



**Bureau for Private Postsecondary Education**  
**Notice of Advisory Committee WebEx Meeting Agenda**

Thursday, August 18, 2022, 9:30 a.m.

**NOTE:** Pursuant to the provisions of Government Code section 11133, neither a public location nor teleconference locations are provided.

**INSTRUCTIONS FOR OBSERVATION:**

WEBCAST: Webcast of the meeting will be available at 9:30 a.m. on August 18, 2022, and viewable at <https://thedcapage.blog/webcasts>.

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The Advisory Committee Meeting is open to the public. Members of the public may, but are not obligated to, provide their names or personal information as a condition of observing or participating in the meeting. When signing into the WebEx platform, participants may be asked for their name and email address. Participants who choose not to provide their names will need to provide a unique identifier such as their initials or another alternative, so that the meeting moderator can identify individuals who wish to make public comment; participants who choose not to provide their email address may utilize a fictitious email address like in the following sample format: XXXXX@mailinator.com.

The Advisory Committee Meeting is accessible to the physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Richie Barnard at (279) 666-5875, by emailing [richie.barnard@dca.ca.gov](mailto:richie.barnard@dca.ca.gov) or sending a written request to the Bureau for Private Postsecondary Education, P.O. Box 980818, West Sacramento, CA 95798-0818. Providing the request at least five business days before the meeting will help ensure availability of the requested accommodation.

**Discussion and action may be taken on any item on the agenda.** The time and order of agenda items are subject to change at the discretion of the Chair. In the event a quorum of the committee is unable to attend the meeting, or the committee is unable to maintain a quorum once the meeting is called to order, the members present may, at the chair's discretion, continue to discuss items from the agenda and make recommendations to the full committee at a future meeting.

Government Code section 11125.7 provides the opportunity for the public to address each agenda item during discussion or consideration by the committee or prior to the committee taking any action on said item. Members of the public will be provided appropriate opportunities to comment on any issues before the Advisory Committee, but the chair may, at her discretion, apportion available time among those who wish to speak. If public comment is not specifically requested, members of the public should feel free to request an opportunity to comment. Individuals may present to the Advisory Committee on items not on the agenda, however, the committee can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)). The Advisory Committee plans to webcast this meeting at <https://thedcapage.blog/webcasts>. Webcast availability cannot, however, be guaranteed due to limited resources or technical difficulties. The meeting will not be cancelled if webcast is not available. Using the WebEx link will allow for participation and observation with closed captioning.

### **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 Advisory 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 May 17, 2022, Advisory Committee Meeting Minutes
4. Remarks by a 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. Adoption of Advisory Committee Handbook
6. Status Update and Discussion related to the following Regulatory Matters:
  - a. Annual Report/Labor Market Outcome Data Reporting (5 California Code of Regulations (CCR) Sections 74110, California Education Code (CEC) Section 94892.6, Assembly Bill (AB) 1340 (2019))
  - b. Educational Programs Less than 32 hours (5 CCR Section 70000(l), 71810. CEC Section 94837)
  - c. Substantive Changes (amend 5 CCR section 71650; add sections 71652 and 71653, CEC Section 94894(i)-(k), Senate Bill (SB) 802 (2021))
  - d. Denial of Out-of-State Application (5 CCR section 71397, CEC section 94801.5(a), AB 1344 (2019))

7. Legislative Update: SB 1433
8. Bureau Operations Update and Discussion related to the following:
  - a. IT System Project
  - b. Licensing Report
  - c. Quality of Education Report
  - d. Annual Report Update
  - e. Compliance and Discipline Report
  - f. Complaint and Investigation Report
  - g. Office of Student Assistance and Relief (OSAR) Report
  - h. Student Tuition Recovery Fund (STRF) Report
9. Bureau Response to Institutional Closures and Associated Costs
10. Future Agenda Items
11. Adjournment

**WELCOME, INTRODUCTIONS AND ESTABLISHMENT OF A QUORUM**

**Committee Member Roster**

**Joseph Holt, Chair**

- Institutional Representative (Appointed by DCA Director)

**Margaret Reiter, Vice-Chair**

- Consumer Advocate (Appointed by Senate Committee on Rules)

**Kansen Chu**

- Public Member (Appointed by Speaker of the Assembly)

**Melanie Delgado**

- Consumer Advocate (Appointed by DCA Director)

**Leigh Ferrin**

- Consumer Advocate (Appointed by Speaker of the Assembly)

**Tess Dubois-Carey**

- Institutional Representative (Appointed by DCA Director)

**Senator Richard Roth (Sarah Mason)**

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

**Assemblymember Jose Medina (Kevin Powers)**

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

**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 MAY 17, 2022, ADVISORY COMMITTEE MEETING  
MINUTES**

ATTACHMENT:

Advisory Committee Draft Meeting Minutes from May 17, 2022

August 18, 2022



## Advisory Committee Meeting Minutes Tuesday, May 17, 2022

### WebEx Meeting

#### Advisory Committee Members in Attendance

1. Kansen Chu
2. Melanie Delgado
3. Tess Dubois-Carey
4. Leigh Ferrin
5. Joseph Holt
6. Kevin Powers (on behalf of Assemblymember Jose Medina)
7. Margaret Reiter
8. David Vice

#### Committee Members Absent

Senator Richard Roth

#### Bureau for Private Postsecondary Education (Bureau) and Department of Consumer Affairs (DCA) Staff in Attendance

Deborah Cochrane, Bureau Chief  
Leeza Rifredi, Bureau Deputy Chief  
Linh Nguyen, DCA Legal Counsel  
Daniel Rangel, Bureau Enforcement Chief  
Ebony Santee, Bureau Licensing Chief  
Scott Valverde, Office of Student Assistance and Relief Chief  
Yvette Johnson, Bureau Administration Chief  
Joanna Murray, Bureau Acting Education Administrator  
Michele Alleger, Bureau Compliance Manager  
David Dumble, Bureau Legislative/Regulation Specialist  
Sean O'Connor, DCA Chief of Project Delivery and Administrative Services  
Brianna Miller, DCA Board and Bureau Relations  
Gregory Pruden, DCA Legislative Manager  
Taylor Schick, DCA Fiscal Officer

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

Committee Chair, Joseph Hot called the meeting to order.

### **Agenda #2 - Public Comment on Items not on the Agenda**

No public comment.

### **Agenda #3 - Review and Approval of February 23, 2022, Advisory Committee Meeting Minutes**

#### **Public Comment**

No Public Comment.

David Vice moved to approve February 23, 2022, meeting minutes; Leigh Ferrin seconded the motion.

#### **Vote**

(Kansen Chu: Aye; David Vice: Aye; Melanie Delgado: Aye; Leigh Ferrin: Aye; Joseph Holt: Aye; Margaret Reiter: Aye; Tess Dubois-Carey: Abstain) The motion passed.

### **Agenda #4 - Remarks by Representative of the Department of Consumer Affairs**

Brianna Miller, DCA Board and Bureau Relations, provided an update on the Department of Consumer Affairs (Department).

Ms. Miller reported there is legislation, AB 1733, that would permanently allow boards and bureaus to meet remotely while also providing both virtual and physical options for members of the public to participate. She noted that the bill was not heard in the Policy Committee before the deadline and will not move forward this year. She added that DCA is requesting that boards and bureaus share with the DCA Legislative Affairs Office any positions taken on AB 1733 and/or problems based on obtaining a quorum now that meetings are back to being held in person.

Ms. Miller announced the release of DCA's Enlighten Licensing Report. She explained that the report is an innovative and collaborative project slated to streamline and enhance licensing processes by utilizing the knowledge and expertise of subject matter experts within DCA boards and bureaus.



Ms. Miller reported that effective March 2, 2022, Tonya Corcoran began serving as DCA's first Compliance and Equity Officer. She explained that Ms. Corcoran's role is to oversee DCA's SOLID Training and Planning, Organizational Improvement Office, and Internal Audits office.

#### Public Comment

No public comment.

### **Agenda #5 – Bureau Operations Update and Discussion**

#### Update on the Bureau's IT System Project

Sean O'Connor, DCA Chief of Project Delivery and Administrative Services, provided an update on the Bureau's IT system project.

Mr. O'Connor reported that the following major software releases have been implemented: online non-accredited application for approval, online consumer complaint form, back-office consumer complaint processing, back-office compliance inspection processes, and conversion of all investigation, discipline, inspection, and licensing data.

Mr. O'Connor stated that the project is projected to come in under budget.

Mr. O'Connor outlined current project activities. He stated that the Bureau staff are participating with project staff and the vendor in the final phases of user acceptance and data conversion. He added that the final phase is focused on converting the rest of the licensing applications the Bureau utilizes.

Mr. O'Connor explained that when refinements or changes are needed to the system the team interacts closely with subject matter experts and Bureau leadership to determine whether implementation of those refinements should be included with the software launch. He added that there will be an opportunity to continually improve the system based on internal and external user feedback. He noted that there are a robust set of maintenance and operation resources.

Ms. Reiter asked if the new system includes a new list of complaint categories to differentiate types of complaints. She requested the list of new categories if available. Mr. O'Connor responded that the system has a tremendous amount of data items that are associated with complaints. He added that reports can be generated out of the system based on trends.

Mr. Holt asked for the effective date for the new expanded data fields in the new complaint system. Mr. O'Connor stated some enforcement functionality was launched in late 2020 and the remaining in July 2021.

Ms. Ferrin asked how easy it would be for the Bureau to add new category fields in the system. Mr. O'Connor stated it will be technically feasible to add new data fields.

Mr. Holt asked what methods are utilized to get stakeholder feedback. Mr. O'Connor replied that before launch an external-user focus group may be conducted to obtain constructive feedback, and that informal feedback is expected from a variety of users following the launch of the software. He added that post-launch formal surveys may be utilized to collect feedback.

Ms. Reiter asked if any website improvements are included within the scope of the IT system project. Mr. O'Connor stated the one website function included is an updated license search. He noted that one new feature of the search is the inclusion of when a school was last inspected and the results of inspections. Ms. Cochrane noted that there are plans to make a survey available on the website for users to provide feedback on the usability of the website.

#### Public Comment

Angela Perry provided a public comment.

#### Licensing Report

Ebony Santee, Bureau Licensing Chief, reported on the Licensing Unit. She outlined Attachment 5(b).

Mr. Holt asked if there are any database measures indicating how much time passes waiting on an institution to respond to an incomplete application as opposed to internal application processing times. Ms. Santee responded that there are internal benchmarks that could potentially provide more detail into processing times. Mr. Holt stated it would be helpful to have that information in future reports.

Mr. Holt pointed out instances during the application process when the Bureau requests that an institution provide a certain type of documentation from an accreditor and the accreditor tells an institution it does not have that specific documentation. Ms. Cochrane noted that the Bureau has raised this issue to the legislature. She provided an example of when an accreditor does not find a change substantive and thus the Bureau would not need to consider that change substantive.

#### Public Comment

No public comment.

### Quality of Education Report

Joanna Murray, Bureau Acting Education Administrator, reported on the Quality of Education Unit. She outlined Attachment 5(c).

Mr. Holt suggested narrowing the report to include a single table that highlights institutions that are still in process of seeking accreditation.

Ms. Reiter suggested a report at the conclusion of the extension provided by Senate Bill (SB) 1247 that shows the number of institutions that had degree programs suspended.

### Public Comment

No public comment.

### Annual Report (AR) Report

Leeza Rifredi, Bureau Deputy Chief, reported on the Annual Report (AR) Unit. She explained that the Unit is currently prioritizing getting annual report information on the website faster. She added that there is a focus on obtaining timely reports from institutions and ensuring compliance. She noted this allows for real-time assessments of the financial stabilities of institutions.

Ms. Rifredi reported that the Bureau is looking to do some reclassifications within the Unit to bring in staff with data analysis expertise to help in expanding research and utilization of data.

Ms. Reiter asked if there was an update on the number of institutions that previously did not submit an annual report on time. Ms. Rifredi stated she did not have an update on the number of institutions but indicated that referrals for citations had been made for institutions that have not submitted timely reports.

Mr. Holt asked about the AR unit's process for referring institutions for citation. Ms. Rifredi stated that the AR unit sends the referrals to the Discipline Unit for citation when an annual report has not been submitted timely.

Mr. Holt asked if there will be any new improved technical tools for institutions submitting annual reports at the launch of the new IT system. Ms. Rifredi stated that is not part of the current launch.

### Public Comment

No public comment.

### Compliance and Discipline Report

Michele Alleger, Bureau Compliance Manager, reported on the Compliance and Discipline Unit. She outlined Attachment 5(e).

Ms. Reiter asked about the inspection cancellations listed in the report. Ms. Alleger stated that those inspections were attempted but canceled because the institution was unavailable. She noted that staff tries to contact the school, and when contact is unsuccessful an enforcement referral is sent to the Discipline Unit.

Mr. Vice suggested adding information on what types of institutions have canceled inspections. Ms. Ferrin added that the first page in the Compliance and Discipline Unit report is most helpful but could include additional information on the causes of cancellations.

Mr. Powers asked if it would be beneficial to the Bureau if virtual inspections were authorized. Ms. Alleger stated that in-person inspections are preferable when possible.

### Public Comment

No public comment.

### Complaint and Investigation Report

Daniel Rangel, Bureau Enforcement Chief over complaints and investigations, reported on the Complaint and Investigation Unit. He outlined Attachment 5(f).

Ms. Reiter commented that it might be helpful to break down the number of total complaints received and the number of total schools receiving complaints to highlight instances of schools receiving a high number of complaints.

Ms. Reiter asked to see in future reports the top five closure reasons that involve some type of resolution for the student as opposed to the current top five closures that did not result in student resolution or corrective action.

### Public Comment

No public comment.

### Office of Student Assistance and Relief (OSAR) Report

Scott Valverde, OSAR Chief, reported on the OSAR Unit. He outlined Attachment 5(g).

Ms. Delgado commented that foster youth students could greatly benefit from knowing about the services OSAR provides. She asked if any outreach with social services had been conducted to reach that student population. Mr. Valverde stated there have been some outreach efforts with those groups in the past, and that he appreciated the recommendation to follow up with those outreach efforts.

#### Public Comment

Angela Perry provided a public comment.

#### Student Tuition Recovery Fund (STRF) Report

Yvette Johnson, Bureau Administration Chief, provided a report on STRF. She covered Attachment 5(h).

Ms. Reiter suggested for future meetings reporting on the percentage of student claims that originated from a school closing and what percentage of claims came from other situations.

Mr. Holt recommended updating the large impact closure chart to only include school closures that occurred within the past 5 years or a timeframe relevant to the impact the closure has on the fund. Ms. Reiter suggested keeping at least 5 years of data on the chart to understand the number of students impacted and the outcomes.

#### Public Comment

No public comment.

#### **Agenda Item #6 - Status Update and Discussion related to the following Regulatory Matters**

David Dumble, Bureau Legislative/Regulation Specialist, provided a status update on Bureau regulatory matters.

Mr. Dumble reported that the AB 1340 proposed regulations (Annual Report and Labor Market Outcome Data Reporting (California Code of Regulations (CCR) Sections 74110 and CEC Section 94892.6)) are moving ahead on schedule. He stated that the comment period will end on May 19, 2022. He noted that the Bureau is planning outreach efforts to notify institutions of upcoming compliance changes embodied in this regulation for the anticipated effective date of December 1, 2022.

Mr. Holt asked about the requirement for certification of the data system's readiness to receive the data. Mr. Dumble stated that the data transfer system has been certified.

Mr. Dumble reported that SB 802 added four categories considered a substantive change requiring Bureau pre-approval. He continued that two of the changes required the Bureau to create new forms. He stated those two changes include a change of participation in Federal Title IV financial aid and a change from clock hours to credit hours. He added that the forms have been created and are incorporated by reference in the regulatory package. He stated that a third change regarding the number of credit hours needed to complete a program will be reported to the Bureau through the Change in Educational Objectives form that already exists. He noted a change in regulation CCR section 71650 that expressly states changes to clock or credit hours should be reported on that form. He continued that the fourth change added by SB 802 involves changing the distance education learning management system which will be incorporated by updating the Change in Instructional Delivery form as part of the Bureau's 2023 regulatory agenda.

Mr. Dumble reported on the Denial of Out-of-State Application (California Code of Regulations (CCR) section 71397, CEC section 94801.5(a), AB 1344 (2019)) regulatory proposed changes. He referenced Attachment 6b(ii) in the meeting packet.

Mr. Vice asked for clarification on the phrase "reasonable discretion" in the proposed regulation. Linh Nguyen, DCA Legal Counsel, responded that phrase is used in AB 1344. He noted that even if a statute does not state "reasonable discretion," "reasonableness" is implied in various statutes. Ms. Cochrane added that AB 1344 focused on the risk posed to California students enrolling in out-of-state institutions. She clarified that the Out-of-State Registration form had to be updated to require an institution to complete the form and that Attachment 6b(ii) in the meeting packet is specifically how to address the information provided to the Bureau through the form.

Mr. Holt asked if the purpose of an informal conference following a denial is to allow the institution an opportunity to discuss the rationale for the denial. Mr. Dumble stated it provides the institution an opportunity to remedy issues. Mr. Nguyen added the conference provides the institution an opportunity to present its side before the Bureau moves forward with a decision.

#### Public Comment

No public comment.

#### **Agenda Item #7 - Status Update and Discussion related to the Bureau's Sunset Review and Finances**

Gregory Pruden, DCA Legislative Manager, provided an update on the Bureau's Sunset Review. He explained that SB 802 granted the Bureau an additional year of authorization through January 1, 2023. He continued that SB 1433 was introduced in February 2022 and is the Bureau's sunset bill. He noted that, as of the meeting date, SB 1433 only makes changes to CEC sections 94933 and 94936, related to prospective harm, and does not currently extend the

Bureau's sunset date. He noted that the bill is currently in the Senate Committee on Appropriations where it has been released on suspense file and will be taken up on May 19, 2022.

Mr. Pruden explained that the Bureau put forward several policy ideas for the legislature to consider during the sunset review. He noted that the policy idea regarding gaps in prohibited business practices was mentioned in an analysis by the Senate Committee on Higher Education. He continued that DCA and the Bureau look forward to working with the legislature on these ideas and the sunset date extension as SB 1433 progresses through the legislative process.

Mr. Pruden reported that the Governor's May revise proposes \$24 million in General Fund money for the Bureau.

Taylor Schick, DCA Fiscal Officer, provided an update on the Bureau's financial status. He referenced the proposed \$24 million in General Fund resources. He clarified that the resources would supplement the Bureau's existing revenues by \$14 million in FY 2023, \$6 million in FY 2024, and \$4 million in FY 2025, allowing the Bureau to maintain operation for an additional three fiscal years without fee changes. He further noted that the proposed General Fund resources would allow the Bureau to repay the loan borrowed from the Bureau of Automotive Repair to avoid incurring additional interest charges.

Mr. Powers stated the intent to have additional policy language in SB 1433, including an extension of the sunset date, before it moves out of the Senate. He anticipates that Assembly committees will analyze more policy than is currently in the bill.

Mr. Holt asked if a legislative change would be required to use General Fund to support Bureau operations on an ongoing basis. Mr. Schick stated that it would.

#### Public Comment

Angela Perry provided a public comment.

#### **Agenda Item #8 - Addressing Suspected Human Trafficking in Private Postsecondary Education Institutions**

Ms. Murray provided a report on suspected human trafficking in private postsecondary education institutions. She outlined the memo in the meeting packet titled Addressing Suspected Human Trafficking in Private Postsecondary Education Institutions.

Ms. Delgado asked if the Bureau sought advice from the Polaris Project. Ms. Murray stated the Bureau collaborated with Polaris in researching resources.

Ms. Delgado commented that there is only so much the Bureau can do to address this issue within its scope and asked if there is a gap in the Bureau's ability to do more to protect

students. Ms. Murray stated that the current focus is on helping staff recognize signs of human trafficking.

Ms. Reiter commented that the more the Bureau can collaborate with other agencies, the more effective the Bureau can be at addressing issues beyond its scope.

Ms. Ferrin suggested collaborating with other agencies such that other agencies could notify the Bureau if they become aware of potential issues at an institution.

Mr. Holt asked if occurrences of suspected human trafficking before the Bureau's general awareness were reported retroactively. Ms. Murray replied that some staff including herself were able to directly refer past occurrences of suspicion to the Department of Justice.

#### Public Comment

No public comment.

#### **Agenda Item #9 - Proposed Modifications to Advisory Committee Handbook**

Ms. Cochrane reported on the proposed modifications to the Advisory Committee handbook. She referenced the attachment in the meeting packet titled Amendments to the Advisory Committee Handbook for the Bureau for Private Postsecondary Education.

Mr. Holt asked if there will be an annual or bi-annual review of the handbook. Ms. Cochrane stated that the current review is based on a single legislative mandate. Mr. Holt suggested adding in the handbook a review of the handbook every 5 years.

Ms. Reiter suggested the possibility of adding to the handbook required training on the Open Meeting Act.

Mr. Holt suggested deferring a vote on the handbook until the next meeting.

#### Public Comment

No public comment

#### **Agenda #10 – Suggestions for Future Agenda Items**

Ms. Reiter requested that the Bureau perform a financial analysis on the cost of school closures to determine the need for a bond. Ms. Ferrin seconded the request.



Ms. Reiter suggested discussing the relationship between federal complaint handling and the Bureau's state authorization contract process to include complaint resolution data from state authorization contracted institutions.

Ms. Reiter suggested discussing the implications of programs under 32 hours no longer needing approval. She noted that approved schools offering less than 32-hour programs with no oversight and also programs over 32 hours could lead to students assuming all programs are covered by Bureau oversight.

Ms. Reiter requested a discussion on what information is currently available or could be available on the Bureau website.

Ms. Reiter requested information on how far back in time data in SAIL goes.

Ms. Reiter suggested considering whether the Bureau should have a Sunset date.

Ms. Reiter requested that Bureau staff provide forward modeling on the new STRF Assessment rate.

Ms. Ferris suggested a discussion on the triaging of complaints at intake to determine if the Committee could help identify data points or provide guidance in the process.

#### Public Comment

No public comment.

#### **Agenda #11 – Adjournment**

The meeting adjourned at 1:32.

**REMARKS BY A 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)*

**ADOPTION OF ADVISORY COMMITTEE HANDBOOK**

August 18, 2022

**Department of Consumer Affairs**  
**Bureau for Private Postsecondary**  
**Education**



**Advisory Committee Handbook**

Gavin Newsom, Governor

*State of California*

Lourdes M. Castro Ramirez, Secretary

*Business, Consumer Services, and Housing Agency*

Kimberly Kirchmeyer, Director

*Department of Consumer Affairs*

Deborah Cochrane, Bureau Chief

*Bureau for Private Postsecondary Education*

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## **Introduction**

The Bureau for Private Postsecondary Education (Bureau or BPPE) regulates private postsecondary education in the State of California. The Bureau's Advisory Committee (BAC or Committee) was created to advise the Bureau with respect to issues relating to private postsecondary education and administering the Private Postsecondary Education Act of 2009 (the Act).

The purpose of this handbook is to provide guidance to Committee Members regarding general processes and procedures involved with their position on the BPPE Advisory Committee. It also serves as a useful source of information for new Committee Members as part of the induction process. This handbook is additive to the Bagley-Keene Open Meeting Act and the Administrative Procedure Act. It is subject to review and adoption by the Advisory Committee during years in which the Bureau undergoes strategic planning, or more frequently as desired by Committee Members.

The Bureau is one of the boards, bureaus, commissions, and committees within the [Department of Consumer Affairs](#) (DCA), which is part of the [Business, Consumer Services and Housing Agency](#) under the aegis of the [Governor](#). DCA is responsible for consumer protection and representation through the regulation of licensed professions and the provision of consumer services. The DCA also provides administrative oversight and support services to boards and bureaus alike. The Bureau is unlike a board in that a board has appointed board members who oversee the entity and has policy autonomy and sets its own policies, procedures, and initiates its own regulations. The Bureau does not have policy autonomy and works collaboratively within DCA on policies, procedures, and regulations.

Protection of the public shall be the highest priority for the Bureau in exercising its licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount (Ed, Code, § 94875.).

## **About the Department of Consumer Affairs**

The Department of Consumer Affairs (DCA) is one of 11 departments under the Business, Consumer Services and Housing Agency. DCA consists of 37 regulatory boards, bureaus, committees, and programs and is the State of California's leading consumer protection entity. Collectively, DCA's various programs provide licensing guidelines and oversight for more than 3.5 million professionals in over 250 different categories. The mission of DCA is to develop a marketplace where consumers can be assured of safe, quality service from a qualified business. DCA protects and serves California consumers while ensuring a competent marketplace. To support this effort, DCA fosters relationships with consumer and public interest groups, the business and professional community, law

enforcement, and other government agencies

### **DCA's Mission**

We protect California consumers by providing a safe and fair marketplace through oversight, enforcement, and licensure of professions.

### **DCA's Vision**

Together, empowering California consumers.

### **DCA's Values**

- Accountability
- Communication
- Diversity
- Employees
- Integrity
- Leadership
- Service
- Transparency

## **About the Bureau for Private Postsecondary Education**

The Bureau processes licensing applications, conducts compliance inspections, and responds to complaints for the more than 1,000 approved private postsecondary educational institutions in California. The Bureau also investigates complaints, combats unlicensed activity, and administers the Student Tuition Recovery Fund which is used to reimburse students harmed by school closure. The Bureau's Office of Student Assistance & Relief (OSAR) provides outreach and support to prospective, current, and former students of private postsecondary institutions.

### **BPPE's Mission**

The Bureau protects students and consumers through the oversight of California's private postsecondary educational institutions by conducting qualitative reviews of educational programs and operating standards, proactively combating unlicensed activity, impartially resolving student and consumer complaints, and providing support and financial relief to harmed students.



## **BPPE's Vision**

To be the national leader in regulating private postsecondary institutions and promote a landscape of postsecondary educational opportunities that maximize Californians' opportunity to receive a quality education.

## **BPPE's Values**

- *Consumer Protection.* The Bureau will make effective and informed decisions in the best interest and for the safety of consumers.
- *Accountability and Effectiveness.* The Bureau will take ownership and responsibility for its actions and results.
- *Quality and Integrity.* The Bureau will deliver consistently high-quality service, information, and support that reflects excellence and professionalism.
- *Inclusivity and Transparency.* The Bureau will be open to all voices and perspectives, actively encouraging the sharing of ideas and information throughout the organization and with the public and being receptive to new ideas.

## **About the Advisory Committee**

### **Role of the Committee**

The Committee's role is to provide input to the Bureau Chief on matters relating to private postsecondary education and the administration of the Act. This includes reviewing the fee schedule, licensing and enforcement provisions, and advising on regulations.

### **Authority**

Per California Education Code Section 94880:

(a) There is ***within the bureau*** a 12-member advisory committee....

(c) The advisory committee shall ***examine the oversight functions and operational policies of the bureau and advise the bureau*** with respect to matters relating to private postsecondary education and the administration of this chapter, including annually reviewing the fee schedule and the equity of the schedule relative to the way institutions are structured, and the licensing and enforcement provisions of this chapter. ***The advisory committee shall make recommendations with respect to policies, practices, and***

**regulations relating to private postsecondary education, and shall provide any assistance as may be requested by the bureau.**

**(d) The bureau shall actively seek input from, and consult with, the advisory committee regarding the development of regulations to implement this chapter prior to the adoption, amendment, or repeal of its regulations, and provide the advisory committee with sufficient time to review and comment on those regulations. The bureau shall take into consideration and respond to all feedback provided by members of the advisory committee.**

Find the full text of the Act online at [http://www.bppe.ca.gov/lawsregs/ppe\\_act.shtml](http://www.bppe.ca.gov/lawsregs/ppe_act.shtml).

## **Purpose**

The Committee advises the Bureau Chief on issues related to private postsecondary education. The Committee helps the Bureau Chief evaluate possibilities for regulating postsecondary education and visualize the “big picture” of education in California. Committee members offer unique perspectives, identify relevant issues, and suggest action, all while maintaining consumer protection as the Bureau’s top priority. Committee members should be concerned primarily with formulating advisory recommendations regarding Bureau policies and practices, rather than recommendations concerning the means for carrying out a specific course of action. Committee members do not become involved in the details of program delivery. Strategies for the day-to-day management of programs, operations, and staff shall be the responsibility of the Bureau Chief. The Advisory Committee members assist the Bureau when they provide the statutory assistance deemed most useful to support the Bureau’s mission:

This chapter establishes the functions and responsibilities of the bureau, for the purposes of Section 6 of Chapter 635 of the Statutes of 2007. The bureau **shall regulate private postsecondary educational institutions through the powers granted, and duties imposed, by this chapter.** In exercising its powers, and performing its duties, **the protection of the public shall be the bureau’s highest priority. If protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.** (Ed. Code, § 94875.)

## **Bureau Advisory Committee Recommendations**

Individual opinions and insight of the Committee members are useful in informing the Bureau’s work as members represent a range of perspectives. As a deliberative

assembly, the advisory Committee is also able to provide group Committee recommendations when a “collective will” is considered most helpful.

A deliberative assembly is a group of people, having or assuming freedom to act in concert, meeting to determine, in full and free discussion, courses of action to be ***taken in the name of the entire group.***

Ultimately, it is the majority taking part in the assembly who decide the general will, but only following upon the opportunity for a deliberative process of full and free discussion.” (Roberts Rules of Order Newly Revised (11<sup>th</sup> ed.), p. 1)

Roberts Rules of Order introduce the parliamentary process to this Committee and has long been recognized as a fair and expeditious way to provide a collective recommendation:

Parliamentary procedure enables the overall membership of an organization—expressing its **general will** through the assembly of its members—both to establish and empower an effective leadership as it wishes, and at the same time to retain exactly the degree of direct control over it’s affairs that it chooses to reserve to itself.”

The application of parliamentary law is the best method yet devised to enable assemblies of any size, with due regard for every member's opinion, to arrive **at the general will** on the maximum number of questions of varying complexity in a minimum amount of time and under all kinds of internal climate ranging from total harmony to hardened or impassioned division of opinion.(RONR (11<sup>th</sup> ed.), p. li-iii)

## **Committee Meeting Procedures**

All committees, bureaus and programs under the DCA, including this Advisory Committee must meet in accordance with the provisions set forth by the Bagley-Keene Open Meeting Act. The Committee will use Robert’s Rules of Order, to the extent that it does not conflict with state law (i.e., Bagley-Keene Open Meeting Act), as a guide when conducting the meetings.

## Open Meetings

The Bagley-Keene Act of 1967, officially known as the Bagley-Keene Open Meeting Act, implements a provision of the [California Constitution](#) declaring that "the meetings of public bodies and the writings of public officials and agencies shall be open to public scrutiny," and explicitly mandates open meetings for [California](#) State agencies, committees, and commissions. The Bagley-Keene Act facilitates accountability and transparency of government activities and protects the rights of citizens to participate in State government deliberations. This is similar to California's Brown Act of 1963, which provides open meeting provisions for county and local government agencies.

The Bagley-Keene Act requires the Committee to provide adequate notice of meetings to be held to the public as well as provides an opportunity for public comment on items discussed during meetings. The Bagley-Keene Act requires meetings be conducted in an open session, except where closed session is specifically noted.

Resources: [DCA's Bagley-Keene Open Meeting Act Guide](#)

## Members

The California Legislature and the DCA director appoint the Committee's 12 members.

<b>Committee Position</b>	<b>Appointed By</b>
Consumer Advocate Public Member	Senate Committee on Rules
Consumer Advocate Public Member	Speaker of the Assembly
Consumer Advocate Institutional Representative (3 positions)	DCA Director
Past Student of Private Postsecondary Institution (2 positions)	DCA Director
Non-Voting, Ex Officio Member (2 positions)	Chair of the Policy Committee of the Assembly and Senate with Jurisdiction over Legislation Relating to the Bureau, or Designee Appointed by the Speaker of the Assembly and/or the Chair of the Senate Committee on Rules

## Appointments

Committee appointees serve at the pleasure of the appointing authority. Individuals interested in serving on the Committee can contact the Bureau Chief for information on positions appointed by the director of the DCA or visit the DCA's [Board Member Resources webpage](#).

## **Schedule**

The Committee meets quarterly. The Bureau announces Committee meetings on its website, [www.bppe.ca.gov](http://www.bppe.ca.gov), prior to each meeting. Committee meetings are typically held at DCA in Sacramento, California.

## **Preparation for Meetings**

Committee members best fulfill their role when they are prepared for meetings. To be ready for a Committee meeting, it is suggested that members:

- Read the meeting materials. Review the meeting's agenda and regulations related to the issues on the schedule and analyze any materials received.
- Review the last meeting's minutes.
- In line with consumer protection, consider how the issues at hand affect California consumers and the Bureau.
- Identify topics to discuss. Bring issues that are relevant to private postsecondary education to the attention of the Committee and the Bureau Chief.
- Prepare to overcome differences with colleagues. Each member of the Committee offers their own unique perspective—that is why they are part of the Committee. Members may not agree with everyone, but their role as a Committee member is to ensure a balance of opinions. A thought out and well-reasoned approach offers the most benefit to the Bureau and to California consumers.
- Be willing to listen to speakers who visit the meeting.
- Give consideration to new ideas.

## **Making a Motion at Meetings**

A BAC member must make a motion to provide an advisory recommendation whenever the Advisory Committee is considering making a recommendation concerning an issue regarding private postsecondary education or any other course of action.

When making a motion, BAC members are encouraged to speak slowly and clearly. BAC members who opt to second a motion must remember to repeat the motion in question. Additionally, it is important to remember that once a motion has been made and seconded, it is inappropriate to make a second motion until the initial one has been resolved.

The basic process of a motion is as follows:

- An agenda item is presented and thoroughly discussed. Note: In some instances, a motion can be made after an item has been presented but before discussion.

- The Chair opens a forum for a BAC member to make a motion to adopt, modify, or reject the discussed item.
- A BAC member makes a motion to the Committee.
- Another BAC member seconds this motion.
- The Chair opens discussion and additional comment from BAC members.
- The Chair solicits comment from the public.
- The Chair puts forth the motion to a vote.
- The vote of each BAC member is recorded via roll call vote.
- Upon completion of the voting, the Chair will announce the result of the vote (e.g. “the motion [to submit BAC recommendation \_\_\_ to the Bureau] is adopted” or “the motion fails”).

## **MEMBER POLICIES AND RULES OF CONDUCT**

The Committee is comprised of both public and professional members with the intention that, together, the Committee can collectively protect the public and advise the Bureau by providing Advisory recommendations that are the product of full and fair debate and compromise.

### **Rules of Conduct**

Committee members’ actions shall serve to uphold the principle that the BAC and Bureau’s primary mission is to serve the public.

Committee members shall recognize the role and responsibilities of all BAC members.

Committee members shall adequately prepare for BAC responsibilities.

Committee members shall be responsive to the DCA and Bureau staff.

Committee members shall maintain the confidentiality of non-public documents and information.

Committee members shall be fair, nonpartisan, impartial, and unbiased in their role.

Committee members shall not use their BAC positions for personal, familial or financial gain.

## **Conflict of Interest**

No BAC member may make, participate in making, or in any way attempt to use their official position to influence a governmental decision in which they know or have reason to know they have a financial interest. Any BAC member who has a financial interest shall disqualify themselves from making or attempting to use their official position to influence the decision. Any BAC member who feels they are entering into a situation where there is a potential for a conflict should immediately consult the Bureau's legal counsel.

## **Contact with Applicants and Licensees**

BAC members shall not intervene on behalf of a candidate or an applicant for licensure for any reason. Nor shall they intervene on behalf of a licensee. All inquiries regarding licenses, applications, and enforcement matters should be referred to the Bureau Chief.

## **Resignation of Committee Members**

In the event a BAC member chooses to resign, the member shall submit a letter to their appointing authority (Legislature or DCA Director) with the effective date of resignation. The resigning BAC member also needs to send a copy of this letter to the Bureau Chief.

## **Compensation**

Committee members are volunteers and do not receive compensation for their time. Pursuant to State law Committee members do receive reimbursement for:

- Out-of-pocket expenses authorized by the volunteer coordinator; and
- Authorized travel expenses such as, but not limited to, mileage, parking, and airfare.

## **Member Onboarding and Training**

### **Onboarding**

As Advisory Committee members under DCA, BAC members must submit the following no later than 30 days after their swearing-in:

Oath of Office – signed and dated

Volunteer Service Agreement

Payee Data Record (STD.204)

Emergency Contact Information

Authorization to Use Privately Owned Vehicles on State Business (STD.261)

Sexual Harassment Prevention Policy Memo and Acknowledgement Form

Sexual Harassment Prevention Training Certificate of Completion (see "Required Trainings" below for more information)

Non-Discrimination Policy and Complaint Procedures Policy Memo and Acknowledgement Form

Submit all original forms to:

Bureau for Private Postsecondary Education

C/O Deputy Bureau Chief

1747 N. Market Blvd. Ste. 225

Sacramento, CA 95834

## **Required Trainings**

As DCA advisory Committee members, BAC members must complete the following required trainings within 30 days of their swearing-in:

### ***Bagley-Keene Open Meeting Act Training***

- How to complete: The Deputy Bureau Chief will contact new members on how to complete this training.

### ***Sexual Harassment Prevention Training***

- Background: To ensure compliance with Assembly Bill 1825 (Chapter 933, Statutes of 2004), all DCA advisory committee members are required to complete Sexual Harassment Prevention Training every two years.



- The training is online, interactive and can be completed at your convenience. Training available via the Learning Management System (LMS): <https://dca.csod.com>

### ***Ethics Training***

- The training is online, interactive and can be completed at your convenience. State Officials Ethics Training Course available at: <http://oag.ca.gov/ethics>

## **Committee Leadership and Subcommittees**

### **Committee Leadership**

The BAC shall elect annually from among its members a Chair and Vice Chair. A member shall not serve for more than a combined two years in the Chair position and a combined two years in the Vice Chair position.

If an office becomes vacant during the year, an election shall be held at the next meeting. Elected officers shall then serve the remainder of the term.

### **Leadership Roles and Responsibilities**

#### ***Chair***

- **Committee Business:** Conducts the BAC's business in a professional manner and with appropriate transparency. At meetings, shall use Roberts Rules of Order as a guide and shall adhere to the provisions of the Open Meeting Act. Presides at BAC meetings.
- **Committee Meeting Agendas:** Develops agendas for meetings in coordination with the Bureau Chief.
- **Committee Vote:** Conducts roll call vote.
- **Committee Affairs:** Ensures that BAC matters are handled properly, including responsibilities, tasks, and orientation of new members.

- Subcommittees: Establishes subcommittees, as necessary, including standing and special subcommittees. Provides guidance to the Vice Chair regarding their roles and responsibilities.

### **Vice Chair**

- Committee Business: Performs all the duties and responsibilities of the Chair when the Chair is absent.
- Subcommittees: Seeks volunteers for subcommittees and coordinates individual BAC member assignments, in consultation with the Chair. Ensures each subcommittee has a chairperson, and coordinates with the subcommittee chairs to ensure their responsibilities and tasks are carried out.

### **Subcommittees**

The Chair and Vice Chair will provide leadership and guidance over subcommittees, including the establishment of standing and special subcommittees as necessary. The Vice Chair, in consultation with the Chair, shall seek volunteers for subcommittees, coordinate individual BAC member assignments, and determine the composition of the subcommittees. In determining the composition of each subcommittee, the Vice Chair shall solicit interest from the BAC members during a public meeting. Appointment of non-BAC members to a subcommittee is subject to the approval of the vote by the BAC and Bureau Chief consent.

## **Applicable Statutes and Regulations**

### **Bagley-Keene Open Meeting Act**

Committee meetings must comply with the rules of the Bagley-Keene Open Meeting Act. The following are the Bagley-Keene Open Meeting Act's key points, as set out in the Government Code (GC):

- Committee meetings are open to the public, including meetings conducted as a teleconference (GC section 11123).
- The Bureau must notify the public of Committee meetings at least 10 days before the meeting. The notice must include a meeting agenda (GC section 11125.5).

For more information about the Bagley-Keene Open Meeting Act, read the *Guide to the Bagley-Keene Open Meeting Act* at [http://www.dca.ca.gov/publications/bagleykeene\\_meetingact.pdf](http://www.dca.ca.gov/publications/bagleykeene_meetingact.pdf).

The full text of the Open Meeting Act is available online at <http://leginfo.legislature.ca.gov/>. It is contained in the Government Code, sections 11120 - 11132.

### **Private Postsecondary Education Act of 2009**

The Private Postsecondary Education Act of 2009 establishes the Bureau and sets forth laws that private postsecondary institutions must follow. It is found in the California Education Code, Title 3, Division 10, Part 59, Chapter 9. It is also available online at [http://www.bppe.ca.gov/lawsregs/ppe\\_act.shtml](http://www.bppe.ca.gov/lawsregs/ppe_act.shtml).

### **California Code of Regulations**

Title 5, Division 7.5 of the California Code of Regulations (CCR) contains the regulations promulgated by the Bureau to regulate the administration of the Private Postsecondary Education Act of 2009. This section of the CCR is available online at <http://www.bppe.ca.gov/lawsregs/regs.shtml>.

### **Robert's Rules of Order**

The Eleventh edition, referred to as *Robert's Rules of Order Newly Revised* ([RONR](http://www.RONR.org)), supersedes all earlier editions as the parliamentary authority in organizations that have adopted *Robert's Rules of Order*. More information from the Official Website of Roberts Rules of Order can be found at: <https://www.robertsrules.com/default.html>.

**STATUS UPDATE AND DISCUSSION RELATED TO THE FOLLOWING REGULATIONS:**

- a.** Annual Report/Labor Market Outcome Data Reporting (5 California Code of Regulations (CCR) Sections 74110, California Education Code (CEC) Section 94892.6, Assembly Bill (AB) 1340 (2019))
- b.** Educational Programs Less than 32 hours (5 CCR Section 70000(l), 71810. CEC Section 94837)
- c.** Substantive Changes (amend 5 CCR section 71650; add sections 71652 and 71653, CEC Section 94894(i)-(k), Senate Bill (SB) 802 (2021))
- d.** Denial of Out-of-State Application (5 CCR section 71397, CEC section 94801.5(a), AB 1344 (2019))

**California Code of Regulations**  
**Title 5. Education**  
**Division 7.5. Private Postsecondary Education**  
**Chapter 1. Bureau Administration**  
**Article 1. General Provisions**

**PROPOSED REGULATORY LANGUAGE CONCERNING EDUCATIONAL  
PROGRAMS UNDER 32 HOURS IN LENGTH**

Legend—added text indicated by underline, deletion by strikethrough

**70000. Provisions.**

( \* \* \* \* )

(l) “Educational program” means a planned sequence of related courses or modules, or a single course or module if not offered as a component of a planned sequence of related courses or modules, that provides education, training, skills, or experience, or a combination of these.

(1) A single course, workshop, seminar, continuing education course, or other instruction that consists of 32 hours of instruction or less is not an “educational program” unless it is designed to lead to employment.

(2) A program is designed to lead to employment if it is any one of the following:

(A) Eligible for federal or state funds that support career training, including but not limited to the Workforce and Innovation Opportunity Act (WIOA);

(B) On the Education Training Provider List of the Employment Development Department;

(C) Leads to employment or a career, either as attested to by the institution or as offered to the public, as that term is defined in California Education Code section 94868, meaning as advertised, publicized, or used to solicit or recruit;

(D) Designed to instruct students in the skills and knowledge necessary to satisfy the qualifications for licensure;

(E) Part of a set of programs that collectively lead to employment; or

(F) Required as a condition of continued employment to meet the definition of “Gainfully Employed” under 5 CCR section 74112(d)(3)(B)(iii).

(~~lm~~) “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.

(~~mn~~) “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.

(~~no~~) “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.

(~~op~~) “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.

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

(~~qr~~) “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.

(~~rs~~) “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.

(~~st~~) “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.

(~~tu~~) “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.

(~~uv~~) “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.

(~~vw~~) “Quarter” means at least 10 weeks of instruction or its equivalent as described in subdivision (w) (2) of this section.

(~~wx~~) “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.

(~~xy~~) “Recreational Education” means education offered for the purpose of teaching the fundamentals, skills or techniques of sports or games.

(~~yz~~) “Semester” means at least 15 weeks of instruction or its equivalent as described in subdivision (z) (2) of this section.

(~~zaa~~) “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.

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

(~~abac~~) “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.

(~~aead~~) “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, 94837, 94844, 94885, 94885.1, 94885.5 and 94923, Education Code.

## **2. Amend Section 71810, Article 2, Chapter 3, Division 7.5 of Title 5 of the California Code of Regulations**

### **71810. Catalog.**

(\* \* \* \*)

(c) An institution that includes in its catalog one or more offerings that do not meet the definition of an educational program under section 70000(l) shall list those non-covered offerings in a separate section of the catalog with this disclosure on each page on which such offerings are listed(or using the singular form if there is only one such offering) conspicuously, prominently, and made easily readable by type size, normal capitalizing and punctuation, spacing, and short line length, such as in the format shown here, stating:

#### “Important Information

- The course offerings on this page are short courses of 32 hours or less and are not meant to prepare you for a job.
- The Bureau for Private Postsecondary Education regulates this institution but does not regulate these short courses.
- These courses do not have to meet the legal standards for educational programs under California’s law, the Private Postsecondary Education Act.
- You will not be eligible for a refund from California’s Student Tuition Recovery Fund if the course turns out not to provide the education described, or if the school stops the course before you can finish it.”

Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Sections 94837, 94885 and 94909, Education Code.



Title	Status Summary	ACM	DCA	Agency	Public Comment	OAL	Final
		<b>(text only)</b>	<b>(full package)</b>				
Annual Reports Submissions and Labor Market Identification Data	Completed 7/11/22.	8/26/2021	2/7/2022	2/25/2022 5/16/2022	3/15/22-5/19/22	5/27/2022	7/11/2022
Out-of-State Institution Registration (Form and Determinations)	Combined package resubmitted to DCA.	8/26/2021; 2/23/2022	7/14/2022				
Verification of Exempt Status Application	On hold temporarily pending signature discussions.	8/26/2021	5/19/2022				
Ability-to-Benefit Repeal	Package resubmitted to DCA.	2/23/2022	8/8/2022				
Exemption of Programs Under 32 Hours	Text resubmitted to DCA on 6/30/22 (disclosure requirement added). Finalizing fiscal analysis.	2/23/2022					
Reporting of Substantive Changes: 3 Applications (Clock-to-Credit Hour, Title IV Participation, Increase/Decrease in Program Length)	Adjusting text for resubmittal. Finalizing fiscal analysis.	5/17/2022					
Reporting of Substantive Change: Distance Education Learning Management System	Internal discussions.	<i>Anticipated</i> 11/15/2022					

**LEGISLATIVE UPDATE: SB 1433**

AMENDED IN ASSEMBLY JUNE 22, 2022

**SENATE BILL**

**No. 1433**

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**Introduced by Senator Roth**  
(Principal coauthor: Assembly Member Berman)

February 18, 2022

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An act to amend Sections ~~94933 and 94936~~ of 94801.5, 94869, 94885, 94887, 94894, 94897, 94899, 94909, 94917, 94933, 94934.5, 94935, 94936, 94944, and 94950 of, and to add Sections 94801.7, 94885.7, 94918.5, 94926.5, and 94949.8 to, the Education Code, relating to private postsecondary—~~education~~: education, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1433, as amended, Roth. Private postsecondary education: California Private Postsecondary Education Act of 2009.

~~Existing~~

(1) *Existing* law establishes the California Private Postsecondary Education Act of 2009, which provides for student protections and regulatory oversight of private postsecondary educational institutions, as defined, in the state. ~~The~~ *The act is enforced by the Bureau for Private Postsecondary Education within the Department of Consumer Affairs.*

*Existing law, among other things, requires an out-of-state private postsecondary educational institution, as defined, to comply with specified requirements, including, among others, providing the bureau with certain information required for initial registration.*

*This bill would exempt from this requirement a higher education institution that does not award degrees and that solely provides educational programs for total charges of \$2,500 or less when no part*

*of the total charges is paid from state or federal student financial aid programs, as specified.*

*The bill would authorize the bureau to establish through regulation thresholds of California-based activity that constitute limited physical presence, with those institutions subject to registration requirements defined through regulation, as provided.*

*(2) The act exempts specified private postsecondary educational institutions from all, or a portion of, its provisions, but requires those institutions that are subject to its provisions to apply for and obtain an approval to operate, as specified. Existing law defines “to operate” as establishing, keeping, or maintaining any facility or location in this state where, or from which, or through which, postsecondary educational programs are provided. Existing law requires prior authorization for certain changes to an approval to operate, including, among others, a change in ownership.*

*This bill would also include in the definition of “to operate” enrolling California residents in postsecondary educational programs in an institution based outside of California via distance education. The bill would authorize the bureau to deny an application for an approval to operate institutions that would be owned by, have persons in control of, or employ institution managers that had knowledge of, should have known, or knowingly participated in any conduct that was the cause for revocation or unmitigated discipline at another institution. The bill would additionally require prior bureau authorization for a change in institution manager or person in control, as defined.*

*The bill would authorize an institution that qualifies as a public institution of higher education, that is operated by another state, and that maintains a physical presence in this state to apply for an approval to operate from the bureau, as provided.*

*(3) The act requires, except as provided, institutions covered by the act that offer a degree to receive accreditation by an accreditation agency recognized by the United States Department of Education or have an accreditation plan, approved by the bureau, for the institution to become fully accredited within 5 years of the bureau’s issuance of a provisional approval to operate to the institution, as specified.*

*For institutions that are approved by means of accreditation and accredited by an agency that loses recognition by the United States Department of Education, this bill would require an application for approval to operate an institution unaccredited to be submitted to the bureau within 6 months of the agency’s loss of recognition, as provided.*

*When an institution offering at least one degree program has ceased to be accredited by an accrediting agency recognized by the United States Department of Education, the bill would require the institution to notify the bureau immediately, and would require the institution's approval to operate degree programs to become provisional as of the date that the institution ceases to be accredited, as provided. The bill would require an institution with a provisional approval to operate degree programs to, among other things, submit an accreditation plan, to be approved by the bureau, for the institution to become fully accredited within 5 years of the date of its provisional approval to operate degree programs, as specified.*

*(4) Existing law prohibits an institution that is subject to the act from, among other things, promising or guaranteeing employment, or otherwise overstating the availability of jobs upon graduation.*

*This bill would additionally prohibit these institutions from, among other things, committing fraud against, or making an untrue or misleading statement to, a student or prospective student under the institution's authority or the pretense or appearance of the institution's authority.*

*(5) If an institution offers an educational program in a profession, occupation, trade, or career field that requires licensure in this state, existing law requires the institution to have an educational program approval from the appropriate state licensing agency to conduct that educational program in order that a student who completes the educational program, except as provided, is eligible to sit for any required licensure examination.*

*This bill would additionally require an institution offering an educational program requiring approval from another state licensing agency that subsequently loses that approval to have their approval to operate the program automatically suspended by the bureau. The bill would require the institution to notify the bureau within 10 days of its loss of approval and to cease offering the program within 30 days of the loss of the approval, except as specified.*

*(6) Under existing law, a note, instrument, or other evidence of indebtedness relating to payment for an educational program is not enforceable by an institution unless, at the time of execution of the note, instrument, or other evidence of indebtedness, the institution held an approval to operate.*

*This bill instead would make a note, instrument, or other evidence of indebtedness relating to payment for an educational program void and*

*not enforceable unless, at the time of execution of the note, instrument, or other evidence of indebtedness, the institution held an approval to operate or a valid out-of-state registration with the bureau, as provided.*

*(7) Existing law requires an institution to notify the bureau in writing of its intention to close at least 30 days before closing and requires the notice to be accompanied by a closure plan, as specified.*

*The bill would automatically terminate an institution's approval to operate on the date of closure or when the bureau verifies its exemption from the act. The bill would require the bureau to select a date of closure when an institution does not identify a date of closure. The bill would prohibit a terminated license from being reinstated.*

*(8) The act requires the ~~Bureau for Private Postsecondary Education~~ bureau to investigate and conduct site inspections of institutions, as provided. ~~The act requires, if~~ *If the bureau determines finds* after an investigation that an institution ~~is not in compliance with~~ *has violated* the act or the bureau's regulations, *existing law requires* the bureau to issue a citation to the institution, and to take other actions, including providing the institution with the opportunity to remedy noncompliance or revoking the institution's approval to operate, as the bureau deems appropriate based on the severity of the institution's violations, and the harm caused to students. The act authorizes the bureau to include an order to compensate students for harm in a citation. ~~Existing law repeals the act on January 1, 2023.~~*

*This bill would instead authorize the bureau to include in a citation to an institution an order to compensate students for harm that resulted or may have resulted from an institution's violations. The bill would also require the bureau to take those other enforcement actions as the bureau deems appropriate based on the severity of the institution's violations, and the harm that results or may result to students from the institution's violations.*

*Existing law requires bureau staff who, during an inspection of an institution, detect a violation of the act or regulations adopted pursuant to the act, that are a minor violation as determined by the bureau, to issue a notice to comply before leaving the institution. Existing law prohibits issuing a notice to comply for any minor violation that is corrected immediately in the presence of bureau staff.*

*This bill instead would require bureau staff to issue the notice to comply at the conclusion of the inspection and would prohibit issuing a notice to comply for any minor violation that is corrected before the conclusion of the inspection.*

(9) Existing law requires the bureau to cite any person, and subjects that person to a fine of up to \$100,000, for operating an institution without proper approval to operate issued by the bureau.

This bill would specify that the maximum fine for unlicensed activity is separate and does not include fines for other violations or refunds ordered.

(10) The act establishes the Student Tuition Recovery Fund, requires the bureau to adopt regulations governing the administration and maintenance of the fund, and continuously appropriates moneys in the fund to the bureau for specified purposes. Existing law repeals the act on January 1, 2023.

This bill would extend the act until January 1, 2027. By extending the operation of a continuously appropriated fund, the bill would make an appropriation.

~~Under~~

(11) Under existing law, the act specifies conduct by regulated institutions that, if undertaken, is a crime.

Because this bill would extend the application of those criminal provisions, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 94801.5 of the Education Code, as  
2 amended by Section 2 of Chapter 153 of the Statutes of 2020, is  
3 amended to read:

4 94801.5. (a) An out-of-state private postsecondary educational  
5 institution shall register with the bureau, pay a fee pursuant to  
6 Section 94930.5, and comply with all of the following:

7 (1) The institution shall provide the bureau with all of the  
8 following ~~information~~ information, as applicable, for consideration  
9 of initial registration by the bureau pursuant to paragraph (2).

10 (A) Evidence of institutional accreditation.

1 (B) Evidence that the institution is approved to operate in the  
2 state where the institution maintains its main administrative  
3 location.

4 (C) The agent for service of process consistent with Section  
5 94943.5.

6 (D) A copy of the institution's catalog and, if the institution  
7 uses enrollment agreements, a copy of a sample enrollment  
8 agreement.

9 (E) Whether or not the institution, or a predecessor institution  
10 under substantially the same control or ownership, had its  
11 authorization or approval revoked or suspended by a state or by  
12 the federal government, or, within five years before submission  
13 of the registration, was subject to an enforcement action by a state  
14 or by the federal government that resulted in the imposition of  
15 limits on enrollment or student aid, or is subject to such an action  
16 that is not final and that was ongoing at the time of submission of  
17 the registration.

18 (F) Whether or not the institution, or a controlling officer of, or  
19 a controlling interest or controlling investor in, the institution or  
20 in the parent entity of the institution, had been subject to any  
21 education, consumer protection, unfair business practice, fraud,  
22 or related enforcement action by a state or federal agency within  
23 five years before submitting the registration. If so, the institution  
24 shall provide the bureau a copy of the operative complaint with  
25 the registration.

26 (G) Whether or not the institution is currently on probation,  
27 show cause, or subject to other adverse action, or the equivalent  
28 thereof, by its accreditor or has had its accreditation revoked or  
29 suspended within the five years before submitting the registration.

30 (H) Whether or not the institution, within five years before  
31 submitting the registration, has settled, or been adjudged to have  
32 liability for, a civil complaint alleging the institution's failure to  
33 provide educational services, including a complaint alleging a  
34 violation of Title IX of the federal Education Amendments of 1972  
35 (Public Law 92-318) or a similar state law, or a complaint alleging  
36 a violation of a law concerning consumer protection, unfair  
37 business practice, or fraud, filed by a student or former student,  
38 an employee or former employee, or a public official, for more  
39 than two hundred fifty thousand dollars (\$250,000). The institution  
40 shall provide the bureau a copy of the complaint filed by the



1 plaintiff and a copy of the judgment or settlement agreement for  
2 any such judgment or settlement, and the bureau shall consider,  
3 pursuant to paragraph (2), all material terms and aspects of the  
4 settlement, including, for example, whether a student plaintiff  
5 remained enrolled or reenrolled at the institution.

6 (I) Any additional documentation the bureau deems necessary  
7 for consideration in the registration process.

8 (2) When considering whether to approve, deny, or condition  
9 initial registration based upon the information provided by an  
10 institution pursuant to paragraph (1), the bureau shall do all of the  
11 following:

12 (A) Not consider any individual submission made under  
13 paragraph (1) to be solely determinative of the institution's  
14 eligibility for registration but, exercising its reasonable discretion,  
15 approve, reject, or condition registration based upon a review of  
16 all of the information provided to it under paragraph (1).

17 (B) Provide an institution with reasonable notice and opportunity  
18 to comment before the bureau regarding any determination to deny,  
19 condition, or reject initial registration before that determination  
20 becomes final. After the determination becomes final, the  
21 institution may seek review of the bureau's decision through an  
22 action brought pursuant to Section 1085 of the Code of Civil  
23 Procedure.

24 (C) Require the initial registration, if approved, to memorialize  
25 that the institution agrees, as a condition of its registration, to be  
26 bound by this section and that its registration may be rejected,  
27 conditioned, or revoked for failure to comply with this section, as  
28 provided by subdivision (b). The agreement shall be signed by a  
29 responsible officer of the institution.

30 (3) An institution that is registered with the bureau and enrolls  
31 a student residing in California shall report in writing to the bureau,  
32 within 30 days, the occurrence of any of the following:

33 (A) The institution has its authorization or approval revoked or  
34 suspended by a state or by the federal government, or has been  
35 subject to an enforcement action by a state or by the federal  
36 government that resulted in the imposition of limits on enrollment  
37 or student aid.

38 (B) The institution or a controlling officer of, or a controlling  
39 interest or controlling investor in, the institution or in the parent  
40 entity of the institution is subject to any education, consumer

1 protection, unfair business practice, fraud, or related enforcement  
2 action by a state or federal agency. If so, the institution shall  
3 provide the bureau a copy of the operative complaint.

4 (C) The institution is currently on probation, show cause, or  
5 subject to other adverse action, or the equivalent thereof, by its  
6 accreditor or the accreditation of the institution is revoked or  
7 suspended.

8 (D) The institution settles, or is adjudged to have liability for,  
9 a civil complaint alleging the institution's failure to provide  
10 educational services, including a complaint alleging a violation of  
11 Title IX of the federal Education Amendments of 1972 (Public  
12 Law 92-318) or a similar state law, or a complaint alleging a  
13 violation of a law concerning consumer protection, unfair business  
14 practice, or fraud, filed by a student or former student, an employee  
15 or former employee, or a public official, for more than two hundred  
16 fifty thousand dollars (\$250,000). The institution shall provide to  
17 the bureau a copy of the complaint filed by the plaintiff and a copy  
18 of the judgment or settlement agreement for any such judgment  
19 or settlement, and the bureau shall consider, pursuant to subdivision  
20 (b), all material terms and aspects of the settlement, including, for  
21 example, whether a student plaintiff remained enrolled or reenrolled  
22 at the institution.

23 (4) The requirements of the Student Tuition Recovery Fund,  
24 established in Article 14 (commencing with Section 94923), and  
25 regulations adopted by the bureau related to the fund, for its  
26 students residing in California.

27 (5) The institution shall provide disclosures pursuant to the  
28 requirements for the Student Tuition Recovery Fund, established  
29 in Article 14 (commencing with Section 94923), and regulations  
30 adopted by the bureau related to the fund, for its students residing  
31 in California.

32 (b) (1) Upon receipt of any of the notifications in paragraph  
33 (3) of subdivision (a), the bureau shall, within 30 days of receiving  
34 the notice, request the institution to explain in writing why the  
35 institution should be permitted to continue to enroll California  
36 residents. If the bureau, after reviewing the information submitted  
37 in response to the request and after consultation with the Attorney  
38 General, issues a written finding that there is no immediate risk to  
39 California residents from the institution continuing to enroll new  
40 students, the institution shall be permitted, pending completion of

1 a review by the bureau, to continue to enroll new students or the  
2 bureau may, in its discretion, limit enrollments.

3 (2) Any institution under review pursuant to paragraph (1) may  
4 have its registration revoked by the bureau if, after further review,  
5 the bureau issues a written finding that there is a substantial risk  
6 posed to California residents by the institution continuing to enroll  
7 California residents.

8 (3) An institution shall have the right to reasonable notice and  
9 opportunity to comment to and before the bureau regarding any  
10 determination to revoke registration or to limit enrollment before  
11 that determination becomes final. An institution may seek review  
12 of a bureau order limiting new student enrollment or revoking  
13 registration under this subdivision through an action brought  
14 pursuant to Section 1085 of the Code of Civil Procedure.

15 (4) Nothing in this subdivision shall be construed as preventing  
16 the bureau from revoking an institution's registration on any other  
17 grounds specified in this chapter. Nothing in this section shall be  
18 construed as prohibiting or impairing the ability of an institution  
19 registered pursuant to this section or eligible to register pursuant  
20 to this section from applying to be an approved institution pursuant  
21 to this chapter.

22 (c) (1) This section does not apply to a higher education  
23 institution that grants undergraduate degrees, graduate degrees, or  
24 both, and that is either formed as a nonprofit corporation and is  
25 accredited by an agency recognized by the United States  
26 Department of Education, or is a public institution of higher  
27 education.

28 (2) *This section does not apply to a higher education institution*  
29 *that does not award degrees and that solely provides educational*  
30 *programs for total charges of two thousand five hundred dollars*  
31 *(\$2,500) or less when no part of the total charges is paid from*  
32 *state or federal student financial aid programs. The bureau may*  
33 *adjust this charge threshold based upon the California Consumer*  
34 *Price Index and post notification of the adjusted charge threshold*  
35 *on its internet website as the bureau determines, through the*  
36 *promulgation of regulations, that the adjustment is consistent with*  
37 *the intent of this chapter.*

38 (d) An institution described in subdivision (a) that fails to  
39 comply with this section is not authorized to operate in this state.  
40 Any institution whose registration is denied or revoked is

1 authorized to reapply for registration after 12 months have elapsed  
2 from the date of the denial or revocation of registration.

3 (e) A registration with the bureau pursuant to this section shall  
4 be valid for five years.

5 (f) The bureau shall develop through emergency regulations  
6 effective on and after July 1, 2021, a registration form. The  
7 adoption of these regulations shall be deemed to be an emergency  
8 and necessary for the immediate preservation of the public peace,  
9 health and safety, or general welfare for purposes of Sections  
10 11346.1 and 11349.6 of the Government Code. These emergency  
11 regulations shall become law through the regular rulemaking  
12 process by January 1, 2022.

13 (g) The bureau shall disclose on its internet website a list of  
14 institutions registered pursuant to this section through reasonable  
15 means and disclose a designated email address for California  
16 residents to send a complaint to the bureau about an institution  
17 registered pursuant to this section. Complaints received through  
18 this email address shall be investigated in the same manner as  
19 complaints received by the bureau for institutions approved to  
20 operate pursuant to this chapter, but bureau enforcement in  
21 response to such complaints against institutions registered pursuant  
22 to this section shall be governed by subdivision (b).

23 (h) This section shall become operative on July 1, 2022.

24 *SEC. 2. Section 94801.7 is added to the Education Code,*  
25 *immediately following Section 94801.5, to read:*

26 *94801.7. (a) The bureau may establish through regulation*  
27 *thresholds of California-based activity that constitute limited*  
28 *physical presence, with those institutions subject to registration*  
29 *requirements defined through regulation, and minimal levels of*  
30 *California-based activity that do not require institutional approval*  
31 *by, nor registration with, the bureau. All institutions operating in*  
32 *the state and subject to approval or registration requirements shall*  
33 *comply with Section 94897.*

34 *(b) An institution is considered to have a physical presence in*  
35 *the state if it offers instruction or core academic support services*  
36 *from a physical location owned, operated, or rented by or on behalf*  
37 *of the institution in California.*

38 *SEC. 3. Section 94869 of the Education Code is amended to*  
39 *read:*

1 94869. “To operate” means to establish, keep, or maintain any  
2 facility or location in this state where, or from which, or through  
3 which, postsecondary educational programs are ~~provided~~, *provided*,  
4 *or to enroll California residents in postsecondary educational*  
5 *programs in an institution based outside of the state via distance*  
6 *education.*

7 *SEC. 4. Section 94885 of the Education Code is amended to*  
8 *read:*

9 94885. (a) The bureau shall adopt by regulation minimum  
10 operating standards for an institution that shall reasonably ensure  
11 that all of the following occur:

12 (1) The content of each educational program can achieve its  
13 stated objective.

14 (2) The institution maintains specific written standards for  
15 student admissions for each educational program and those  
16 standards are related to the particular educational program.

17 (3) The facilities, instructional equipment, and materials are  
18 sufficient to enable students to achieve the educational program’s  
19 goals.

20 (4) The institution maintains a withdrawal policy and provides  
21 refunds.

22 (5) The directors, administrators, and faculty are properly  
23 qualified.

24 (6) The institution is financially sound and capable of fulfilling  
25 its commitments to students.

26 (7) That, upon satisfactory completion of an educational  
27 program, the institution gives students a document signifying the  
28 degree or diploma awarded.

29 (8) Adequate records and standard transcripts are maintained  
30 and are available to students.

31 (9) The institution is maintained and operated in compliance  
32 with this chapter and all other applicable ordinances and laws.

33 (b) Except as provided in Section 94885.1, an institution offering  
34 a degree must satisfy one of the following requirements:

35 (1) Accreditation by an accrediting agency recognized by the  
36 United States Department of Education, with the scope of that  
37 accreditation covering the offering of at least one degree program  
38 by the institution.

39 (2) An accreditation plan, approved by the bureau, for the  
40 institution to become fully accredited within five years of the

1 bureau's issuance of a provisional approval to operate to the  
 2 ~~institution.~~ *institution's degree programs.* The provisional approval  
 3 ~~to operate to an unaccredited degree-offering institution for the~~  
 4 *unaccredited institution to operate degree programs* shall be in  
 5 compliance with Section 94885.5.

6 (c) *For institutions that are approved by means of accreditation*  
 7 *and accredited by an agency that loses recognition by the United*  
 8 *States Department of Education, an application for approval to*  
 9 *operate an institution unaccredited shall be submitted to the bureau*  
 10 *within six months of the agency's loss of recognition. The*  
 11 *application shall include an accreditation plan for the institution*  
 12 *to become fully accredited by an accrediting agency recognized*  
 13 *by the United States Department of Education within five years of*  
 14 *the bureau's issuance to the institution of a provisional approval*  
 15 *to operate degree programs. If the institution fails to submit the*  
 16 *required application and accreditation plan within six months of*  
 17 *its accreditor's loss of recognition, the institution shall cease to*  
 18 *hold a valid approval to operate. The bureau shall review the*  
 19 *submitted application and accreditation plan and issue the*  
 20 *institution a provisional approval to operate degree programs*  
 21 *within 18 months of the accreditor's loss of recognition or deny*  
 22 *the application, at which time the institution shall cease to hold a*  
 23 *valid approval to operate. An unaccredited institution with a*  
 24 *provisional approval to operate degree programs shall comply*  
 25 *with Section 94885.5, except for paragraph (1) of subdivision (a)*  
 26 *of Section 94885.5. The institution shall not seek bureau approval*  
 27 *for additional degree programs until the institution regains*  
 28 *accreditation.*

29 SEC. 5. Section 94885.7 is added to the Education Code, to  
 30 read:

31 94885.7. (a) *When an institution offering at least one degree*  
 32 *program has ceased to be accredited by an accrediting agency*  
 33 *recognized by the United States Department of Education, the*  
 34 *institution shall notify the bureau immediately, but no more than*  
 35 *seven days after it ceases to be accredited. The institution's*  
 36 *approval to operate degree programs shall become provisional*  
 37 *as of the date that the institution ceases to be accredited.*

38 (b) *An institution that has had its approval to operate degree*  
 39 *programs become provisional shall satisfy the following*

1 *requirements in order to maintain its provisional approval to*  
2 *operate degree programs from the bureau:*

3 *(1) The institution shall not seek bureau approval for additional*  
4 *degree programs until the institution regains accreditation.*

5 *(2) Within six months of its approval to operate degree programs*  
6 *becoming provisional, the institution shall submit an accreditation*  
7 *plan, to be approved by the bureau, for the institution to become*  
8 *fully accredited within five years of the date of its provisional*  
9 *approval to operate degree programs. The plan shall include, at*  
10 *a minimum, identification of an accreditation agency recognized*  
11 *by the United States Department of Education, from which the*  
12 *institution plans to seek accreditation, and outline the process by*  
13 *which the institution will achieve accreditation candidacy or*  
14 *pre-accreditation within two years, and full accreditation within*  
15 *five years, of its provisional approval to operate degree programs.*

16 *(3) The institution shall submit to the bureau all additional*  
17 *documentation the bureau deems necessary to determine if the*  
18 *institution will become fully accredited within five years of its*  
19 *approval to operate degree programs being deemed provisional.*

20 *(c) An institution that satisfies the requirements of subdivision*  
21 *(b) shall comply with both of the following:*

22 *(1) Notify students seeking to enroll in the institution, in writing,*  
23 *before the execution of the student's enrollment agreement, that*  
24 *the institution's approval to operate a degree program is*  
25 *contingent upon the institution being subsequently accredited.*

26 *(2) Within the first two years of the institution's approval to*  
27 *operate degree programs being deemed provisional, a visiting*  
28 *committee, empaneled by the bureau pursuant to Section 94882,*  
29 *shall review the institution's documentation of provisional approval*  
30 *and its accreditation plan, and make a recommendation to the*  
31 *bureau regarding the institution's progress toward achieving full*  
32 *accreditation.*

33 *(d) (1) The bureau shall, upon the timely submission of sufficient*  
34 *evidence that an unaccredited institution is making strong progress*  
35 *toward obtaining accreditation, grant an institution's request for*  
36 *an extension of time, not to exceed five years in total, to meet the*  
37 *requirements of this section.*

38 *(2) Evidence submitted to the bureau pursuant to paragraph*  
39 *(1) shall include, but is not limited to, an amended accreditation*  
40 *plan adequately identifying why pre-accreditation, accreditation*

1 *candidacy, or accreditation outlined in the original plan submitted*  
2 *to the bureau was not achieved, active steps the institution is taking*  
3 *to comply with this section, and documentation from an accrediting*  
4 *agency demonstrating the institution's likely ability to meet the*  
5 *requirements of this section.*

6 (3) *The bureau may establish policies and procedures to comply*  
7 *with the requirements of this subdivision. Establishment of these*  
8 *policies and procedures are exempt from Chapter 3.5 (commencing*  
9 *with Section 11340), Chapter 4 (commencing with Section 11370),*  
10 *Chapter 4.5 (commencing with Section 11400), and Chapter 5*  
11 *(commencing with Section 11500) of Part 1 of Division 3 of Title*  
12 *2 of the Government Code.*

13 (e) *Any institution that fails to comply with the requirements of*  
14 *this section by the dates provided shall have its provisional*  
15 *approval to operate degree programs automatically suspended on*  
16 *the applicable date. The bureau shall issue an order suspending*  
17 *the institution's provisional approval to operate degree programs*  
18 *and that suspension shall not be lifted until the institution complies*  
19 *with the requirements of this section or has its accreditation*  
20 *reinstated. An institution with a suspended provisional approval*  
21 *to operate degree programs shall not enroll new students in any*  
22 *of its degree programs and shall execute a teach-out plan for its*  
23 *enrolled students.*

24 (f) (1) *This section does not prohibit an institution from*  
25 *voluntarily ceasing to pursue accreditation. An institution that*  
26 *voluntarily ceases to pursue accreditation shall immediately notify*  
27 *the bureau in writing of the institution's intent to stop offering its*  
28 *degree programs and shall comply with all other applicable laws*  
29 *and regulations. Upon the bureau's receipt of the notification, the*  
30 *institution's approval to operate degree programs is deemed*  
31 *voluntarily surrendered.*

32 (2) *An institution offering both degree and nondegree programs*  
33 *that has its provisional approval to operate degree programs*  
34 *suspended or that voluntarily ceases to pursue accreditation may*  
35 *continue to offer its nondegree programs and is subject to all other*  
36 *laws and regulations.*

37 (3) *An institution that is pursuing accreditation under this*  
38 *section shall not make a change in ownership, change in control,*  
39 *or change in business organization form pursuant to Sections*  
40 *94893 and 94894 until the institution obtains full accreditation.*



1     *SEC. 6. Section 94887 of the Education Code is amended to*  
2 *read:*

3     94887. An approval to operate shall be granted only after an  
4 applicant has presented sufficient evidence to the bureau, and the  
5 bureau has independently verified the information provided by the  
6 applicant through site visits or other methods deemed appropriate  
7 by the bureau, that the applicant has the capacity to satisfy the  
8 minimum operating standards. The bureau shall deny an application  
9 for an approval to operate if the application does not satisfy those  
10 standards. *The bureau may deny an application for an approval*  
11 *to operate institutions that would be owned by, have persons in*  
12 *control of, or employ institution managers that had knowledge of,*  
13 *should have known, or knowingly participated in any conduct that*  
14 *was the cause for revocation or unmitigated discipline at another*  
15 *institution.*

16     *SEC. 7. Section 94894 of the Education Code is amended to*  
17 *read:*

18     94894. The following changes to an approval to operate are  
19 considered substantive changes and require prior authorization:

20     (a) A change in educational objectives, including an addition  
21 of a new diploma or a degree educational program unrelated to  
22 the approved educational programs offered by the institution.

23     (b) ~~A change in ownership.~~ *ownership, institution manager, or*  
24 *person in control.*

25     (c) A change in control.

26     (d) A change in business organization form.

27     (e) A change of location.

28     (f) A change of name.

29     (g) A significant change in the method of instructional delivery.

30     (h) An addition of a separate branch more than five miles from  
31 the main or branch campus.

32     (i) An increase or decrease of 25 percent or more in the number  
33 of clock hours or credit hours required for successful completion  
34 of the program.

35     (j) Participation in federal student financial aid programs  
36 authorized by Title IV of the federal Higher Education Act of 1965,  
37 as amended (20 U.S.C. Sec. 1070 et seq.).

38     (k) A change in the academic measurement of an educational  
39 program from clock hours to credit hours.

1 (l) A change in the distance education learning management  
2 system.

3 *SEC. 8. Section 94897 of the Education Code is amended to*  
4 *read:*

5 94897. An institution shall not do any of the following:

6 (a) Use, or allow the use of, any reproduction or facsimile of  
7 the Great Seal of the State of California on a diploma.

8 (b) Promise or guarantee employment, or otherwise overstate  
9 the availability of jobs upon graduation.

10 (c) Advertise concerning job availability, degree of skill, or  
11 length of time required to learn a trade or skill unless the  
12 information is accurate and not misleading.

13 (d) Advertise, or indicate in promotional material, without  
14 including the fact that the educational programs are delivered by  
15 means of distance education if the educational programs are so  
16 delivered.

17 (e) Advertise, or indicate in promotional material, that the  
18 institution is accredited, unless the institution has been accredited  
19 by an accrediting agency.

20 (f) Solicit students for enrollment by causing an advertisement  
21 to be published in “help wanted” columns in a magazine,  
22 newspaper, or publication, or use “blind” advertising that fails to  
23 identify the institution.

24 (g) Offer to compensate a student to act as an agent of the  
25 institution with regard to the solicitation, referral, or recruitment  
26 of any person for enrollment in the institution, except that an  
27 institution may award a token gift to a student for referring an  
28 individual, provided that the gift is not in the form of money, no  
29 more than one gift is provided annually to a student, and the gift’s  
30 cost is not more than one hundred dollars (\$100).

31 (h) Pay any consideration to a person to induce that person to  
32 sign an enrollment agreement for an educational program.

33 (i) Use a name in any manner improperly implying any of the  
34 following:

35 (1) The institution is affiliated with any government agency,  
36 public or private corporation, agency, or association if it is not, in  
37 fact, thus affiliated.

38 (2) The institution is a public institution.

39 (3) The institution grants degrees, if the institution does not  
40 grant degrees.

1 (j) In any manner make an untrue or misleading change in, or  
2 untrue or misleading statement related to, a test score, grade or  
3 record of grades, attendance record, record indicating student  
4 completion, placement, employment, salaries, or financial  
5 information, including any of the following:

- 6 (1) A financial report filed with the bureau.
- 7 (2) Information or records relating to the student's eligibility  
8 for student financial aid at the institution.
- 9 (3) Any other record or document required by this chapter or  
10 by the bureau.

11 (k) Willfully falsify, destroy, or conceal any document of record  
12 while that document of record is required to be maintained by this  
13 chapter.

14 (l) Use the terms "approval," "approved," "approval to operate,"  
15 or "approved to operate" without stating clearly and conspicuously  
16 that approval to operate means compliance with state standards as  
17 set forth in this chapter. If the bureau has granted an institution  
18 approval to operate, the institution may indicate that the institution  
19 is "licensed" or "licensed to operate," but may not state or imply  
20 either of the following:

- 21 (1) The institution or its educational programs are endorsed or  
22 recommended by the state or by the bureau.
- 23 (2) The approval to operate indicates that the institution exceeds  
24 minimum state standards as set forth in this chapter.

25 (m) Direct any individual to perform an act that violates this  
26 chapter, to refrain from reporting unlawful conduct to the bureau  
27 or another government agency, or to engage in any unfair act to  
28 persuade a student not to complain to the bureau or another  
29 government agency.

30 (n) Compensate an employee involved in recruitment,  
31 enrollment, admissions, student attendance, or sales of educational  
32 materials to students on the basis of a commission, commission  
33 draw, bonus, quota, or other similar method related to the  
34 recruitment, enrollment, admissions, student attendance, or sales  
35 of educational materials to students, except as provided in  
36 paragraph (1) or (2):

- 37 (1) If the educational program is scheduled to be completed in  
38 90 days or less, the institution shall pay compensation related to  
39 a particular student only if that student completes the educational  
40 program.

1 (2) For institutions participating in the federal student financial  
 2 aid programs, this subdivision shall not prevent the payment of  
 3 compensation to those involved in recruitment, admissions, or the  
 4 award of financial aid if those payments are in conformity with  
 5 federal regulations governing an institution's participation in the  
 6 federal student financial aid programs.

7 (o) Require a prospective student to provide personal contact  
 8 information in order to obtain, from the institution's ~~Internet Web~~  
 9 ~~site~~, *internet website*, educational program information that is  
 10 required to be contained in the school catalog or any information  
 11 required pursuant to the consumer information requirements of  
 12 Title IV of the federal Higher Education Act of 1965, and any  
 13 amendments thereto.

14 (p) Offer an associate, baccalaureate, master's, or doctoral  
 15 degree without disclosing to prospective students ~~prior to~~ *before*  
 16 enrollment whether the institution or the degree program is  
 17 unaccredited and any known limitation of the degree, including,  
 18 but not limited to, all of the following:

19 (1) Whether a graduate of the degree program will be eligible  
 20 to sit for the applicable licensure exam in California and other  
 21 states.

22 (2) A statement that reads: "A degree program that is  
 23 unaccredited or a degree from an unaccredited institution is not  
 24 recognized for some employment positions, including, but not  
 25 limited to, positions with the State of California."

26 (3) That a student enrolled in an unaccredited institution is not  
 27 eligible for federal financial aid programs.

28 (q) *In any manner commit fraud against, or make an untrue or*  
 29 *misleading statement to, a student or prospective student under*  
 30 *the institution's authority or the pretense or appearance of the*  
 31 *institution's authority.*

32 (r) *Charge or collect any payment for institutional charges that*  
 33 *are not authorized by an executed enrollment agreement.*

34 (s) *Violate Section 1788.93 of the Civil Code.*

35 (t) *Require a prospective, current, or former student or employee*  
 36 *to sign a nondisclosure agreement pertaining to their relationship*  
 37 *to, or experience with, the institution.*

38 (u) *Fail to maintain policies related to compliance with this*  
 39 *chapter or adhere to the institution's stated policies.*

1     *SEC. 9. Section 94899 of the Education Code is amended to*  
2 *read:*

3     94899. (a) If an institution offers an educational program in  
4 a profession, occupation, trade, or career field that requires  
5 licensure in this state, the institution shall have an educational  
6 program approval from the appropriate state licensing agency to  
7 conduct that educational program in order that a student who  
8 completes the educational program, except as provided in Section  
9 94905, is eligible to sit for any required licensure examination.

10    (b) *An institution offering an educational program requiring*  
11 *approval from another state licensing agency that subsequently*  
12 *loses that approval shall have their approval to operate the*  
13 *program automatically suspended by the bureau by operation of*  
14 *law. The institution shall notify the bureau within 10 days of its*  
15 *loss of approval to offer the educational program, and shall cease*  
16 *offering the program within 30 days of the loss of the approval to*  
17 *offer the educational program, or by an earlier date as required*  
18 *by the other state licensing agency. Reinstatement of the approval*  
19 *to operate may be made at any time following the suspension by*  
20 *providing proof satisfactory to the bureau that the license is*  
21 *properly approved and in compliance with all bureau requirements.*

22     *SEC. 10. Section 94909 of the Education Code is amended to*  
23 *read:*

24     94909. (a) Except as provided in subdivision (d), before  
25 enrollment, an institution shall provide a prospective student, either  
26 in writing or electronically, with a school catalog containing, at a  
27 minimum, all of the following:

28       (1) The name, address, telephone number, and, if applicable,  
29 internet website address of the institution.

30       (2) Except as specified in Article 2 (commencing with Section  
31 94802), a statement that the institution is a private institution and  
32 that it is approved to operate by the bureau.

33       (3) The following statements:

34           (A) “Any questions a student may have regarding this catalog  
35 that have not been satisfactorily answered by the institution may  
36 be directed to the Bureau for Private Postsecondary Education at  
37 (address), Sacramento, CA (ZIP Code), (internet website address),  
38 (telephone and fax numbers).”

39           (B) “As a prospective student, you are encouraged to review  
40 this catalog before signing an enrollment agreement. You are also

1 encouraged to review the School Performance Fact Sheet, which  
2 must be provided to you before signing an enrollment agreement.”

3 (C) “A student or any member of the public may file a complaint  
4 about this institution with the Bureau for Private Postsecondary  
5 Education by calling (toll-free telephone number) or by completing  
6 a complaint form, which can be obtained on the bureau’s internet  
7 website (internet website address).”

8 (D) *“The Office of Student Assistance and Relief is available  
9 to support prospective students, current students, or past students  
10 of private postsecondary educational institutions in making  
11 informed decisions, understanding their rights, and navigating  
12 available services and relief options. The office may be reached  
13 by calling (toll-free telephone number) or by visiting (internet  
14 website address).”*

15 (4) The address or addresses where class sessions will be held.

16 (5) A description of the programs offered and a description of  
17 the instruction provided in each of the courses offered by the  
18 institution, the requirements for completion of each program,  
19 including required courses, any final tests or examinations, any  
20 required internships or externships, and the total number of credit  
21 hours, clock hours, or other increments required for completion.

22 (6) If the educational program is designed to lead to positions  
23 in a profession, occupation, trade, or career field requiring licensure  
24 in this state, a notice to that effect and a list of the requirements  
25 for eligibility for licensure.

26 (7) Information regarding the faculty and their qualifications.

27 (8) A detailed description of institutional policies in the  
28 following areas:

29 (A) Admissions policies, including the institution’s policies  
30 regarding the acceptance of credits earned at other institutions or  
31 through challenge examinations and achievement tests, and a list  
32 describing any transfer or articulation agreements between the  
33 institution and any other college or university that provides for the  
34 transfer of credits earned in the program of instruction. If the  
35 institution has not entered into an articulation or transfer agreement  
36 with any other college or university, the institution shall disclose  
37 that fact.

38 (B) Cancellation, withdrawal, and refund policies, including an  
39 explanation that the student has the right to cancel the enrollment  
40 agreement and obtain a refund of charges paid through attendance

1 at the first class session, or the seventh day after enrollment,  
2 whichever is later. The text shall also include a description of the  
3 procedures that a student is required to follow to cancel the  
4 enrollment agreement or withdraw from the institution and obtain  
5 a refund consistent with the requirements of Article 13  
6 (commencing with Section 94919).

7 (C) Probation and dismissal policies.

8 (D) Attendance policies.

9 (E) Leave-of-absence policies.

10 (9) The schedule of total charges for a period of attendance and  
11 an estimated schedule of total charges for the entire educational  
12 program.

13 (10) A statement reporting whether the institution participates  
14 in federal and state financial aid programs, and if so, all consumer  
15 information that is required to be disclosed to the student pursuant  
16 to the applicable federal and state financial aid programs.

17 (11) A statement specifying that, if a student obtains a loan to  
18 pay for an educational program, the student will have the  
19 responsibility to repay the full amount of the loan plus interest,  
20 less the amount of any refund, and that, if the student has received  
21 federal student financial aid funds, the student is entitled to a refund  
22 of the moneys not paid from federal student financial aid program  
23 funds.

24 (12) A statement specifying whether the institution has a pending  
25 petition in bankruptcy, is operating as a debtor in possession, has  
26 filed a petition within the preceding five years, or has had a petition  
27 in bankruptcy filed against it within the preceding five years that  
28 resulted in reorganization under Chapter 11 of the United States  
29 Bankruptcy Code (11 U.S.C. Sec. 1101 et seq.).

30 (13) If the institution provides placement services, a description  
31 of the nature and extent of the placement services.

32 (14) A description of the student's rights and responsibilities  
33 with respect to the Student Tuition Recovery Fund. This statement  
34 shall specify that it is a state requirement that a student who pays  
35 the student's tuition is required to pay a state-imposed assessment  
36 for the Student Tuition Recovery Fund. This statement shall also  
37 describe the purpose and operation of the Student Tuition Recovery  
38 Fund and the requirements for filing a claim against the Student  
39 Tuition Recovery Fund.

40 (15) The following statement:

1  
 2 “NOTICE CONCERNING TRANSFERABILITY OF  
 3 CREDITS AND CREDENTIALS EARNED AT OUR  
 4 INSTITUTION

5 The transferability of credits you earn at (name of institution)  
 6 is at the complete discretion of an institution to which you  
 7 may seek to transfer. Acceptance of the (degree, diploma, or  
 8 certificate) you earn in (name of educational program) is also  
 9 at the complete discretion of the institution to which you may  
 10 seek to transfer. If the (credits or degree, diploma, or  
 11 certificate) that you earn at this institution are not accepted at  
 12 the institution to which you seek to transfer, you may be  
 13 required to repeat some or all of your coursework at that  
 14 institution. For this reason you should make certain that your  
 15 attendance at this institution will meet your educational goals.  
 16 This may include contacting an institution to which you may  
 17 seek to transfer after attending (name of institution) to  
 18 determine if your (credits or degree, diploma, or certificate)  
 19 will transfer.”  
 20

21 (16) A statement specifying whether the institution, or any of  
 22 its degree programs, are accredited by an accrediting agency  
 23 recognized by the United States Department of Education. If the  
 24 institution is unaccredited and offers an associate, baccalaureate,  
 25 master’s, or doctoral degree, or is accredited and offers an  
 26 unaccredited program for an associate, baccalaureate, master’s, or  
 27 doctoral degree, the statement shall disclose the known limitations  
 28 of the degree program, including, but not limited to, all of the  
 29 following:

30 (A) Whether a graduate of the degree program will be eligible  
 31 to sit for the applicable licensure exam in California and other  
 32 states or become certified or registered as required for the  
 33 applicable profession, occupation, trade, or career field in  
 34 California.

35 (B) A degree program that is unaccredited or a degree from an  
 36 unaccredited institution is not recognized for some employment  
 37 positions, including, but not limited to, positions with the State of  
 38 California.

39 (C) That a student enrolled in an unaccredited institution is not  
 40 eligible for federal financial aid programs.



1 (b) If the institution has a general student brochure, the  
2 institution shall provide that brochure to the prospective student  
3 before enrollment. In addition, if the institution has a  
4 program-specific student brochure for the program in which the  
5 prospective student seeks to enroll, the institution shall provide  
6 the program-specific student brochure to the prospective student  
7 before enrollment.

8 (c) An institution shall provide the school catalog to any person  
9 upon request. In addition, if the institution has student brochures,  
10 the institution shall disclose the requested brochures to any  
11 interested person upon request.

12 (d) An accredited institution is not required to provide a School  
13 Performance Fact Sheet to a prospective student who is not a  
14 California resident, not residing in California at the time of the  
15 student's enrollment, and enrolling in an accredited distance  
16 learning degree program offered by the institution, if the institution  
17 complies with all federal laws, the applicable laws of the state  
18 where the student is located, and other appropriate laws, including,  
19 but not limited to, consumer protection and student disclosure  
20 requirements.

21 *SEC. 11. Section 94917 of the Education Code is amended to*  
22 *read:*

23 94917. A note, instrument, or other evidence of indebtedness  
24 relating to payment for an educational program is *void and* not  
25 enforceable ~~by an institution~~ unless, at the time of execution of  
26 the note, instrument, or other evidence of indebtedness, the  
27 institution held an approval to ~~operate~~. *operate or valid out-of-state*  
28 *registration with the bureau.*

29 *SEC. 12. Section 94918.5 is added to the Education Code,*  
30 *immediately following Section 94918, to read:*

31 94918.5. (a) *The bureau's administration of this article or*  
32 *Article 13 (commencing with Section 94919) shall not preclude*  
33 *the authority of the Department of Financial Protection and*  
34 *Innovation over, and application of the California Consumer*  
35 *Financial Protection Law to, any "covered persons" as defined*  
36 *by subdivision (f) of Section 90005 of the Financial Code,*  
37 *including, but not limited to, private postsecondary educational*  
38 *institutions.*

39 (b) *Nothing in this chapter shall constitute regulation of an*  
40 *institution's financial product or service pursuant to subparagraph*

1 (B) of paragraph (2) of subdivision (a) of Section 90009 of the  
 2 Financial Code, or shall otherwise be construed to limit the  
 3 Department of Financial Protection and Innovation’s jurisdiction  
 4 with respect to an institution’s financial product or service.

5 (c) An institution subject to this chapter shall not be considered  
 6 “acting under the authority” of its status with the bureau pursuant  
 7 to subdivision (a) of Section 90002 of the Financial Code when  
 8 offering financial products or services.

9 SEC. 13. Section 94926.5 is added to the Education Code, to  
 10 read:

11 94926.5. (a) An institution’s approval to operate is  
 12 automatically terminated on the date of closure or when its  
 13 exemption from this chapter has been verified by the bureau.

14 (b) An institution that does not identify a date of closure shall  
 15 have one selected by the bureau.

16 (c) A terminated license shall not be reinstated.

17 SECTION 1.

18 SEC. 14. Section 94933 of the Education Code is amended to  
 19 read:

20 94933. The bureau shall provide an institution with the  
 21 opportunity to remedy noncompliance, impose fines, place the  
 22 institution on probation, or suspend or revoke the institution’s  
 23 approval to operate, in accordance with this article, as it deems  
 24 appropriate based on the severity of an institution’s violations of  
 25 this chapter, and the harm that results or may result to students.

26 SEC. 15. Section 94934.5 of the Education Code is amended  
 27 to read:

28 94934.5. (a) An institution with an approval to operate that  
 29 knows that it is being investigated by an oversight entity other than  
 30 the bureau shall report that investigation, including the nature of  
 31 that investigation, to the bureau *in writing* within 30 days of the  
 32 institution’s first knowledge of the investigation. An institution  
 33 with an approval to operate that is the subject of a judgment by, a  
 34 regulatory action by, increased oversight or monitoring by, or a  
 35 settlement with, any oversight entity other than the bureau shall  
 36 report it to the bureau within 30 days. Failure to comply with this  
 37 section may subject the institution to an administrative citation  
 38 pursuant to Section 94936.

1 (b) For the purposes of this section, “investigation” means any  
2 inquiry into possible violations of any applicable laws or  
3 accreditation standards.

4 (c) For the purposes of this section, “oversight entity” means  
5 all of the following:

6 ~~(1) Any federal or state entity that provides financial aid to~~  
7 ~~students of the institution or approves the institution for~~  
8 ~~participation in a financial aid program.~~

9 ~~(2)~~

10 ~~(1) Any state or federal attorney general’s office or department~~  
11 ~~of justice; governmental agency.~~

12 ~~(3) Any regulator that approves the operation of the institution.~~

13 ~~(4) The federal Consumer Financial Protection Bureau or the~~  
14 ~~federal Securities and Exchange Commission.~~

15 ~~(5)~~

16 (2) Any accrediting agency.

17 ~~(6)~~

18 (3) Any ~~state~~ professional licensing entity that exercises any  
19 programmatic or institutional approval over the institution.

20 *SEC. 16. Section 94935 of the Education Code is amended to*  
21 *read:*

22 94935. (a) Bureau staff who, during an inspection of an  
23 institution, detect a violation of this chapter, or regulations adopted  
24 pursuant to this chapter, that is a minor violation as determined by  
25 the bureau, pursuant to regulations adopted by January 1, 2011,  
26 shall issue a notice to comply ~~before leaving the institution.~~ *at the*  
27 *conclusion of the inspection.* The bureau shall establish a voluntary  
28 informal appeal process, by regulation, within one year of the  
29 enactment of this chapter.

30 (b) An institution that receives a notice to comply shall have no  
31 more than 30 days from the date of inspection to remedy the  
32 noncompliance.

33 (c) Upon achieving compliance, the institution shall sign and  
34 return the notice to comply to the bureau.

35 (d) A single notice to comply shall be issued listing separately  
36 all the minor violations cited during the inspection.

37 (e) A notice to comply shall not be issued for any minor  
38 violation that is corrected ~~immediately in the presence of the bureau~~  
39 ~~staff.~~ *before the conclusion of the inspection.* Immediate

1 compliance may be noted in the inspection report, but the  
2 institution shall not be subject to any further action by the bureau.

3 (f) A notice to comply shall be the only means the bureau shall  
4 use to cite a minor violation discovered during an inspection. The  
5 bureau shall not take any other enforcement action specified in  
6 this chapter against an institution that has received a notice to  
7 comply if the institution remedies the violation within 30 days  
8 from the date of the inspection.

9 (g) If an institution that receives a notice to comply pursuant to  
10 subdivision (a) disagrees with one or more of the alleged minor  
11 violations listed in the notice to comply, an institution shall send  
12 the bureau a written notice of disagreement. The agency may take  
13 administrative enforcement action to seek compliance with the  
14 requirements of the notice to comply.

15 (h) If an institution fails to comply with a notice to comply  
16 within the prescribed time, the bureau shall take appropriate  
17 administrative enforcement action.

18 ~~SEC. 2.~~

19 *SEC. 17.* Section 94936 of the Education Code is amended to  
20 read:

21 94936. (a) As a consequence of an investigation, which may  
22 incorporate any materials obtained or produced in connection with  
23 a compliance inspection, and upon a finding that the institution  
24 has committed a violation of this chapter or that the institution has  
25 failed to comply with a notice to comply pursuant to Section 94935,  
26 the bureau shall issue a citation to an institution for violation of  
27 this chapter, or regulations adopted pursuant to this chapter.

28 (b) The citation may contain any of the following:

29 (1) An order of abatement that may require an institution to  
30 demonstrate how future compliance with this chapter or regulations  
31 adopted pursuant to this chapter will be accomplished.

32 (2) Notwithstanding Section 125.9 of the Business and  
33 Professions Code, an administrative fine not to exceed five  
34 thousand dollars (\$5,000) for each violation. The bureau shall base  
35 its assessment of the administrative fine on:

36 (A) The nature and seriousness of the violation.

37 (B) The persistence of the violation.

38 (C) The good faith of the institution.

39 (D) The history of previous violations.

40 (E) The purposes of this chapter.

1 (F) The potential harm to students.

2 (3) An order to compensate students for harm that resulted or  
3 may have resulted, including a refund of moneys paid to the  
4 institution by or on behalf of the student, as determined by the  
5 bureau.

6 (c) (1) The citation shall be in writing and describe the nature  
7 of the violation and the specific provision of law or regulation that  
8 is alleged to have been violated.

9 (2) The citation shall inform the institution of its right to request  
10 a hearing in writing within 30 days from service of the citation.

11 (3) If a hearing is requested, the bureau shall select an informal  
12 hearing pursuant to Article 10 (commencing with Section  
13 11445.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the  
14 Government Code or a formal hearing pursuant to Chapter 5  
15 (commencing with Section 11500) of Part 1 of Division 3 of Title  
16 2 of the Government Code.

17 (4) If a hearing is not requested, payment of the administrative  
18 fine is due 30 days from the date of service, and shall not constitute  
19 an admission of the violation charged.

20 (5) If a hearing is conducted and payment of an administrative  
21 fine is ordered, the administrative fine is due 30 days from when  
22 the final order is entered.

23 (6) The bureau may enforce the administrative fine as if it were  
24 a money judgment pursuant to Title 9 (commencing with Section  
25 680.010) of Part 2 of the Code of Civil Procedure.

26 (d) All administrative fines shall be deposited in the Private  
27 Postsecondary Education Administration Fund.

28 *SEC. 18. Section 94944 of the Education Code is amended to*  
29 *read:*

30 94944. Notwithstanding any other ~~provision~~ of law, the bureau  
31 shall cite any person, and that person shall be subject to a fine not  
32 to exceed one hundred thousand dollars (\$100,000), for operating  
33 an institution without proper approval to operate issued by the  
34 bureau pursuant to this chapter. *The maximum fine for unlicensed*  
35 *activity is separate and not inclusive of fines for other violations*  
36 *or refunds ordered.*

37 *SEC. 19. Section 94949.8 is added to the Education Code,*  
38 *immediately following Section 94949.73, to read:*

39 94949.8. (a) *An institution that qualifies as a public institution*  
40 *of higher education pursuant to subdivision (b) of Section 94858.5,*

1 *that is operated by another state, and that maintains a physical*  
2 *presence in this state may apply for an approval to operate from*  
3 *the bureau.*

4 *(b) (1) With regard to a public institution of higher education*  
5 *approved pursuant to this section, the bureau shall administer and*  
6 *enforce this chapter, and the regulations adopted pursuant to this*  
7 *chapter, in the same manner and to the same extent as if such*  
8 *institutions were private postsecondary educational institutions,*  
9 *as defined in Section 94858.*

10 *(2) A public institution of higher education approved pursuant*  
11 *to this section is subject to the provisions of, and the regulations*  
12 *adopted pursuant to, this chapter in the same manner and to the*  
13 *same extent as if it was a private postsecondary educational*  
14 *institution, as defined in Section 94858, including the provisions*  
15 *related to fees, annual reports, compliance inspections, and the*  
16 *Student Tuition Recovery Fund.*

17 *(c) As necessary or appropriate, the bureau shall publish public*  
18 *guidance regarding the application of this chapter and the*  
19 *regulations adopted pursuant to this chapter to a public institution*  
20 *of higher education approved pursuant to this section. The bureau's*  
21 *development and publication of any such guidance is exempt from*  
22 *the requirements of Chapter 3.5 (commencing with Section 11340)*  
23 *of Part 1 of Division 3 of Title 2 of the Government Code. The*  
24 *bureau shall, on or before July 1, 2024, amend any regulations*  
25 *that conflict with this section.*

26 *SEC. 20. Section 94950 of the Education Code is amended to*  
27 *read:*

28 *94950. This chapter shall remain in effect only until January*  
29 *1, ~~2023~~, 2027, and as of that date is repealed.*

30 ~~SEC. 3.~~

31 *SEC. 21. No reimbursement is required by this act pursuant to*  
32 *Section 6 of Article XIII B of the California Constitution because*  
33 *the only costs that may be incurred by a local agency or school*  
34 *district will be incurred because this act creates a new crime or*  
35 *infraction, eliminates a crime or infraction, or changes the penalty*  
36 *for a crime or infraction, within the meaning of Section 17556 of*  
37 *the Government Code, or changes the definition of a crime within*  
38 *the meaning of Section 6 of Article XIII B of the California*  
39 *Constitution.*

- 1
- 2 **REVISIONS:**
- 3 **Heading—Line 2.**
- 4

\_\_\_\_\_

\_\_\_\_\_

O

**BUREAU OPERATIONS UPDATE RELATED TO THE FOLLOWING:**

- a.** IT Systems Project
- b.** Licensing Report
- c.** Quality of Education Report
- d.** Annual Report Update
- e.** Compliance and Discipline Report
- f.** Complaint and Investigation Report
- g.** Office of Student Assistance and Relief (OSAR) Report
- h.** Student Tuition Recovery Fund (STRF) Report



**IT SYSTEMS PROJECT**

August 18, 2022

**LICENSING REPORT**

August 18, 2022

## Licensing Applications Status as of July 1, 2022 for Fiscal Year 21/22

Type	Received FY 21/22	Pending Assignment (Queue)	Under Review	Total Pending	Approved	Withdrawn or Abandoned	Denied	Total Closed	Average Days to Approve <sup>a</sup>
New Full Approval	27	18	41	58	25	10	3	38	490
New Accreditation	30	0	7	7	23	12	0	35	122
Renewal Full	83	0	118	118	49	4	2	55	384
Renewal Accreditation	73	0	35	35	82	1	0	83	199
Changes Full	143	0	56	56	126	21	6	153	181
Changes Accreditation	196	0	33	33	190	34	0	224	113
Verification of Exemption	247	0	28	28	214	2	77	297	53
Out of State Registration	71	0	7	7	65	6	0	71	42
<b>Totals:</b>	<b>870</b>	<b>18</b>	<b>325</b>	<b>342</b>	<b>774</b>	<b>90</b>	<b>88</b>	<b>956</b>	<b>198</b>

<sup>a</sup>Average Days to Approve is calculated from time assigned to analyst.

\* 22 applications pending new term of accreditation.

### Oldest Pending Full Applications (as of 7/1/2022)

Oldest Full Apps in Queue:	6/22/2021	Application is incomplete
Oldest Full Apps Under Review:	1/30/2019	#31957
Oldest Renewal Full Apps Under Review:	4/10/2017	#30098 Discipline issues
Median Date of Full Apps in Queue:	5/2/2022	

### Total Number of Schools by Location Type & Approval Type

Location Type	Mains	Branches	Satellites	Total
		965	365	512
Approval Type	ABMA (Accredited)	Full (Non-Accredited)	Conditional <sup>a</sup>	Provisional <sup>b</sup>
		414	528	1

88 Approved Out of State Registrations as of 7/1/2022

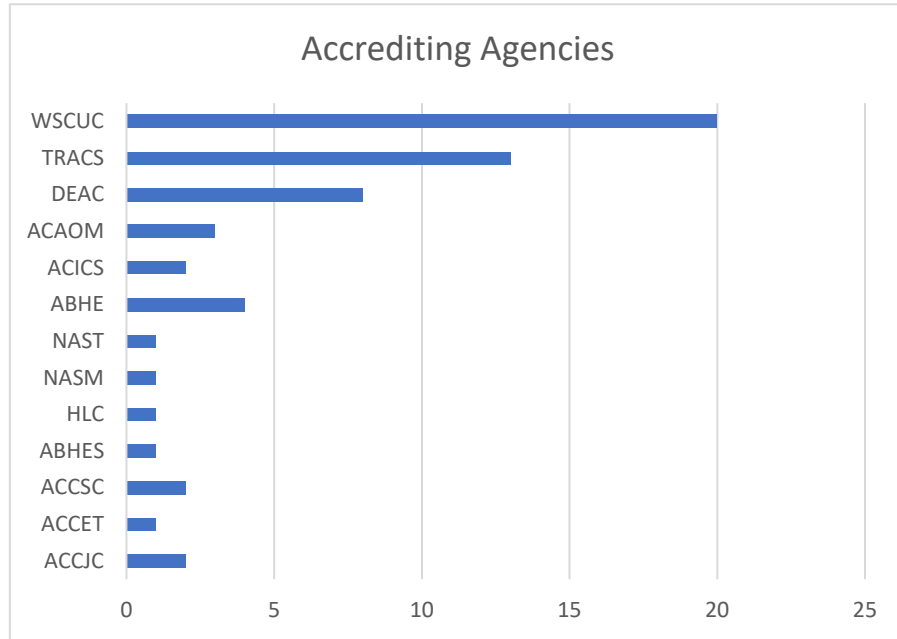
<sup>a</sup>Conditional Approvals are issued for a period up to six months when minor deficiencies exist but the institution is substantially in compliance with the requirements of the laws and regulations (California

<sup>b</sup>Provisional Approvals are issued to unaccredited institutions seeking approval to offer one or more degree programs and must satisfy the requirements under California Education Code section 94885.5.

**QUALITY OF EDUCATION REPORT**

## SB 1247 Institutions that Achieved Accreditation & Accreditor Chosen

ACCJC	2
ACCET	1
ACCSC	2
ABHES	1
HLC	1
NASM	1
NAST	1
ABHE	4
ACICS	2
ACAOM	3
DEAC	8
TRACS	13
WSCUC	20
Total	59



- ABHE:** Association for Biblical Higher Education
- ABHES:** Accrediting Bureau of Health Education Schools
- ACAOM:** Accrediting Commission for Accupuncture & Oriental Medicine
- ACCJC:** Accrediting Commission for Community and Junior Colleges
- ACCET:** Accrediting Council for Continuing Education & Training
- ACCSC:** Accrediting Commission of Career Schools and Colleges
- ACICS:** Accrediting Commission for Independent Colleges and Schools
- HLC:** Higher Learning Commission
- DEAC:** Distance Education Accrediting Commission
- NASM:** National Association of Schools of Music
- NAST:** National Association of Schools of Theater
- TRACS:** Transnational Association of Christian Colleges and Schools
- WSCUC:** WASC Senior College and University Commission

## STATUS OF SB 1247 INSTITUTIONS

### CEC 94885.1 Schools (Approved to Offer Degree Programs as of Jan 1, 2015)

Closed or Approval Expired	49	
Exempt	19	
Surrendered Degree Program(s)	22	
Currently Suspended	4	
Accredited	45	
<b>On Approved Extension</b>	<b><u>3</u></b>	Extensions to September & December 2022
<b>TOTAL</b>	<b>142</b>	

### CEC 94885.5 Schools (Provisionally Approved to Offer Degree Programs)

Closed	12
Exempt	2
Surrendered Degree Program(s)	10
Currently Suspended	7
Accredited	14
<b>Pursuing Accreditation</b>	<b><u>31</u></b>
<b>Total</b>	<b>76</b>

Number of institutions since 2015 whose degree programs were suspended:

2015 - 11  
2016 - 0  
2017 - 13  
2018 - 1  
2019 - 6  
2020 - 12  
2021 - 3  
2022- 2

**ANNUAL REPORT UPDATE**

**COMPLIANCE AND DISCIPLINE REPORT**

August 18, 2022



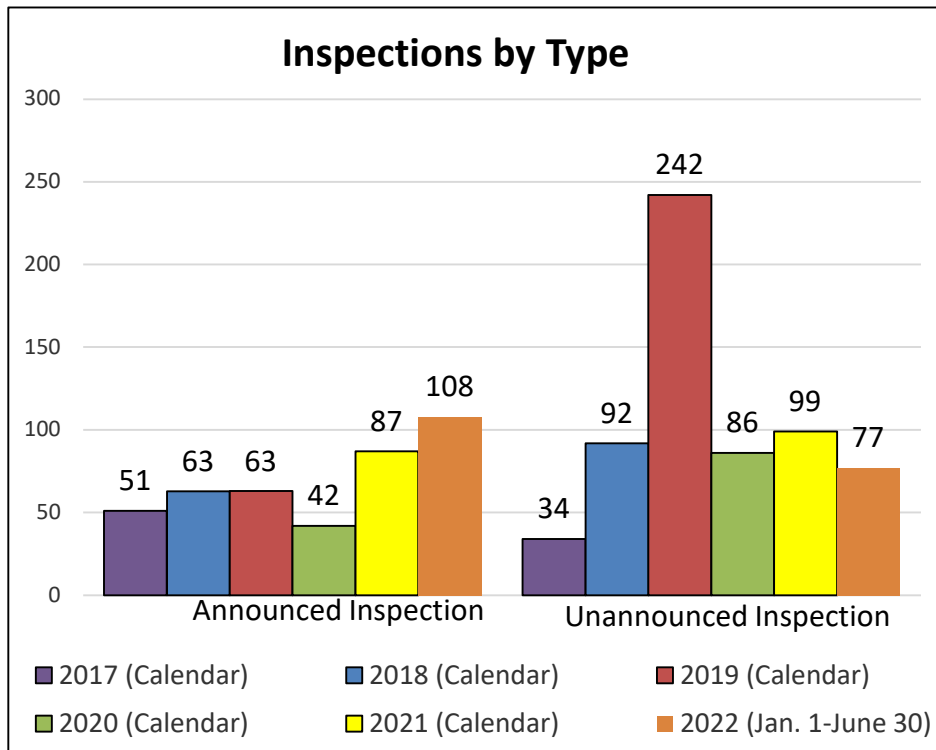
BPPE COMPLIANCE STATS

COMPLIANCE STATS AS OF June 30, 2022						
Compliance Stats	2017 (Calendar)	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Calendar)	2022 (Jan. 1 - June 30)
<b>Total Completed Inspections</b>	85	155	305	128	186	185
<b>ACI - Announced Inspections</b>	51	63	63	42	87	108
<b>UCI - Unannounced Inspections</b>	34	92	242	86	99	77
<b>Notice To Comply Issued</b>	47	65	49	11	17	35
<b>Enforcement Referral Issued</b>	36	56	93	26	60	71
<b>Inspections Cancelled *</b>	N/A**	7	18	12	13	11

\*Causes for Cancellations:

- (1) The school closed during inspection process.
- (2) The school surrendered approval.
- (3) The school refused to allow inspection resulting in further action.
- (4) The school was not at the physical location listed in SAIL.
- (5) The renewal to operate was denied.

\*\*Not Applicable because this data was not being collected in 2017.

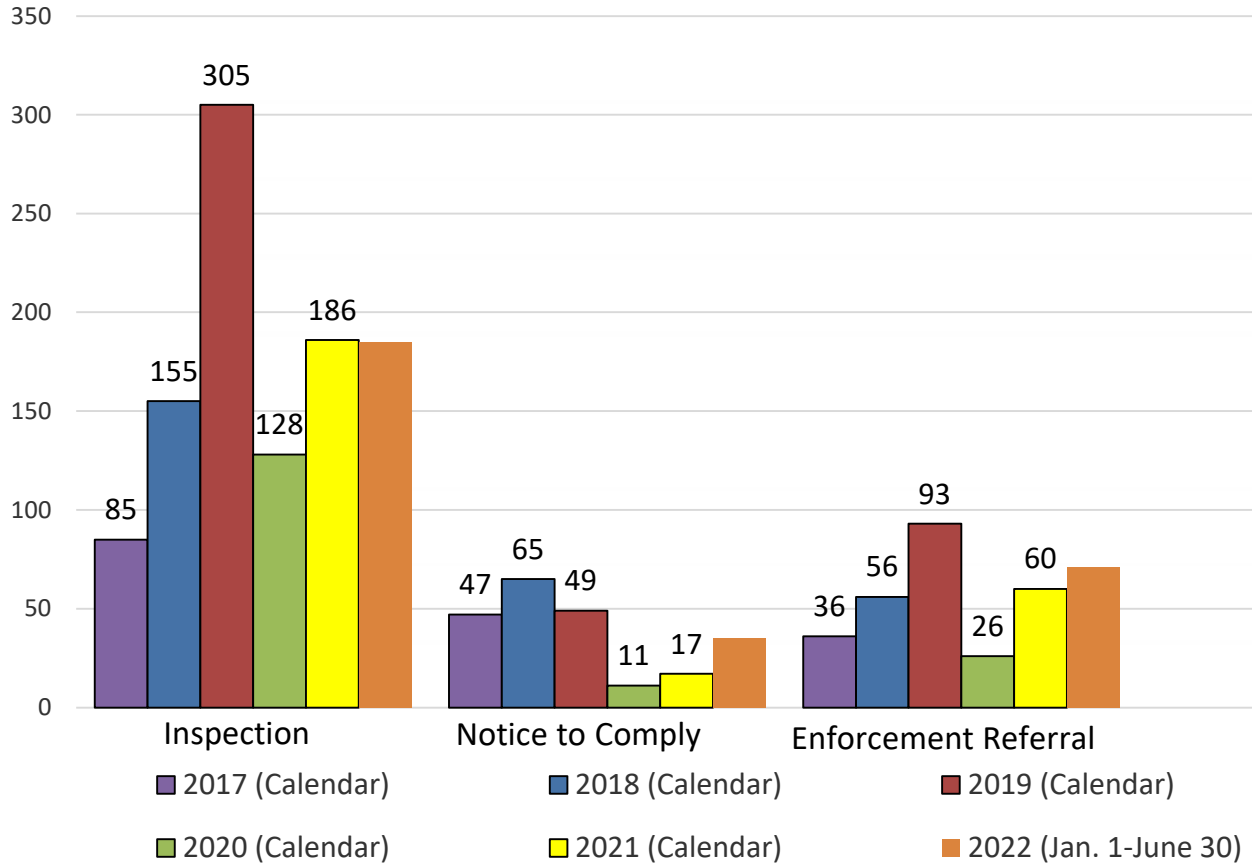


<p><b>2017 (Calendar)</b> <b>Percentages:</b> Announced: 60.0 Unannounced: 40.0</p>
<p><b>2018 (Calendar)</b> <b>Percentages:</b> Announced: 40.6 Unannounced: 59.4</p>
<p><b>2019 (Calendar)</b> <b>Percentages:</b> Announced: 20.7 Unannounced: 79.3</p>
<p><b>2020 (Calendar)</b> <b>Percentages:</b> Announced: 32.8 Unannounced: 67.2</p>
<p><b>2021 (Calendar)</b> <b>Percentages:</b> Announced: 46.8 Unannounced: 53.2</p>
<p><b>2022 (Jan.1 - June 30)</b> <b>Percentages:</b> Announced: 58.4 Unannounced: 41.6</p>

<b>2017 (Calendar) Total Inspections: 85</b>
<b>2018 (Calendar) Total Inspections: 155</b>
<b>2019 (Calendar) Total Inspections: 305</b>
<b>2020 (Calendar) Total Inspections: 128</b>
<b>2021 (Calendar) Total Inspections: 186</b>
<b>2022 (Jan. 1 - June 30) Total Inspections: 185</b>

BPPE COMPLIANCE STATS

**Completed Inspection Comparison**



	2017 (Calendar)	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Calendar)	2022 (Jan.1 - June 30)
Announced Compliance Inspection (ACI)	51	63	63	42	87	108
Unannounced Compliance Inspection (UCI)	34	92	242	86	99	77
Total Compliance Inspections Completed (ACI + UCI)	85	155	305	128	186	185
Notice to Comply (NTC)	47	65	49	11	17	35
Enforcement Referral (ER)	36	56	93	26	60	71

## Statement of Issues

Actions	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Calendar)	2022 (Jan. 1-June 30)
In-House Default: Denial Upheld	6	0	0	0	0
Proposed Decision: Denial Upheld	2	5	0	2	0
Proposed Decision: Conditional Approval Granted	0	1	0	0	0
Stipulated Settlement: Denial Upheld (School Closure)	1	0	0	0	0
Stipulated Settlement: Conditional Approval Granted	1	0	0	0	0
Withdrawn: Approval Granted (Mitigation cured deficiencies)	11	13	7	3	0
Withdrawn: Denial Upheld (School withdrew appeal)	7	6	6	1	2
Withdrawn: Exempt Institution	1	1	2	2	0
<b>Totals:</b>	29	26	15	8	2

BPPE DISCIPLINE STATS

## Accusations

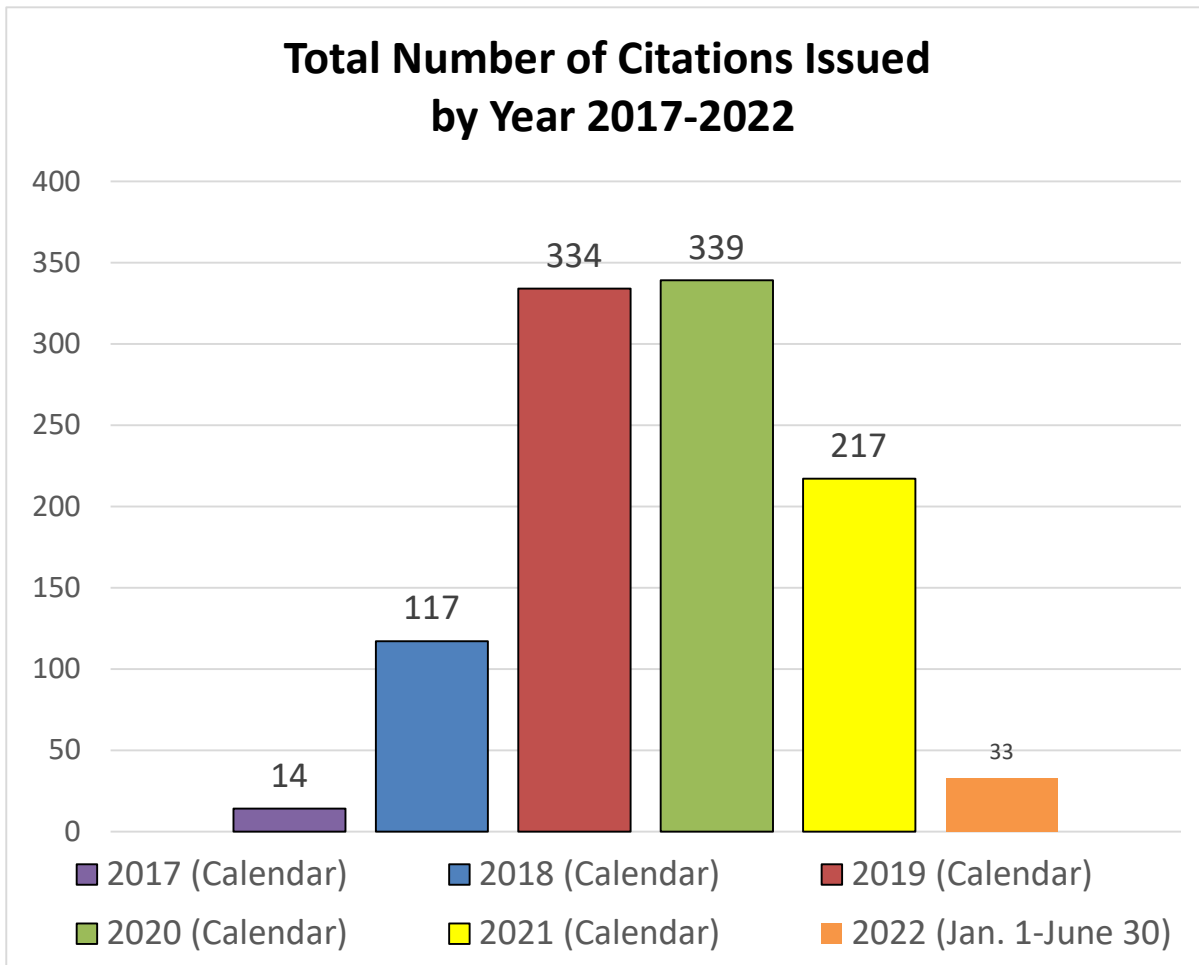
<b>Actions</b>	<b>2018</b> (Calendar)	<b>2019</b> (Calendar)	<b>2020</b> (Calendar)	<b>2021</b> (Calendar)	<b>2022</b> (Jan. 1-June 30)
Default: Revocation	1	0	5	6	2
PC 23	1	1	0	0	0
Proposed Decision: Probation Granted	0	1	0	0	0
Proposed Decision: Revocation	1	0	1	0	0
Rejected by DAG	0	3	0	2	0
Stipulated Settlement Probation	0	5	1	1	0
Stipulated Surrender	2	4	4	4	0
Stipulated Settlement - Public Reproval	0	0	1	0	0
Withdrawn By Bureau: Citation Issued	1	1	0	0	0
Withdrawn by Bureau: Violations Resolved	0	0	0	0	1
Withdrawn by Bureau: Renewal Granted	2	0	0	0	0
<b>Totals:</b>	<b>8</b>	<b>15</b>	<b>12</b>	<b>13</b>	<b>3</b>

<b>Automatic Suspensions</b>	<b>2018</b> (Calendar)	<b>2019</b> (Calendar)	<b>2020</b> (Calendar)	<b>2021</b> (Calendar)	<b>2022</b> (Jan. 1-June 30)
Automatic Suspensions	1	4	13	3	2

<b>Emergency Decisions</b>	<b>2018</b> (Calendar)	<b>2019</b> (Calendar)	<b>2020</b> (Calendar)	<b>2021</b> (Calendar)	<b>2022</b> (Jan. 1-June 30)
Emergency Decisions	4	1	1	0	1

<b>Pending with AG as of 06/30/2022</b>	<b>Total Transmitted</b>	<b>Total Served of Transmitted</b>
Accusations	13	10
Statement of Issues	3	3
<b>Totals:</b>	<b>16</b>	<b>13</b>

## BPPE CITATION STATS



	2017 (Calendar)	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Calendar)	2022 (Jan. 1-June 30)
<b>Citations Issued</b>	14	117	334	339	217	33
<b>Number of Schools Cited</b>	14	115	308	333	217	33

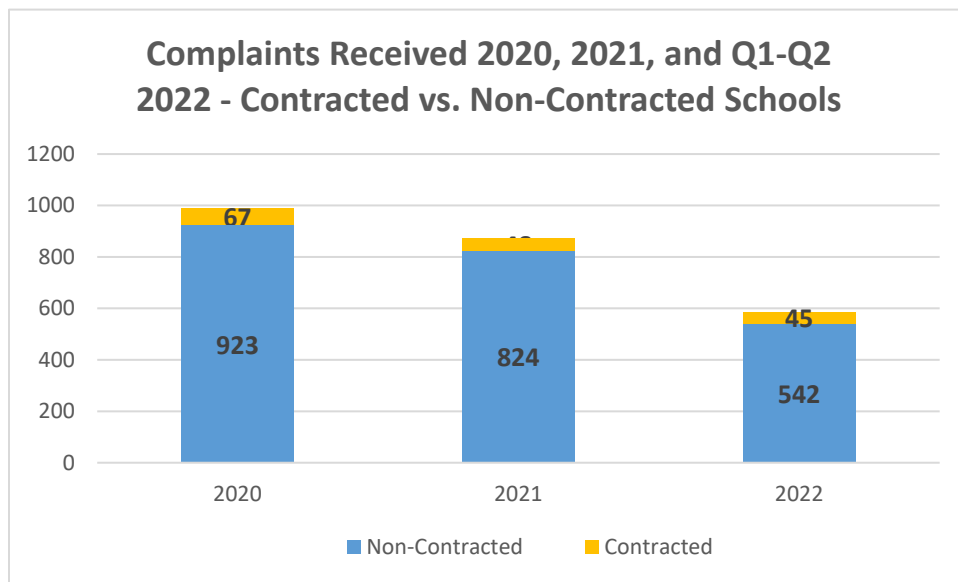
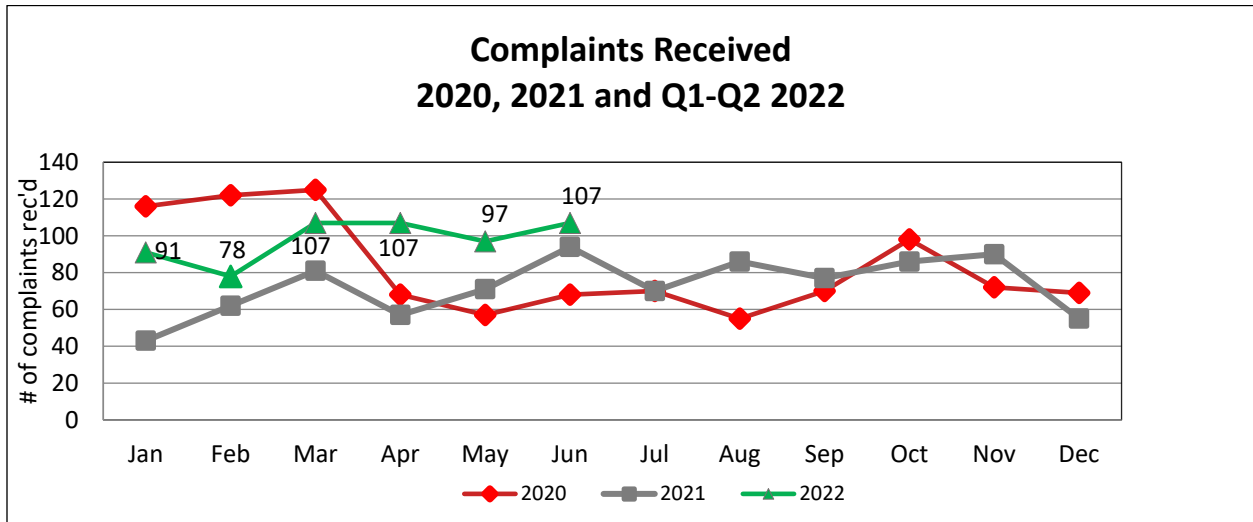
**For the past five years, the most common violations for which citations are issued are:**

- Operating an unapproved institution (unlicensed activity).
- Failure to submit Annual Fee and/or Student Tuition Recovery Fund Assessment.
- Failure to submit Annual Report and/or School Performance Fact Sheet.

**COMPLAINT AND INVESTIGATION REPORT**

August 18, 2022

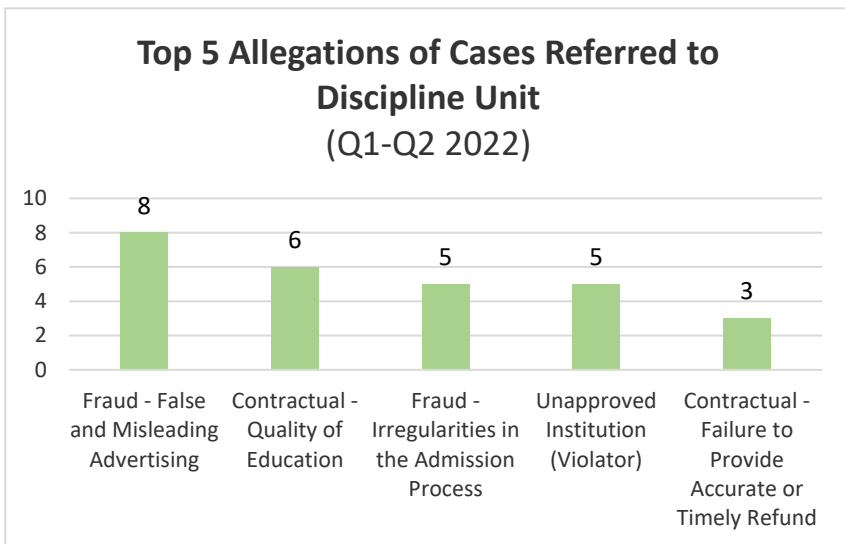
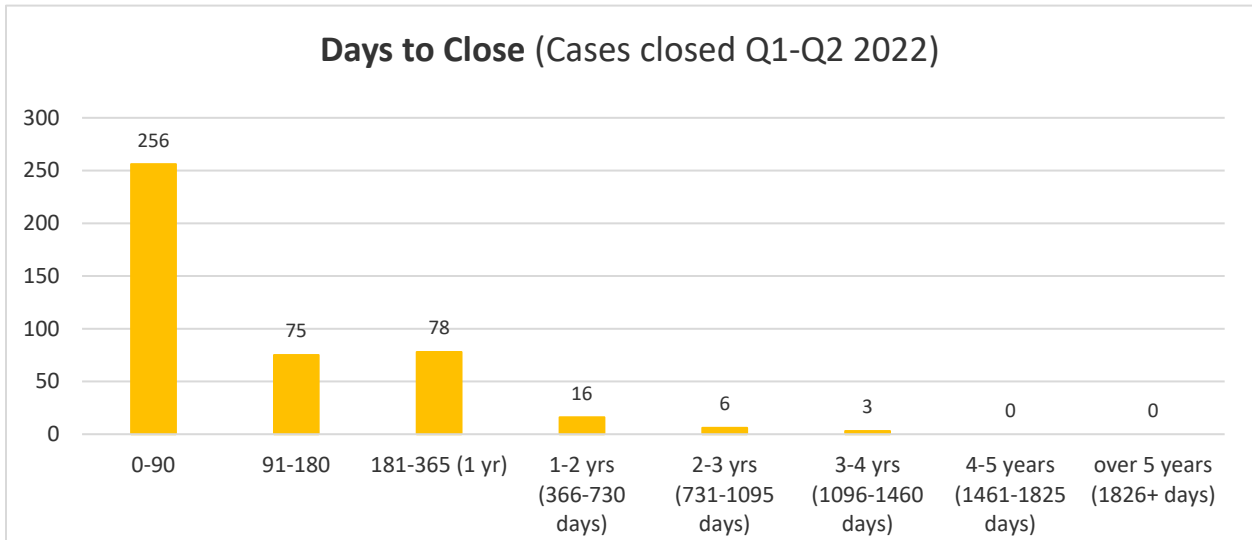
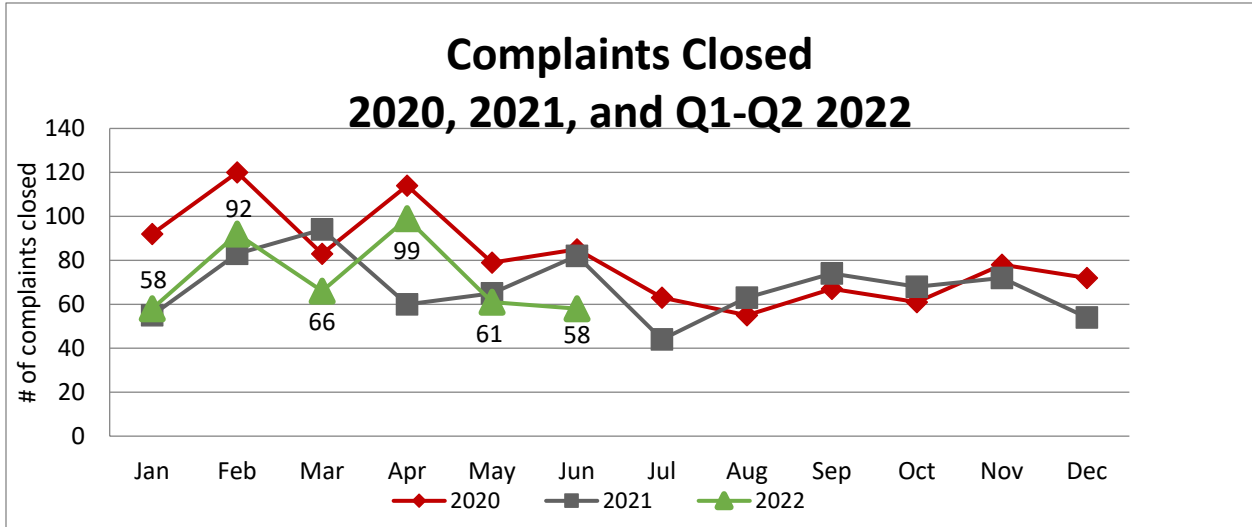
## COMPLAINT INVESTIGATIONS STATISTICS BPPE Advisory Committee Meeting August 18, 2022



Q1-Q2 Complaints	
Total complaints received	587
Total schools receiving complaints	398

Q1-Q2 Contracted School Complaints	
Contracted complaints received	45
Contracted schools receiving complaints	17

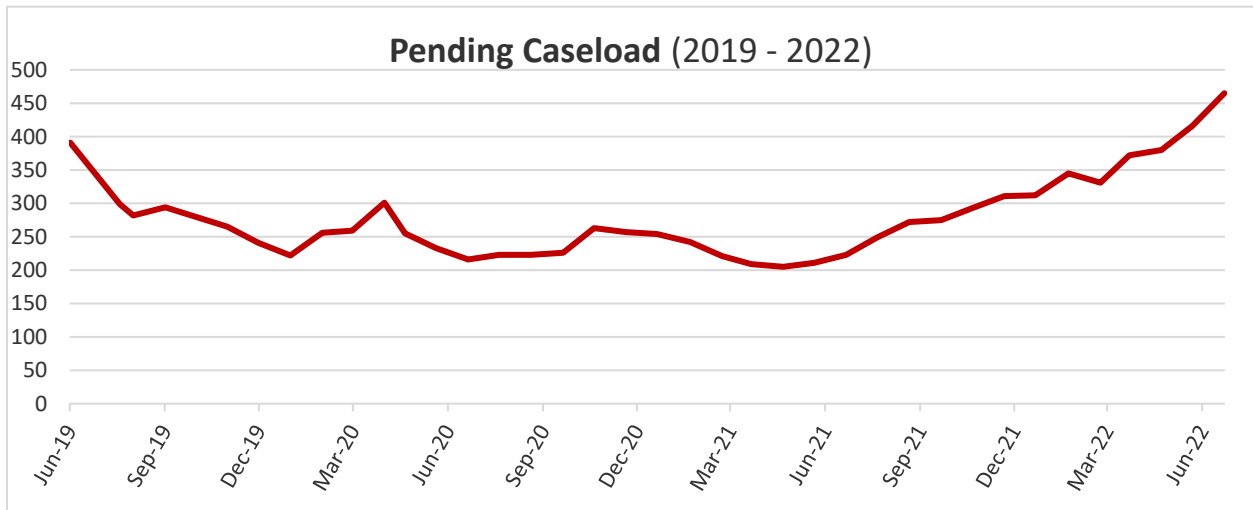
**COMPLAINT INVESTIGATIONS STATISTICS**  
**BPPE Advisory Committee Meeting**  
**August 18, 2022**



Closed At Intake	Investigation Closures	All Closures
# Closed	# Closed	# Closed
<b>158</b>	<b>274</b>	<b>434</b>



**COMPLAINT INVESTIGATIONS STATISTICS**  
**BPPE Advisory Committee Meeting**  
**August 18, 2022**



**PENDING CASELOAD AS OF 6/30/22**

CASE AGE	PENDING		EXT-STUDENT		URGENT	
	#	%	#	%	#	%
0-90	217	46.7%	133	45.5%	69	53.1%
91-180	111	23.9%	62	21.2%	32	24.6%
181-365 (1 yr)	114	24.5%	87	29.8%	27	20.8%
1-2 yrs (366-730 days)	19	4.1%	9	3.1%	2	1.5%
2-3 yrs (731-1095 days)	1	0.2%	0	0.0%	0	0.0%
3-4 yrs (1096-1460 days)	2	0.4%	0	0.0%	0	0.0%
4-5 years (1461-1825 days)	1	0.2%	1	0.3%	0	0.0%
over 5 years (1826+ days)	0	0.0%	0	0.0%	0	0.0%
<b>TOTAL</b>	<b>465</b>	<b>100%</b>	<b>292</b>	<b>100%</b>	<b>130</b>	<b>100%</b>
			<b>63% of pending</b>		<b>28% of pending</b>	

**COMPLAINT INVESTIGATIONS STATISTICS**  
**BPPE Advisory Committee Meeting**  
**August 18, 2022**

**Student Impact Outcomes (January – June 2022)**

- Total of **\$33,768.66** in refunds to students or to their federal student aid account.
- Students received degree, diploma, proofs-of-training, certificate, license, and transcripts.
- Students re-enrolled in program.
- Students referred for Student Tuition Recovery Fund.
- Students placed in externships.
- Provided assistance to student with teaching credentialing requirement.
- Compliance obtained or school policy updated.

**OFFICE OF STUDENT ASSISTANCE AND RELIEF (OSAR) REPORT**

August 18, 2022

# Office of Student Assistance and Relief

## Student Outreach Report

Calendar Year

(Data as of June 30, 2022)



### CHART A: INFORMED CHOICE OUTREACH AND EDUCATIONAL ACTIVITIES

Student Outreach Activity	Event Type	Event Date	Event Location	Total Students Served
California Transition Assistance Program Beale Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	1/20/2022	Yuba County, CA	13
California Transition Assistance Program Travis Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	1/21/2022	Travis Air Force Base, CA	27
California Transition Assistance Program March Air Reserve Base Virtual Workshop	Virtual Student Workshop / Presentation	1/26/2022	Riverside County, CA	6
Steps to College Virtual Workshop	Virtual College Fair	2/5/2022	Sacramento, CA	200
California Transition Assistance Program 32nd Street Afloat Training Group Virtual Workshop	Virtual Student Workshop / Presentation	2/23/2022	San Diego, CA	17
California Transition Assistance Program Homeport California, Camp Pendleton Virtual Workshop	Virtual Student Workshop / Presentation	2/24/2022	San Diego, CA	36
California Transition Assistance Program Presidio of Monterey Virtual Workshop	Virtual Student Workshop / Presentation	2/28/2022	Monterey, CA	13
California Transition Assistance Program Los Angeles Space Force Base Virtual Workshop	Virtual Student Workshop / Presentation	3/2/2022	Los Angeles, CA	12
California Transition Assistance Program Fort Irwin Workshop	Student Workshop / Presentation	3/15/2022	Fort Irwin, CA	25
Department of Financial Protection & Innovation Student Loan Borrower Webinar	Presentation	3/29/2022	Virtual Event	339
California Transition Assistance Program Travis Air Force Base Workshop	Student Workshop / Presentation	4/8/2022	Travis Air Force Base, CA	17
California Transition Assistance Program Beale Air Force Base Workshop	Student Workshop / Presentation	4/14/2022	Yuba County, CA	10
California Transition Assistance Program Naval Air Station Lemoore Virtual Workshop	Virtual Student Workshop / Presentation	4/20/2022	Kings County, CA	7
California Transition Assistance Program Afloat Training Group San Diego Workshop	Student Workshop / Presentation	5/12/2022	San Diego, CA	16
California Transition Assistance Program Presidio of Monterey Workshop	Student Workshop / Presentation	5/20/2022	Monterey, CA	9
Beauty Cast Network - Beauty and Barber Professionals & Students Event	College Fair	5/22/2022	Los Angeles, CA	50
California Transition Assistance Program March Air Reserve Base Workshop	Student Workshop / Presentation	6/8/2022	Riverside County, CA	10
Chicano Latino Youth Leadership Project Career Fair	College Fair	6/26/2022	Fresno, CA	20
			<b>TOTAL</b>	<b>827</b>

**CHART B: MISC. STUDENT OUTREACH EFFORTS**

Student Outreach Activity	Event Type	Event Date	Event Location	Total Students Served
Royal Hair Institute	Phone Outreach	1/5/2022	Los Angeles, CA	8
Napa Valley School of Massage	Email Outreach	1/6/2022	Napa, CA	5
Adams University	Email Outreach	1/7/2022	Los Angeles, CA	8
Empire College	Email Outreach	2/2/2022	Santa Rosa, CA	51
Difai City College	Email Outreach	2/3/2022	Los Angeles, CA	87
Merit University	Email Outreach	2/3/2022	Los Angeles, CA	19
California University of Management and Sciences	Email Outreach	2/3/2022	Anaheim, CA	53
California Aeronautical University	Email Outreach	2/4/2022	Bakersfield, CA	312
Agape College of Business and Science	Email Outreach	2/8/2022	Fresno, CA	16
Bergin University of Canine Studies	Email Outreach	2/8/2022	Penngrove, CA	24
Southern States University	Email Outreach	2/9/2022	San Diego, CA	90
Broadview University, Inc.	Email Outreach	2/9/2022	West Jordan, UT	4
Beverly Hills Design Institute	Email Outreach	2/9/2022	Los Angeles, CA	17
Southern States University (Branch)	Email Outreach	2/9/2022	Irvine, CA	121
Southwestern California University	Email Outreach	2/10/2022	Fullerton, CA	15
Hubbard College of Administration International	Email Outreach	2/10/2022	Los Angeles, CA	12
San Diego University for Integrative Studies	Email Outreach	2/11/2022	San Diego, CA	161
Nobel University	Email Outreach	3/9/2022	Los Angeles, CA	106
Nobel Univeristy (Branch)	Email Outreach	3/9/2022	Buena Park, CA	39
San Diego Global Knowledge University	Email Outreach	3/9/2022	San Diego, CA	127
Milan Institute of Cosmetology (Branch)	Email Outreach	5/13/2022	Visalia, CA	18
Webster University (Branch)	Email Outreach	5/27/2022	Irvine, CA	30
Delta International University	Email Outreach	6/2/2022	Garden Grove, CA	5
Bard College Master of Arts in Teaching Program	Email Outreach	6/9/2022	Los Angeles, CA	6
Longy-Bard Master of Arts in Teaching Program	Email Outreach	6/9/2022	Los Angeles, CA	11
International University of California	Email Outreach	6/28/2022	Riverside, CA	10
			<b>TOTAL</b>	<b>1,355</b>

**CHART C: CLOSED SCHOOL OUTREACH WORKSHOPS**

Student Outreach Activity	Event Type	Event Date	Event Location	Total Students Served
Premiere Career College Program Closure Outreach Events	Student Workshop	4/29/2022	Baldwin Park, CA	87
	Virtual Student Workshop	4/29/2022		
	Virtual Student Workshop	5/19/2022		
			<b>TOTAL</b>	<b>87</b>

# Office of Student Assistance and Relief

## Student Contact Report

Calendar Year

(Data as of June 30, 2022)



### PHONE CALLS RECEIVED

Call Category	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	TOTAL
Student Tuition Recovery Fund Application Assistance	267	97	139	162	146	173	<b>984</b>
Student Loan Relief Assistance	26	14	9	19	10	25	<b>103</b>
School/Program Closure Outreach	7	25	6	38	4	13	<b>93</b>
Informed Choice Consultation	0	0	0	1	0	3	<b>4</b>
Transcript Assistance	7	3	7	6	6	10	<b>39</b>
Other	23	4	33	17	16	20	<b>113</b>
<b>TOTAL CALLS</b>	<b>330</b>	<b>143</b>	<b>194</b>	<b>243</b>	<b>182</b>	<b>244</b>	<b>1,336</b>

**STUDENT TUITION RECOVERY FUND (STRF) REPORT**

August 18, 2022





## Student Tuition Recovery Fund Claims

Large Impact Closures From School Closure to Current (Total Impact)								
	STRF Claims Received	STRF Claims Pending	Ineligible / Denied	Unable to Contact	Number of STRF Claims Approved	Dollar Amount Paid to Student/Loan	Dollar Amount Paid - Ed Credit (To New School)	Total Dollar Amount Paid
<b>Heald <sup>2</sup></b>	491	212	94	91	94	\$827,146	\$28,535	\$855,681
<b>WyoTech <sup>2</sup></b>	170	29	45	36	60	\$300,342	\$0	\$300,342
<b>Everest <sup>2</sup></b>	564	175	133	121	135	\$543,331	\$0	\$543,331
<b>Silicon Valley</b>	1270	903	49	10	308	\$5,626,547	\$0	\$5,626,547

<sup>1</sup> These values may include STRF claims that were received prior to the 2021/22 State Fiscal Year but processed in the 2021/22 State Fiscal Year.

<sup>2</sup> Heald College, WyoTech, and Everest College were operated by Corinthian Colleges, Inc. - "STRF Claims Pending" includes claims that are awaiting a decision on their Federal Borrower Defense applications.

Data as of 07/19/2022

**Agenda Item 9**

**BUREAU RESPONSE TO INSTITUTIONAL CLOSURES AND ASSOCIATED COSTS**

August 18, 2022



# ISSUE MEMORANDUM

<b>DATE</b>	August 11, 2022
<b>TO</b>	Advisory Committee Members Bureau for Private Postsecondary Education
<b>FROM</b>	Leeza Rifredi, Deputy Bureau Chief
<b>SUBJECT</b>	<b>Bureau for Private Postsecondary Education’s Response to Institutional Closures and Associated Costs</b>

Prompted by the sudden closure of prominent institutions in years past and to inform ongoing policy discussions, Advisory Committee members have requested additional information regarding the impact of institutional closures on the Bureau’s finances and capacity. This memo provides a brief overview of the types of closure scenarios typically encountered by the Bureau, the range of activities necessitated by closures, and the scale of unexpected costs incurred in response to sudden closures.

## Institutional Closure Types

While no two institutional closure scenarios are identical, most can be categorized into one of several broad closure scenarios. The focus of this memo is on Bureau operations; however, the level of impact and harm to students varies greatly based on the type of closure and institutional compliance with state requirements. For example, students may be largely unaffected by a closure if their institution decides to wind down operations in a way that allows them to graduate as scheduled. However, student harm can be substantial if the institution’s commitment to an orderly wind-down wanes over time. In such cases, students may experience declines in educational quality or student services or pressure to transfer to suboptimal alternative programs without awareness of their rights under state law.

Common closure scenarios include:

- *Sudden closures* where institutions close suddenly and unexpectedly and in which enrolled students are not able to finish their programs and few or no teach-out or transfer plans exist.
- *Steady wind-downs* in which institutions develop and adhere to plans that enable students to complete their programs.
- *Unsteady wind-downs* in which institutions develop questionable plans to wind down operations that fall apart over time.
- *Heightened-scrutiny closures* where institutions close after a period of increased scrutiny or adverse action from the Bureau or other regulators.
- *Dormant closures* of institutions that are functionally inactive with no recently enrolled students.
- *Disappearances* of institutions that are ultimately deemed to have closed after having failed to respond to Bureau outreach.

- *Relocations* of institutions that transition to an out-of-state physical location and thus “close” the California-based campus.

### **Closure-Related Work Processes**

The types and scales of work required to manage an institutional closure are impacted by the type of institutional closure as well as the level of institutional compliance with closure requirements. State law and regulations include several requirements for closing institutions, including providing notice to the Bureau of the impending closure at least 30 days in advance along with the information needed for the Bureau to minimize student impact. Further, institutions are required to provide refunds to students who will be unable to finish their programs due to the closure and to designate a custodian of records responsible for storing and providing access to student records for five years.

Unfortunately, most closures do not comply with state requirements. Owners whose businesses are no longer viable often do not prioritize adherence to the law. Compliance may be burdensome and/or costly, and for the institution or its owners the stakes of noncompliance – loss of approval to operate an institution – are inconsequential once an institution is already closing and no longer requires approval.

The Bureau has one Staff Services Analyst position dedicated to school-closure related activity and communications; however, responding to closures frequently involves a coordinated team of staff members performing duties based on the situation at hand, including meetings with senior leadership.

The types of work involved include:

- Investigating the status of an institution that is or may be closing or closed.
- Working with institutions to ensure compliance with orderly closure requirements.
- Coordinating with other regulators or oversight/approving agencies.
- Supporting student transfer or teach-out.
- Providing information about financial relief options.
- Receiving and processing Student Tuition Recovery Fund claims for eligible students.
- Organizing student records received and providing transcripts to impacted students.
- Outreach events with or without the institution.
- Taking disciplinary action as appropriate.

Bureau staff are currently refining procedures for responding to school closures to ensure they properly account for the types of scenarios frequently encountered and that sufficient levels of Bureau staffing and capacity are dedicated to closure response.

### **Sudden Closure Costs to the Bureau**

While the efforts outlined above entail workload challenges for Bureau staff and often strain capacity, the work is conducted by permanent staff whose employment is not dependent on how many institutions close or the scale of the closures. The permanent-staff workload associated with any particular closure is not tracked to assess its aggregate impact on capacity or operations.

Closures may also entail additional direct costs to the Bureau, not associated with routine employment, which can be challenging to absorb. The Bureau examined records associated with a range of prior, sudden closures to assess the types and scales of unforeseen costs incurred. Each closure involves a unique set of circumstances, making a comprehensive assessment of costs associated with school closures challenging. However, the most typical costs incurred beyond permanent staffing costs include travel, overtime, temporary staffing, storage costs, and potentially legal costs associated with obtaining records. For general reference, the information below provides estimates of unforeseen costs in these categories for closures of different scales.

*Unforeseen cost estimates per closure:*

- Small closure: \$1,300
  - Includes travel and overtime costs for one day of in-person outreach to a single campus, with one or more staff per outreach event.
- Medium closure: \$21,500
  - Includes travel and overtime costs for one or two days of in-person outreach to multiple campuses, with multiple staff per outreach event.
- Large closure: \$124,000 - \$200,000
  - Includes travel and overtime costs for multiple days of in-person outreach to several campuses, with multiple staff per outreach event; costs for supplementary, temporary staffing to gather and organize student records; and storage costs to maintain records.

**FUTURE AGENDA ITEMS**

**ADJOURNMENT**

August 18, 2022