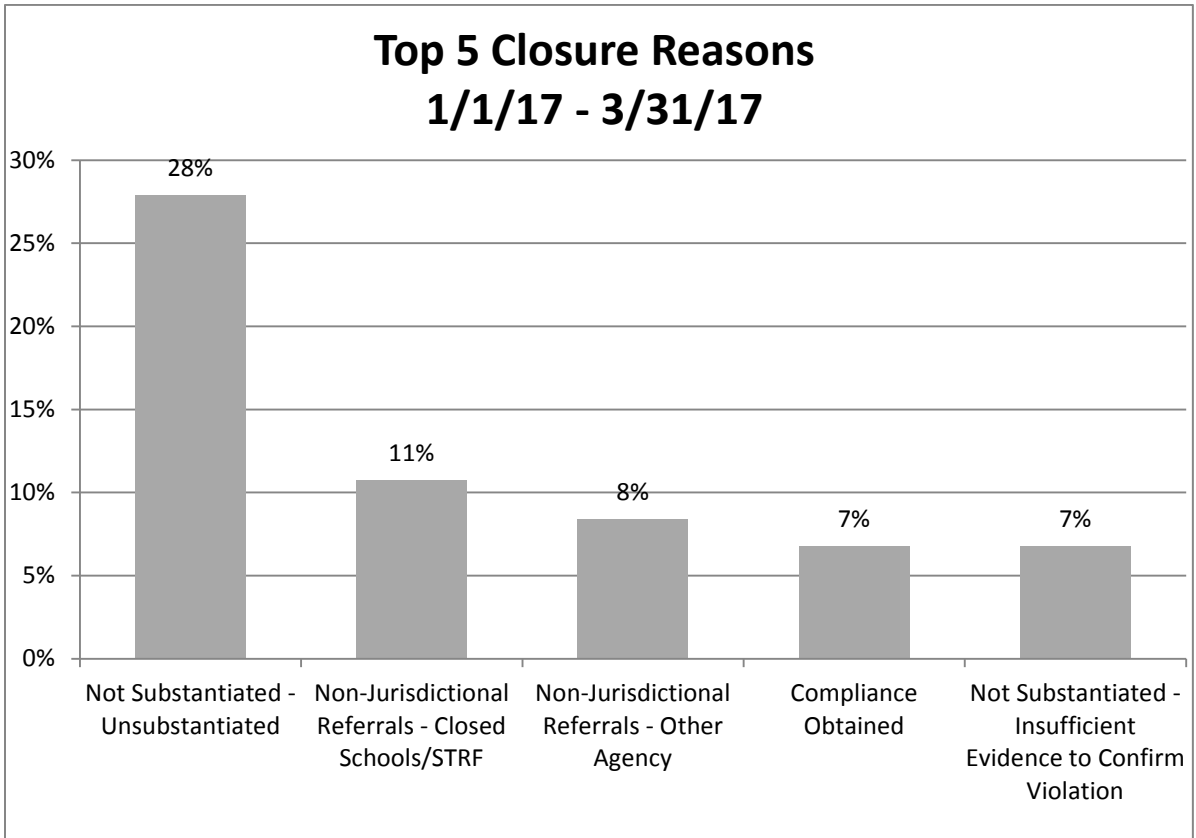
Source: SAIL Enforcement Workload Analysis

Notes:

- “Fraud – Other” category in SAIL serves as a “catch-all” for allegations for which SAIL does not have a specific category.
- The most common allegations under “Fraud – Other” are inaccurate, falsified, or missing records and the selling of hours.
- On 6/14/16, the Complaint Investigations Unit submitted to OIS its recommended list of more specific and accurate allegation categories and closure reason categories.

COMPLAINT INVESTIGATIONS STATISTICS

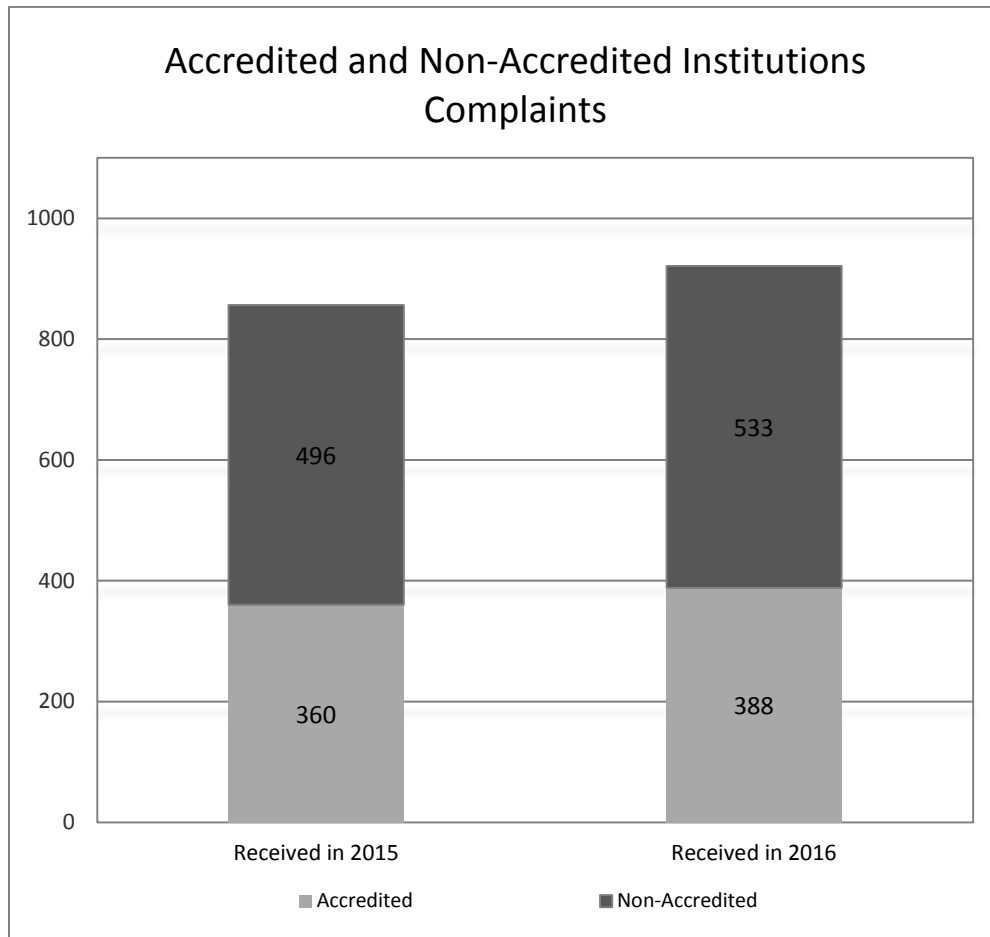
BPPE Advisory Committee Meeting
May 17, 2017



Source: SAIL Enforcement Workload Analysis

COMPLAINT INVESTIGATIONS STATISTICS

BPPE Advisory Committee Meeting May 17, 2017



Source: BPPE Complaint Case Tracking Log

Summary:

- In 2015 and 2016, 42% of the complaints received were against accredited institutions.

Compliance Unit Stats For Calendar Year 2017	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Announced Inspections	11			
Unannounced Inspections	9			
Total Inspections	20			
Notice To Comply Issued	14			
Enforcement Referral Issued	7			

Type Compliance Inspector Activity (Calendar Year)	2011	2012	2013	2014	2015	2016	2017	Historical Total at Sunset Date
Total Compliance Inspections (UCI + ACI) Completed	6	338	167	340	168	166	20	1205
Notice to Comply	1	0	0	135	81	97	14	328
Enforcement Referral	0	0	36	97	102	96	7	338

Key	
Unannounced Compliance Inspection	UCI
Announced Compliance Inspection	ACI

Licensing Applications Status as of April 1, 2017 for Fiscal Year 16/17

Type	Received FY 16/17	Under Review	Pending Assignment (Queue)	Total Assigned & Pending Assignment	Approved	Withdrawn or Abandoned	Denied	Total Closed	Average Days to Approve
Approval	93	67	66	133	45	11	19	75	168
Approval ABMA	53	23	0	23	45	10	2	57	91
Renewal	48	52	34	86	53	17	30	100	312
Renewal AMBA	48	21	0	21	28	7	2	37	94
Sub Changes	112	48	0	48	99	23	6	128	68
Sub Changes ABMA	148	32	0	32	136	17	7	160	48
Exemption	143	16	0	16	90	3	55	148	37
Totals:	645	259	100	359	496	88	121	705	117

* Average Days to Approve is calculated from time assigned to analyst.
 ABMA = Approval By Means of Accreditation

Oldest Approval Pending Assignment: 4/5/2016 Median Date of Total Assigned & Pending Approval Apps = 8/15/2016
 Olderst Renewal Pending Assignment: 4/8/2016 Median Date of Total Assigned & Pending Renewal Apps = 2/5/2016

On 7/1/2016 the total pending applications were: 423	9 months into this fiscal year Licensing reduced the backlog by: 8.5%	44% of Approval Apps Pending Assignment Are Incomplete (29 of 66)
On 1/1/2017 the total pending applications were: 385		68% of Renewal Apps Pending Assignment Are Incomplete (23 of 34)
On 4/1/2017 the total pending applications were: 359		

Institutions Closed During 16/17 Fiscal Year

Total Number of Students at time of Closure: 6049	
Main Locations	47
Branch Locations	15
Satellite Locations	9

Total Number of STRF Claims Received: 412

		Claims:
Top 3:	ITT	255
	Fast Response	71
	Sage College	49
		Students:
Outreach:	ITT	4892
	Fast Response	300
	Sage College	300
	Westech College	176

Transcript Request for 16/17 Fiscal Year

Corinthian Schools	12122
Not Found	1385
All Other Schools	2152
Total Number of Transcript Request: 15,659	
Percentage of Transcripts Not Found 11%	
Reasons:	Non-Degree programs prior to 2000.
	School campus was not located in California.
	BPPE is not the custodian of the transcript.

Student Tuition Recovery Fund Claims

Claims Received During 16/17 Fiscal Year			
731			
Claims Closed during 16/17 Fiscal Year			
Claims Paid	250	Amount:	\$1,045,243
Claims Ineligible	114		
Claims Denied	74		
Current Active Claims Status			
Pending Review			78
Assigned to Analyst First Review			58
Pending Additional Information From Student			186
Sent to State Controller's Office for Payment			54
Total in Process			376

Ineligible Not a CA resident, school not closed
 Denied Incomplete application, no proof of attendance, no economic loss

Current Fund Balance:	\$27,143,000
Historical Fund Balance:	
2012-2013	22,238,000
2013-2014	28,365,000
2014-2015	28,518,000
2015-2016	29,626,000

Large Impact Closures

Fiscal Year 2016/2017					
	Claims Received	Ineligible	Denied	Paid	Refund Amount
ITT	95	21	51	22	\$113,498.82
Heald	10	7	1	1	\$27,251.15
Corinthians	18	8	2	13	\$14,443.33
Total Impact					
	Claims Received	Ineligible	Denied	Paid	Refund Amount
ITT	256	21	51	30	\$149,321.40
Heald	67	34	1	5	\$54,263.71
Corinthians	350	67	61	137	\$513,784.53

Outreach Events Attended in 16/17 Fiscal Year

2016		
July	Sacramento	Chicano Latino Expo
August	Los Angeles	Chicano Latino Youth Leadership Expo
October	Pomona Montebello Stockton	SoCal College Fair Latino College Expo Tru Hope Youth Summit & College/Career Fair
November	Los Angeles	Cash for College Expo
2017		

Agenda Item 6

**INFORMATIONAL REPORT ON THE STATUS OF ACCREDITING COUNCIL FOR
INDEPENDENT COLLEGES AND SCHOOLS' (ACICS) RECOGNITION BY THE
DEPARTMENT OF EDUCATION – JOANNE WENZEL**

Agenda Item 7

**PRESENTATION ON ANNUAL FEES PURSUANT TO CALIFORNIA EDUCATION
CODE (CEC) SECTION 94930.5 AND THE STATUS OF THE BUREAU'S FUND
CONDITION – LEEZA RIFREDI**

STATUS UPDATES RELATED TO THE FOLLOWING PREVIOUSLY NOTICED REGULATIONS:

- a. Student Tuition Recovery Fund (Title 5, California Code of Regulations (CCR) Sections 76000, 76020, 76120, 76130, 76200, 76210, 76212, and 76215)**
- b. Compliance Inspection and Complaint Prioritization (Title 5, CCR Sections 75200 (proposed changes), 75210 and 75300 (new))**
- c. Application Processing Goals and Timelines pursuant to CEC section 94888(b)(2) (Title 5, CCR Section 71400 (proposed changes))**

Agenda Item 9

DISCUSSION AND CONSIDERATION OF DRAFT REGULATORY LANGUAGE REGARDING REGISTRATION FOR OUT-OF-STATE PRIVATE POSTSECONDARY EDUCATIONAL INSTITUTIONS (CEC SECTIONS 94850.5 AND 94801.5)

ATTACHMENT:

- A. Proposed Language to Adopt Article 3.5 of Chapter 2, Division 7.5 of Title 5 of the California Code of Regulations (Application for Registration of Out-of-State Institution)
- B. Application for Registration or Re-Registration of Out of State Institution

**DEPARTMENT OF CONSUMER AFFAIRS
BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**

PROPOSED REGULATION TEXT

The following Articles and Sections are new to the California Code of Regulations.

(1) Adopt Article 3.5 of Chapter 2, Division 7.5 of Title 5 of the California Code of Regulations to read as follows:

Article 3.5. Application for Registration of Out-of-State Institution

(2) Adopt Section 71396 of Division 7.5 of Title 5 of the California Code of Regulation to read as follows:

§71396. Application Form; STRF Compliance.

- (a) An applicant seeking to operate an out-of-state private postsecondary institution as defined in Section 94850.5 of the Code that is required to register with the Bureau pursuant to Section 94801.5 of the Code shall complete the Bureau's Application for Registration or Re-Registration of Out-of-State Institution [Form Application 94801.5 (rev. 1/17)], which is hereby incorporated by reference. An applicant shall submit the completed form, the information and documentation required by Section 94801.5 of the Code, and the registration fee as provided in Section 94930.5 of the Code, to the Bureau.
- (b) An application that fails to contain all the information required by this article shall render it incomplete, and the applicant will not be eligible for registration or re-registration.
- (c) Effective July 1, 2017, even if the institution's application for registration is pending with the Bureau, the institution shall immediately comply with the requirements of the Student Tuition Recovery Fund established in the Code (commencing with Section 94923) and regulations adopted by the Bureau related to the fund for its California students, including providing student disclosures.

Note: Authority cited Sections 94801.5 and 94877, Education Code. Reference: Sections 94801.5, 94850.5, and 94930.5, Education Code.

(3) Adopt Section 71397 of Division 7.5 of Title 5 of the California Code of Regulation to read as follows:

§71397. Processing of Completed Applications; Appeal of Denials

- (a) An out-of-state institution that offers distance education to California students on or before June 30, 2017, and that has an application for registration pending with the Bureau

by August 1, 2017, may continue to operate in California until the Bureau makes a decision regarding its application for registration.

- (b) An out-of-state institution that did not offer distance education to California students on or before June 30, 2017, shall not operate in California without submitting and application for registration and obtaining a registration from the Bureau.
- (c) Pursuant to the requirements of section 94801.5 of the Code, the Bureau will either grant or deny an application for registration.
- (d) An applicant denied a registration under this Article, may reapply or may, within 30 days of service of the denial, submit a written request to the Bureau for an informal conference with the Bureau Chief or his or her designee. Failure to request an informal conference within 30 days from service of the denial waives the right to the informal conference.
- (e) The Bureau Chief, or his or her designee, shall within 30 days from the Bureau's receipt of a written request for an informal conference, hold an informal conference with the applicant. The Bureau Chief for good cause related to scheduling may extend the 30-day period. The informal conference may be by telephone.
- (f) Prior to or at the informal conference, the applicant may submit to the Bureau Chief, or his or her designee, declarations or documents pertinent to the application for registration, which shall be duly considered along with any other relevant documentation.
- (g) Following the informal conference, the Bureau Chief, or his or her designee, will affirm or reverse the denial. A written order affirming or reversing the denial shall be served on the applicant within 30 days from the informal conference, unless extended for good cause to allow the applicant to submit, and the Bureau to consider, additional documentation.

Note: Authority cited Sections 94801.5 and 94877, Education Code. Reference: Sections 94801.5, 94850.5, and 94930.5, Education Code.

(4) Adopt Section 71398 of Division 7.5 of Title 5 of the California Code of Regulation to read as follows:

§71398. Re-Registration

- (a) Unless re-registered, a registration shall expire at 12 midnight on the last day of the institution's registration as granted pursuant to section 94801.5 of the Code.
- (b) An institution seeking to renew its Registration pursuant to section 94801.5 of the Code shall complete and submit to the Bureau a new "Application for Registration or Re-Registration of Out-of-State Institution" [Form Application 94801.5 (rev. 1/17)], which is hereby incorporated by reference, and the registration fee as provided in Section 94930.5 of the Code, to the Bureau.

- (c) If the Bureau receives a complete re-registration application prior to the expiration of the registration, the registration shall continue until the Bureau has acted upon the re-registration application.
- (d) Failure of an institution to have made the required payments of the assessments to the Student Tuition Recovery Fund as required by chapter 6 of this Division shall render the institution ineligible for a re-registration.

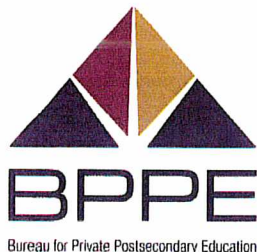
Note: Authority cited Sections 94801.5 and 94877, Education Code. Reference: Sections 94801.5, 94850.5, and 94930.5, Education Code.

(5) Adopt Section 71399 of Division 7.5 of Title 5 of the California Code of Regulation to read as follows:

§71399. Student Tuition Recovery Fund Assessments and Disclosures.

- (a) Beginning July 1, 2017, an institution shall collect and submit Student Tuition Recovery Fund assessments according to the process and schedule set forth in section 76130.
- (b) Prior to enrollment, an institution shall provide a prospective student, either in writing or electronically, with a school catalog and an enrollment agreement that contain the Student Tuition Recovery Fund disclosure statements required in section 76215.
- (c) The enrollment agreement shall contain a statement that the Student Tuition Recovery Fund fee is non-refundable.

Note: Authority cited Sections 94801.5 and 94877, Education Code. Reference: Sections 94801.5, 94850.5, and 94930.5, Education Code.



Bureau for Private Postsecondary Education
P.O. Box 980818
West Sacramento, CA 95798-0818

OFFICE USE ONLY
Date Stamp _____

SAIL Application # _____

Application fee _____ Date _____

School Code _____

Revenue Code *****

Application for Registration or Re-Registration of Out of State Institutions

(California Education Code §§ 94801.5, 94850.5, 94930.5; Title 5, California Code of Regulations §§ 71396, 74000, 76130, 76215)

(\$1,500.00 fee to register and re-register)

Effective July 1, 2017, an out-of-state private postsecondary educational institution must register with the Bureau or is not authorized to enroll California students. (Ed. Code § 94801.5.) "Out-of-state private postsecondary educational institution" means a private entity without a physical presence in California that offers postsecondary distance education to California students for a fee, regardless of whether the entity has any affiliates located in California. (Ed. Code § 94850.5.) Non-public higher education institutions that are degree granting, non-profit, and accredited are exempt and need not register. (Ed. Code § 94801.5(b).) Each registration and re-registration carries a fee of \$1,500.00 and is valid for two years. (Ed. Code §§ 94930.5(e)(1), 94801.5(d).)

To register (or re-registration after expiration of a prior registration), the following must be included with the information required in this application:

1. Verification that the institution is accredited by an accrediting agency recognized by the United States Department of Education.
2. Verification that that the institution is approved to operate in the state where it maintains its main administrative location.
3. A copy of the institution's (a) catalog and (b) enrollment agreement for its California students, showing the required Student Tuition Recovery Fund disclosures.
4. A \$1,500.00 non-refundable registration fee.

Check one of the following:

- This is an initial application for registration. (The Bureau has not been previously granted a registration.)
or
 This is an application for re-registration. (The Bureau previously granted a registration.)

If this is an application for re-registration, check the following statements if accurate:

- The institution certifies that it has remitted Student Tuition Recovery Fund assessments collected from its California students to the Bureau.
 The institution certifies that it has provided Student Tuition Recovery Fund disclosures to its California students in its catalog and enrollment agreement.

1. OUT-OF-STATE INSTITUTION

Legal Name of Institution: _____

Business Form (please check only one):

- sole proprietorship partnership limited liability company
 corporation (for profit) corporation (non-profit)

DBA or Trade Name of Institution (if different than legal name):

Institution's
Main Administrative Address:

City: State: Zip:

Phone Number: Fax Number:

Website Address:

2. INSTITUTION'S CONTACT PERSON (for this application)

Name: Email Address:

Address:

City: State: Zip:

Telephone Number: Fax Number:

3. INSTITUTION'S CALIFORNIA AGENT FOR SERVICE OF PROCESS

The institution is required to designate and maintain an agent for service of process who is physically within this state, and provide the name, address, and telephone number of the agent to the Bureau.

Name:

Address:

City: State: Zip:

Telephone Number:

4. AFFILIATED INSTITUTION(S) IN CALIFORNIA (if any)

Identify any affiliated institutions or affiliated institutional locations the out-of-state institution has in California. Attach additional sheets if necessary. An affiliate is an entity that is related to the out-of-state institution by financial interests or other means of control.

Legal Name of Affiliate Institution:

Institution/School
Code with the Bureau:

Business Form (please check only one):

- sole proprietorship partnership limited liability company
 corporation (for profit) corporation (non-profit)

DBA or Trade Name of Affiliate Institution or Affiliate Locations (if different than legal name):

Affiliate Institution's
California Address(es):

City: State: Zip:

Phone Number: Fax Number:

5. ACCREDITATION

Attached is verification of accreditation granted by the institution's accrediting agency that is recognized by the United States Department of Education.

6. STATE AUTHORIZATION

Attached is verification that the institution is approved to operate in the state of its main administrative location.

7. CATALOG AND ENROLLMENT AGREEMENT

Attached are copies of the current catalog and a sample enrollment agreement for California students, showing the required Student Tuition Recovery Fund (STRF) disclosures.

- Catalog
 - Enrollment agreement
-

8. CERTIFICATION UNDER PENALTY OF PERJURY

I hereby certify, under penalty of perjury under the laws of the State of California, that I am a person authorized to act for and bind the applicant and that all statements, answers, and representations made on this form and any accompanying attachments are true, complete, and accurate to the best of my knowledge. By submitting this form and signing below, I am granting permission to the Bureau for Private Postsecondary Education to verify the information provided.

Authorized Signature

Date

Print or Type Name:

Title:

NOTICE ON COLLECTION OF PERSONAL INFORMATION

The information requested on this application is mandatory pursuant to Education Code sections 94801.5, 94850.5 and Title 5 CCR section 71396. Failure to provide all of the information requested will result in the application being rejected as incomplete. The information provided will be used to determine qualification of the applicant for registration by the Bureau for Private Postsecondary Education (Bureau) as an out-of-state private postsecondary educational institution. The information may be provided to other governmental agencies, or in response to a court order, subpoena, or public records request. You have a right of access to records containing personal information maintained by the Bureau unless the records are exempted from disclosure by law. For questions about this notice or access to your records, you may contact the Bureau for Private Postsecondary Education, P.O. Box 980818, West Sacramento, CA 95798, by phone at (916) 431-6959, or by email at bppe@dca.ca.gov.

Agenda Item 10

DISCUSSION AND CONSIDERATION OF DRAFT REGULATORY LANGUAGE REGARDING ENGLISH AS A SECOND LANGUAGE PROGRAMS (TITLE 5, CCR, CHAPTER 1, SECTION 70000 (K))

ATTACHMENT:

- A. Proposed Language to Amend Section 70000 of Division 7.5 of Title 5 of the California Code of Regulations
- B. Letter to the BPPE Advisory Committee from Ellison Wilson Advocacy dated May 2, 2017

**DEPARTMENT OF CONSUMER AFFAIRS
BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**

PROPOSED LANGUAGE

New language is underlined. Deleted language is ~~strikeout~~.

(1) Amend Section 70000 of Division 7.5 of Title 5 of the California Code of Regulations to read as follows:

§ 70000. Definitions.

(a) “Academic Freedom” means the degree to which faculty at an institution are allowed latitude with respect to their discussions with students and the positions they take. Under such a policy, a faculty member can articulate or even advocate positions or concepts which may be controversial in nature without fear of retribution or reprisal.

(b) “Act” means The California Private Postsecondary Education Act of 2009.

(c) “Chief academic officer” means the person primarily responsible for the administration of an institution's academic affairs including the supervision of faculty, development of educational programs and curricula, and implementation of the institution's mission, purposes and objectives.

(d) “Chief executive officer” means the person primarily responsible for the overall administration of an institution, including the supervision of the chief academic officer and the chief operating officer. The chief executive officer is often, but need not be, called the “president.”

(e) “Chief operating officer” means the person primarily responsible for the administration of an institution's business operation, including finances, management, personnel, and contracting for goods, services, or property.

(f) “Code” means the California Education Code.

(g) “Credential” means publicly demonstrated skills and experiences whose achievement has been recognized by an official credential or award given by a professional association. This recognition can also be achieved if there is a general acceptance and recognition of those credentials by members of the profession or industry in the field in which the person will teach.

(h) “Credit” means a measure of college or university level instruction that is evaluated by duly qualified faculty; it is also the same as “unit” or “unit of credit.”

(i) “Degree program” means an educational program leading to the award of an academic degree as defined in section 94830 of the Code.

(j) “Duly qualified faculty” or “faculty member” means a person or people who satisfy the requirements of section 71720.

(k)(1) “Education offered for purpose of personal entertainment, pleasure or enjoyment” means education offered for purposes of play, amusement or relaxation, including education offered for the purpose of teaching the fundamentals, skills or techniques of a hobby or activity. ~~It does not include education that in any manner does any of the following:~~

~~(1) Enables a student to qualify for any immigration status, for which an institution is permitted to issue a Certificate of Eligibility for Nonimmigrant Student Status by the United States Immigration and Customs Enforcement.~~

~~(2) Facilitates the development of learning skills or language proficiency to assist a student to:~~

~~(A) learn English as a second language, unless the institution exclusively enrolls students for an intensive English program that is touristic in nature, and provides for transportation, housing, and cultural and recreational activities; or~~

~~(B) enhance language skills for any business or occupational purpose.~~

(2) Notwithstanding subparagraph (1) of this subsection, “Education offered for purpose of personal entertainment, pleasure or enjoyment” includes education which facilitates the development of learning skills or language proficiency to assist a student to learn English as a second language, if the institution complies with all of the following requirements:

(A) Obtains and maintains compliance with mandatory accreditation with an accreditor recognized by the United States Department of Education;

(B) Maintains a refund policy consistent with the mandates of the institution’s United States Department of Education-recognized accrediting body;

(C) Is certified by the federal Student and Exchange Visitor Program (SEVP);

(D) Provides only English language instruction and/or other education offered for the purpose of personal entertainment, pleasure or enjoyment;

(E) Does not receive any state or federal student financial aid;

(F) Does not provide any financial aid to students;

(G) Does not provide any institutional loans to students;

(H) Does not facilitate or broker any private loans with third parties for students;

(I) Does not offer any degree-granting programs; and

(J) Does not make any promises or representations that courses lead to employment.

(3) “Education offered for purpose of personal entertainment, pleasure or enjoyment” does not include education that in any manner does any of the following:

~~(3)~~(A) Assists a student to prepare for a test administered in conjunction with any undergraduate or graduate educational program, unless the test is designed to measure or improve English language proficiency.

~~(4)~~(B) Is an educational service offered to lead to any employment in any occupation or job title.

~~(5)~~(C) Is represented to enable a student to use already existing knowledge, training, or skills, other than language skills, in the pursuit of an occupation or to develop new or enhance existing knowledge, training, or skills, other than language skills, in connection with any occupation or job title.

(l) “Financial aid officer” means any person involved in administering the participation of the institution or any of its students in any federal or state student loan or grant program, including any person who assists students to apply for, disburses the proceeds of, or regularly explains student rights and obligations under, loans or grants subject to any federal or state program.

(m) “Full-time study” means the equivalent of, if measured in credit hours, 24 semester or trimester, or 36 quarter hours, or if measured in clock hours, 900 hours, to be completed within 30 weeks of instruction.

(n) “Innovative method of instruction” or “unique method of instruction” means a new method of instruction, not previously generally recognized by accredited and approved degree granting institutions, as a reasonable approach to teaching a specific curriculum.

(o) “Institution director” means the person who is responsible for administering the daily operations of the institution and has supervisory authority over all other administrators and instructors.

(p) “Instructor” means a person who is responsible to conduct one or more classes or components of an institution's educational program.

(q) “Mission” means an institution's stated educational reasons to exist. A mission statement contains all of the following characteristics:

(1) The mission includes the institution's broad expectations concerning the education that students will receive, including the acquisition of the body of knowledge presented in the educational program, the development of intellectual, analytical, and critical abilities, and the fostering of values such as a commitment to pursue lifelong learning; and

(2) The mission relates to the educational expectations of the institution's students, faculty and community that the institution serves.

(r) "Objectives" are the goals and methods by which the institution fulfills its mission and transforms it into measurable student learning outcomes for each educational program.

(s) "Pre-accreditation" or "candidacy" as used in sections 94885.1 and 94885.5 of the Code means that an institution has submitted a completed application for initial accreditation with the required fee, which was accepted by the accreditor.

(t) "Prior experiential learning" or "college level learning experience" means learning of a postsecondary nature as documented learning from a related profession, college level equivalent tests, military training or other college level equivalent experience.

(u) "Provisional approval" means approval of a degree program or the institution for no more than a five-year period while the owner of a Bureau-approved institution seeks to satisfy the requirement for institutional accreditation by an accrediting agency recognized by the United States Department of Education pursuant to section 94885(b) of the Code.

(v) "Quarter" means at least 10 weeks of instruction or its equivalent as described in subdivision (w)(2) of this section.

(w) "Quarter unit" means either of the following:

(1) At least ten (10) hours of college or university level instruction during a quarter plus a reasonable period of time outside of instruction which an institution requires a student to devote to preparation for planned learning experiences, such as preparation for instruction, study of course material, or completion of educational projects; or

(2) Planned learning experiences equivalent to the learning and preparation described in paragraph (1) as determined by duly qualified faculty responsible for evaluating learning outcomes for the award of unit credits.

(x) "Recreational Education" means education offered for the purpose of teaching the fundamentals, skills or techniques of sports or games.

(y) "Semester" means at least 15 weeks of instruction or its equivalent as described in subdivision (z)(2) of this section.

(z) “Semester unit” means either of the following:

(1) At least fifteen (15) hours of college or university level instruction during a semester plus a reasonable period of time outside of instruction which an institution requires a student to devote to preparation for planned learning experiences, such as preparation for instruction, study of course material, or completion of educational projects; or

(2) Planned learning experiences equivalent to the learning and preparation described in paragraph (1) as determined by duly qualified faculty responsible for evaluating learning outcomes for the award of unit credits.

(aa) “Significant equipment” means equipment that is necessary for achieving the stated educational objectives.

(ab) “Tuition” means the cost for instruction normally charged on a per unit or per hour basis. It does not include itemized fees paid to the Bureau or the cost of textbooks, supplies, transportation, or equipment.

(ac) “Unit” or “unit of credit” means a measure of college or university level instruction that is evaluated by duly qualified faculty.

Note: Authority cited: Sections 94803, 94877, 94885, 94885.1 and 94885.5, Education Code.

Reference: Sections 94818, 94830, 94844, 94885, 94885.1, 94885.5 and 94923, Education Code.

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Member, California State Senate (ret.)
Member, California State Assembly (ret.)

KIRK BLACKBURN

Legislative Advocate
Attorney at Law

May 2, 2017

BPPE Advisory Committee
Bureau for Private Postsecondary Education
P.O. Box 980818
West Sacramento, CA 95798-0818

Sent via electronic mail

Dear Advisory Committee Members:

We represent 12 schools who provide English language training programs. All schools in our coalition are subject to mandatory accreditation under federal law and provide foreign students in the United States on a valid F-1 student visa with non-vocational English language instruction, including preparation for English proficiency exams (i.e. the TOEFL). We do not grant degrees, we do not accept any financial aid, and we do not promise employment. In fact, English language students in the country on an F-1 student visa are prohibited from working off-campus in the U.S. BPPE staff has verified that our sector has almost none of the consumer problems that are prevalent in other private postsecondary settings. Additionally, because we do not offer employment or grant degrees, the BPPE regulatory scheme is a poor fit because we cannot report things like “graduation rate” or employment statistics that would be applicable to other more traditional degree-granting institutions.

During its most recent sunset review process, the BPPE once again drew concerns for its continued inability “to meet the compliance inspection mandate” (and decrease the growing backlog of associated complaints raised during these inspections), as well as “proactively identify unlicensed institutions.” Prioritizing the Bureau’s limited resources towards protecting the most vulnerable students at the highest risk schools is key to addressing these concerns. This proposed regulatory modification directly aligns with this goal.

In early 2013, we sponsored AB 634 (Gomez), a bill which would have served as a vehicle to create a statutory exemption for our school. However, we ultimately determined that our issue could be addressed via regulation, and we did not move forward with that legislation. Since that time, we have been in active discussions with BPPE staff about our sector and why it would make sense to treat our schools as “avocational.” Significantly, Ed Howard of the Center for Public Interest Law came to one of the Advisory Committee meetings and testified in support of exempting our sector. His testimony was based on the fact that there is no record of any problem with our schools, and the pragmatic realization that BPPE resources would be better spent on

focusing on schools that do have a history of problems and which can do real damage to consumers.

For the last four years we have been diligently working with BPPE staff, making several presentations to the Advisory Committee, and waiting patiently while the BPPE addressed a number of other higher priority regulatory packages. We believe it is time to act on our proposal. Staff has prepared regulatory language that we believe strikes the right balance. If an institution is truly offering only English language courses, with no promise of employment, no degrees, and no financial aid, then they should be treated as avocational and exempt from BPPE regulation. Under the proposed regulation, an institution would have to satisfy 12 different criteria to qualify, including:

- 1) Maintaining accreditation by a DOE-recognized accreditor;
- 2) Maintain a refund policy consistent with the demands of the accreditor;
- 3) Being certified by the federal SEVP;
- 4) Providing only English language instruction and/or other education offered for the purpose of personal entertainment, pleasure or enjoyment;
- 5) Not accepting any state or federal financial aid
- 6) Not providing any financial aid to students
- 7) Not providing any institutional loans to students
- 8) Not facilitating and third party loans for students
- 9) Not offering any degree granting programs
- 10) Not making any representation of potential employment

This language has been under review by the BPPE since 2014. It was anticipated that the proposed language would be approved at the February 2017 meeting, but the opposition by the San Diego University of Integrative Studies (SDUIS) – which had not previously voiced any objection – caused this matter to be put over to the May 2017 meeting. At the February 2017 meeting, SDUIS attempted to suggest that some of our schools needed to be regulated based on the fact that one school – not a member of our coalition – had two negative Yelp reviews online.

We offer the following in response to some of the concerns raised at the last meeting.

Refund Policy

Our schools are accredited by two principal accreditors, ACCET and CEA, both recognized by DOE. ACCET policies mandate that “An institution must have a fair and equitable, clearly defined, and uniformly administered cancellation and refund policy for cancellations, withdrawals, and terminations.” (See <http://docs.accet.org/downloads/docs/doc31.pdf>) The policy imposes minimum timelines for when refunds are due based on class start dates. Importantly for our student population, the policy mandates that “students must not be treated differently based solely on their visa status.” CEA has similar policies for its schools. (See http://cea-accredit.org/images/2016_CEA_Standards.pdf)

Student Complaints

In addition, both accrediting bodies mandate that the schools have a complaint resolution process in place to resolve any student complaints. (See http://cea-accredit.org/images/2016_CEA_Standards.pdf and http://docs.accet.org/downloads/docs/doc49_1.pdf) Moreover, if the complaints are not resolved at the institutional level, there is an ombudsman at the accreditor level whose job is to help resolve student complaints.

Length of Programs

Neither accreditor imposes any specific program length, and the schools are allowed to design a curriculum of courses that caters to the needs and proficiency of their students. While this can make it difficult to track students as a cohort, it allows maximum flexibility for the students depending on their willingness to stay in America for a specific number of weeks or months. Our schools will accept students into the program whenever they arrive (typically on a Monday) based on their English proficiency and some students promote to more advanced English classes more rapidly than others.

No Degrees, No Promises of Employment

None of our institutions offer any degrees, nor do we market to students that we do offer degrees. Our students know full well that their enrollment entitles them to come to America on an F1 Visa, learn English, and tour some of America's most popular and enriching cultural landmarks. By law, they are not allowed to work while on an F1 VISA, so none of them are under the misimpression that these programs will lead to employment. However, it must be recognized that to the extent any of our students do desire to work in the U.S., that ability is enhanced when they have some proficiency in English. So, while our courses are absolutely not advertised as leading to employment, as a practical matter, our students do have better opportunities than those who have no proficiency in the English language.

SDUIS Is Not Similarly Situated

At the last Advisory Committee meeting, SDUIS argued that they were similar to our coalition of schools and that since they were regulated, it was only fair that our schools remain regulated as well. However there are several key differences: SDUIS offers degree programs. Indeed, they offer a wide variety of masters and doctoral programs. They also offer degree and certificate programs approved by the VA. In addition, they accept GI Bill benefits. A thorough review of their website (see <http://sduis.edu/>) makes them appear like a typical private postsecondary institution. Moreover, SDUIS offers institutional loans to students according to their website. (See <http://sduis.edu/admission/faqs/>) While they also offer English language programs similar to ours, they have chosen a business model where students can matriculate into their degree programs (or take degree programs simultaneously with their English courses) and thus SDUIS is significantly different than our coalition of schools.

Conclusion

Unlike SDUIS or Connect English, our coalition of schools do not have a history of problems. They do not offer loans to students, do not grant degrees, and do not accept any financial aid. They also do not represent that their programs lead to any type of employment. We believe it is appropriate to treat them like the avocational schools that they are, and respectfully request you approve the proposed regulatory change. We believe that this regulatory change will allow the BPPE's precious resources to be utilized to target schools that cause genuine consumer harm.

Thank you for your consideration in this matter.

Sincerely,



Patrick Whalen

Agenda Item 11

DISCUSSION AND CONSIDERATION OF DRAFT REGULATORY LANGUAGE FOR THE APPLICATION FOR VERIFICATION OF EXEMPT STATUS (CEC SECTIONS 94874, 94874.2, 94874.7, 94874.5, AND 94927.5); TITLE 5, CCR SECTION 71395)

ATTACHMENT:

- A. Proposed Language to Amend CCR Section 71395 (Application; Fees.)
- B. Proposed Application for Verification of Exempt Status

**DEPARTMENT OF CONSUMER AFFAIRS
BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**

PROPOSED LANGUAGE

New language is underlined. Deleted language is ~~strikeout~~.

(1) Amend Section 71395 of Division 7.5 of Title 5 of the California Code of Regulations to read as follows:

§ 71395. Application; Fees.

(a) In order to obtain verification from the Bureau that it is exempt pursuant to Section 94874 of the Code, an institution must complete “Application for Verification of Exempt Status,” Form Application 94874 ~~(rev. 2/10)~~(rev. 5/17), which is hereby incorporated by reference.

~~(b) The application for verification of exemption shall include all of the following:~~

~~(1) The name, telephone number of the institution, and its website address;~~

~~(2) The physical address of the institution's primary administrative location in California;~~

~~(3) The mailing address of the institution;~~

~~(4) The name, address, email address, and telephone number of an individual who will function as the institution's contact person for the purposes of the application;~~

~~(5) Identification of the type of exemption or exemptions for which the institution believes it qualifies;~~

~~(6) If an institution is claiming an exemption under section 94874(b), 94874(c), 94874(h) and 94874(j) of the Code, identify the form of business organization of the institution (i.e., sole proprietorship, general or limited partnership, for profit corporation or nonprofit corporation, or nonprofit religious corporation) and provide documentation verifying the form of business organization. If the institution is incorporated, the institution shall also identify the state within which the institution is incorporated and the date of incorporation;~~

~~(7) If an institution is claiming an exemption under section 94874(d)(2), 94874(g), 94874(h), 94874(i), 94874(j) or 94874.1 of the Code, a letter from that entity indicating the validity of the accreditation or approval, and the name and contact information for a representative of that entity;~~

~~(8) If an institution is claiming an exemption under section 94874(a), 94874(b), 94874(d)(1), 94874(d)(2), 94874(e), 94874(g), for each educational program offered or proposed to be offered by the institution, the following information:~~

~~(A) The title and description of the educational program;~~

~~(B) The full title and description of any diploma, certificate, degree or other similar title awarded to students who complete the program; and~~

~~(9) The total institutional charges for the educational program, and whether or not the institution is approved to offer federal financial assistance if applying for an exemption under Section 94874(f) of the Code; and~~

~~(10) Admission criteria if applying for an exemption under section 94874(b) of the Code.~~

~~(11) In addition to other requirements of this section, institutions claiming exemption under section 94874(e) of the Code shall provide verification of operation as a nonprofit religious corporation pursuant to Part 4 (commencing with Section 9110) of Division 2 of Title 1 of the Corporations Code.~~

~~(12) In addition to other requirements of this section, institutions claiming exemption under section 94874(h) shall provide verification of operation under section 501(c)(3) of the United States Internal Revenue Code and verification that the organization exclusively provides workforce development or rehabilitation services.~~

~~(13) In addition to other requirements of this section, institutions claiming exemption under section 94874(j) shall provide documentation of:~~

~~(A) operation in California for a minimum of 25 years; and~~

~~(B) a statement that the institution has never filed for bankruptcy; and~~

~~(C) the cohort default rate on guaranteed student loans for the most recent three years; and~~

~~(D) cancellation and refund policies; and~~

~~(E) copies of the most recent composite scores of equity, primary reserve, and net income ratios as submitted to the United States Department of Education; and~~

~~(F) the most recent IRS Form 990.~~

~~(14) A statement that the applicant understands that a verification of exemption obtained from the Bureau is not an Approval to Operate issued pursuant to section 94886 or 94890 of the Code, and that the institution is prohibited from advertising, claiming, or implying~~

~~that it has been approved to operate by the Bureau, unless it has been issued such an approval; and~~

~~(15) Any material facts as defined by section 71340(a) of this Chapter.~~

~~(e)(b)~~ The application shall be signed and dated, and each fact stated therein and each attachment thereto shall be declared to be true under penalty of perjury, as follows:

(1) Signatories:

(A) Each owner of the institution, or

(B) If the institution is incorporated, the chief executive officer of the corporation and each person who owns or controls 25 percent or more of the stock or interest in the institution, or

(C) Each member of the governing body of a nonprofit corporation.

~~(2) The declaration shall be in the following form:~~

~~“I declare under penalty of perjury under the laws of the State of California that the foregoing and all attachments are true and correct.~~

(Date)

(Signature)”

~~(d)(c)~~ Each signatory to the application shall provide his or her name, title, ownership interest, and address.

~~(e)(d)~~ An applicant shall submit to the Bureau the completed form required by subdivision (a) of this section, and a fee provided in section 74004.

Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94874.1 and 94874.7, of the Education Code.

Application for Verification of Exempt Status



Dear Applicant:

Attached is the Application for Verification of Exempt Status. A response must be provided for each section. Read the requirements of each section of the application carefully to ensure all elements are fulfilled. Properly marked attachments that are organized in an orderly manner can greatly expedite the review process and avoid confusion regarding responses.

Refer to the California Private Postsecondary Act of 2009 (Act) at Education Code (CEC) section 94800 et seq. and Title 5, Division 7.5 (5 CCR) of the California Code of Regulations for the exact law and regulatory language.

Per CEC section 94874.7, an institution that is exempt from the Act may request, and obtain, from the Bureau verification of exempt status. A verification is valid for up to two years, as long as the institution maintains full compliance with the requirements of the exemption.

Per CEC section 94874.5, exempt institutions are still required to comply with CEC § 94927.5 regarding the provision of records to the Bureau prior to closing.

The non-refundable fee for an Application for Verification of Exempt Status is \$250.00 (5 CCR § 74004). Payment may be submitted in the form of check or money order. Please make checks payable to the "Bureau for Private Postsecondary Education" or "BPPE."

The application must be submitted with the appropriate fee to the following address:

Bureau for Private Postsecondary Education
P.O. Box 980818
West Sacramento, CA 95798-0818

OFFICE USE ONLY

Date Stamp _____

SAIL Application # _____

Institution Code _____

Application Fee Received _____

Date _____

Revenue Code **1257009M**

Business, Consumer Services and Housing Agency – Governor Edmund G. Brown Jr.

Bureau for Private Postsecondary Education

2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833

P.O. Box 980818, West Sacramento, CA 95798-0818

P (916) 431-6959 F (916) 263-1897 www.bppe.ca.gov**Application for Verification of Exempt Status***(CEC § 94874.7; Title 5 CCR §§ 71395 and 74004)**(A verification issued pursuant to this application is valid for up to two years, as long as the institution maintains full compliance with the requirements of the exemption.)***(\$250.00 non-refundable fee)**Has the institution previously applied for verification of exempt status with the Bureau? Yes NoIs the institution currently approved to operate by the Bureau? Yes No

If yes, provide the Bureau's issued institution code: _____

1. INSTITUTION

Name of Institution: _____

Physical Address of the
Primary Administrative
Location in California: _____

City: _____

State: _____

Zip: _____

Institution's
Mailing Address: _____

City: _____

State: _____

Zip: _____

Phone Number: _____

Fax Number: _____

Website Address: _____

Physical Address of
Main Campus (i.e.,
the institution's sole or
primary teaching location).

City: _____

State: _____

Zip: _____

Phone Number: _____

Fax Number: _____

2. CONTACT PERSON FOR THIS APPLICATION

- Please only provide information for one contact person for this application.
- Bureau staff can only provide details regarding a pending application with the owners of the institution or the contact person listed below. If the contact person changes, please submit a notification in writing to change the application's contact person. This notification must be signed by an owner or person in control.

Mr. Mrs./Ms.

Name:

Title:

Address:

City:

State:

Zip:

Telephone Number:

Fax Number:

Email Address:

Position/Relationship with the institution:

3. EXEMPTION

- Please identify the basis for the exemption(s) to which the institution is entitled pursuant to Education Code section 94874 or 94947, complete the referenced sections of the application, and provide the required information.

94874(a)

- An institution that offers solely avocational or recreational educational programs.
Please complete sections 1, 2, 3, 4, 7, 8, 11, 12, 13 and 14

94874(b)(1)

- An institution offering educational programs sponsored by a bona fide trade, business, professional, or fraternal organization, solely for that organization's membership.
Please complete sections 1, 2, 3, 4, 7, 8, 11, 12, 13 and 14

94874(b)(2)

- An institution offering educational programs sponsored by a bona fide trade, business, professional, or fraternal organization, solely for that organization's membership.
Please complete sections 1, 2, 3, 4, 6, 11, 12, 13 and 14

94874(c)

- A postsecondary educational institution established, operated, and governed by the federal government or by this state or its political subdivisions.
Please complete sections 1, 2, 3, 4, 7, 8, 11, 12, 13, and 14

94874(d)(1)

- An institution offering test preparation for examinations required for admission to a postsecondary educational institutions.

Please complete sections 1, 2, 3, 4, 7, 11, 12, 13, and 14

94874(d)(2)

- An institution offering continuing education or license examination preparation, if the institution or the program is approved, certified or sponsored by any of the following:
 - A) A government agency; other than the bureau, that licenses persons in a particular profession, occupation, trade or career field;
 - B) A state-recognized professional licensing body that licenses persons in a particular profession, occupation, trade or career field;
 - C) A bona fide trade, business, or professional organization.

Please complete sections 1, 2, 3, 4, 5, 7, 8, 11, 12, 13 and 14

94874(e)

- An institution owned, controlled, and operated and maintained by a religious organization lawfully operating as a nonprofit religious corporation pursuant to Part 4 (commencing with Section 9110) of Division 2 of Title 1 of the Corporations Code, that meets the requirements of section 94874(e) of the Education Code.

Please complete sections 1, 2, 3, 4, 7, 11, 12, 13 and 14

94874(f)

- An institution that does not award degrees and that solely provides educational programs for total charges of two thousand five hundred dollars (\$2,500) or less when no part of the total charges is paid from state or federal student financial aid programs.

Note: Total charges include costs for "Educational Materials" (see definition on page 8).

Please complete sections 1, 2, 3, 7, 9, 11, 12, 13 and 14

94874(g)

- A law school that is accredited by the Council of the Section of Legal Education and Admissions to the Bar of the American Bar Association or a law school or law study program that is subject to the approval, regulation, and oversight of the Committee of Bar Examiners, pursuant to Section 6046.7 and 6060.7 of the Business and Professions Code.

Please complete sections 1, 2, 3, 4, 5, 7, 11, 12, 13 and 14

94874(h)

- An institution that is a nonprofit public benefit corporation that meets the requirements of Education Code section 94874(h).

Please complete sections 1, 2, 3, 4, 5, 7, 8, 10, 11, 12, 13 and 14

94874(i)

- An institution that is accredited by the Accrediting Commission for Senior Colleges and Universities, Western Association of Schools and Colleges, or the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges.

Please complete sections 1, 2, 3, 5, 7, 11, 12, 13 and 14

94874(j)

- Flight instruction providers or programs that provide flight instruction pursuant to Federal Aviation Administration regulations and meet both of the following criteria:

(1) The flight instruction provider or program does not require students to enter into written or oral contracts of indebtedness.

(2) The flight instruction provider or program does not require or accept prepayment of instruction related costs in excess of two thousand five hundred dollars (\$2500).

Please complete sections 1, 2, 3, 4, 5, 7, 11, 12, 13 and 14

94947

- Notwithstanding Section 94874.2, an institution described in section 94874(i) of Section 94874 that satisfies all of the requirements of Education Code 94947.

Please complete sections 1, 2, 3, 4, 5, 7, 12, 13 and 14

4. FORM OF BUSINESS ORGANIZATION

- Please indicate the institution's form of business organization. Please select only **one** box.
- Please attach a separate document to include an explanation of multiple levels of ownership, including if the institution has a parent company, if applicable.

Please select only one box below:

Individually owned; sole proprietorship

Attach copy of Fictitious Business Statement

General Partnership

Limited Partnership

Attach copy of Partnership Agreement

Limited Liability Company

Name:

Entity #:

Attach copy of Articles of Organization and Operating Agreement

For Profit Corporation

Non-Profit Corporation

Foreign Corporation

State where Incorporated:

Date of Incorporation:

Name:

Entity #:

Attach copy of Articles of Incorporation and Bylaws

If a Non-Profit Corporation: Public Benefit Religious

5. ACCREDITATION, APPROVAL, LICENSING OR GOVERNING BODY

If the institution, or a program or programs within the institution, is currently accredited or approved by an accrediting agency, organization, government agency, or state-recognized licensing body that qualifies the institution, program, or programs for an exemption, attach a letter from that entity indicating the validity of the accreditation or approval, and the name and contact information for a representative of that entity.

Document is attached: _____ (initial)

6. PREAPPRENTICESHIP TRAINING PROGRAMS 94874(b)(2)(A)

94874(b)(2)(A)

A bona fide organization, association, or council that offers preapprenticeship training programs, on behalf of one or more Division of Apprenticeship Standards-approved labor-management apprenticeship programs that satisfies one of the following conditions:

- (1) It is on the Eligible Training Provider List established and maintained by the California Workforce Investment Board and meets the requirements for continued listing.
- (2) It is not on the Eligible Training Provider List established and maintained by the California Workforce Investment Board but has met the requirements for placement on the list.
- (3) It has been removed from the Eligible Training Provider List established and maintained by the California Workforce Investment Board for failure to meet performance standards, but now meets all applicable performance standards.

Please complete sections _____

Provide documentation that satisfies CEC section 94874(b)(2) Document is attached: _____
(initial)

7. DESCRIPTION OF EDUCATIONAL PROGRAMS

For each educational program that the institution offers or proposes to offer, include a statement that includes:

- The title and description of the educational program.
- Provide a representative copy of each diploma, certificate, degree or other similar title awarded to students who complete the program.

Document is attached: _____ (initial)

8. ADMISSIONS REQUIREMENTS

For each educational program that the institution offers or proposes to offer, include a statement that includes the admissions criteria for the program.

Document is attached: _____ (initial)

9. ADDITIONAL DOCUMENTATION FOR 94874(f)

For each educational program that the institution offers or proposes to offer, include a statement that includes:

- The total charges for the educational program.
- Whether any part of the total charges is paid from state or federal student financial aid programs.

Document is attached: _____ (initial)

10. ADDITIONAL DOCUMENTATION FOR 94874(h)

Provide verification of:

- Operation under section 501(c)(3) of the United States Internal Revenue Code.
- That the organization is organized specifically to provide workforce development or rehabilitation services.
- Accreditation by an accrediting organization for workforce development or rehabilitation services recognized by the Department of Rehabilitation.

Document is attached: _____ (initial)

11. DESCRIPTION OF STATE OR FEDERAL FINANCIAL AID, INCLUDING VETERANS PROGRAMS UNDER TITLE 38 [94874.2]

If the institution is approved to participate in financial aid under any state or federal financial aid program, including veterans' financial aid, include a list of all funding sources.

Document is attached: _____ (initial)

12. STATEMENT OF UNDERSTANDING

All owners and persons in control of the institution understand that a verification of exemption obtained from the Bureau is not an Approval to Operate issued pursuant to section 94886 or 94890 of the Education Code.

The institution is prohibited from advertising, claiming, or implying that it has been approved to operate by the Bureau, unless it has been issued such an approval.

_____ Yes (I understand) _____ No (if no, indicate reason)

13. ADDITIONAL INFORMATION

Include any material facts, which have not otherwise been disclosed in the application that without inclusion would cause the information in the application to be false, misleading or incomplete, or that might reasonably affect the Bureau's decision to issue a verification of exemption. In this context, a fact would be "material" if it would change the Bureau's decision concerning the institution's compliance with the requirements of the asserted exemptions and any non-exempt applicable provisions of the Act.

Document is attached: _____ (initial)

14. DECLARATION UNDER PENALTY OF PERJURY

- The application must be signed by:
 - Each owner of the institution, or
 - If the institution is a for-profit corporation, the chief executive officer of the corporation and each person who owns or controls 25 percent or more of the stock or interest in the institution, or
 - If the institution is a non-profit corporation, the President, Chair of the Board, or any other person designated by the board (or board designee).
- Original wet signatures are required. Photocopies, digital, or stamped signatures are not acceptable.

Mr. Mrs./Ms.
Name:

Address:

City:

State:

Zip:

Owning _____% of Ownership

Member, Board of Directors _____

General Partner _____

I declare under penalty of perjury under the laws of the State of California that the foregoing and all attachments are true and correct.

Signature:

Date:

Please check here if additional sheet(s) attached.

DEFINITIONS

- Avocational Education- Section 94818
 - “Avocational education” means education offered for the purpose of personal entertainment, pleasure, or enjoyment.
- Continuing Education- Section 94827
 - “Continuing education” means instruction in subjects that licensees are required to take solely for the purpose of continued licensure, or to enhance their skills and knowledge within their particular profession, occupation, trade, or career field.
- Educational Materials- Section 94836
 - “Educational materials” means textbooks, supplies, implements, tools, machinery, computers, electronic devices, or other goods related to any education, training, or experience required for participation in an educational program.
- License and Examination Preparation- Section 94847
 - “License and examination preparation” means instruction designed to assist students to prepare for an examination for licensure. “License examination and preparation” does not include an educational program designed to instruct students in the skills and knowledge necessary to satisfy the qualifications for licensure.
- Postsecondary Education- Section 94857
 - “Postsecondary education” means a formal institutional educational program whose curriculum is designed primarily for students who have completed or terminated their secondary education or are beyond the compulsory age of secondary education, including programs whose purpose is academic, vocational, or continuing professional education.
- Private Postsecondary Educational Institute- Section 94858
 - “Private postsecondary educational institute” means a private entity with a physical presence in this state that offers postsecondary education to the public for an institutional charge.

RELEVANT CODE SECTIONS

CEC§ 94874.7: VERIFICATION OF EXEMPTION

The bureau shall establish, by regulation, a process pursuant to which an institution that is exempt from this chapter may request, and obtain, from the bureau verification that the institution is exempt. The verification shall be valid for a period of up to two years, as long as the institution maintains full compliance with the requirements of the exemption. The bureau shall establish a reasonable fee to reimburse the bureau's costs associated with the implementation of this section.

CEC§ 94874.2: VETERANS EDUCATION PROGRAMS AND EXEMPTIONS

Beginning January 1, 2016, an institution that is approved to participate in veterans' financial aid programs pursuant to Section 21.4253 of the Title 38 of the Code of Federal Regulations that is not an independent institution of higher education, as defined in subdivision (b) of Section 66010, shall not be exempt from this chapter.

CEC§ 94874.5: LIMITATION TO EXEMPTION

An institution that is otherwise exempt from this chapter shall comply with the requirements of Section 94827.5.

CEC§ 94927.5: PROVISION OF RECORDS TO BUREAU PRIOR TO CLOSING

- (a) Prior to closing, an institution shall provide the bureau with the following:
- (1) Pertinent student records, including transcripts, as determined by the bureau, pursuant to regulations adopted by the bureau.
 - (2) If the institution is an accredited institution, a plan for the retention of records and transcripts, approved by the institution's accrediting agency, that provides information as to how a student may obtain a transcript or any other information about the student's coursework and degrees completed.
- (b) Subdivision (a) applies to all private postsecondary institutions, including institutions that are otherwise exempt from this chapter pursuant to Article 4 (commencing with Section 94874).

FUTURE AGENDA ITEMS

ADJOURNMENT

ADDITIONAL MATERIAL PROVIDED BY THE PUBLIC AT THE MEETING

ATTACHMENT:

A. Material Provided by San Diego University for Integrative Studies

**FOLLOW-UP COMMENTS TO THE BPPE ADVISORY COMMITTEE
MEETING OF FEBRUARY 15, 2017
SUBMITTED BY
SAN DIEGO UNIVERSITY FOR INTEGRATIVE STUDIES
Sacramento 5/17/2017**

At the BPPE Advisory Committee meeting in Sacramento on February 15, 2017, during the public comment period on agenda item #13, "Discussion of draft regulatory language regarding English as a Second Language Programs (Title 5, California Code of Regulations, Chapter 1, Section 70000(k)," Patrick Whalen testified on behalf of a coalition of approximately 13 English Language schools, in favor of the draft regulations as proposed.

Mr. Whalen took exception to comments made in the previous testimony by Dr. Raymond J. Trybus. Dr. Trybus, *inter alia*, said that combined schools (which offer English Language programs as well as university degree programs) serve the same English-language students, with comparable programs, as those served by stand-alone English Language schools, who would be exempted from BPPE oversight under the proposed regulation change. This, Trybus said, created an inequitable and discriminatory "playing field" for combined schools, which are subject to BPPE fees, reporting, and oversight, while stand-alone language schools would be exempted from these fees, reporting, and oversight.

Mr. Whalen said that the schools he represents are not similarly situated, and that they serve a different, often considerably younger, set of students with what he characterized as "cultural tourism" programs. Because of this, he said, they should be exempt from BPPE regulation that applies to other schools and programs.

We have examined public data on a series of stand-alone English Language schools including the 12 schools we know of who are members of the coalition Mr. Whalen represents (there may be others we are unaware of). The information described here was obtained from the public websites of the English Language schools themselves, from the BPPE directory of approved schools, and from the accredited institutions lists of ACCET and CEA. A spreadsheet summarizing this data is attached, as is a text document that includes information excerpted from the respective institutions' public websites.

As is apparent from the attachments, the programs offered by these institutions go well beyond "cultural tourism" programs, though some of these schools do also offer some shorter-term programs that might fit that description.

All of these schools offer long-term programs designed to develop substantial English proficiency across multiple levels, as well as courses or programs to prepare students for the TOEFL (or IELTS or other) English proficiency test, which is required for university admission of international students at many/most institutions. Many of the websites of these schools emphasize "Pathway to College," "Fast-Track University Pathway," or similar designations, making it clear that their programs are intended to prepare students for college admission. Essentially all of these schools also offer programs or courses with such titles as "Business English," "English for Business and Specific Careers," "Career English," and other similar titles. It is very clear, from their own words, that their offerings are primarily of an academic and/or business nature. Short-term "cultural tourism" courses or programs are a minor part of their offerings, if offered at all.

In addition, all of these schools indicate that they provide federal I-20 forms, a necessary prerequisite to obtaining an F-1 student visa from the US government. Individuals coming to the US for "cultural tourism" programs do not need a student visa; these programs can be attended by individuals holding a tourist visa.

All of these stand-alone English Language schools also hold either ACCET or CEA accreditation. Accreditation from these agencies requires English Language programs of an academic nature, with substantial requirements for program rigor, instructor qualifications, curriculum design, and the like. These agencies do not accredit "cultural tourism" programs.

It is therefore clear that the large majority of the courses or programs as well as students served by these stand-alone schools are essentially the same as the English Language programs offered by combined institutions. The position presented to the BPPE Advisory Board at the February 15, 2017 meeting by the coalition's representative therefore does not match the reality of these schools as found in their own public website information.

It certainly would ease the operations of these schools to be exempt from BPPE regulations, fees, reporting requirements, etc. However, to provide exemption from these burdens and benefits and deny the same exemption to combined institutions that offer the same kinds of programs to the same kinds of students would be inequitable, discriminatory, arbitrary, and capricious.

We appreciate that BPPE is a part of the department of Consumer Affairs and seeks to carry out the mission statement with a strategic, realistic and achievable plan that focuses on accountability and attainable goals. The exemption of schools who offer programs within the area of the BPPE rules denies those consumers the protection anticipated and expected when they are paying tuition to those schools.

It is also our understanding that BPPE regulations do not permit the use of agents in foreign countries, whereas language schools that would be exempt from BPPE regulation under this proposed regulation change would have no such restriction. It is also our understanding that at least some BPPE-approved stand-alone language schools do in fact use such agents currently, and certainly would be able to do so under exempt status. This again results in an inequitable competitive situation for combined institutions, who are restricted from such use of agents.

We therefore repeat our strong objection to the proposed regulation changes, as was stated to the BPPE Advisory Committee meeting of February 15, 2017, by Dr. Raymond J Trybus. We believe in the value of the consumer protection and institution regulation provided by BPPE oversight, and we believe that the stand-alone English Language schools need to be subject to that regulation and oversight, as are other combined institutions.

Sincerely,

R J Trybus

Raymond J Trybus PhD
President

LIST OF PROGRAMS OFFERED AT 13 LANGUAGE SCHOOLS IN CALIFORNIA.

1. St Giles International

San Francisco

- English Courses
- General English Group
- Beginners English
- International Semester Courses
- Cambridge English Preparation
- TOEFL Preparation
- TOEIC Preparation
- General English Plus English For Business
- English For Academic Purposes
- General English Plus Tourism
- General English Plus Art & Design
- Fast-Track University Pathway Programme
- Platinum English Courses
- Teachers Of English Courses (TEC)
- English In A Working Environment
- INTO University Pathway Programme
- San Francisco Family Course
- Teacher Training Courses
- Cambridge CELTA
- Cambridge CELTA Online

LONG TERM PROGRAMS

Our Long Term English Language courses are perfect for students who want to spend 6 months (24 weeks) or more studying English and experiencing life in an English-speaking country. If you're taking a year out of education and want to use your time productively, a Long Term English Language course might be the answer. These courses are also ideal for students who want to prepare for future study, who are getting ready for entry to university, or who need to improve their English for their future careers.

Student Visa Applications

We will provide you with all the support you need if you require a visa. Our San Francisco & New York Centres are authorised under Federal Law to enroll international students

2. ELC – English Language Center

GENERAL ENGLISH COURSES

Learn English and improve your English skills such as grammar, vocabulary, conversation, listening comprehension, pronunciation, reading and writing in our most popular English courses. Start your course any Monday.

TEST PREPARATION

Prepare for the TOEFL, IELTS, or Cambridge Exams and learn advanced test-taking techniques in one of our test preparation courses. All three ELC schools are authorized open Cambridge Exam centers. ELC Los Angeles and ELC Boston are official IELTS Test Centers.

ACADEMIC PROGRAMS

Prepare for university with long-term English courses, learn about the American university application process, and receive special academic services with access to over 35 ELC university partners.

BUSINESS ENGLISH COURSES

Improve your business English skills and learn about American business culture, with other professionals in small classes, with a maximum of five students per class. Classes are taught by highly-qualified instructors with extensive ESL and business experience.

GMAT & SAT Preparation Courses (General 20 plus 5 individual lessons)

GMAT & SAT Preparation Courses (General 20 plus 10 individual lessons)

University Preparation available at:

Boston New York San Diego San Francisco/Berkeley

Language Courses	Exam Preparation	Intensive English NY
General and Intensive Courses	University Preparation	Intro to Coding &
Junior Courses	English for Business and	Intensive English
Premium Courses	Specific Careers	
Academic English	Intro to Digital Marketing &	

4. Brandon College

Brandon College specializes in teaching English as a Second Language to foreign students, professionals and visitors from all over the world.

Classes are held **year-round** and most courses **start every Monday**. We offer instruction at **all levels**, for the absolute **beginner** to the very **advanced students**.

COURSES:

High Advanced 12 weeks	TOEFL Preparation
Advanced 12 weeks	Volunteer Program
High Intermediate 12 weeks	Business English
Intermediate 12 weeks	FCE ExamPrep
Low Intermediate 12 weeks	IELTS Exam Prep
Beginner 12 weeks	TOEIC Exam Prep
General English	CAE Exam Prep
Intensive English	

Which visa will you need?

No worries! When you enroll at Brandon College, we will help you figure out the correct visa type and assist you step-by-step with your visa application or any of your visa questions.

- Our all-inclusive Junior Programs consist of a serious academic program, afternoon activities and one full day excursion per week, and either homestay or residential accommodations (depending on program).

Premier English - Executive Language Training

in San Diego & San Francisco

English is undoubtedly the language of business and commerce in today's global economy, and CISL students understand the importance of implementing their English skills in the work environment. For motivated, professional students, CISL offers the Executive English course in San Diego and the Global Success course in San Francisco.

9. ILSC Language Schools

PROGRAMS

TUTORING IN ENGLISH COURSES

ASSERTIVENESS
CONVERSATION
DISCUSSION CIRCLE
ENGLISH COMMUNICATION
ENGLISH FOUNDATION
LISTENING

LISTENING FOR
PROFESSIONALS
PRONUNCIATION
PUBLIC SPEAKING
VOCABULARY

ACADEMIC AND TEST PREPARATION PROGRAMS

ENGLISH STUDY + GRE/GMAT PREPARATION OFFERED WITH THE PRINCETON REVIEW

IELTS MASTERY: 6.5

TOEFL MASTERY PROGRAM

COURSES

ACADEMIC SPEAKING & LISTENING

ACADEMIC WRITING

ENGLISH FOR ACADEMIC PURPOSES

GRAMMAR

IELTS (INTERNATIONAL ENGLISH LANGUAGE TESTING SYSTEM)

READING

STUDY SKILLS SUCCESS

TOEFL® SPEAKING

TENSE BUSTER

WRITING

TOEFL® PREPARATION

BUSINESS LANGUAGE

PROGRAMS

EXECUTIVE BUSINESS ENGLISH CERTIFICATES & DIPLOMA*

The I-20 form proves you have been offered a place at a language school and have enough funds to support yourself during your time in the USA. Embassy English can issue your I-20 form, but before we can do this, we need: Your course application USD 1,000 or more towards the costs of your course (this ensures we only provide the document to genuine students.)

12. IEC at Diablo Valley College

The International Education Center at Diablo Valley College (IEC@DVC) opened in 2000, and since then has welcomed students from more than 40 countries. IEC works closely with DVC, and the English language program, homestay and activity programs are carefully planned to prepare international students for successful academic life. Students love the strong connection among faculty, staff and students.

Intensive English (ESL) Programs Academic English (ESL) Program in Concord, California Academic English Program is designed to prepare students for academic success.

- 6 levels from beginners to advanced learners
- Each level is 8 weeks
- 24 hours of in-class instruction (see sample schedule)
- New students are given a placement exam and placed in the appropriate level
- Classes begin on the following Monday

Intensive English Program for International Teens

Bridge Programs Spring Bridge, Summer Bridge, Fall Bridge

In addition to offering intensive English classes, IEC also offers support for students who have already achieved English proficiency and are ready to move on to the next education stage. Spring Bridge, Summer Bridge and Fall Bridge provides structured, academic credit for international students who are prepared for undergraduate work at Diablo Valley College.

13. Connect English Language Institute

Prepare for professional and academic success with one of our many course options.

General English

IELTS MAX

English Max 18

TOEFL MAX

English Max 24

Private Instruction

English Max 30

Pronunciation Class

Language Proficiency

Test Preparation

SCHOOL NAME	St. Giles	ELC	Language Studies Int.	Brandon College	EC	EF	The Language Co
WEB SITE	stgiles-international.com	elc.edu	lsi.edu	brandoncollege.com	ecenglish.com	ef.edu/us-home	thelanguagecompany.com
LOCATION	San Francisco	Los Angeles	San Francisco	San Francisco	San Francisco, SD	San Francisco	Out of State
ACCREDITATION	CEA	ACCET	ACCET	ACCET	ACCET	ACCET	ACCET
BPPE APPROVAL	NO	BPPE	BPPE	BPPE	BPPE	BPPE	NO
SEVP APPROVAL	SEVP	SEVP	SEVP	SEVP	SEVP	SEVP	SEVP
COLLEGE PREPARATION	Yes	Yes	Yes	Yes	Yes	Yes	Yes
TEST PREPARATION	Yes	Yes	Yes	Yes	Yes	Yes	Yes
LONG TERM PROGRAM	Yes	Yes	Yes	Yes	Yes	Yes	Yes
SHORT TERM PROGRAM	Yes	Yes	Yes	Yes	Yes	Yes	Yes
RECREATIONAL ONLY	NO	NO	NO	NO	NO	NO	NO
	PROGRAMS	PROGRAMS	PROGRAMS	PROGRAMS	PROGRAMS	PROGRAMS	PROGRAMS
	English Courses	GENERAL ENGLISH	Language Courses	High Advanced	General /Intensive	BASIC	Advanced
	General English Group	TEST PREPARATION	General and Intensive	12 weeks	English in the City	GENERAL	Proficiency
	Beginners English	ACADEMIC PROGRAMS	Junior Courses	Advanced	One-to-One	INTENSIVE	prepare to
	International Semester Courses	BUSINESS ENGLISH	Premium Courses	12 weeks	Academic Semester and year	CAMBRIDGE EXAMS	enter an
	Cambridge English Preparation	ADULT SUMMER	Academic English	High Intermediate	TOEFL Preparation	UNIVERSITY PREP	American
	TOEFL Preparation	50+ PROGRAMS	Exam Preparation	12 weeks	Cambridge Prep		University
	TOEIC Preparation	ENGLISH PLUS	University Preparation	Intermediate	English for Work		Academic Test
	General English Plus English For Business	SUMMER JUNIOR	English for Business and	12 weeks			Preparation
	English For Academic Purposes	WINTER JUNIOR	Specific Careers	Low Intermediate			English for
	General English Plus Tourism		Digital Marketing &	12 weeks			Professionals
	General English Plus Art & Design		Intensive English NY	Beginner			Business English
	Fast-Track University Pathway Programme		Intro to Coding &	12 weeks			Intensive English
	Platinum English Courses		Intensive English NY	General English			Intensive English
	Teachers Of English Courses (TEC)			Intensive English			Part Time
	English In A Working Environment			TOEFL Preparation			General English
	INTO University Pathway Programme			Volunteer Program			Study Vacation
	San Francisco Family Course			Business English			Program
	Teacher Training Courses			FCE Exam Prep			
	Cambridge CELTA						
	Cambridge CELTA Online			IELTS Exam Prep			
	Long Term English						
	Language Courses			TOEIC Exam Prep			

Converse	ILSC	Stafford House	Embassy	International Ed. Center	Connect English Lang. Institute
cisl.edu	ilsc.com	staffordhouse.com	embassvenglish.com	iec-dvc.org	connectenglishsandiego.com
San Francisco	San Francisco	San Francisco	San Francisco	Concord	San Diego
San Diego		San Diego	SD, Long Beach		La Jolla
CEA	ACCET	ACCET	ACCET	WASC	ACCET
BPPE	BPPE	BPPE	BPPE	BPPE	NO
SEVP	SEVP	SEVP	SEVP	SEVP	SEVP
Yes	Yes	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	No	Yes
Yes	Yes	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes
NO	NO	NO	NO	NO	NO
PROGRAMS	PROGRAMS	PROGRAMS	PROGRAMS	PROGRAMS	PROGRAMS
BEGINNING	ACADEMIC AND	GENERAL ENGLISH	GENERAL ENGLISH	Intensive English	General English
STANDARD ENGLISH	TEST PREPARATION	General English	VACATION AND TRAVEL ENGLISH	Programs	English Max 18
ACADEMIC YEAR	CONVERSATION	Flex	EXAM COURSES	Academic English	English Max 24
ENGLISH IN USE	PRINCETON REVIEW	EXAM PREPARATION	UNIVERSITY PATHWAYS	6 levels from beginners	English Max 30
CAREER ENGLISH	IELTS MASTERY: 6.5	IELTS Preparation	BUSINESS ENGLISH	to advanced learners	Language Proficiency
CISL PATHWAY	TOEFL MASTERY	TOEFL Preparation	ENGLISH IN ACTION	Each level is 8 weeks	Test Preparation
BUSINESS ENGLISH	ENGLISH STUDY + GRE/GMAT	Cambridge ESOL	ENGLISH ACADEMIC PURPOSES	Intensive English	IELTS MAX
PRIVATE LESSONS	ACADEMIC SPEAKING	Professional Pathways		Program for	TOEFL MAX
CAMBRIDGE ENGLISH	ENGLISH FOR	Business English		International Teens	Private Instruction
EXAM PREPARATION	ACADEMIC PURPOSES	Professional Certificates		Bridge Programs	Pronunciation Class
TOEFL PREPARATION	EXECUTIVE ENGLISH	Career Preparation Activity			
IELTS PREPARATION)	BUSINESS	Unlimited Package			
ENGLISH FOR	INTERVIEW SKILLS	UNIVERSITY PATHWAYS			
ACADEMIC PURPOSES	BUSINESS WRITING	University Placement Service			
EXECUTIVE ENGLISH	ADVERTISING MEDIA	University Preparation Course			
GLOBAL SUCCESS	MARKETING	University Course Finder			
LOW INTERMEDIATE	ENGLISH THROUGH	ADDITIONAL OPTIONS			
LEVEL 1&2	FILM & VIDEO	One-to-One English			
INTERMEDIATE 5&6	ENGLISH THROUGH	Adult Groups			
HIGH INTERMEDIATE	YOGA	Au Pair English			
LEVEL 7&8	UNIVERSITY PATHWAY	Part Time English			
ADVANCED	UNIVERSITY ADMISSIONS				
LEVEL 9&10	VOLUNTEER AND STUDY				