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

Wednesday, February 13, 2019, at 9:30 a.m.
Department of Consumer Affairs
Hearing Room, 1st Floor
1625 North Market Blvd.,
Sacramento, CA 95834

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

Agenda

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

1. Welcome, Introductions and Establishment of a Quorum

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

3. Review and Approval of November 7, 2018, 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. Bureau Operations Update and Discussion related to the following:

   a. Bureau Organization Structure/Chart and Staffing Updates

   b. Comments from the Bureau Chief Related to the Bureau's Strategic Vision and Becoming the Lead Agency to Address Industry Problems

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    c. Compliance and Discipline Report
        i. Disciplinary Highlights and Resulting Actions Statistics
       ii. Citation and Fines
      iii. School Inspections by the Bureau

    d. Complaint and Investigation Report
        i. Complaint and Investigation Statistics
       ii. Committees' Request for Sampling of Redacted Consumer Complaints with Analysis of Closure of Complaint (Status Update Only)

    e. Licensing Report
        i. Licensing Applications Status Statistics
       ii. Report on the Number of Institutions by Location Type (Main, Branch, and Satellite)

    f. Annual Reports (AR) Report
        i. Status Update on the New AR Portal for Institutions to Submit Reports

    g. Quality of Education Report
        i. Update on Degree-Granting Institutions Required to Become Accredited

    h. Bureau's IT System Project Report and Discussion

    i. Office of Student Assistance and Relief (OSAR) Report
        i. Overview of OSAR Activities Summary Report
       ii. Brightwood Closure Outreach Update
      iii. Student Tuition Recovery Fund (STRF) Claims and Large Impact Closure Statistics
      iv. Request for Analysis of the Duties of OSAR and Bureau Implementation (Status Update Only)

6. Status Updates related to the following Regulations:
    a. Registration for Out-of-State Private Postsecondary Educational Institutions [California Education Code (CEC) sections 94850.5 and 94801.5]
    b. English as a Second Language Programs [Title 5, California Code of Regulations (CCR), Section 70000 (k)]
    c. Application for Verification of Exempt Status (CEC Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5); Title 5, CCR Section 71395)
    d. Compliance with Laws and Procedures (Title 5, CCR, Section 71755)
    e. Student Records and the Maintenance of Records (Title 5, CCR Sections 71920, 71930, 71940 and 71950)
    f. Required Notices and Teach-Out Plans (Title 5, CCR, Section 76240)

7. Analysis of Income Sharing Agreements and Compliance with the Bureau's Current Laws and Regulations

8. Future Agenda Items

9. Adjournment

Notice to the Public

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

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

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

WELCOME, INTRODUCTIONS AND ESTABLISHMENT OF A QUORUM

Committee Member Roster

Katherine Lee-Carey, Chair
- Institutional Representative (Appointed by DCA Director)

Margaret Reiter, Vice-Chair
- Consumer Advocate (Appointed by Senate Committee on Rules)

Diana Amaya
- Public Member (Appointed by Senate Committee on Rules)

Tamika Butler
- Public Member (Appointed by Speaker of the Assembly)

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

Joseph Holt
- Institutional Representative (Appointed by DCA Director)

Megumi Tsutsui
- Consumer Advocate (Appointed by DCA Director)

David Vice
- Institutional Representative (Appointed by DCA Director)

Assemblymember Jose Medina (Kevin Powers)
- Non-Voting, Ex Officio Member (Appointed by Speaker of the Assembly)

Senator Jerry Hill (Sarah Mason)
- Non-Voting, Ex Officio Member (Appointed by the Senate Committee on Rules)

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).)

REVIEW AND APPROVAL OF NOVEMBER 7, 2018, ADVISORY COMMITTEE MEETING MINUTES

ATTACHMENT:

Advisory Committee Draft Meeting Minutes from November 7, 2018

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

Bureau for Private Postsecondary Education
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Advisory Committee Meeting Minutes
Wednesday, November 7, 2018

Department of Consumer Affairs
Hearing Room, 1st Floor
1625 North Market Blvd.
Sacramento, CA 95834

Advisory Committee Members in Attendance

1. Diana Amaya
2. Joseph Holt
3. Katherine Lee-Carey
4. Margaret Reiter
5. Kevin Powers (on behalf of Assembly member, Jose Medina)
6. Sarah Mason (on behalf of Senator Jerry Hill)

Committee Members Not in Attendance

1. Tamika Butler
2. Hanya Carbajal
3. Megumi Tsutsui
4. David Vice

Bureau for Private Postsecondary Education (Bureau) and DCA Staff in Attendance

Dr. Michael Marion Jr., Bureau Chief
Leeza Rifredi, Deputy Bureau Chief
Yvette Johnson, Enforcement Chief
Beth Scott, Enforcement Chief
Marina O'Connor, Licensing Chief
Robert Bayles, Education Administrator
Scott Valverde, Office of Student Assistance & Relief Chief
Mina Hamilton, Legal Counsel, Department of Consumer Affairs
Kristy Schieldge, Legal Counsel, Department of Consumer Affairs
Kent Gray, Legislative Analyst
Karen Nelson, Assistant Deputy Director, Office of Board and Bureau Services
Matt Nishimine, Budget Analyst, Department of Consumer Affairs
Jason Piccione, Chief Information Officer, Office of Information Systems

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

Advisory Committee Chair, Katherine Lee-Carey, called the meeting to order at 9:31 AM. She announced that agenda items 6, 7, and 8 would be moved to follow item 4.

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

No public comments.

Agenda #3 - Review and Approval of August 16, 2018 Advisory Committee Meeting Minutes

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

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

Karen Nelson, Assistant Deputy Director for the Office of Board and Bureau Services, provided remarks on behalf of DCA. She reported on the most recent Director's quarterly meeting, which was held on October 29, 2018. She noted that staff members are working on scheduling the Director's quarterly meetings for 2019.

Ms. Nelson stated that the DCA Licensing and Enforcement workgroups come together monthly to discuss efficient business practices. She added that the workgroups recently helped develop an interactive enforcement measurement tool. She thanked BPPE's staff for active participation and contribution to the workgroup.

Ms. Nelson provided an update on the Future Leadership Development program, noting that the second cohort held it's first meeting in September. She detailed the program as a means for DCA leaders to mentor staff through customized leadership training and project management.

Ms. Reiter asked for more information on the interactive enforcement measurement tool.
Ms. Nelson explained that the tool enables users to sort data to generate customized reports. She noted that the workgroups provide insight and feedback to help expand the tools usefulness. She added that the tool is still in the development phase. She added that BPPE staff could potentially use the tool to generate customized reports from annual report data.

Public Comment:

No comment.

Agenda #6 - Status Updates on Regulations

Dr. Marion pointed to the meeting agenda and provided a status update on Bureau regulations. He noted that modifications to the out-of-state registration regulation (CEC Sections 94850.5 and 94801.5) is currently under review by DCA. He stated that the English as a second language programs (Title 5, California Code of Regulations (CCR), Section 70000 (k)) regulatory package will likely be submitted to the Business, Consumer Services and Housing Agency (Agency) by the end of the month. He added that the verification of exempt status (CEC Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5); CCR Section 71395) package is under review by DCA and Agency. He noted that the compliance with laws and procedures package (CCR, Section 71755) is currently under review by Bureau legal counsel.

Ms. Reiter asked if the Committee would have an opportunity to discuss the drafted language in the Compliance with Laws and Procedures regulatory package (CCR, Section 71755). Kent Gray, Bureau Legislative Analyst, noted that the language was presented to the Committee for discussion at the February 2018 meeting.

Public Comment:

No comment.

Agenda #7 - Discussion and Consideration of Draft Regulatory Language for Required Notices and Teach-Out Plan (Proposed Amendments to CCR Section 76240)

Mr. Gray introduced the proposed amendments to CCR Section 76240 (Required Notices and Teach-Out Plan).

Ms. Lee-Carey asked for an example of a type of suspension that would promote requirements for institutions to post notices and submit a teach-out plan. Ms. Schieldge pointed out that the intent of the proposed language is to capture all instances when a teach-out is required by law. She added that "suspended institution" refers to those institutions which fail to comply with CEC Section 94885.5 (Accreditation Required for Degree Granting Institutions).

Ms. Lee-Carey asked if the suspension is tied to specific programs or the entire institution. Ms. Schieldge stated the proposed language includes instances of program suspensions.

Ms. Lee-Carey suggested that the language should clarify that closure plans are only required for "impacted" programs.

Ms. Reiter pointed out that the word "*owner*" should be clarified to exclude shareholders, which is included in the statutory definition of "*owner*." Ms. Schieldge suggested changing the language from "*owner*" to "*authorized owner*."

Ms. Reiter suggested a future discussion on whether the statute should be changed to require teach-out plans when an institution discontinues a program. Ms. Lee-Carey stated that the STRF

and closed school statutory language was originally drafted to align with the Department of Education's teach-out requirements, which focus on school closures and not discontinuation of programs. She added that there is a difference between a school strategically choosing to discontinue a program and the discontinuation of a program due to suspension.

Ms. Lee-Carey asked if a CEO would be considered an authorized owner. Ms. Schieldge responded that the CEO could be considered an authorized owner. She added that an authorized owner is designated by an institution and is legally bound.

Ms. Reiter suggested adding the students' last date of attendance to the list of required information in the list of students who were enrolled in a closed program.

Ms. Reiter suggested adding language that includes more direction related to the custodian of records. She noted that simply requiring contact information of an individual may not be enough. She suggested language that would require teach-out plans to include how costs associated with record maintenance will be covered long term. Mr. Gray pointed out that the draft language for 76240 (Required Notices and Teach-Out Plan) refers to CCR Section 71930 (Maintenance of Records), which addresses Ms. Reiter's concern.

Ms. Reiter noted that the language could be more specific regarding notifications sent to students pending a school closure or program suspension. She added that more specificity could be included regarding OSAR services available to students

Public Comment:

No Public Comment.

Agenda #8 - Discussion and Consideration of Draft Regulatory Language Regarding Student Records and the Maintenance of Records (Proposed Amendments to CCR Sections 71920 and 71930 and Adoption of CCR Sections 71940 and 71950)

Mr. Gray introduced the proposed amendments to CCR Sections 71920, 71930, 71940, and 71950.

Ms. Reiter commented that, regarding CCR Section 71920 (b) (12) (Student Records Other Than Transcripts), the language should state that the entire complaint file be maintained.

Ms. Reiter suggested including language that specifies the amount of time a school is granted by the Bureau to provide records to students.

Ms. Lee-Carey commented on the requirement that records be maintained in a PDF format. She expressed concern that PDF could possibly become obsolete in the future. Mr. Gray pointed out that PDF is the current industry standard. Ms. Reiter stated that requiring records to be kept in a PDF format could pose difficulties. She noted that it could be cost and time extensive to extract a spreadsheet from a PDF document. Mr. Holt stated that a PDF is essentially a picture of data. He

noted that the school performance facts sheet regulation may provide a good example for language to use to cover the need for row data.

Ms. Reiter questioned the section that outlines a $0.10 per page reimbursement to institutions. Mr. Gray clarified that reimbursement is specifically referring to instants that the Bureau uses equipment at an institution, such as using an institutions copier during an inspection, and not for other documents provided to the Bureau.

Ms. Lee-Carey noted that 2 business days may not be a sufficient amount of time for an institution to provide documents. Ms. Schieldge suggested adding language that grants an institution more time upon request for good cause.

Mr. Holt questioned the purpose of the requirement for adding language that grants more time upon request when it seems to fall more in line with 76240 (Required Notices and Teach-out Plan). He added that an institution will be reviewing regulations to ensure compliance, and it could be missed if it is not under the same regulation. Mr. Gray suggested adding a cross reference to ensure it is not missed.

Ms. Reiter suggested adding student financial agreements, separate from enrollment agreements or student financial ledgers, to the list of required documents a school must provide prior to closing.

Public Comment:

No Public Comment.

Agenda #5 - Bureau Operations Update and Discussion

Budget Report:

Matt Nishimine, DCA Budget Analyst, provided an update on the status of Bureau funds. He outlined Attachment 5A in the meeting packet. He noted that for 2017-2018 the Bureau's reserve for economic uncertainties is 5.8 months, which is below the statutory cap of 6 months. He added that current year projections show the reserve will be 5.6 months.

Mr. Nishimine explained that Bureau finances are complicated, and projections are based on some uncertain factors. He noted that the reserve balance is prudent. He added that projections do not consider legislative changes that may occur. Furthermore, he mentioned that the Bureau's IT upgrade is not included in the projections.

Ms. Lee-Carey asked what difference the annual fee increase made on the Bureau's revenue. Mr. Nishimine responded that the annual fee increase resulted in an estimated 3 million dollars increase of total revenues. Ms. Lee-Carey asked if the increase is reasonable. Mr. Nishimine replied that his report is restricted to the Bureau's fund condition and projections based on market trends.

Enforcement Report:

BPPE Enforcement Chief Yvette Johnson provided a report on the enforcement unit. She outlined Attachment 5B in the meeting packet.

Ms. Johnson reported on efforts to reduce the complaint backlog. She stated that staff workloads have been redistributed more evenly. She explained that managers are allocating more time to assist staff with case reviews. She noted that 9 of 11 vacancies have been filled, and two retired annuitants were hired. She added that staff have been working overtime and on the weekends. She detailed how licensing staff have begun assisting enforcement staff with unlicensed activity. She noted that there has been an increase of collaboration on enforcement issues, between all units within the Bureau.

Dr. Marion added that nearly one-third of the Bureau's open complaints are referred internally. He noted that the processing time to resolve a complaint has not been considered in regard to the complaint caseloads.

Mr. Holt asked what the target processing time would be to resolve a complaint. Ms. Johnson stated that the processing time was originally set at 180-days, which does not include complaints that result in disciplinary action.

Mr. Holt questioned if staff have been working on identifying duplicate complaints. Ms. Johnson responded that staff have been working on consolidating cases. She stated that a complaint against an institution, received anonymously, can be tied to a non-anonymous complainant, when dealing with the same issue. She clarified that complaints against an institution involving the same issue are only consolidated with another complaint if it is received anonymously.

Ms. Johnson reported that in August 2018 staff initiated a plan to contact students with older unresolved complaints. She explained that the first step was for staff to reach out to complainants who had no contact with the Bureau in 2018. She stated that 265 complaints were identified through the initial stages of the plan. She reported that staff sent out 129 letters, 77 emails, and made 59 phone calls to students. She detailed that staff received 96 responses, with 71 students requesting the Bureau continue pursuing their complaint, and 25 indicating they no longer wanted to pursue their complaint. She noted that older cases, with substantiated evidence, would continue to be processed, regardless of whether student contact was reestablished. She stated that unsubstantiated cases would be closed. She added that each staff member is working with managers to resolve their 5 oldest complaints.

Ms. Johnson outlined the Bureau's working relationships with DCA and other consumer protection agencies, including "Memorandum of Understanding" (MOU) agreements. She stated that the Bureau has MOU's with the Bureau for Barber Cosmetology, Board of Registered Nursing, Board of Vocational Nursing and Psychiatric Technicians, and the California Acupuncture Board. She explained that the Bureau has conducted joint investigations with all the above noted boards and bureaus. She added that the Bureau also collaborates with DCA's Division of Investigation (DOI). Dr. Marion added that there is a pending MOU with the

California Massage Therapy Council. Mina Hamilton, DCA Legal Counsel, noted that the Bureau also has a MOU with the Respiratory Care Board of California.

Ms. Johnson stated that a summary of complaints was provided to the Committee, at the May 2018 meeting. Ms. Hamilton pointed out that a student's right to privacy and the potential of jeopardizing an investigation are both reasons to not publicize details of student complaints. Ms. Reiter stated she is interested in seeing cases that are no longer active. Ms. Reiter continued that personal information could be redacted from those complaints. She stated that she would like to see random examples of unsubstantiated claims and cases where compliance was contained. She continued that she is interested in seeing what happens to complaints that are found to be non-jurisdictional to see whether those complaints are forwarded to the proper jurisdiction.

Ms. Reiter asked what caused the increase in the number of cases that were closed in August 2018, and why the number of cases closed in September 2018 dropped. Ms. Johnson answered that the variation in cases closed from August and September was due to the ability of managers to allocate more time in August to strictly focusing on closing cases.

Kevin Powers asked for a breakdown of the timeframe to complete the complaint intake process. Ms. Johnson stated that within 14 business days the complaint should be assigned to an investigator, and the investigator should have reached out to the complainant during that timeframe. Mr. Holt asked if the Bureau tracks the delivery of that timeframe. Ms. Johnson replied that the Bureau is working on tracking the timeframes.

Mr. Holt pointed out, in relation to the outstanding caseloads, that the Bureau currently has no system in place to statistically distinguish between complaints that are on hold due to a lack of information or non-responsive complainants and complaints that are on hold due to staff performance and production. Ms. Johnson stated that the Bureau is working to improve the current IT system and to update tracking spreadsheets to identify those factors. She added that implementing new tracking methods will also help identify areas where improvements can be made.

Dr. Marion added that the Bureau is working with the Office of Information Systems (OIS) to improve current systems and processes. Ms. Reiter asked how long it will take to implement the improvements. Dr. Marion responded that he would have to follow-up on time frames.

Mr. Powers asked what steps are taken to train new investigators. Ms. Johnson responded that investigators receive two weeks of initial on-board training, attend DCA's Enforcement Academy, and receive training from the Council on Licensure, Enforcement and Regulation (CLEAR). She added that staff works with the Attorney General's Office for training in investigative techniques and report writing.

Ms. Reiter questioned how the unit will catch up with the caseload when the Bureau receives more complaints than the Bureau closes. Dr. Marion stated that with the implementation of the licensing unit task force helping handle unlicensed activities and the addition of new hires, the

Bureau will eventually catch up. Ms. Johnson added that there should be a noticeable turnaround within 6 months.

Annual Reports and Compliance Report:

Beth Scott, BPPE Enforcement Chief, provided a report on the Compliance and Annual Reports units. Ms. Scott provided details on the monthly conference calls with institutions. She explained that the conference calls provide an opportunity to discuss hot topics and gives institutions an opportunity to ask questions. She noted that there have been 8 conference calls with 63 participating institutions, and some of the most popular questions concern annual reports and school performance fact sheets.

Ms. Scott referred to Attachment 5C in the meeting packet. She detailed how portions of the compliance inspections have been automated. She stated that inspectors are now using tablets at the inspections enabling them to digitally issue a Notice to Comply during the inspection. She added that the number of monthly inspections performed is trending upward.

Ms. Scott referred to the compliance inspection student survey provided in the meeting packet. She noted that recommendations provided by the Committee were taken into consideration during the development of the survey. She added that staff are working on developing a separate survey to incorporate additional suggestions that were provided by the Committee. She stated that the new survey staff are working on will be used outside of the compliance inspection. Dr. Marion added that he has been having discussions within the Bureau about developing a new data and research unit that would partially assist in the surveying process.

Ms. Reiter commented that it makes more sense to list multiple choice answers in alphabetical order to avoid showing any favoritism to one answer over another. She also questioned if the survey should include a question that asks a student "how far along he or she is in a program at the institution." Ms. Scott responded that, during the inspection, the inspectors are able to give the survey to a controlled sample of students. She added that she understands the benefits of giving a more robust survey to students, when there is an opportunity outside of disrupting a class, during the compliance inspection process. Ms. Reiter asked if the survey provided in the meeting packet is currently being utilized. Ms. Scott replied that the survey is currently being used.

Public Comment:

Angela Perry, with the Institute for College Access and Success (TICAS), provided public comments. She stated that she supports the idea of the Bureau creating a data and research unit. She noted that data utilization is important for students, institutions, and the state. She added that she supports the expansion of student surveys, to address the need to collect data from graduated students. She also noted the importance of increasing the number of inspections the Bureau performs and suggested that the Bureau consider utilizing advocates to assist in the inspection process.

Licensing Report:

Bureau Licensing Chief Marina O'Connor provided a report on the licensing unit. She outlined Attachment 5D of the meeting packet. She noted that the total number of pending applications is continuing to decline.

Ms. Lee-Carey asked if there has been a reduction of applications received. Ms. O'Connor stated that over the past 3 years the number of applications received is widely inconsistent.

Ms. Lee-Carey asked if the increase in investigating unlicensed activity has resulted in an increase in applications received. Ms. O'Connor stated that it is too early to tell. She added that increasing outreach to institutions and informing them of compliance issues may result in an increase in applications received.

Ms. Reiter commented that she would like to see how many of the schools approved by the Bureau are not required to have an approval to operate. Ms. Lee-Carey pointed out that schools who are under contract with the Bureau are listed on the Bureau website. Ms. Reiter clarified that she would like to see the number of schools who are not required but still voluntarily applied for approval to operate under full jurisdiction of the Bureau. Ms. O'Connor stated that such data points have not been tracked.

Education Administration Report:

Robert Bayles, Education Administrator, provided a report on the Quality of Education Unit. He outlined Attachment 5E of the meeting packet. He discussed student outcome requirements for accreditors Western Association of Schools and Colleges (WASC) and Distance Education Accrediting Commission (DEAC). He explained that, in addition to the accreditors requirements, all institutions are required to meet the Bureau's minimum operating standards.

Ms. Reiter stated that she is concerned whether the Bureau would need more resources to ensure institutions are meeting standards, based on the number of schools choosing accreditors that do not have placement or retention standards. Mr. Bayles responded that all schools, regardless of their accreditor, are required to submit School Performance Fact Sheets and meet the Bureau's minimum operating standards. Mr. Bayles noted that some schools initially try to get accreditation through WASC, but ultimately do not gain accreditation through WASC. He added that getting accredited through WASC is at least a 5-year process.

Bureau's IT System Project Report:

Mr. Bayles provided a status update on the Bureau's IT system project. He explained that the stage one business analysis was approved by the Department of Technology (DOT) on May 10, 2018. He stated that the Bureau started their market research on May 11, 2018. He mentioned that a stage two kick-off meeting was held with DOT on August 30, 2018. He added that a mid-level functional requirements document was submitted on October 8, 2018. He further stated that on October 16, 2018, a request for information was sent out to multiple potential vendors, of

which responses are to be reviewed November 8-9, 2018. He concluded that the next goal is to select a vendor by the end of the year.

Jason Piccione, Chief Information Officer, provided additional information on the progress of the Bureau's new IT system. He also provided information on the intermediary steps being taken to improve the Bureau's current IT system. He detailed improvements that are being worked on to help improve the annual reports submission process. He presented a prototype annual report submission portal, to help improve upon the efficiency of annual report submissions. He pointed out one new feature allowing institutions to save annual report submission progress and allow Bureau staff to directly communicate with institutions through the new portal. He added that the new system will greatly increase efficiency of Bureau staff, by automating the generating of reports.

Student Tuition Recovery Fund (STRF) Report:

Office of Student Assistance and Relief (OSAR), Chief Scott Valverde, provided a report on OSAR. He outlined Attachment 5F of the meeting packet.

Ms. Reiter asked how many STRF claims are pending awaiting a decision from the Department of Education. Mr. Valverde stated that particular data point is not tracked. Ms. Lee-Carey asked if any information regarding pending claims are sent to OSAR by the Department of Education. Mr. Valverde stated that information is generally supplied by the student.

Mr. Valverde commented on the Committee's request to provide a projection on the total potential unpaid STRF liability. He stated that there have been internal conversations on how to look at data differently, with the future IT system in mind. He noted that staff have primarily been focusing on data elements that meet the statutory reporting requirements.

Ms. Schieldge reported that she hopes to have the Committee's request for a status update on the analysis of the duties of OSAR and Bureau implementation at the next Committee meeting.

Mr. Valverde provided the Committee an opportunity to comment on OSAR's consumer handouts that were provided at the August 2018 Committee meeting.

Ms. Reiter asked if the Committee could be notified about upcoming OSAR outreach events. Mr. Valverde replied that the outreach page on OSAR's website is continuously updated with events. He added that an email blast goes out informing interested parties of upcoming outreach events.

Mr. Valverde commented on the use of the STRF eligibility category for students enrolled more than 120-days prior to closure or discontinuation of a program. He noted that OSAR's process includes a systematic review of every pathway for STRF eligibility. He added that each specific pathway that leads to a recommendation of approval is not tracked. He explained that staff researched claims and found approximately 7 instances when a STRF claim was recommended for approval where a student was enrolled in a program more than 120-days prior to closure or a program discontinuation.

Public Comment:

No comment.

Agenda Item #9 - Analysis of Income Sharing Agreements' Compliance with the Bureau's Current Laws and Regulations (Status Update Only)

Ms. Hamilton reported that a status update on the analysis of income sharing agreements and compliance with the Bureau's current laws and regulations will be provided at the next Committee meeting.

Agenda Item #10 - Discussion Related to the Bureau Becoming the Lead Agency to Address Industry Problems, Including Staffing and Location of Bureau Offices

Ms. Reiter stated that her intended request was for input from the Bureau on becoming the lead agency in identifying industry problems, and potentially adding an office in Southern California. She added she was seeking input from Bureau staff. Dr. Marion stated that the agenda item was included to provide an opportunity for the Committee to offer suggestions. Ms. Reiter suggested providing an opportunity for Bureau staff to give recommendations to the Committee and the Bureau on ways the Bureau can become the lead agency in addressing industry problems. Dr. Marion clarified that the current agenda item is to provide the Committee an opportunity to provide suggestions.

Mr. Holt commented that staff provided input on addressing the student complaint caseload. He added that the term lead agency is subjective and not easily measured. He asked Ms. Reiter for more specificity. She stated that she would like to see an analysis on whether it would benefit the inspection process and reduce the caseload, if the Bureau set up an office in Southern California. She added that she would like to see input on whether it would be helpful for the Bureau to redistribute staffing, by moving staff from other units to the enforcement unit. She noted that additional ideas could potentially come from Bureau staff who work in this area daily.

Ms. Reiter stated that she believes statute was intended to enable the Bureau to be the lead agency in identifying industry issues before an issue transpires into a major issue. She continued that she does not think the Bureau is identifying issues early enough and wants to figure out how the Bureau can become the lead agency in stopping problem schools. She noted that the Committee may not be aware of the actions the Bureau has taken to avert major issues.

Ms. Lee-Carey pointed out the high frequency in which the Bureau proactively takes disciplinary actions. She agreed that statute gives the Bureau the power to act in response to schools not meeting standards. She suggested that the Bureau provide more information on disciplinary actions taken. Mr. Holt suggested that, like the student impact section in Attachment 5B, the Bureau highlight impacts resulting from disciplinary action.

Public Comment:

Ms. Perry echoed Ms. Lee-Carey's suggestion that the Bureau provide additional data on disciplinary actions it has taken. She added that advocates are readily available to assist the Bureau.

Agenda #11 - Future Agenda Items

Ms. Schieldge confirmed that the OSAR duty analysis and ISA analysis would be provided at the next meeting. She noted the addition of statistics on disciplinary actions taken by the Bureau. Ms. Reiter added that the statistics be framed in regard to the Bureau being the lead agency.

Ms. Amaya requested a Bureau organizational chart be provided at the next meeting.

Mr. Powers requested comments from Dr. Marion on the strategic vision of the Bureau.

Ms. Reiter suggested additional summaries of student complaints, to include an analysis with a response.

Agenda #12 - Discuss Potential Meeting Dates for 2019

Dr. Marion listed the following 2019 meeting dates: February 13, May 14, August 14, and November 13. He noted that one meeting may be moved to Southern California.

Agenda #13 - Adjournment

Ms. Lee-Carey adjourned the meeting with the consent of all Committee members present.

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)

BUREAU OPERATIONS UPDATE RELATED TO THE FOLLOWING:

a. **Bureau Organization Structure/Chart and Staffing Updates**
b. **Comments from the Bureau Chief Related to the Bureau's Strategic Vision and Becoming the Lead Agency to Address Industry Problems**
c. **Compliance and Discipline Report**
d. **Complaint and Investigation Report**
e. **Licensing Report**
f. **Annual Reports (AR) Report**
g. **Quality of Education Report**
h. **Bureau's IT System Project Report and Discussion**
i. **Office of Student Assistance and Relief (OSAR) Report**

ATTACHMENTS:
A. Bureau Organization Structure/Chart
B. Compliance and Discipline Report
C. Complaint and Investigation Report
D. Licensing Report
E. Quality of Education Report
F. Office of Student Assistance and Relief (OSAR) Report

Department of Consumer Affairs
Bureau for Private Postsecondary Education

January 1, 2019

DIRECTOR, DCA
Dean Grafilo
CHIEF DEPUTY DIRECTOR
Chris Schultz

Laura Freedman-Eidson
Attorney
644-100-5795-xxx

BUREAU CHIEF
Dr. Michael Marion
Exempt
644-100-9934-xxx

DEPUTY BUREAU CHIEF
Leeza Rifredi
CEA
644-100-7500-xxx

Office of Student Assistance and Relief/STRF Section
Scott Valverde
CEA
644-120-7500-xxx

Licensing Section
Marina O'Connor
Staff Services Manager II
644-110-4801-xxx

Admin Section, Training, & Special Projects
Staff Services Manager II
Yvette Johnson
644-100-4801-xxx

Quality of Edu. Section
Robert Bayles
Ed Administrator
644-130-2744-xxx

OSAR/STRF Section
Staff Services Manager I
644-170-4800-xxx

Staff Services Manager I
644-110-4800-xxx

Assoc Gov Prog Analyst
110-5393-xxx
110-5393-xxx
110-5393-xxx
110-5393-xxx
110-5393-xxx
110-5393-xxx VACANT

Staff Services Analyst
110-5157-xxx

Office Tech (Typing)
110-1139-999 VACANT
110-1139-003 VACANT

Staff Services Manager I
644-110-4800-xxx

Assoc Gov Prog Analyst
110-5393-xxx
110-5393-xxx
110-5393-xxx
110-5393-xxx
110-5393-xxx

Staff Services Analyst
110-5157-xxx VACANT
110-5157-xxx

Office Tech (Typing)
110-1139-xxx

Admin Section
Staff Services Manager I
644-100-4800-xxx

Assoc Gov Prog Analyst
100-5393-xxx
100-5393-xxx
120-5393-xxx

Staff Services Analyst
100-5157-xxx
100-5157-xxx
100-5157-xxx
100-5157-xxx

Office Tech (Typing)
100-1139-xxx VACANT
100-1139-xxx

Office Tech (General)
100-1138-xxx
100-1138-xxx

Senior Ed Specialist
130-2743-xxx
130-2743-xxx
130-2743-xxx
130-2743-xxx

Education Specialist
130-2742-xxx VACANT

Office Tech (Typing)
130-1139-xxx

Annual Report Compliance Unit

Staff Services Manager I
644-140-4800-xxx

Assoc Gov Prog Analyst
140-5393-xxx
140-5393-xxx

Staff Services Analyst
140-5157-xxx VACANT
140-5157-xxx
140-5157-xxx

Office Tech (Typing)
140-1139-xxx

STRF Unit
Assoc Gov Prog Analyst
120-5393-xxx

Staff Services Analyst
120-5157-xxx VACANT

OSAR Unit
Assoc Gov Prog Analyst
170-5393-xxx
170-5393-xxx
170-5393-xxx
170-5393-xxx

Staff Services Analyst
170-5157-xxx VACANT

Office Tech (Typing)
170-1139-xxx
170-1139-xxx VACANT

Department of Consumer Affairs
Bureau for Private Postsecondary Education

January 1, 2019

DIRECTOR, DCA
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Chris Schultz

Laura Freedman-Eidson
Attorney
644-100-5795-xxx

BUREAU CHIEF
Dr. Michael Marion
Exempt
644-100-9934-xxx

DEPUTY BUREAU CHIEF
Leeza Rifredi
CEA
644-100-7500-xxx

Enforcement Section
Supervising Special
Investigator II
Vacant
644-150-8545-xxx

Enforcement Section
Beth Scott
Staff Services Manager II
644-140-4801-xxx

Complaint Investigation Unit

Staff Services Manager **I**
644-150-4800-xxx

Assoc Gov Prog Analyst
150-5393-xxx
150-5393-xxx
150-5393-xxx
150-5393-xxx
150-5393-xxx

Staff Services Analyst
150-5157-xxx
150-5157-xxx
150-5157-xxx VACANT

Office Tech (Typing)
150-1139-xxx

Complaint Investigation Unit

Staff Services Manager I
644-110-4800-xxx

Assoc Gov Prog Analyst
150-5393-xxx
150-5393-xxx VACANT
150-5393-xxx
110-5393-xxx
110-5393-xxx
110-5393-xxx

Staff Services Analyst
150-5157-xxx
150-5157-xxx
110-5157-xxx

Complaint Investigation Unit

Staff Services Manager I
644-150-4800-xxx

Assoc Gov Prog Analyst
150-5393-xxx
150-5393-xxx
150-5393-xxx
150-5393-xxx
150-5393-xxx
150-5393-xxx

Staff Services Analyst
150-5157-xxx
150-5157-xxx
150-5157-xxx

Office Tech (Typing)
150-1139-xxx

Special Enforcement Unit

Supervising Special
Investigator I
644-150-8549-xxx
VACANT

Special   Investigators
150-8612-xxx VACANT
150-8612-xxx   VACANT
150-8612-xxx   VACANT
150-8612-xxx   VACANT
150-8612-xxx   VACANT

Discipline Unit

Staff Services Manager **I**
644-150-4800-xxx

Assoc Gov Prog Analyst
160-5393-xxx

Staff Services Analyst
160-4687-xxx
160-5157-xxx VACANT

Office Tech (Typing)
160-1139-xxx

Compliance Unit

Staff Services Manager I
644-140-4800-xxx

Assoc Gov Prog Analyst
140-5393-xxx
140-5393-xxx
140-5393-xxx
140-5393-xxx VACANT

Staff Services Analyst
140-5157-xxx
140-5157-xxx
140-5157-xxx

Office Tech (Typing)
140-1139-xxx

Compliance Unit

Staff Services Manager I
644-140-4800-xxx

Assoc Gov Prog Analyst
140-5393-xxx
140-5393-xxx
140-5393-xxx
140-5393-xxx VACANT
140-5393-xxx
140-5393-xxx

Staff Services Analyst
140-5157-xxx
140-5157-xxx

Office Tech (Typing)
140-1139-xxx

BPPE COMPLIANCE UNIT

REPORTING AS OF: DECEMBER 31, 2018

Calendar Year:

2018 STATS Compliance Unit Grouped by Qtr	QTR: 1	QTR: 2	QTR: 3	QTR: 4
Total Completed Inspections	33	50	38	34
ACI - Announced Inspections	15	19	15	14
UCI - Unannounced Inspections	18	31	23	20
Notice To Comply Issued	12	27	14	12
Enforcement Referral Issued	12	21	14	9
Inspections Cancelled *				7

2018 Inspections by Type

Bar chart: ANNOUNCED (ACI) = 63, UNANNOUNCED (UCI) = 92

Legend: ■ ANNOUNCED (ACI) ■ UNANNOUNCED (UCI)
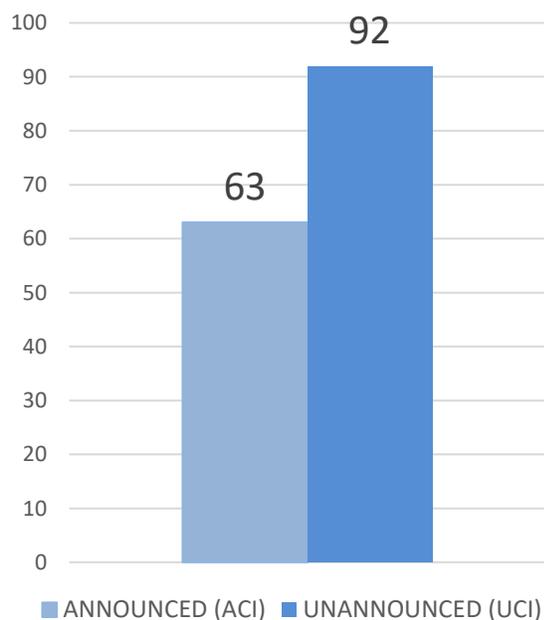
2018 PERCENTAGES:
ANNOUNCED: 40.6
UNANNOUNCED: 59.4

Total Inspections: 155

***   Causes for Cancellations:**

(1) The school closed during inspection process. (2) The renewal to operate was denied.
(3) The school refused to allow inspection resulting in further action.

BPPE: Calendar YTD Compliance Inspection Activity

2017 to 2018 Completed Inspection Comparison
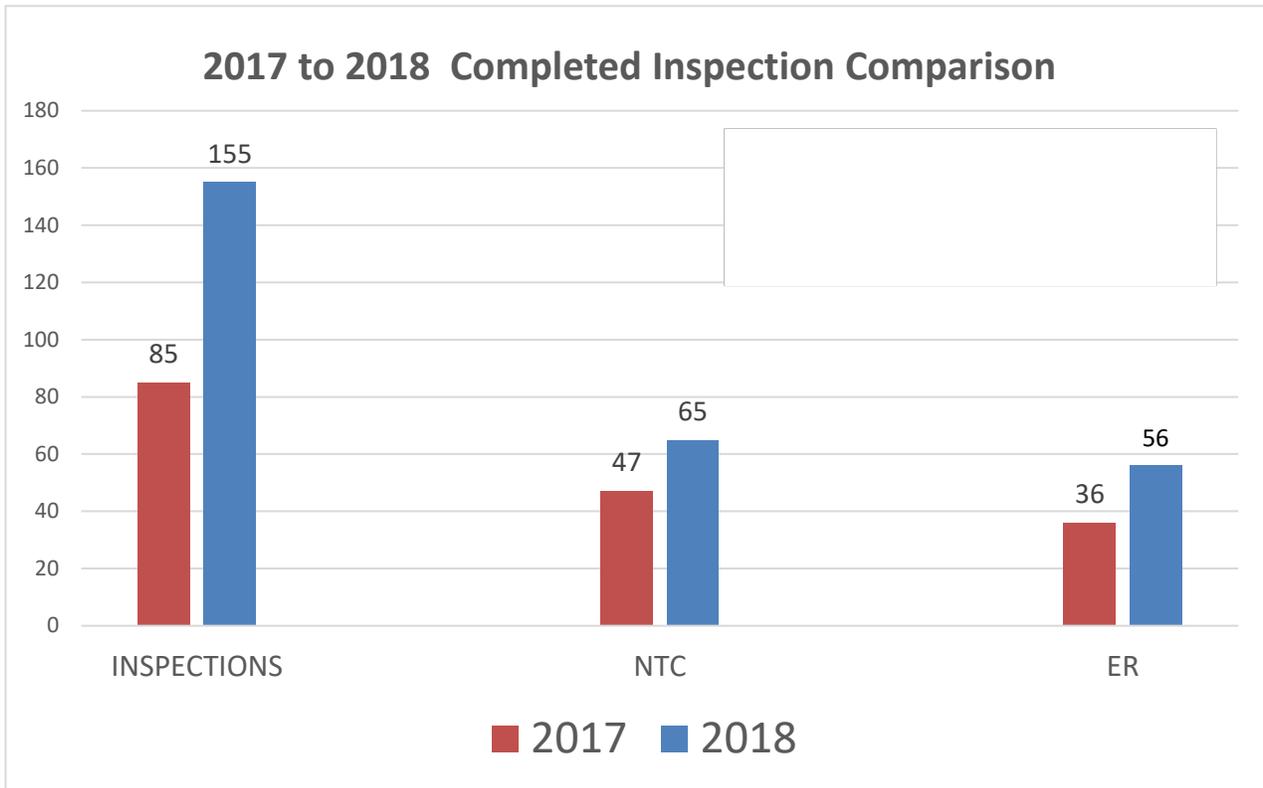
	Calendar Year 2018	Prior Year 2017	Year to Year Change	% Change
Total Compliance Inspections (ACI + UCI) Completed	155	85	70	82%
Notice to Comply	65	47	18	38%
Enforcement Referral	56	36	20	56%
Announced (ACI) Total 2018	63	51	12	24%
Unannounced (UCI) Total 2018	92	34	58	171%

BPPE: Calendar YTD Compliance Inspection Activity

BPPE CITATION STATS

Total Number of Citations Issued by Year 2017-2019

Year	Citations
2017	14
2018	117
2019 YTD	35

YTD Allegations
Citations Issued 1/1/19 - 2/4/19

Allegation	Number of Citations
Unapproved Institution	12
Failure to Submit Annual Fee and STRF	12
Improper School Closure	3
Financial Resources	4
Enrollment Agreement	2
Notice to Comply	1
Maintenance of Records and Notification of non Sub Changes	1

■ Number of Citations   ━ Percentages

Statement of Issues

Category	2018	2019 YTD
A	6	
B	2	1
C	1	
D	1	
E	11	
F	7	1
G	1	1
H	1	1

	ACTIONS:	2018	2019
A	Default: Denial Upheld	6	0
B	Proposed Decision: Denial Upheld	2	1
C	Stipulated Settlement: Denial Upheld (School Closure)	1	0
D	Stipulated Settlement: Conditional Approval Granted	1	0
E	Withdrawn: Approval Granted (mitigation cured deficiencies)	11	0
F	Withdrawn: Denial Upheld (School withdrew appeal)	7	1
G	Withdrawn: Exempt Institution	1	1
H	PC 23	1	1

Accusation

ACTIONS:	2018	2019
Default: Revocation	1	0
Proposed Decision: Revocation	1	0
Stipulated Surrender	2	0
Withdrawn By Bureau: Citation Issued	1	0
Withdrawn by Bureau: Renewal Granted	2	0

Pending with AG as of 2/6/19

	Total Transmitted:	Total Served of Transmitted
Accusations	12	8
Statement of Issues	22	12

Automatic Suspensions and Emergency Decisions

	2018	2019
Automatic Suspensions	1	1
Emergency Decisions	4	0

COMPLAINT INVESTIGATIONS STATISTICS
BPPE Advisory Committee Meeting
February 13, 2019

STUDENT IMPACT (January   December 2018)

Investigators' advocacy on behalf of students resulted in the following:

➢ Total of **$131,280.63** in refunds to students or to their federal student aid account
➢ Issuance of grade, certificates of completion, proof-of-training, transcripts, and student records
➢ Reinstatement of student
➢ Job placement for student
➢ Student allowed to submit thesis and complete program
➢ Student allowed to retake course at no additional cost
➢ School revised admissions policies
➢ Mediated agreements with institution (one resulted in savings to student of **$20,532)**

Complaints Closed
2017, 2018, and Jan. 2019
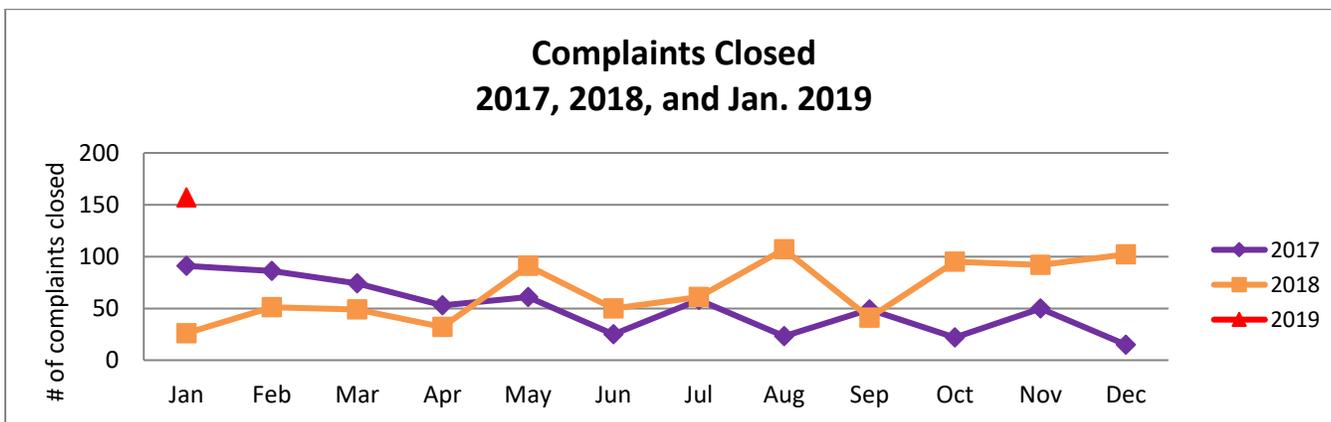
Source: CPEI Monthly Statistical Reports

COMPLAINTS CLOSED

Month	2017	2018	2019
Jan	91	26	157
Feb	86	51	
Mar	74	49	
Apr	53	32	
May	61	91	
Jun	25	50	
Jul	58	61	
Aug	23	107	
Sep	49	41	
Oct	22	95	
Nov	50	92	
Dec	15	102	
Total	607	797	

- CLOSED = Referred for Citation, Referred for Discipline, Compliance Obtained, Mediated Settlement, Non-jurisdictional, Unsubstantiated,

- From 2017 to 2018, **31% increase** in the number of complaints closed

- Jan to Jun - 1.5 FTE managers
  Jul to Oct - 2.5 FTE managers
  Nov to mid-Dec – 3.5 FTE managers
  Mid-Dec – Reorganization
  Late Dec – 3 FTE managers

- Jan – 11 vacancies
  Jul - 4 vacancies
  Dec - 4 vacancies

- Mid-Aug – Case review w/ 3 analysts

- Nov-Dec – Gained new UA team (4 analysts, 1 manager)

Page **1** of **4**

COMPLAINT INVESTIGATIONS STATISTICS
BPPE Advisory Committee Meeting
February 13, 2019

Case Disposition - 2018

Unsubstantiated, Compliance Obtained, Mediated Settlement, Non-jurisdictional 88%

Referred for citation 11%

Referred for disciplinary action 1%
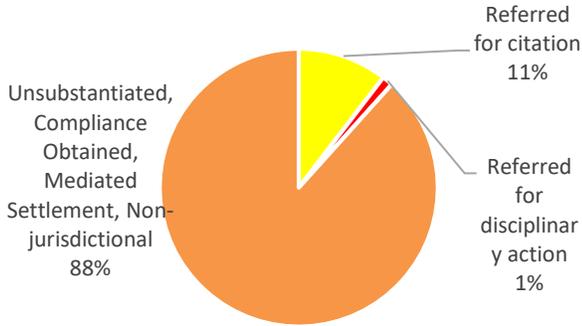
Case Disposition (1/1/18 - 12/31/18)	%	#
Referred for citation	11%	83
Referred for disciplinary action	1%	10
Compliance Obtained, Mediated Settlement, Non-jurisdictional, Unsubstantiated	88%	704
Total		797

Source: BPPE Complaint Case Tracking Log

Calendar Days to Close
(Cases Closed 1/1/18 - 12/31/18)

	≤ 90 days	91-180 days	181 days-1 year	1-2 years	2-3 years	Over 3 Years
# of cases	159	75	129	168	130	136
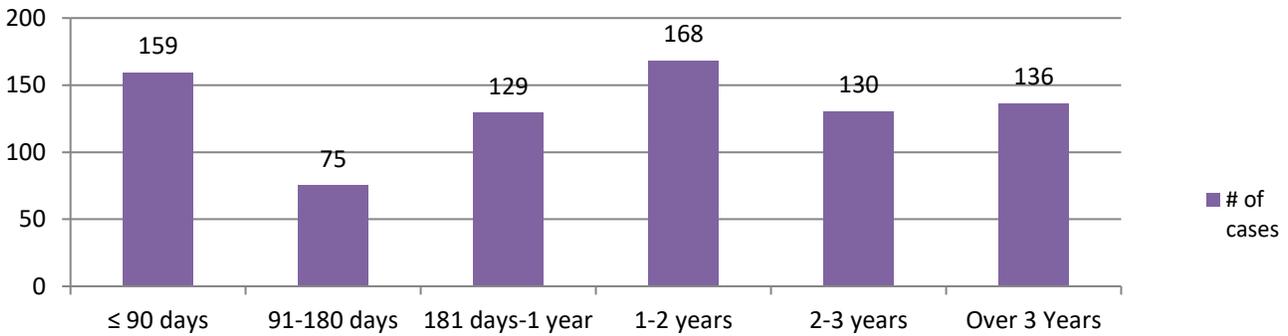
Source: BPPE Complaint Case Tracking Log

Top 5 Closure Reasons in SAIL
(Complaints closed 1/1/18-12/31/18)

Not Substantiated - Unsubstantiated	Non-Jurisdictional - Exempt	Consolidated	Compliance Obtained	Insufficient Evidence to Confirm Violation
41%	19%	11%	6%	5%
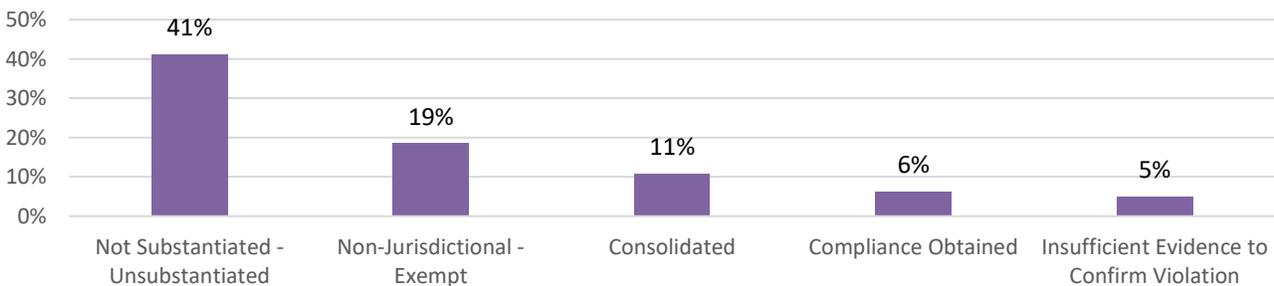
Source: Custom SAIL report provided by DCA Office of Information Services
"Consolidated" (formerly named "Duplicate Entry"): Complaint filed anonymously or generated internally is consolidated with a master case (usually filed by a named complainant) that is being investigated for similar allegations.

Page **2** of **4**

COMPLAINT INVESTIGATIONS STATISTICS
BPPE Advisory Committee Meeting
February 13, 2019

Complaints Received
2017, 2018, and Jan. 2019
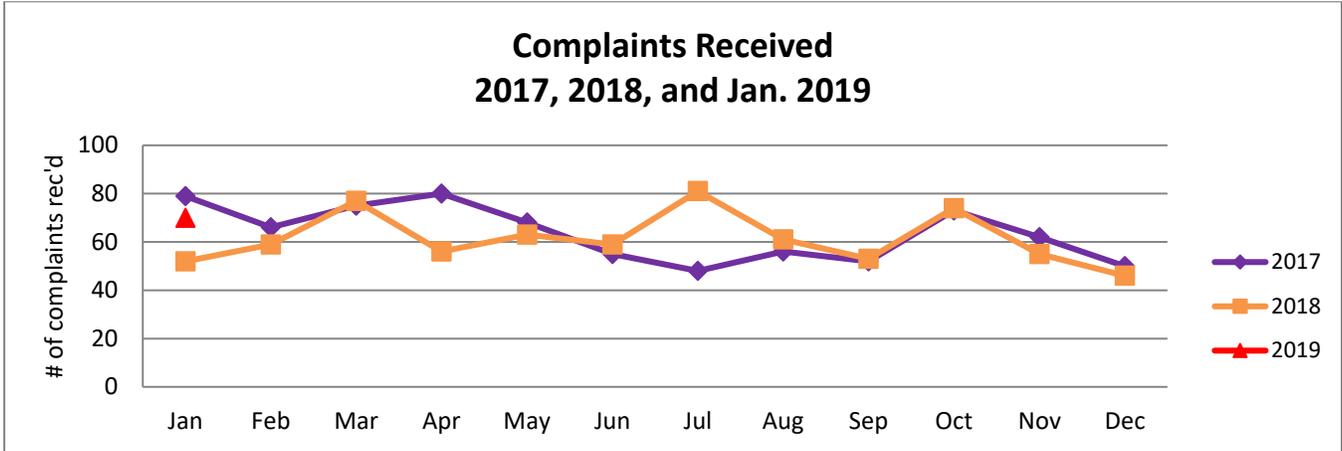
Source: CPEI Monthly Statistical Reports

COMPLAINTS RECEIVED

Month	2017	2018	2019
Jan	79	52	70
Feb	66	59	
Mar	75	77	
Apr	80	56	
May	68	63	
Jun	55	59	
Jul	48	81	
Aug	56	61	
Sep	52	53	
Oct	73	74	
Nov	62	55	
Dec	50	46	
Total	764	736	

*3.7% decrease from 2017 to 2018

Complaints Received
Internally Generated vs. Externally Generated
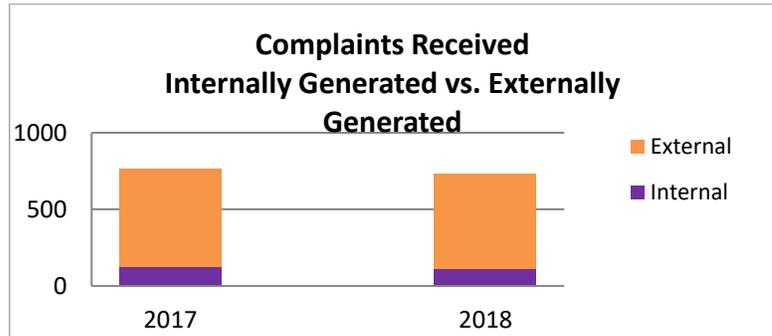
Source: BPPE Complaint Case Tracking Log

Received	2017		2018	
	#	%	#	%
Internal	125	16%	115	16%
External	639	84%	621	84%
Total	764		736	

Top 5 Allegations in SAIL
(Complaints Received 1/1/18 - 12/31/18)
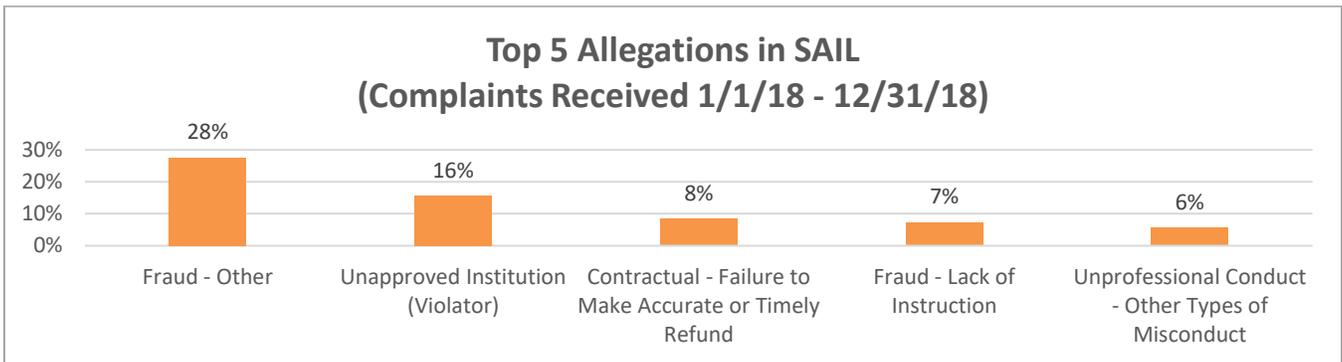
Source: Custom SAIL report provided by DCA Office of Information Services

COMPLAINT INVESTIGATIONS STATISTICS
BPPE Advisory Committee Meeting
February 13, 2019

Case Age of Complaints Pending on 12/31/18

Category	# of cases
≤ 90 days	143
91-180 days	130
181 days-1 year	222
1-2 years	263
2-3 years	164
Over 3 Years	138
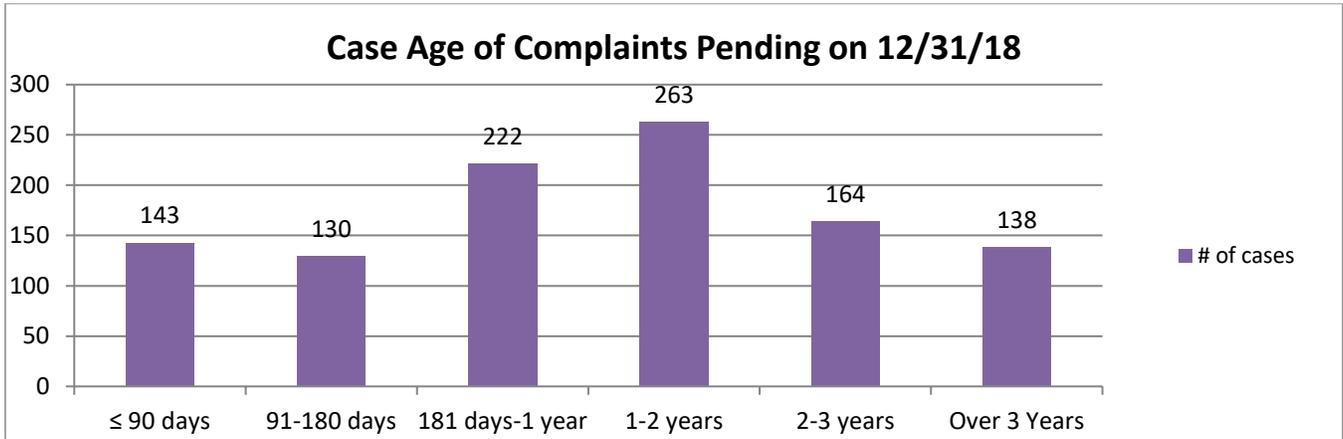
Source: BPPE Complaint Case Tracking Log

Pending Cases
Internally Generated vs. Externally Generated
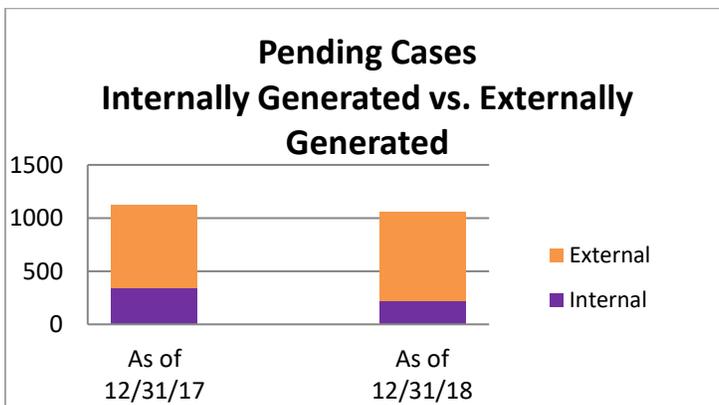
Pending	As of 12/31/17		As of 12/31/18	
	#	%	#	%
Internal	339	30%	223	21%
External	782	70%	837	79%
Total	1121		1060	

Source: BPPE Complaint Case Tracking Log

Priority Level of Complaints Pending

As of 12/31/19   As of 1/31/19

Urgent	High	Routine
107 / 77	496 / 360	457 / 536
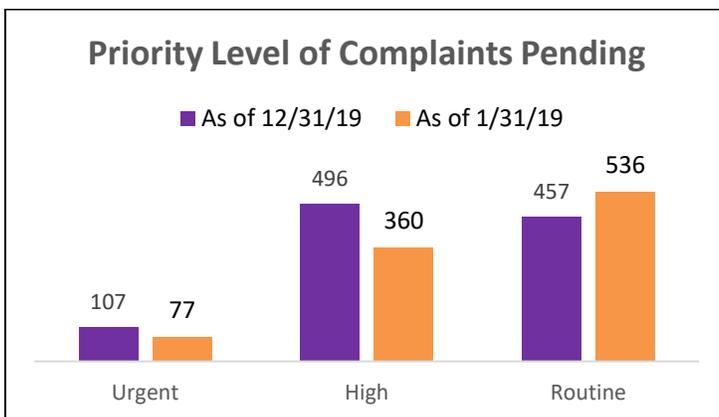
Priority Level	As of 12/31/18	As of 1/31/19
Urgent	107	77
High	496	360
Routine	457	536
Total	1060	973

Source: BPPE Complaint Case Tracking Log

Licensing Applications Status as of January 1, 2019 for Fiscal Year 18/19

Type	Received FY 18/19	Pending Assignment (Queue)	Under Review	Total Pending	Approved	Withdrawn or Abandoned	Denied	Total Closed	Average Days to Approve[a]
New Full Approval	34	12	50	62	49	7	7	63	290
New Accreditation	22	0	12	12	12	6	0	18	32
Renewal Full	11	0	20	20	40	4	4	48	232
Renewal Accreditation	52	0	33*	33	44	3	2	49	65
Changes Full	59	0	27	27	59	7	8	74	52
Changes Accreditation	76	0	25	25	61	9	0	70	42
Verification of Exemption	228	0	89	89	98	1	45	144	18
Out of State Registration	9	0	3	3	9	0	0	9	51
Totals:	491	12	259	271	372	37	66	475	98

[a]Average Days to Approve is calculated from time assigned to analyst.

*14 applications pending new term of accreditation

Total Pending Applications by Date

Total pending applications on 8/1/2018:	251
Total pending applications on 10/1/2018:	236
Total pending applications on 1/1/2019:	294

Oldest Pending Full Applications (as of 2/7/19)

Oldest Full Apps in Queue:	7/12/2018
Oldest Full Apps Under Review:	5/1/2017
Oldest Renewal Full Apps in Queue:	N/A
Oldest Renewal Full Apps Under Review:	2/3/2017
Median Date of Full Apps in Queue:	12/31/2018
Median Date of Renewal Full Apps in Queue:	N/A

12 MONTH NEW NON ACC APP OVERVIEW
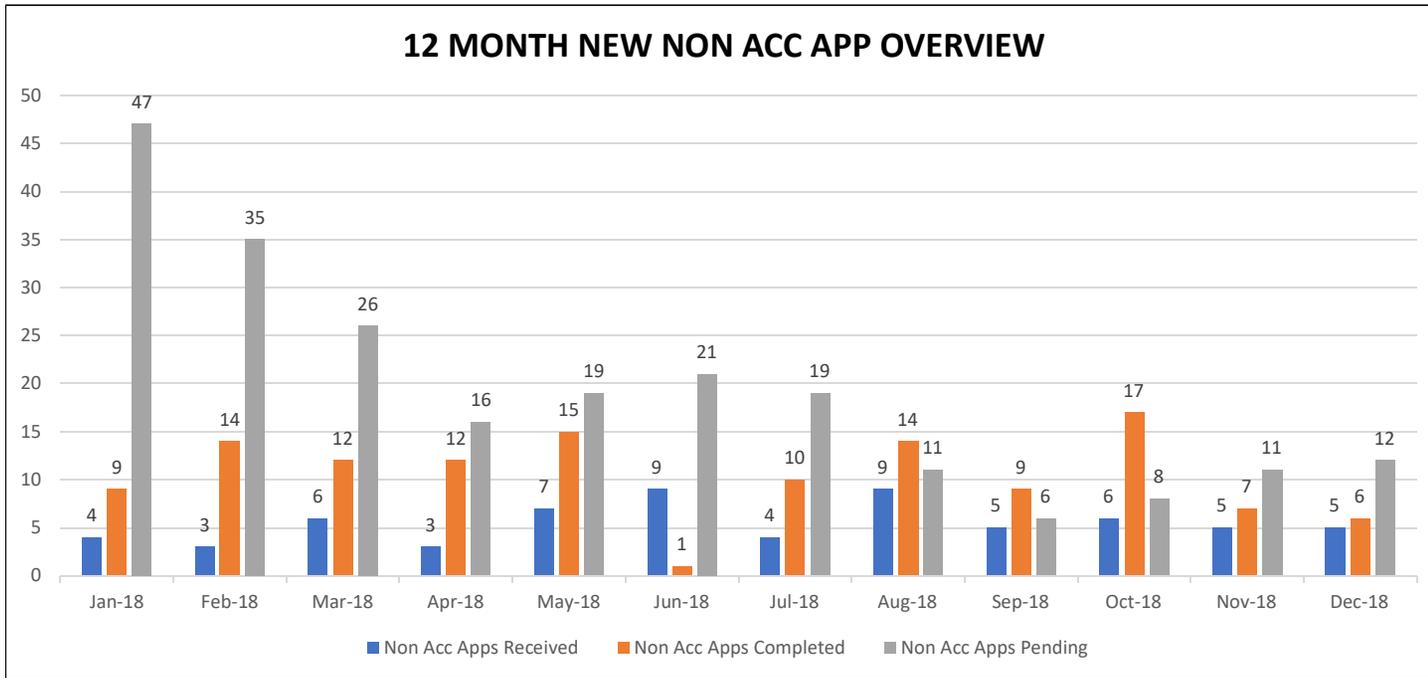
Month	Non Acc Apps Received	Non Acc Apps Completed	Non Acc Apps Pending
Jan-18	4	9	47
Feb-18	3	14	35
Mar-18	6	12	26
Apr-18	3	12	16
May-18	7	15	19
Jun-18	9	1	21
Jul-18	4	10	19
Aug-18	9	14	11
Sep-18	5	9	6
Oct-18	6	17	8
Nov-18	5	7	11
Dec-18	5	6	12

NEW NON ACCREDITED APPLICATIONS RECEIVED
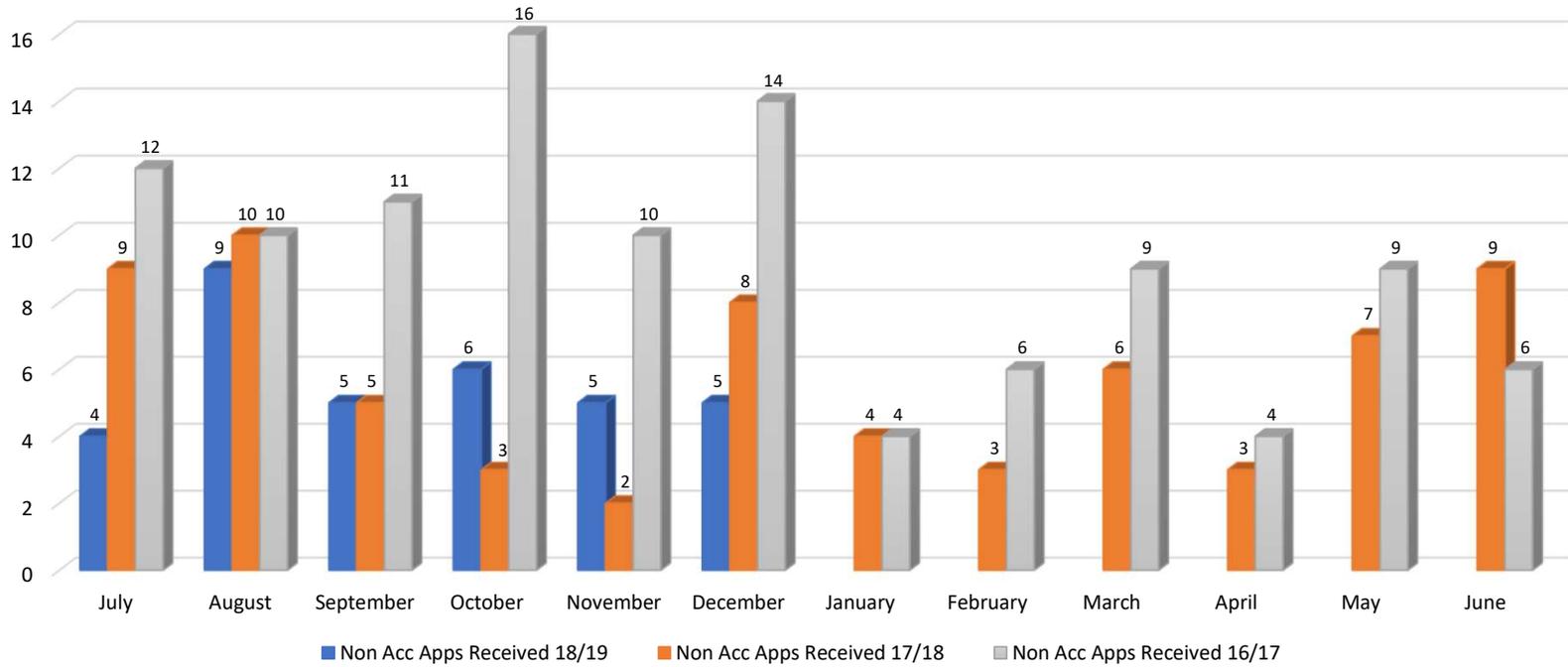
Month	Non Acc Apps Received 18/19	Non Acc Apps Received 17/18	Non Acc Apps Received 16/17
July	4	9	12
August	9	10	10
September	5	5	11
October	6	3	16
November	5	2	10
December	5	8	14
January		4	4
February		3	6
March		6	9
April		3	4
May		7	9
June		9	6

NEW NON ACCREDITED APPLICATIONS COMPLETED
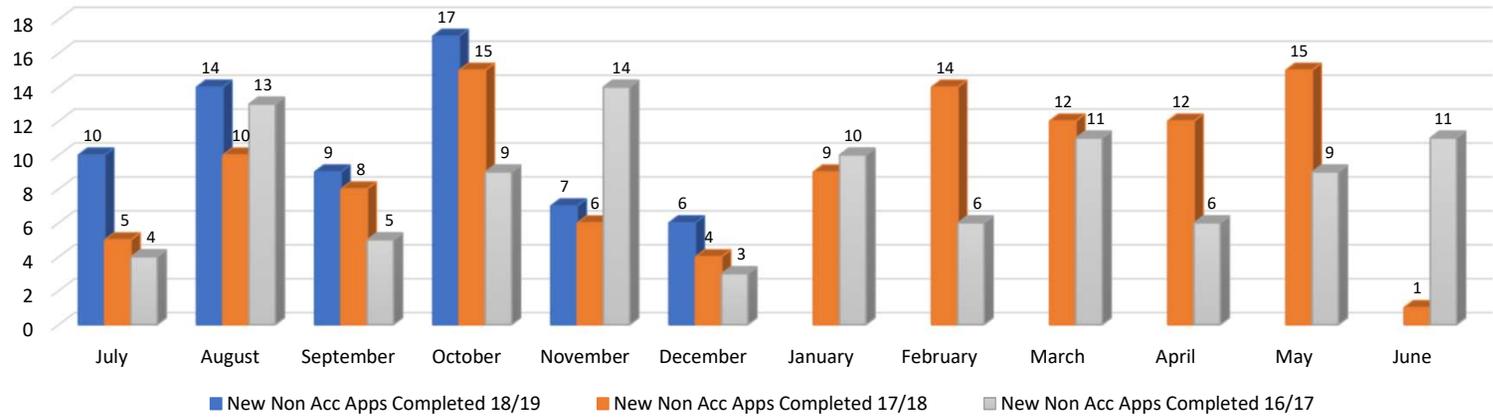
Month	New Non Acc Apps Completed 18/19	New Non Acc Apps Completed 17/18	New Non Acc Apps Completed 16/17
July	10	5	4
August	14	10	13
September	9	8	5
October	17	15	9
November	7	6	14
December	6	4	3
January		9	10
February		14	6
March		12	11
April		12	6
May		15	9
June		1	11

NEW NON ACCREDITED APPLICATIONS PENDING REVIEW
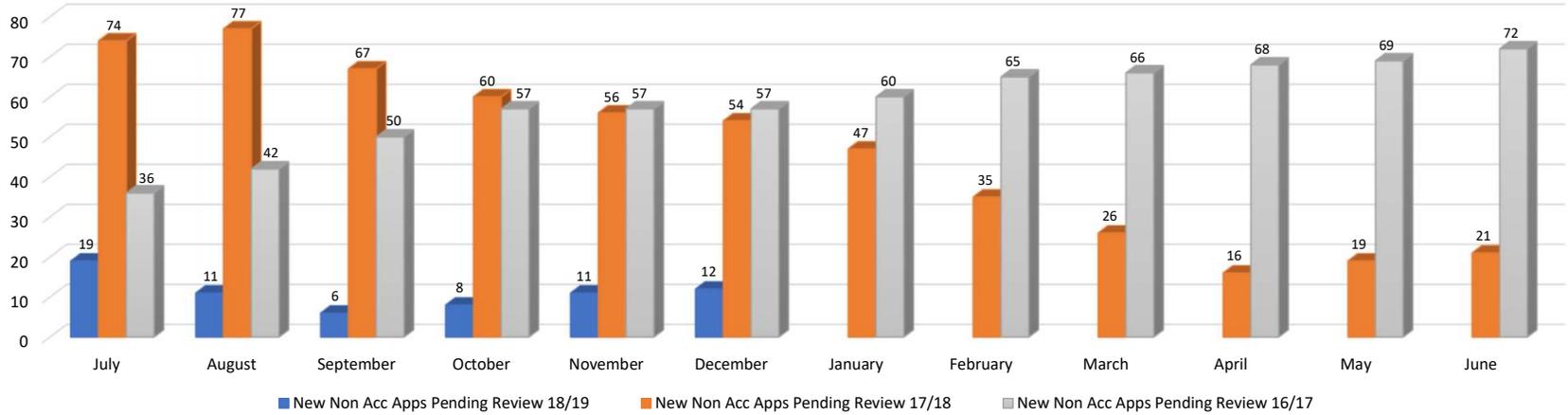
Month	New Non Acc Apps Pending Review 18/19	New Non Acc Apps Pending Review 17/18	New Non Acc Apps Pending Review 16/17
July	19	74	36
August	11	77	42
September	6	67	50
October	8	60	57
November	11	56	57
December	12	54	57
January		47	60
February		35	65
March		26	66
April		16	68
May		19	69
June		21	72

RENEWAL NON ACCREDITED APPLICATIONS RECEIVED
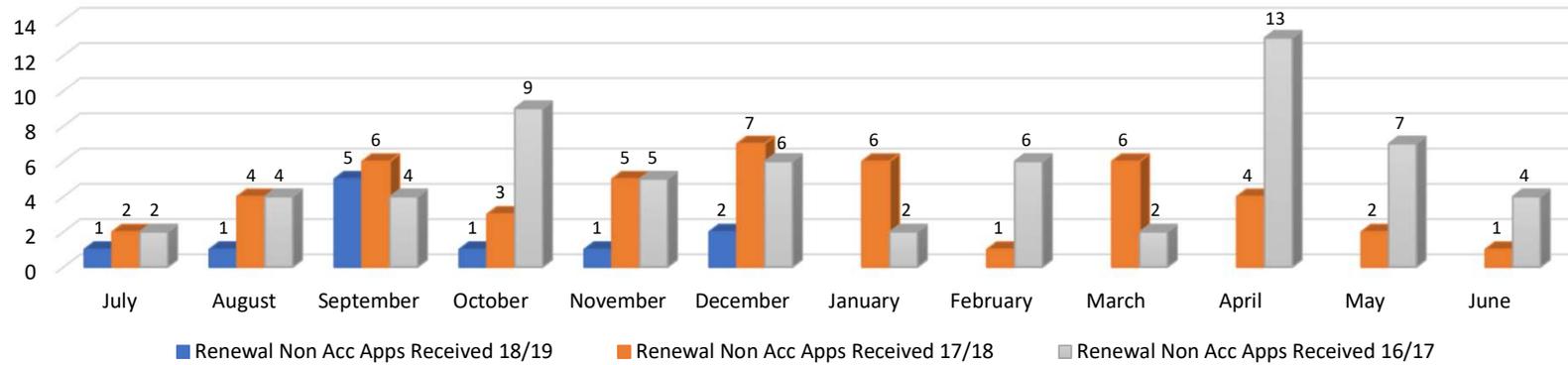
Month	Renewal Non Acc Apps Received 18/19	Renewal Non Acc Apps Received 17/18	Renewal Non Acc Apps Received 16/17
July	1	2	2
August	1	4	4
September	5	6	4
October	1	3	9
November	1	5	5
December	2	7	6
January		6	2
February		1	6
March		6	2
April		4	13
May		2	7
June		1	4

RENEWAL NON ACCREDITED APPLICATIONS COMPLETED
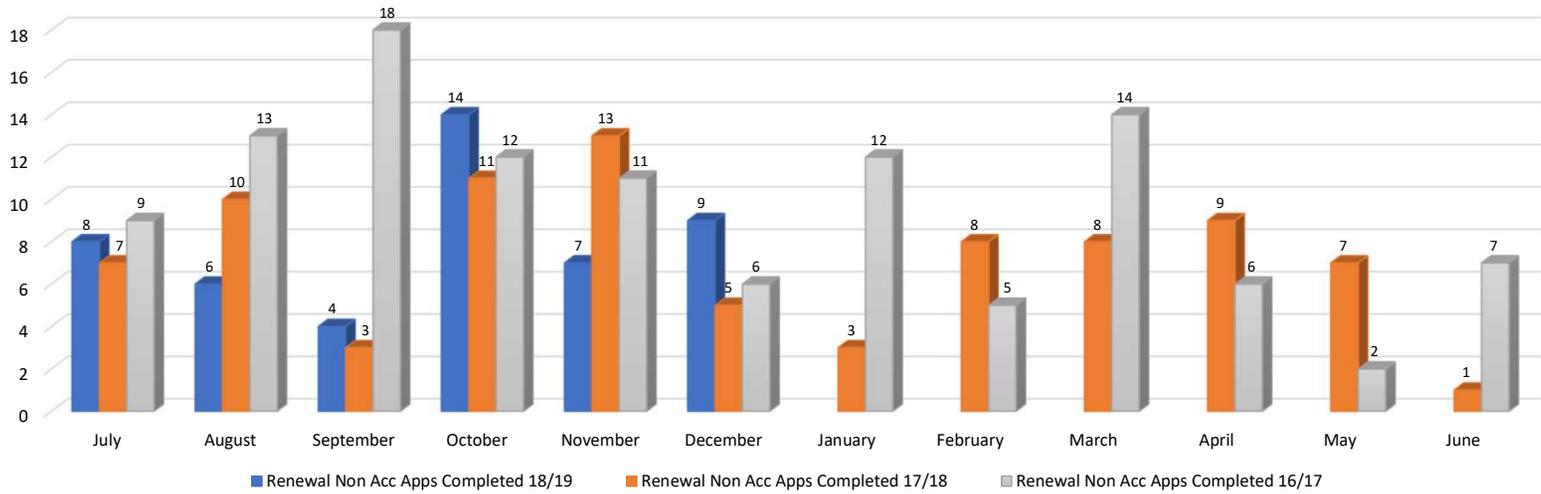
Month	Renewal Non Acc Apps Completed 18/19	Renewal Non Acc Apps Completed 17/18	Renewal Non Acc Apps Completed 16/17
July	8	7	9
August	6	10	13
September	4	3	18
October	14	11	12
November	7	13	11
December	9	5	6
January		3	12
February		8	5
March		8	14
April		9	6
May		7	2
June		1	7

RENEWAL NON ACCREDITED APPLICATIONS PENDING REVIEW
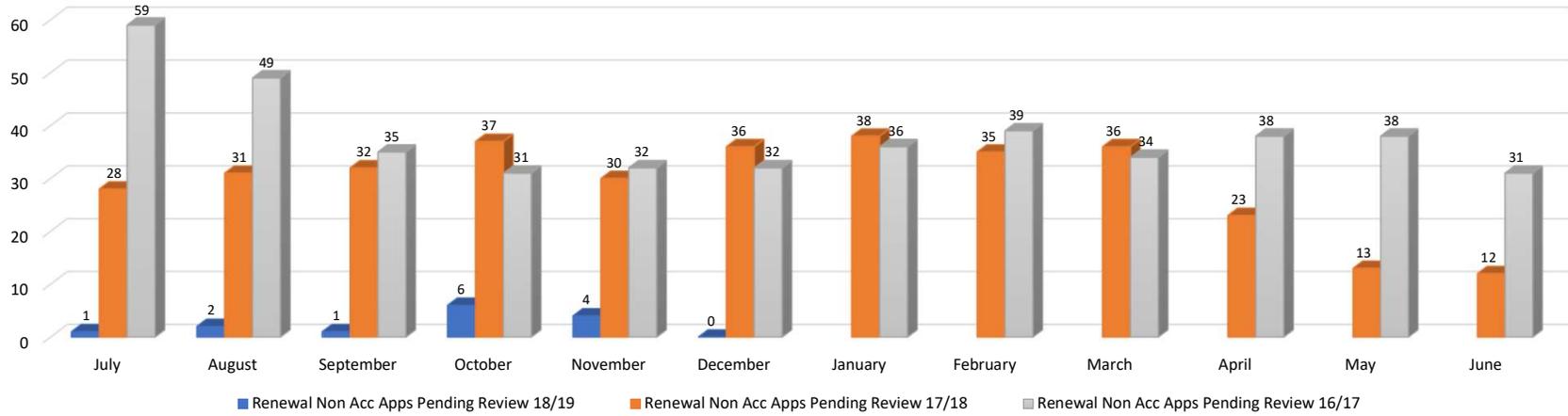
Month	Renewal Non Acc Apps Pending Review 18/19	Renewal Non Acc Apps Pending Review 17/18	Renewal Non Acc Apps Pending Review 16/17
July	1	28	59
August	2	31	49
September	1	32	35
October	6	37	31
November	4	30	32
December	0	36	32
January		38	36
February		35	39
March		36	34
April		23	38
May		13	38
June		12	31

Total Number of Schools by Location Type & Approval Type

As of February 1, 2019

Location Type	Mains	Branches	Satellites	Total Locations
	1,093	401	520	2,014
	ABMA (Accredited)	Full (Non-Accredited)	Conditional[a]	Provisional[b]
Approval Type	442	607	0	44

[a]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 Code of Regulations section 71400(d)(1)).

[b]Provisional Approvals are issued to unnaccredited instititions seeking approval to offer one or more degree programs and must satisfy the requirements under California Education Code section 94885.5.

Total Number of Schools by Approval and Location Type
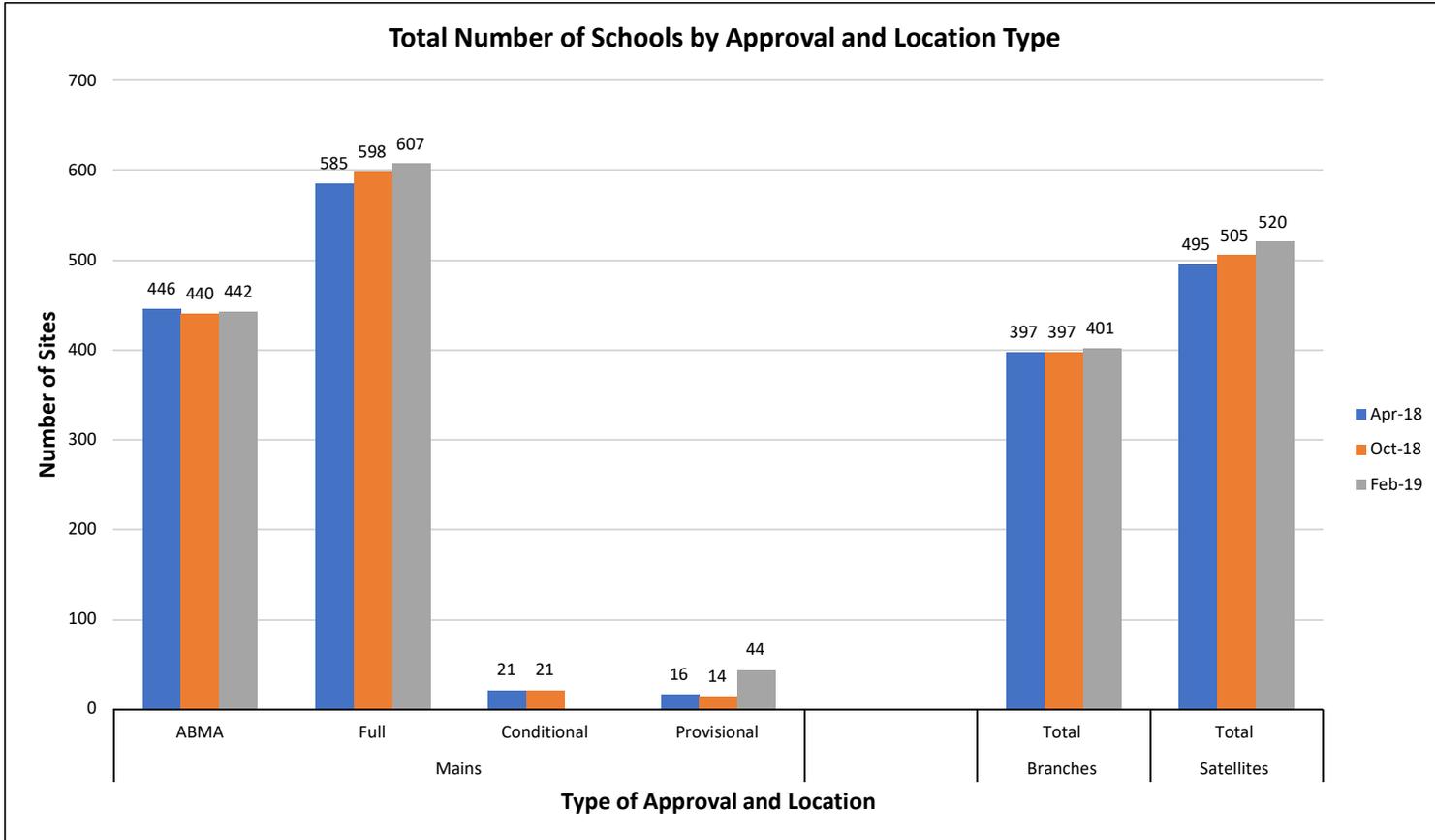
Total Number of Schools by Approval and Location Type		Apr-18	Oct-18	Feb-19
Mains	ABMA	446	440	442
	Full	585	598	607
	Conditional	21	21	0
	Provisional	16	14	44
	Total	1,068	1,073	1,093
Branches	Total	397	397	401
Satellites	Total	495	505	520
Total Locations		**1,960**	**1,975**	**2,014**

Quality of Education Unit
Report on Status of Institutions Impacted by SB 1247 (Chaptered in 2014)
Requires all degree-granting institutions in CA to be accredited

CEC 94885.1 Institutions

- Applies to Institutions approved to operate on or before January 1, 2015 and offering degree programs
- Requires institutions achieve pre-accreditation or candidacy status by July 1, 2017 and full accreditation by July 1, 2020
- 141 institutions initially identified and contacted

- 108 Institutions submitted an accreditation plan to the Bureau on or before July 1, 2015

- Of the original 141 institutions:

  o 35 closed, let their approvals expire, or surrendered their approvals
  o 0 are currently on extensions to meet candidacy status
  o 17 were verified as exempt institutions
  o 16 surrendered their degree programs prior to July 1, 2017
  o 4 have their degree programs currently suspended
  o 20 achieved accreditation
  o 49 currently in accreditation candidacy status

CEC 94885.5 Institutions

- 50 Institutions have received provisional approval to operate degree programs since January 2015

- Must achieve pre-accreditation or candidacy status within two years and full accreditation within five years

- Status of the 50 Institutions:
  o 1 closed
  o 2 are currently on extensions to meet candidacy status
  o 2 surrendered their degree programs and abandoned accreditation
  o 1 has its degree programs currently suspended
  o 4 achieved candidacy status and pursuing full accreditation
  o 40 pursuing candidacy status (includes 2 extensions)
  o 2 Achieved Accreditation

Degree Program Suspensions Issued:
2015 – 11
2017 – 28
2018 – 1
2019 - 2

Student Tuition Recovery Fund Claims

Student Tuition Recovery Fund (STRF) Claims Received 2018/19 State Fiscal Year		
262		

Claims Closed 2018/19 State Fiscal Year			
Claims Paid	58	Amount	**$485,372**
Claims Ineligible [1]	0		
Claims Denied [1]	4		
Closed - Unable to Contact [2]	8		
Total	**70**		

Current Claims	
Active / Waiting for Student Response	395
Analyst's First Review Complete / Recommendation Pending	207
Payment Requested From State Controller's Office	31
Total	**633**

Claims in Queue
106

Definitions

Ineligible / Denied [1]	Student Not Eligible For Payment and/or Claim Did Not Satisfy The Requirements of California Education Code §94923(b)(2)
Unable to Contact [2]	OSAR Staff Reached Out to Student via Phone, Email & Written Correspondence At Least Three Times

Current Fund Balance: $26,143,000

Historical Fund Balances (State Fiscal Year Closing):
2017-18	$26,295,000
2016-17	$28,497,000
2015-16	$29,626,000

Data as of 1/18/2019

Student Tuition Recovery Fund Claims

Large Impact Closures

2018/19 State Fiscal Year

	STRF Claims Received	STRF Claims in Progress	Ineligible	Denied	Number of STRF Claims Paid	STRF Claims Paid
All Claims	**262**	**261**	**0**	**4**	**58**	**$485,372**
ITT Tech	6	6	0	0	4	$12,880
Heald[1]	7	7	0	0	5	$27,940
WyoTech[1]	3	3	0	0	0	$0
Everest[1]	19	19	0	0	0	$0

From School Closure to Current (Total Impact)

	STRF Claims Received	STRF Claims in Progress	Ineligible	Denied	Number of STRF Claims Paid	STRF Claims Paid
ITT Tech	288	29	25	115	46	$210,510
Heald[1]	168	72	48	7	18	$180,328
WyoTech[1]	122	9	16	23	50	$278,243
Everest[1]	278	30	53	40	84	$255,695

[1] Heald College, WyoTech, and Everest College were operated by Corinthian Colleges, Inc.

Data as of 1/18/2019

Office of Student Assistance and Relief

Cumulative Report
(07/01/2017 - 08/31/2018)

CHART A: CLOSED SCHOOL OUTREACH[1]

Student Outreach Activities	Event Type	Event Date	Event Location
Ukiah Beauty College School Closure Outreach Event	Student Workshop	11/14/2017	Ukiah, California
San Francisco College of Cosmetology School Closure Outreach Event	Student Workshop	12/7/2017	San Francisco, California
Shepherd University School Closure Outreach Event	Student Workshop	12/21/2017	Los Angeles, California
Pacific Coast Trade School Closure Outreach Event	Student Workshop	1/11/2018	Oxnard, California
Golden State College of Court Reporting & Captioning School Closure Outreach Event	Student Workshop	3/1/2018	Pleasanton, California
American Specialty College School Closure Outreach Event	Student Workshop	4/17/2018	Salida, California
Silicon Valley University School Closure Outreach Event	Student Workshop	4/30/2018	San Jose, California
Victoria Beauty College School Closure Outreach Event	Student Workshop	4/30/2018	Milpitas, California
The Real Barbers College School Closure Outreach Event	Student Workshop	6/5/2018	Anaheim, California
California Hair Design Academy School Closure Outreach Event	Student Workshop	7/27/2018	Chula Vista, California
Coleman University School Closure Outreach Event	Student Workshop	7/30/2018	San Diego, California

CHART B: OTHER OUTREACH AND EDUCATIONAL ACTIVITIES[1]

Student Outreach Activities	Event Type	Event Date	Event Location
California Department of Veterans Affairs' County Veterans Service Officers Conference	Presentation	10/12/2017	Riverside, California
Cash for College	College Fair	10/13/2017 - 10/14/2017	Los Angeles, California
Latino College Expo	College Fair	10/14/2017	Montebello, California
Tru Hope Youth Summit / College & Career Fair	College Fair	10/19/2017	Stockton, California
California Transition Assistance Program Homeport California, Camp Pendleton Workshop	Student Workshop / Presentation	10/25/2017	San Diego, California
Venture Academy College & Career Fair	College Fair	10/25/2017	Stockton, California
California Transition Assistance Program Homeport California, Camp Pendleton Workshop	Student Workshop / Presentation	1/18/2018	San Diego, California

Steps to College	College Fair	2/3/2018	Sacramento, California
Black College Expo	College Fair	2/10/2018	Los Angeles, California
Black College Expo	College Fair	2/17/2018	Oakland, California
California Transition Assistance Program Marine Corps Recruit Depot Workshop	Student Workshop / Presentation	3/21/2018	San Diego, California
California Transition Assistance Program Beale Air Force Base Workshop	Student Workshop / Presentation	4/4/2018	Yuba County, California
Sacramento Housing and Redevelopment Agency Education and Youth Summer Employment Fair	College Fair	4/13/2018	Sacramento, California
California Transition Assistance Program Naval Air Station Lemoore Workshop	Student Workshop / Presentation	4/18/2018	Kings County, California
National Association for College Admission Counseling San Diego National College Fair	College Fair	4/19/2018	San Diego, California
National Association for College Admission Counseling Orange County National College Fair	College Fair	4/22/2018	Anaheim, California
National Association for College Admission Counseling Inland Empire National College Fair	College Fair	4/24/2018	Ontario, California
National Association for College Admission Counseling Los Angeles National College Fair	College Fair	4/26/2018	Pasadena, California
National Association for College Admission Counseling San Francisco National College Fair	College Fair	4/28/2018	Daly City, California
California Transition Assistance Program Homeport California, Camp Pendleton Workshop	Student Workshop / Presentation	5/30/2018	San Diego, California
California Transition Assistance Program LCSRON ONE Naval Base San Diego Workshop	Student Workshop / Presentation	6/13/2018	San Diego, California
California Transition Assistance Program Marine Corps Recruit Depot Workshop	Student Workshop / Presentation	6/26/2018	San Diego, California
California Transition Assistance Program Beale Air Force Base Workshop	Student Workshop / Presentation	7/19/2018	Yuba County, California
California Transition Assistance Program Travis Air Force Base Workshop	Student Workshop / Presentation	7/30/2018	Fairfield, California
California Transition Assistance Program MCAS Miramar Workshop	Student Workshop / Presentation	8/9/2018	MCAS Miramar, California
California Transition Assistance Program Naval Air Station Lemoore Workshop	Student Workshop / Presentation	8/15/2018	Kings County, California
San Diego Community College District Resource Fair	College Fair	8/16/2018	San Diego, California
California Transition Assistance Program Naval Base San Diego Workshop	Student Workshop / Presentation	8/28/2018	San Diego, California

CHART C: NUMBER OF STUDENTS SERVED[2]

Students Served By OSAR	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Total
Corinthian Students	96		23	36	45	96	124	112	65	77	33	64	83		854
Other Eligible Students	456		367	404	625	536	564	546	566	945	543	550	490		6,592
Total Number of Students	**552**		**390**	**440**	**670**	**632**	**688**	**658**	**631**	**1022**	**576**	**614**	**573**		**7,446**

CHART D: SUMMARY OF STUDENT SERVICES

Student Tuition Recovery Fund (STRF) Claims Received by the Bureau for Private Postsecondary Education (Pre OSAR) - Prior to State Fiscal Year 2017/18[3] -	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Total
Pending Claims (Beginning of Reporting Month)[4]															
Pending Claims (Qty.)	135	108	94	90	89	84	73	63	53	36	28	21	19	12	
Pending Claims (Total Dollar Amount)[5]	$2,244,867	$1,926,024	$1,815,226	$1,740,647	$1,740,647	$1,730,375	$1,712,417	$1,519,052	$1,519,052	$1,106,845	$1,095,509	$958,232	$838,400	$812,672	
Approved Claims (End of Reporting Month)															
Claims Approved (Qty.)	24	14	4	1	5	10	10	10	17	8	7	2	10	11	133
Claims Approved (Total Dollar Amount)	$109,759	$55,399	$74,579	$29,900	$53,542	$387,334	$88,290	$252,951	$126,418	$47,919	$81,911	$17,518	$64,025	$69,599	$1,459,144
Student Loans Canceled (Dollar Amount)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Student Loans Paid Off (Dollar Amount)	$38,329	$15,555	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$53,884
Cash Reimbursements to Students (Dollar Amount)	$71,430	$39,843	$0	$0	$10,272	$0	$193,365	$0	$412,207	$11,336	$137,277	$119,832	$17,518	$36,101	$1,049,181
Denied Claims (End of Reporting Month)															
Claims Denied (Qty.)	3	-	-	-	-	1	-	-	-	-	-	-	1	1	6
Claims Denied (Total Dollar Amount)	$99,325	$0	$0	$0	$0	$17,958	$0	$0	$0	$0	$0	$0	$8,210	$68,000	$193,493
Appealed Claims (End of Reporting Month)															
Claims on Appeal (Qty.)	2	3	4	8	8	8	8	7	7	7	7	7	6	6	6
Claims on Appeal (Total Dollar Amount)[6]	$10,394	$14,889	$25,109	$127,536	$127,536	$127,536	$127,536	$114,369	$116,624	$116,624	$116,624	$116,624	$36,560	$36,560	$36,560

STRF Claims Received by the Bureau for Private Postsecondary Education (OSAR) - State Fiscal Years 2017/18 Through 2018/19[7] -	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Total
Number of Students Assisted[8]	**102**	**88**	**188**	**150**	**228**	**515**	**539**	**604**	**679**	**569**	**971**	**598**	**536**	**408**	**6,175**
Number of Claims Received	**27**	**30**	**60**	**38**	**21**	**26**	**37**	**20**	**21**	**16**	**34**	**30**	**37**	**29**	**426**
Pending Claims (End of Reporting Month)[4]															
Pending Claims (Qty.)	27	57	117	155	176	202	241	259	276	285	308	335	372	395	395
Pending Claims (Total Dollar Amount)[5]	$417,941	$727,487	$1,440,854	$1,839,384	$2,024,916	$2,158,381	$2,554,454	$2,944,393	$3,421,365	$3,512,064	$4,078,174	$4,667,425	$5,150,895	$5,629,713	$5,629,713

Approved Claims (End of Reporting Month)															Total
Claims Approved (Qty.)	-	-	-	-	-	-	1	4	7	11	3	-	6	7	39
Claims Approved (Total Dollar Amount)	$0	$0	$0	$0	$0	$0	$77,337	$40,499	$26,384	$107,214	$29,777	$0	$57,171	$84,063	$422,445
Student Loans Canceled (Dollar Amount)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Student Loans Paid Off (Dollar Amount)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cash Reimbursements to Students (Dollar Amount)	$0	$0	$0	$0	$0	$0	$0	$0	$117,836	$300	$14,373	$65,957	$0	$82,448	$280,914
Denied Claims (End of Reporting Month)															
Claims Denied (Qty.)	-	-	-	-	-	-	1	-	-	-	-	-	-	-	1
Claims Denied (Total Dollar Amount)	$0	$0	$0	$0	$0	$0	$14,549	$0	$0	$0	$0	$0	$0	$0	$14,549
Appealed Claims (End of Reporting Month)															
Claims on Appeal (Qty.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on Appeal (Total Dollar Amount)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Federal Loan Forgiveness Claims	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Total
Number of Students Assisted	44	37	58	71	80	393	103	120	168	156	189	235	236	216	2106
Pending Claims															
Pending Claims (Qty.)	-	-	-	11	11	11	17	18	19	18	25	29	37	44	44
Pending Claims (Dollar Amount)[9]	$0	$0	$0	$91,795	$91,795	$91,795	$239,191	$250,448	$261,247	$265,474	$444,499	$504,126	$560,896	$696,152	$696,152
Approved Claims															
Approved Claims (Qty.)	-	-	-	-	-	-	19	1	5	1	-	-	-	1	27
Approved Claims (Dollar Amount)	$0	$0	$0	$0	$0	$0	$811,475	$4,699	$69,270	$43,217	$0	$0	$0	$14,167	$942,828
Denied Claims															
Denied Claims (Qty.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Denied Claims (Dollar Amount)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Appealed Claims															
Appealed Claims (Qty.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appealed Claims (Dollar Amount)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Private Loan Relief (Non-STRF)	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Total
Number of Students Assisted	-	1	1	16	26	33	49	90	97	64	65	87	62	52	643
Description of Services Provided	Referred Students to the Consumer Financial Protection Bureau / California Department of Business Oversight														

STATUS UPDATES RELATED TO THE FOLLOWING REGULATIONS:

a. **Registration for Out-of-State Private Postsecondary Educational Institutions [California Education Code (CEC) sections 94850.5 and 94801.5]**

b. **English as a Second Language Programs [Title 5, California Code of Regulations (CCR), Section 70000 (k)]**

c. **Application for Verification of Exempt Status (CEC Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5); Title 5, CCR Section 71395)**

d. **Compliance with Laws and Procedures (Title 5, CCR, Section 71755)**

e. **Student Records and the Maintenance of Records (Title 5, CCR Sections 71920, 71930, 71940 and 71950)**

f. **Required Notices and Teach-Out Plans (Title 5, CCR, Section 76240)**

ATTACHMENT:

A. Regulation Summary

Regulation Summary

Sec #	Short Title	Action	Description	Pre-Approve	Legal Review	Dept.	Agency	OAL	Notice	Hearing	OAL Final	File SoS
76000 76020 76120 76130 76200 76210 76212 76215	STRF	Amend	Student Tuition Recovery Fund Regulations were amended to reflect significant statutory changes from SB1247(2014) and SB1192(2016)	5/18/15	7/14/15	1/22/16	3/28/16	5/17/16	5/27/16	7/14/16	6/30/17	8/10/17
71396 71397 71398 71398	OOS	Adopt	Out-of-State Institution Registration required by SB1192(2016). Makes emergency regulations permanent (sec. 71396) and added needed regulations for processing re-registration, etc.	4/21/17	9/6/17	9/25/17	2/7/18	2/27/18	3/9/18	4/25/18	5/21/18	7/3/18
70000	IELP	Amend	Intensive English Language Programs amends the definition under 70000(k) allowing institutions who meet the new criteria to be exempt.	8/14/17	1/24/18	3/8/18	12/12/18					
71395	Exempt	Amend	Verification of Exempt Status amends the form to reflect numerous statutory changes.	10/19/17	→	5/14/18						

ANALYSIS OF INCOME SHARING AGREEMENTS' COMPLIANCE WITH THE BUREAU'S CURRENT LAWS AND REGULATIONS

FUTURE AGENDA ITEMS

ADJOURNMENT