



Bureau for Private Postsecondary Education
1747 N. Market Blvd. Ste 225 Sacramento, CA 95834
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 574-8900 F (916) 263-1897 www.bppe.ca.gov



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

Thursday, May 27, 2021, 9:30 a.m.

NOTE: Pursuant to the provisions of Governor Gavin Newsom’s Executive Order N-29-20, dated March 17, 2020, neither a public location nor teleconference locations are provided.

INSTRUCTIONS FOR OBSERVATION:

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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 (916) 574-8903, by emailing 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 your 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 appear before the Advisory Committee to discuss 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 February 17, 2021, Advisory Committee Meeting Minutes
4. Review and Approval of March 17, 2021, Advisory Committee Meeting Minutes
5. 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
6. Bureau Operations Update and Discussion related to the following:
 - a. Update on the Bureau's IT System Project
 - b. Quality of Education Report
 - c. Compliance and Discipline Report
 - i. School Inspections by the Bureau
 - ii. Disciplinary Highlights and Resulting Actions Statistics
 - iii. Citation and Fines
 - d. Complaint and Investigation Report
 - i. Complaint and Investigation Statistics
 - e. Licensing Report
 - i. Licensing Applications Status Statistics
 - ii. Report on the Number of Institutions

- f. Office of Student Assistance and Relief (OSAR) Report
 - i. Overview of OSAR Activities Summary Report
 - ii. School Closure Outreach Update
 - g. Student Tuition Recovery Fund (STRF) Report
 - i. STRF Claims and Large Impact Closure Statistics
7. Status Update and Discussion related to the following Regulations:
- a. Status on English as a Second Language Programs (Title 5, California Code of Regulations (CCR) Section 70000 (k))
 - b. Status on Application for Verification of Exempt Status (California Education Code (CEC) Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5; Title 5, CCR Section 71395)
 - c. Status on STRF Fee Increase (Title 5, CCR Section 76120)
 - d. Status on Assembly Bill (AB) 1340 Implementation (CEC Section 94892.6)
 - e. Status on AB 1346 Implementation (CEC Section 94923; Title 5, CCR Section 76200)
 - f. Discussion on AB 1344 Implementation (CEC Section 94801.5; Title 5, CCR Section 71396)
8. Update and Discussion on the Bureau's Sunset Review (SB 802)
9. Discussion on Senate Bill 118 Prohibition on Use of Applicants' Criminal History in Admission Decisions (CEC Section 66024.5)
10. Future Agenda Items
11. Adjournment

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)

Leigh Ferrin

- Consumer Advocate (Appointed by Speaker of the Assembly)

Diana Amaya

- Public Member (Appointed by Senate Committee on Rules)

Kansen Chu

- Public Member (Appointed by Speaker of the Assembly)

Joseph Holt

- Institutional Representative (Appointed by DCA Director)

David Vice

- Institutional Representative (Appointed by DCA Director)

Zima Creason

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

Assemblymember Jose Medina (Kevin Powers)

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

Senator Steven Glazer (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).)

Agenda Item 3

**REVIEW AND APPROVAL OF FEBRUARY 17, 2021, ADVISORY COMMITTEE
MEETING MINUTES**

ATTACHMENT:

Advisory Committee Draft Meeting Minutes from February 17, 2021



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**Advisory Committee Meeting Minutes
Wednesday, February 17, 2021**

WebEx Meeting

Advisory Committee Members in Attendance

1. Joseph Holt
2. Katherine Lee-Carey
3. Margaret Reiter
4. Thomas Wong
5. Leigh Ferrin
6. Diana Amaya
7. David Vice
8. Kevin Powers (on behalf of Assemblymember Jose Medina)

Committee Members Absent

Senator Steven Glazer (Sarah Mason)

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

Leeza Rifredi, Deputy Bureau Chief
Beth Scott, Bureau Enforcement Chief
Beth Danielson, Bureau Enforcement Chief
Ebony Santee, Bureau Licensing Chief
Scott Valverde, Office of Student Assistance and Relief (OSAR) Chief
Robert Bayles, Bureau Education Administrator Chief
Yvette Johnson, Bureau Administration Chief
David Dumble, Bureau Legislative/Regulation Specialist
Clarisa Serrato-Chavez, Bureau Complaint Investigations Unit Manager
Michael Kanotz, DCA Board and Bureau Counsel
Carrie Holmes, DCA Board and Bureau Relations Deputy Director

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

Committee Chair, Katherine Lee-Carey called the meeting to order.

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

No Public Comment.

Agenda #3 - Review and Approval of December 1, 2020, Advisory Committee Meeting Minutes

Thomas Wong moved to approve the minutes as amended; Margaret Reiter: seconded the motion. (Ms. Lee-Carey: Aye; Ms. Reiter: Aye; Diana Amaya: Abstain; Joseph Holt: Aye; Leigh Ferrin: Aye; Mr. Wong: Aye) The motion passed.

Public Comment

No Public Comment.

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

Carrie Holmes, Deputy Director for Board and Bureau Relations, provided an update.

Ms. Holmes reported that appointments are a top priority for Board and Bureau Relations. She indicated that the Bureau currently has three (3) vacancies. She noted that two of the open positions are for the past student of institution positions and the remaining position is for the consumer advocate position. She directed any member of the public interested in serving on the Advisory Committee to find the link titled "Board Member Resources" on the DCA homepage.

Ms. Holmes provided an update on the impacts of COVID-19. She indicated that DCA offices are open to the public. She added that DCA boards and bureaus are maximizing the use of telework, to help prevent the spread of the virus.

Ms. Holmes stated that DCA has been working closely with the Bureau in preparation for its sunset review hearing. She noted that the hearing dates have not yet been set.

Ms. Holmes explained that the Bureau fee audit is still under review and will likely be finalized by the next Advisory Committee meeting.

Ms. Reiter asked for a status update on the rollout of Cherwell. Ms. Holmes reported that Cherwell is with four pilot groups. She added that associated costs for suggested improvements to the program are being evaluated by the Office of Information Security (OIS).

Ms. Lee-Carey asked for an update on the process of replacing the former Bureau Chief. Ms. Holmes indicated that there is movement in the appointment process. She noted that the appointment comes out of the Governor's office.

Public Comment

Robert Johnson provided a public comment.

Caroline Cruz provided a public comment.

Agenda #5 – Bureau Operations Update and Discussion

Update on Fee Audit

Deputy Bureau Chief, Leeza Rifredi, provided a status on the Bureau's fee audit. She reported that there is no definitive timeline for finalizing the fee audit. She added that as soon as the report is final, it will be made available.

Public Comment

No Public Comment.

Sunset Review Update

Ms. Rifredi reported that a sunset review hearing date has not yet been set. She noted that the Bureau has been preparing for the hearing and is anticipating a hearing date sometime in late March or early April 2021.

Ms. Lee-Carey asked if any dates have been set for the sunset bill. Ms. Rifredi indicated that no dates have been set.

Public Comment

Rachel Blucher provided public comment.

Robert Johnson provided public comment.

Annual Reports (AR) Report

Mr. Bayles provided a report on the Annuals Reports Unit (ARU). He outlined Attachment 5c, of the meeting packet.

Public Comment

No public comment.

Quality of Education Report

Mr. Bayles provided a report on the Quality of Education Unit (QEU). He outlined Attachment 5d, of the meeting packet.

Public Comment

No public comment.

Compliance and Discipline Report

Bureau Enforcement Chief, Beth Scott, provided a report on the Compliance and Discipline Units. She referenced Attachment 5e, of the meeting packet.

Public Comment

Kimberly Brockman provided a public comment.

Complaint and Investigation Report

Bureau Enforcement Chief, Beth Danielson, reported on the Complaint and Investigation Unit. She outlined Attachment 5f, of the meeting packet.

Public Comment

Angela Perry provided a public comment.

Licensing Report

Bureau Licensing Chief, Ebony Santee, reported on the Licensing Unit. She outlined Attachment 5g, of the meeting packet.

Public Comment

No Public Comment.

Office of Student Assistance and Relief (OSAR) Report

OSAR Chief, Scott Valverde, provided a report on OSAR. He covered Attachment 5h, of the meeting packet.

Ms. Reiter asked if additional attempts will be made to contact past Corinthian students, who do not respond to initial outreach efforts. Mr. Valverde indicated that additional attempts will be made to reach out to students.

Public Comment

Robert Johnson provided public comment.

Student Tuition Recovery Fund (STRF) Report

Bureau Administration Chief, Yvette Johnson, provided a report on STRF. She covered Attachment 5i, of the meeting packet.

Mr. Holt asked what led to retroactively implementing the fee change to the STRF assessment. Ms. Johnson indicated that it was a file and print regulation. She added that there will be more information in the next agenda item.

Public Comment

Angela Perry provided public comment.

Agenda Item #6 - Status Updates on Regulations

David Dumble provided a status update on Bureau regulations. He covered Attachment 6a, of the meeting packet.

Ms. Reiter asked at what point are proposed regulatory changes brought to the Advisory Committee for input. Ms. Rifredi explained that once language has been drafted and reviewed by DCA and the Business, Consumer Services, and Housing Agency, then the language will be presented to the Advisory Committee, for review.

Ms. Rifredi provided additional information on the STRF assessment fee increase. She explained that the fee increase legally took effect on February 8, 2021. She noted that sufficient notice was not provided immediately following the implementation. She added that the Bureau has enforcement discretion with regard to the gap between the fee taking effect and the time the fee increase was noticed. She pointed out that the Bureau views the first quarter, since the fee change, as a transitional period and an educational opportunity.

Ms. Lee-Carey stated that the STRF assessment fee change was expected and that institutions were expecting a notice indicating when the fee change would take place. She explained that instead, a notice was only sent after the fee change. She added that institutions have to make process changes and train people to collect the fee. She requested that the Bureau take into consideration the necessary changes to processes and to allow institutions the time required to implement the changes. She noted that even if the institution received notice of the fee change on February 12, 2021, the institution would still need time to make the necessary changes.

Ms. Reiter commented that it would be ideal to have the fee change automatically based on the STRF fund balance, without the need for a regulatory change. She added an automatic change based on the STRF fund would allow the Bureau an opportunity to provide more notice to institutions regarding a fee change.

Ms. Rifredi noted that the law states the Bureau shall implement a fee change once the STRF fund reaches a certain limit. She added that the Bureau does not have discretion in that aspect of the process. She pointed out that when the law changed, the only thing that changed was the amount collected. She stated that all the information and disclosures regarding STRF should already be prepared and made available to students.

Ms. Rifredi stated that notice will be provided when public comment is opened up for the verification for exemption status regulation package.

Ms. Rifredi stated that the law requires the STRF assessment fee to be collected by the students and cannot be paid by the institution on behalf of the student.

Ms. Rifredi indicated that institutions can send STRF related questions to BPPE.STRFAssmntFee@dca.ca.gov.

Public Comment

Robert Johnson provided public comment.

Catherine Tellez provided public comment.

Kimberly Brockman provided public comment.

Angela Perry provided public comment.

Myra Pomerantz provided public comment.

Agenda Item #7 - Presentation and Discussion on How Complaint and Disciplinary Items Will be Tracked in the New IT System, and What Will Be Made Available to the Public

Robert Bayles provided a brief update on the status of the IT project. He elaborated on how the new system will replace SAIL and spreadsheets maintained by staff. He explained that staff will be able to run reports from the new system, on virtually any data that is entered into the system. He noted that the new system is composed of differing modules, with the ability to communicate with one another.

Mr. Bayles explained that there will be an institution lookup function, available to the public, that will display information about the institution. He noted that non-disciplinary complaints will not be made public. He stated that an inspection history will be displayed in an institution profile that will populate from the institution lookup function.

Mr. Bayles stated that there will be an expansion to the type of classifications used to identify disciplinary activities.

Ms. Reiter asked for additional information on the types of the classifications being added to the new system. Clarisa Serrato-Chavez stated that she does not have a list of all the classifications in front of her, but added that the information could be provided.

Ms. Reiter asked if the public would be able to search for specific types of disciplinary actions, from different types of schools, to include accredited, non-accredited, degree granting, and non-degree granting institutions. Mr. Bayles responded that Bureau staff would have the capabilities to generate those types of reports, for the Advisory Committee, upon request. Ms. Reiter asked if the types of complaints being made by students would be available to the public online. Mr. Bayles indicated that he was not sure if that would be available to the public, but that he would follow up to find out.

Ms. Reiter indicated that it would be helpful to have as much information online as statutorily possible. She gave an example of being able to see what actions the Bureau takes in regard to non-jurisdictional and unsubstantiated complaints. She added that she would like to see information regarding denial of STRF claims to include the category for "reason of denial." She also suggested a section allowing access to inspection results, including a breakdown of how much money was refunded compared to how much was requested to be refunded. Ms. Reiter stated that she would like to see whether remedies resulting from an inspection or a complaint is applied to individual cases or to the institution and students, as a whole. She provided an example of a student not receiving a School Performance Fact Sheets (SPFS) from an institution and suggested providing data on whether all students at that institution was offered the SPFS.

Mr. Holt recommended that the new system provide ratio and percentage analysis for added context. He gave an example of providing the number of student complaints in relation to student population. He added it would be helpful to provide data showing what percentage of

the total complaints received, are coming from specific institutions. He noted that this would better highlight patterns of behavior.

Ms. Serrato-Chavez pointed out that any complaints received, that do not result in disciplinary action, are not public information. She noted that, while generic information regarding these types of complaints could be made available to the public, the information would not be tied to specific institutions. Mr. Holt commented that the number of complaints received could be highlighted as a percentage of a certain number of institutions, without naming any specific institutions. He provided an example of a “X” number of complaints received for an “X” number of institutions. He added that the Advisory Committee could then question what actions are being taken, with regard to those institutions that are receiving a higher percentage of complaints.

Ms. Reiter suggested having a category to identify institutions or courses that require in-person or hands-on training. She noted it would be helpful to be able to identify certain types of institutions that may be under stress due to environmental factors such as COVID-19. She gave an example of complaint information pertaining to distance learning institutions.

Ms. Reiter asked if the new system will track owner history as a means to cross reference new applications for approval to determine if an individual was involved with a prior institution. Mr. Bayles stated that there has been a discussion with the development team to try and incorporate that capability.

Ms. Reiter recommended the system have the ability to view pending and/or approved STRF claim applications in order to see the stage of the claim in the overall process.

Public Comment

Angela Perry

Agenda #8 – Future Agenda Items

Ms. Reiter requested a follow up on the status of the new IT system.

Mr. Holt requested information on the Bureau’s sunset review hearing.

Ms. Reiter requested information on the Bureau’s position on upcoming legislative items.

Ms. Amaya requested information on COVID-19 related complaints.

Public Comment

No public comment.

Agenda #9 – Adjournment

The meeting adjourned at 1:40 pm.

Agenda Item 4

**REVIEW AND APPROVAL OF MARCH 17, 2021, ADVISORY COMMITTEE
MEETING MINUTES**

ATTACHMENT:

Advisory Committee Draft Meeting Minutes from March 17, 2021



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Advisory Committee Meeting Minutes
Wednesday, March 17, 2021

WebEx Meeting

Advisory Committee Members Virtually in Attendance

1. Joseph Holt
2. Katherine Lee-Carey
3. Margaret Reiter
4. Leigh Ferrin
5. Diana Amaya
6. David Vice
7. Zima Creason

Committee Members Absent

Kansen Chu
Kevin Powers (on behalf of Assemblymember Jose Medina)
Senator Steven Glazer (Sarah Mason)

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

Leeza Rifredi, Deputy Bureau Chief
Michael Kanotz, DCA Board and Bureau Counsel

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

Committee Chair, Katherine Lee-Carey called the meeting to order.

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

No Public Comment.

Agenda #3 - Bureau for Private Postsecondary Education Fee Analysis Presentation and Discussion

Dan Edds, from the Capitol Accounting Partners, provided a presentation on the Bureau's fee analysis. Mr. Edds referred to the fee audit attachment in the meeting materials.

David Vice asked if results were drawn based only on a snapshot of the number of institutions operating at a given time or if projected trends were also considered. Mr. Edds responded that only a snapshot was used in generating results of the analysis. He added that the reason for the use of a snapshot was to avoid drawing conclusions based on uncertain data points. Margaret Reiter asked if the snapshot was based on an average of the number of institutions operating over a certain period. Mr. Edds clarified that the analysis is based on the number of applications submitted by institutions and not the number of institutions operating at any given time. He noted that the number of applications received have been fairly consistent.

Mr. Edds explained that the analysis looked at core business processes to determine the Bureau's driving costs. He continued that it was determined that it is not the number of institutions that drive the cost, but rather the number of programs. He added that one of the recommendations is to change the institutional approval application fee to reflect all the associated costs of the core business processes, such as review of multiple programs. Ms. Reiter commented that the Bureau does not approve institutional programs but rather approves institutions. She stated that there is no fee for an institution to add a program. She questioned if the analysis considered statutory changes so the Bureau could collect fees based on the associated costs with the review of multiple programs. She also questioned if there was a consideration in adjusting annual fees to reflect the number of programs added after the initial approval process. Mr. Edds stated that all of Ms. Reiter's suggestions were considered in the analysis. Leeza Rifredi, Deputy Bureau Chief, noted that any fee change would have to go through the legislative process.

Ms. Reiter stated that the recommendations from this fee analysis would not be sufficient if an institution could expand the number of programs offered, after the initial approval process. She added that institutions would have an incentive to initially seek approval with the fewest number of programs possible, then after gaining approval the institution could dramatically

expand the number of programs offered. Ms. Rifredi responded that there is a recommendation in the analysis to add a fee for the addition of new programs.

Mr. Vice questioned if the new program fee is the same for accredited and non-accredited institutions. He noted the difference in the review process and associated costs for programs that have already been reviewed by an accrediting body. Ms. Rifredi noted that the proposal from this analysis does not include a fee for the addition of each new program for institutions approved by means of accreditation.

Mr. Edds explained that the Bureau's fund balance (monthly reserves) has dropped significantly over the past couple of years. He noted that the Bureau has been spending more than it is earning in revenue, but it has maintained some degree of sustainability by aggressively managing expenditures. Ms. Rifredi commented that due to COVID-19, the Bureau has not had the usual expenses associated with travel. She added that with the implementation of new online processes, the Bureau has had lower mailing costs.

Mr. Vice pointed out that there has been a large increase in costs at the Bureau over the past four years, while there has been a decline in the number of institutions.

Ms. Lee-Carey asked what is included within "support and service costs" in the processing of an application for approval to operate a nonaccredited institution. Mr. Edds responded that it includes administrative costs within each unit involved, State and Department of Consumer Affairs (Department) pro-rata, and costs associated with enforcement. Ms. Lee-Carey asked for an explanation of pro-rata. Mr. Edds explained that the State and Department charge the Bureau for administrative activities. He provided an example of how the Department has enforcement operations related to Bureau investigations, by which the Bureau is responsible for incurred costs. Ms. Lee-Carey questioned if pro-rata expenses are typical for all boards and bureaus, regardless of how the entity is funded. Mr. Edds indicated that in every analysis he has done for entities under the Department, there have been pro-rata expenses. Ms. Rifredi pointed out that the Bureau's enforcement processes make up a larger portion of "support and service costs" than pro rata.

Mr. Holt commented that an increase of the application fee, for an approval to operate, could increase the number of institutions operating without approval.

Mr. Vice pointed out that the fee for an out-of-state institution to register in California is far less than the fee to gain approval to operate within California. He noted that California institutions who offer online education, could just move out of state to reduce costs while maintaining the same number of California students.

Mr. Vice recommended that the Committee consider a motion that the Bureau pursue general funding to remove the complete reliance of funding on institutional fees. Mr. Holt suggested that the Committee make a recommendation for Bureau leadership to pursue general fund support, to ensure consumer protection and to ensure the Bureau fulfills all of its mandates.

Ms. Ferrin questioned if the suggestion for the Bureau to request general fund support is to reduce or eliminate the need for fee increases. Mr. Vice responded that is one reason for requesting general fund support. Mr. Holt explained that the larger reason is to ensure consumer protection. He added that Bureau funding is entirely dependent on the number of approved institutions. He noted that increasing fees could lead to more institutions choosing to operate without approval, which would cause an increase in enforcement costs associated with unapproved activity. He concluded that the Bureau would be in a better position to ensure consumer protection(s) with general fund support. Ms. Ferrin commented that general funding would be a more consistent source of funding as opposed to the Bureau's funding being reliant upon an inconsistent number of institutions. Ms. Lee-Carey added that Bureau funding is not only reliant upon the number of institutions, but also whether institutions are successful.

Ms. Amaya questioned if it is feasible to attain general funding in a timely manner, considering the time it takes to move through the legislative process. She noted that the changes recommended in the fee analysis proposal may need to be implemented first, before the Bureau can pursue general funding. Ms. Ferrin suggested that the Bureau could pursue general funding through the sunset review process.

Public Comment:

Michelle Domingo provided a public comment.

Robert Johnson provided a public comment.

Grant Elliot provided a public comment.

Angela Perry provided a public comment.

Ray Steinbeck provided a public comment.

Motion:

Mr. Holt moved that the Advisory Committee recommend that BPPE leadership, in the context of the Sunset Review process, pursue general fund support to ensure consumer protection(s) and meet legislative mandates; Mr. Vice seconded the motion. (Ms. Amaya: Aye; Ms. Ferrin: Aye; Ms. Creason: Aye; Ms. Lee-Carey: Aye) The motion passed.

Agenda #9 – Adjournment

The meeting adjourned at 4:05 pm.

Agenda Item 5

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)

Agenda Item 6

BUREAU OPERATIONS UPDATE RELATED TO THE FOLLOWING:

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

UPDATE ON THE BUREAU'S IT SYSTEM PROJECT

Responses to the Advisory Committee Concerning the Bureau's Connect IT System

Classifications of non-jurisdictional complaint closure reasons being added to Connect:

- Non-Jurisdictional Referrals - WASC
- Non-Jurisdictional Referrals - CSAC
- Non-Jurisdictional Referrals - USDE
- Non-Jurisdictional Referrals - Other Agency
- Non-Jurisdictional Referrals - Closed Schools/STRF
- Non-Jurisdictional - Referred to Homeland Security
- Non-Jurisdictional - No Physical Presence in California
- Non-Jurisdictional - Referred to Accrediting Agency
- Non-Jurisdictional - Referral to Consumer Financial Protection Bureau
- Non-Jurisdictional - Referral Office of Civil Rights
- Not Substantiated - No Response From Complainant
- Referred to Closed Schools
- Referred to STRF
- Referred to Franchise Tax Board
- Referred to District Attorney
- Referred to Attorney General
- Referred to Compliance for Monitoring

Types of disciplinary actions that will be made available to the public:

- The public will be able to access all citations and disciplinary actions through the BPPE Website, which will be organized by institution.

Actions taken in regard to non-jurisdictional and unsubstantiated complaints:

- Unsubstantiated complaints are closed, as the Bureau is not able to substantiate that an institution violated any laws or regulations.
- Non-jurisdictional complaints are referred to the appropriate agency:
 - Accrediting Agency
 - Board of Barbering and Cosmetology
 - Board of Registered Nursing
 - Board of Vocational Nursing and Psychiatric Technicians
 - California Acupuncture Board
 - California Community Colleges Chancellor's Office
 - California Department of Education
 - California Department of Insurance
 - California Student Aid Commission
 - Department of Fair Employment and Housing
 - Consumer Financial Protection Bureau
 - Department of Motor Vehicles

- Federal Student Aid
- Federal Trade Commission
- Homeland Security
- Internal Revenue Service
- Labor Commissioner's Office
- Local County Health Department
- Local Police Department or Sheriff's Office
- Medical Board of California
- Office for Civil Rights
- OSAR
- U.S. Department of Education
- Other (Field is available to enter the name of the agency)

Committee would like to see whether remedies resulting from an inspection or complaint are applied to individual cases or to the institution as a whole.

- Investigators will look at a sample set of student files to determine if the issue is systemic versus individual.

Recommendation made that the system provide ratio and percentage analysis for added context. Example given of the number of students complaints in relation to student population.

- Student population is currently tracked in the Annual Reports portal, while complaints will be tracked in Connect. Bureau will request from the QBIRT Team a report that reads from both sources.

Recommendation made to provide data showing what percentage of complaints received are involving specific institutions., to highlight patterns of behavior.

- The Bureau will have the ability to run this report for internal review and action. However, we cannot provide this information to the public unless the complaints are substantiated.

Suggestion to identify institutions or courses that require in-person or hands-on training.

- Connect will list an institution's approved educational programs by their title, by Classification of Instructional Program (CIP) codes, and by the method of instruction (direct classroom, distance education, or a blended delivery method).

Suggestion to track owner history as a means to cross-reference new applications.

- Request has been made of vendor to add a field to the Institution Tab to identify associated persons

Suggestion to include the ability to view pending and/or approved STRF claim applications to determine what stage the claim is in the overall process.

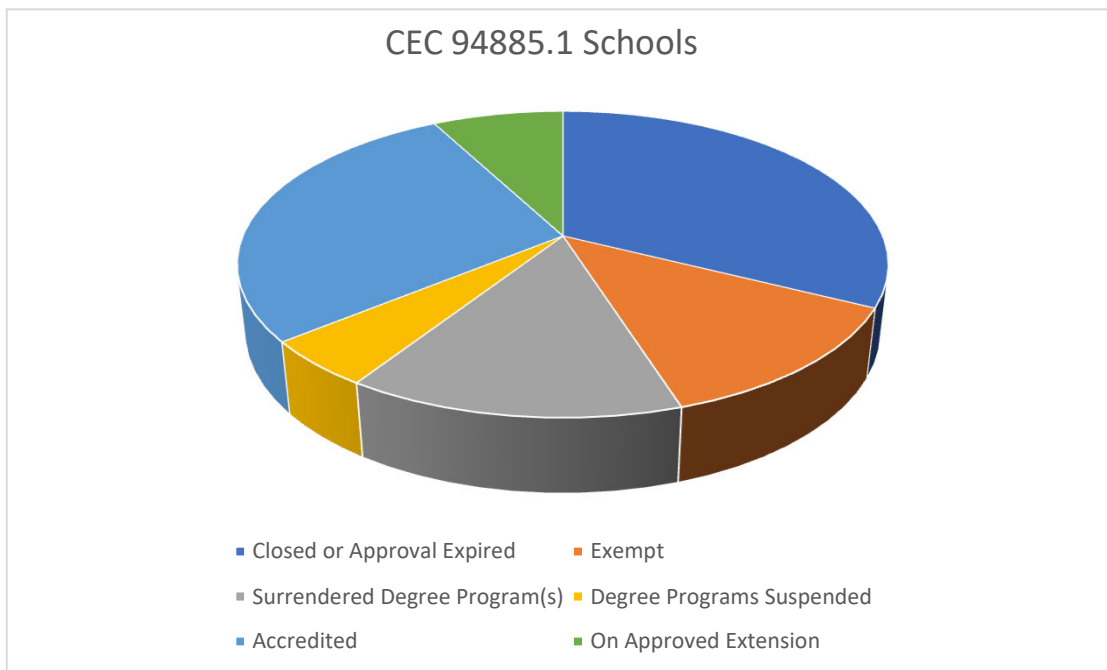
- System is being developed to include this in the functionality. Intent is for the claimant to be able to log in and access the information regarding the status of their application and for Bureau staff to monitor claim progress in the back office.

QUALITY OF EDUCATION REPORT

STATUS OF SB 1247 INSTITUTIONS

CEC *94885.1 Schools

Closed or Approval Expired	46
Exempt	18
Surrendered Degree Program(s)	20
Degree Programs Suspended	7
Accredited	40
On Approved Extension	<u>11</u>
Total	142

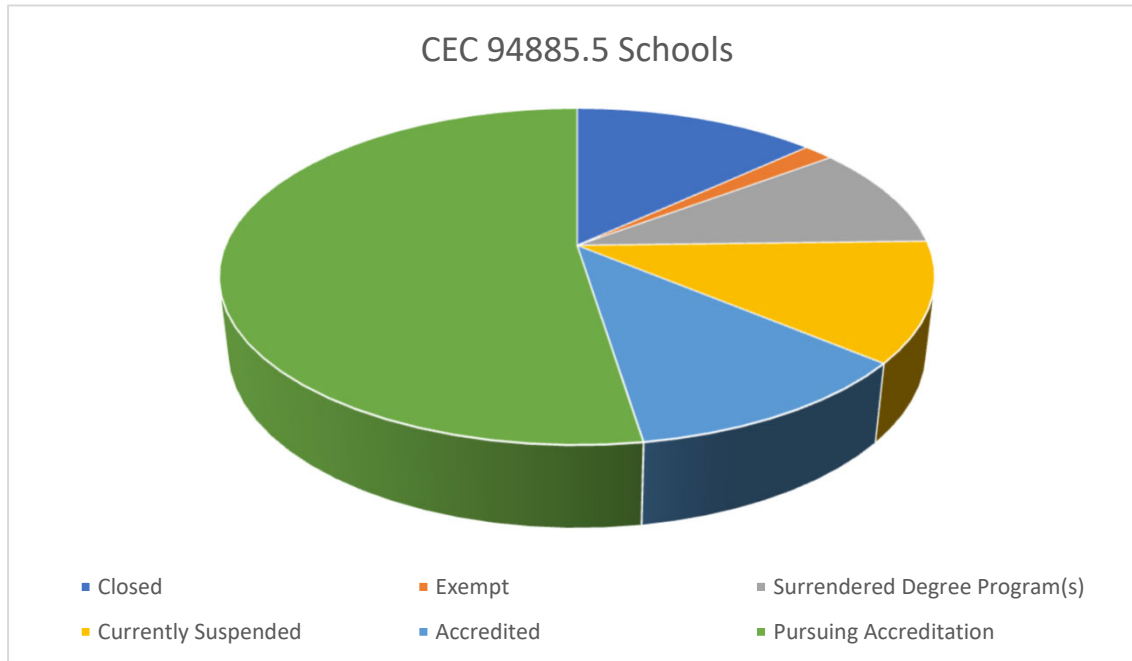


* Unaccredited Institutions Approved as of Jan 1, 2015 and Offering Degree Programs.
Deadline to Achieve Accreditation was July 1, 2020 Unless Extension was Approved

STATUS OF SB 1247 INSTITUTIONS

CEC *94885.5 Schools

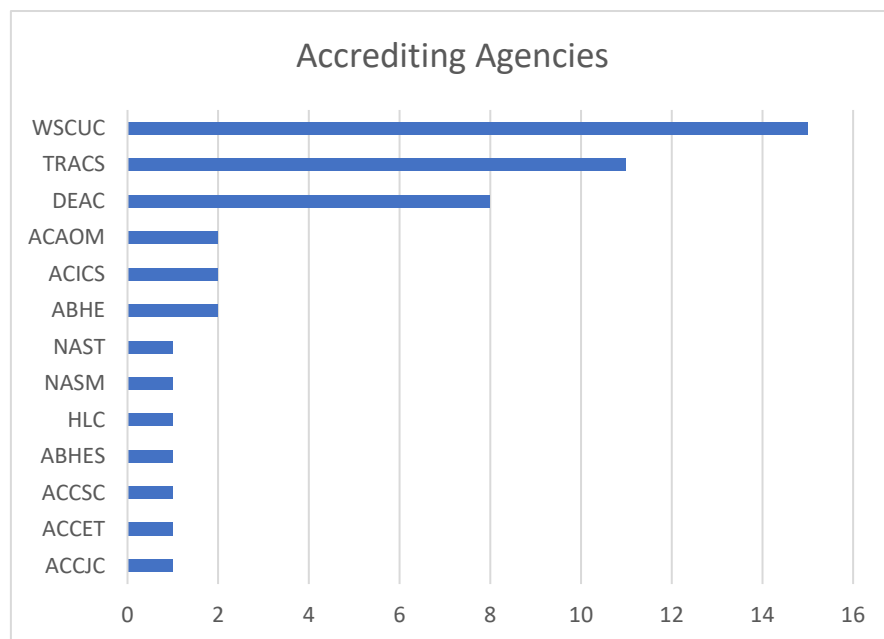
Closed	8
Exempt	1
Surrendered Degree Program(s)	6
Currently Suspended	7
Accredited	7
Pursuing Accreditation	<u>32</u>
Total	61



*Unaccredited Institutions Provisionally-Approved After Jan 2015 to Offer Degree Programs.
Must Achieve Pre-Accreditation Within Two Years.
Must Achieve Accreditation Within Five Years.

SB 1247 Institutions that Achieved Accreditation & Accreditor Chosen

ACCJC	1
ACCET	1
ACCSC	1
ABHES	1
HLC	1
NASM	1
NAST	1
ABHE	2
ACICS	2
ACAOM	2
DEAC	8
TRACS	11
WSCUC	15
Total	47



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

COMPLIANCE AND DISCIPLINE REPORT

REPORTING AS OF: April 30, 2021

Compliance Stats	2017 (Calendar)	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Jan. 1 - April 30)
Total Completed Inspections	85	155	305	128	45
ACI - Announced Inspections	51	63	63	42	35
UCI - Unannounced Inspections	34	92	242	86	10
Notice To Comply Issued	47	65	49	11	2
Enforcement Referral Issued	36	56	93	26	15
Inspections Cancelled *	N/A**	7	18	12	5

*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.

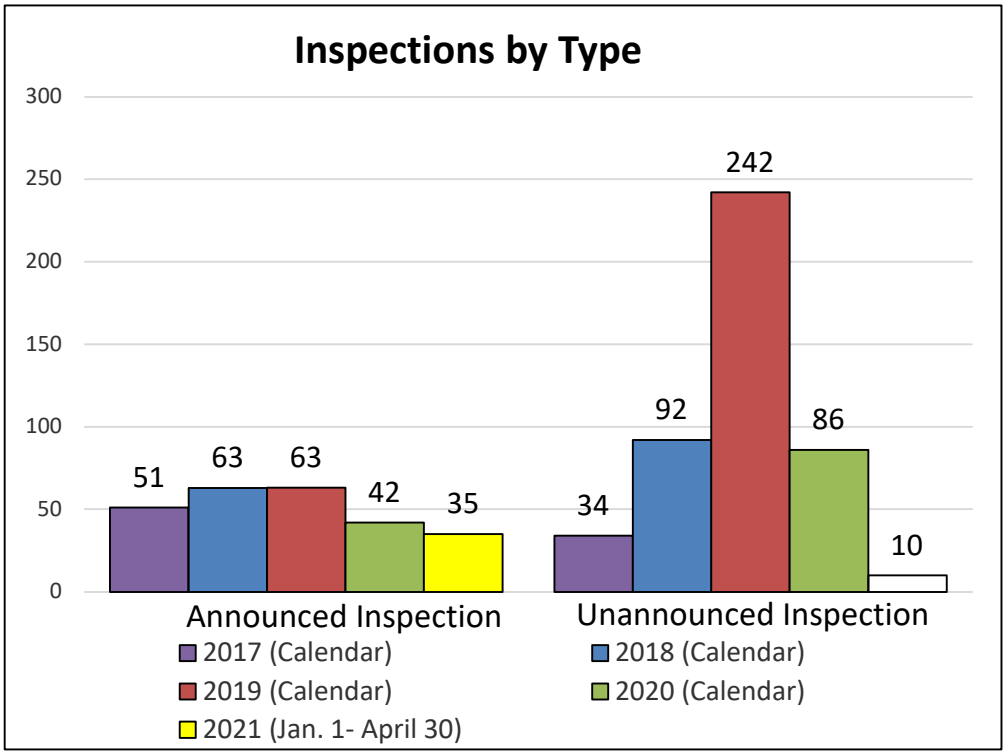
**2017
(Calendar)
Percentages:**
Announced: 60.0
Unannounced: 40.0

**2018
(Calendar)
Percentages:**
Announced: 40.6
Unannounced: 59.4

**2019
(Calendar)
Percentages:**
Announced: 20.7
Unannounced: 79.3

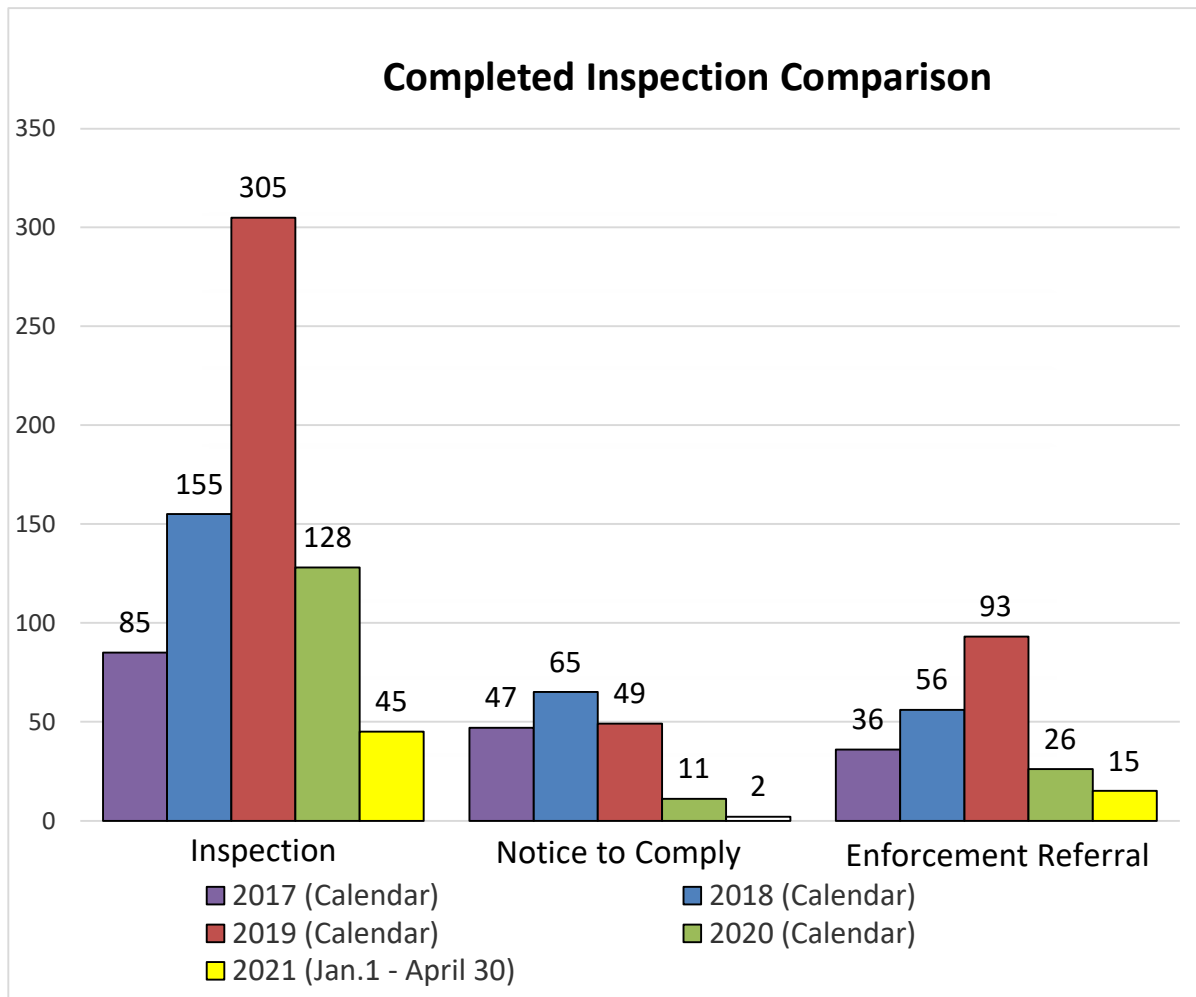
**2020
(Calendar)
Percentages:**
Announced: 32.8
Unannounced: 67.2

**2021
(Jan.1 - April 30)
Percentages:**
Announced: 77.8
Unannounced: 22.2



2017 (Calendar) Total Inspections: 85
2018 (Calendar) Total Inspections: 155
2019 (Calendar) Total Inspections: 305
2020 (Calendar) Total Inspections: 128
2021 (Jan. 1 - April 30) Total Inspections: 45

BPPE COMPLIANCE STATS



	2017 (Calendar)	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Jan.1 - April 30)
Announced Compliance Inspection (ACI)	51	63	63	42	35
Unannounced Compliance Inspection (UCI)	34	92	242	86	10
Total Compliance Inspections Completed (ACI + UCI)	85	155	305	128	45
Notice to Comply (NTC)	47	65	49	11	2
Enforcement Referral (ER)	36	56	93	26	15

STATEMENT OF ISSUES

Actions	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Jan. 1- May 7)
In-House Default: Denial Upheld	6	0	0	0
Proposed Decision: Denial Upheld	2	5	0	0
Proposed Decision: Conditional Approval Granted	0	1	0	0
Stipulated Settlement: Denial Upheld (School Closure)	1	0	0	0
Stipulated Settlement: Conditional Approval Granted	1	0	0	0
Withdrawn: Approval Granted (Mitigation cured deficiencies)	11	13	7	1
Withdrawn: Denial Upheld (School withdrew appeal)	7	6	6	1
Withdrawn: Exempt Institution	1	1	2	2
Totals:	29	26	15	4

BPPE DISCIPLINE STATS

ACCUSATIONS

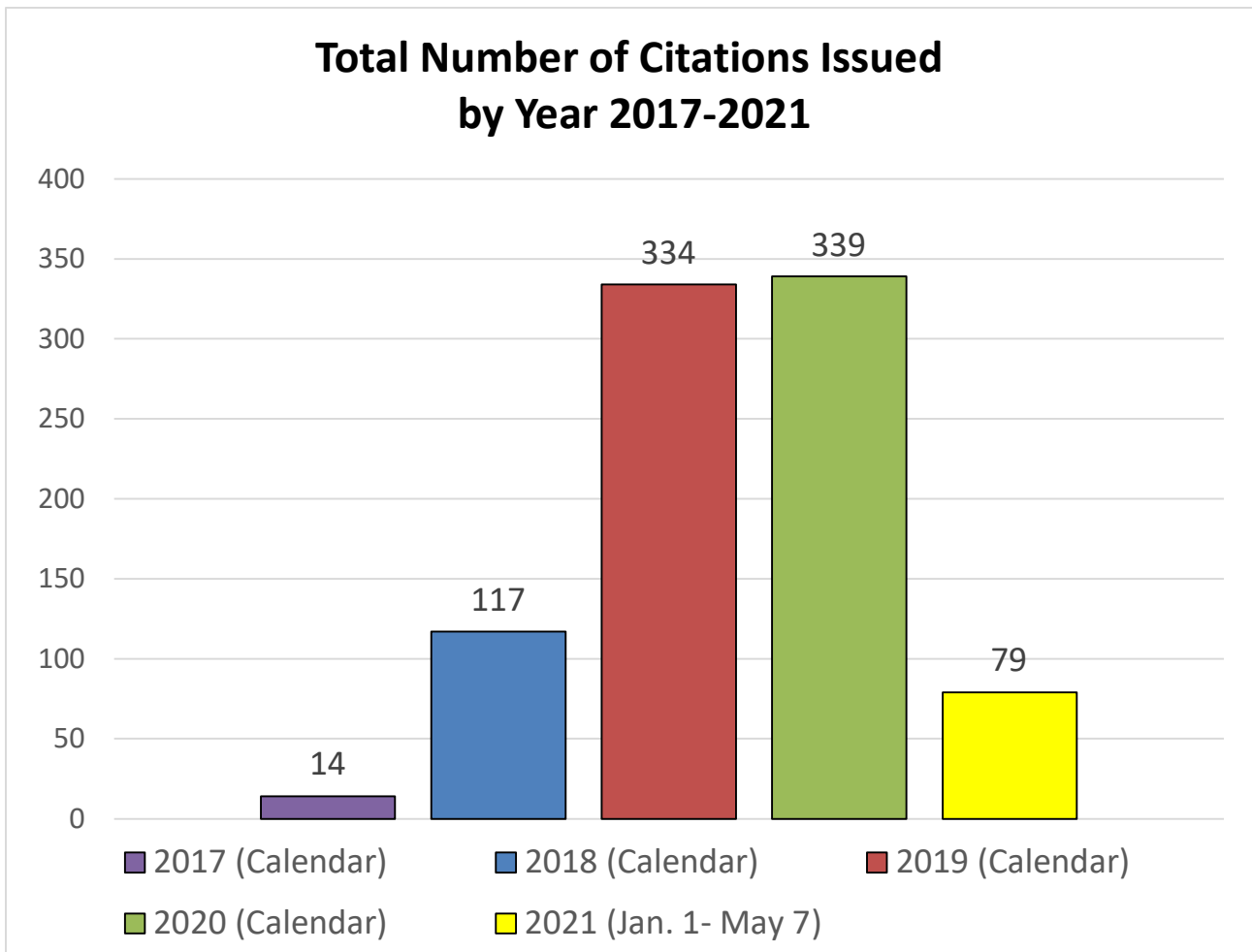
Actions	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Jan. 1 -May 7)
Default: Revocation	1	0	5	1
PC 23	1	1	0	0
Proposed Decision: Probation Granted	0	1	0	0
Proposed Decision: Revocation	1	0	1	0
Rejected by DAG	0	3	0	1
Stipulated Settlement Probation	0	5	1	1
Stipulated Surrender	2	4	4	2
Stipulated Settlement - Public Reproval	0	0	1	0
Withdrawn By Bureau: Citation Issued	1	1	0	0
Withdrawn by Bureau: Renewal Granted	2	0	0	0
Totals:	8	15	12	5

Automatic Suspensions	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Jan. 1- May 7)
Automatic Suspensions	1	4	13	0

Emergency Decisions	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Jan. 1- May 7)
Emergency Decisions	4	1	1	0

Pending with AG as of 05/07/2021	Total Transmitted	Total Served of Transmitted
Accusations	9	3
Statement of Issues	7	5
Totals:	16	8

BPPE CITATION STATS



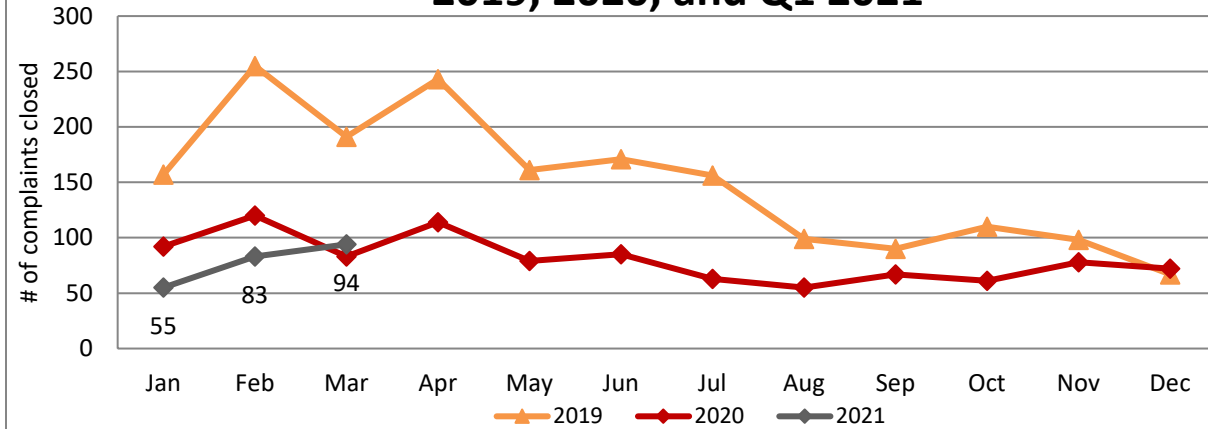
	2017 (Calendar)	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Jan. 1-May 7)
Citations Issued	14	117	334	339	79
Number of Schools Cited	14	115	308	333	79

For the past four 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

Complaints Closed 2019, 2020, and Q1 2021



Complaints Closed Q1

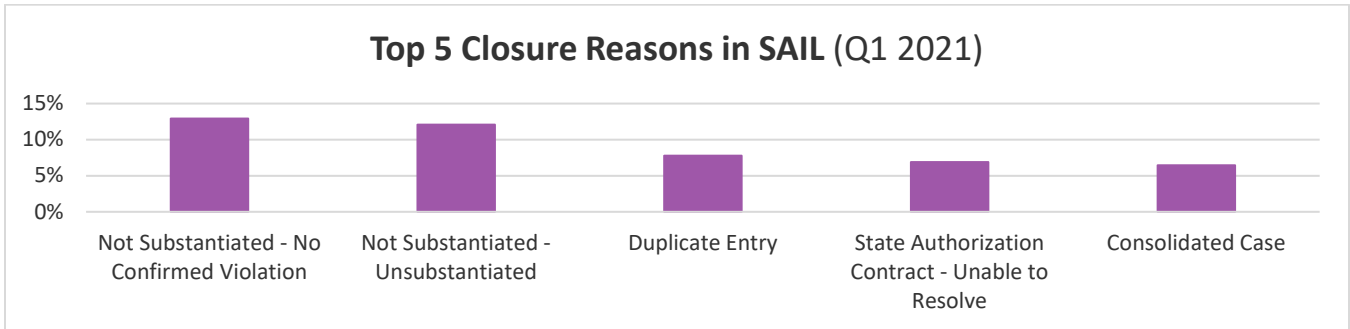
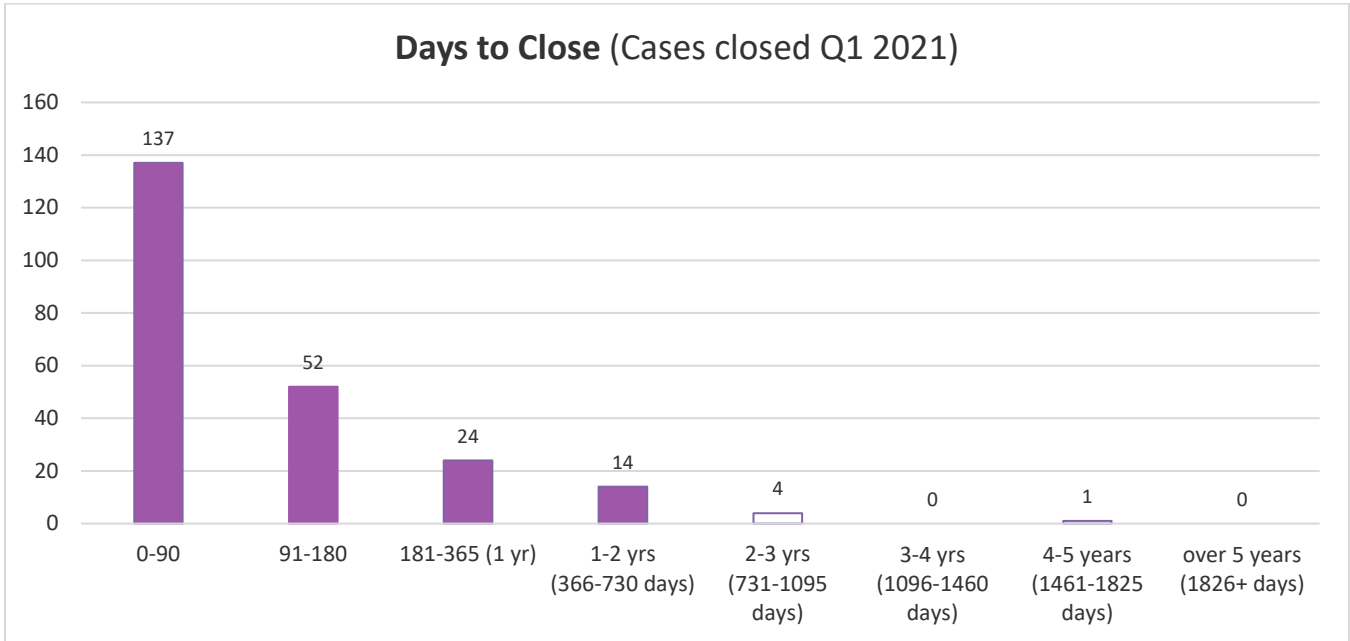
Month	2021
Jan	55
Feb	83
Mar	94
Total	232

Q1 Complaints Received	
Total complaints received	186
Total schools receiving complaints	144
COVID related complaints	32
COVID related complaints closed	31

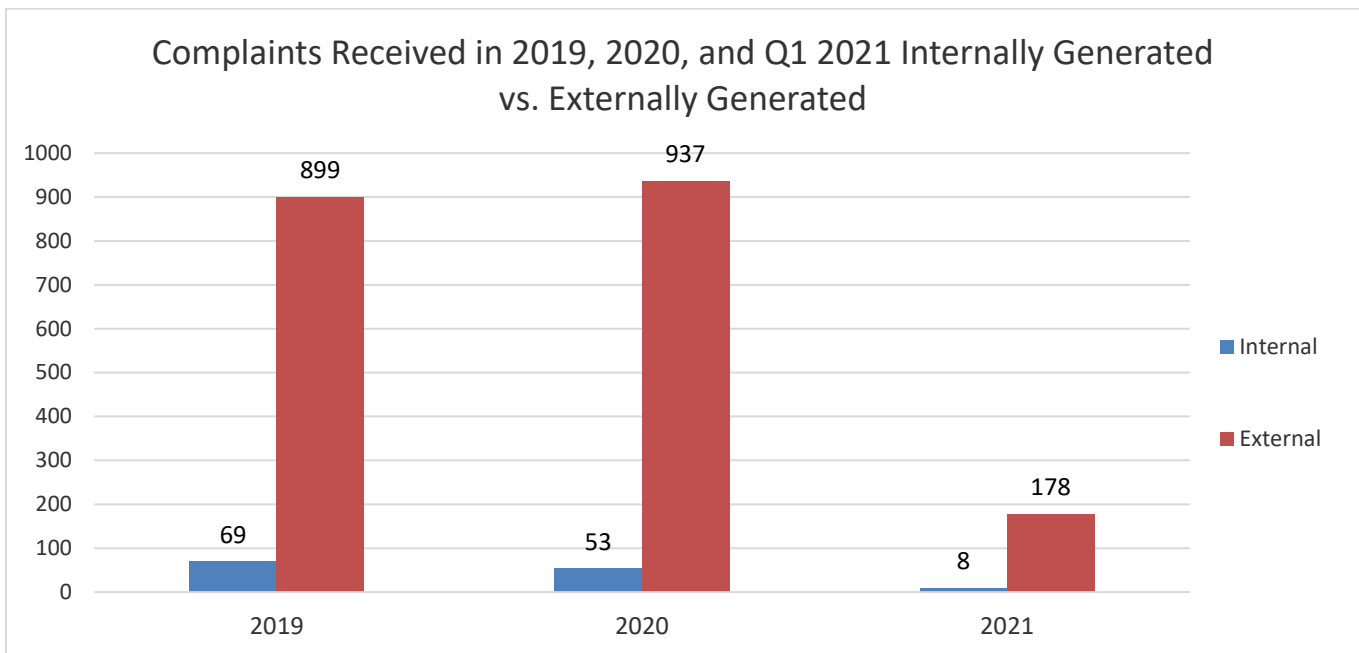
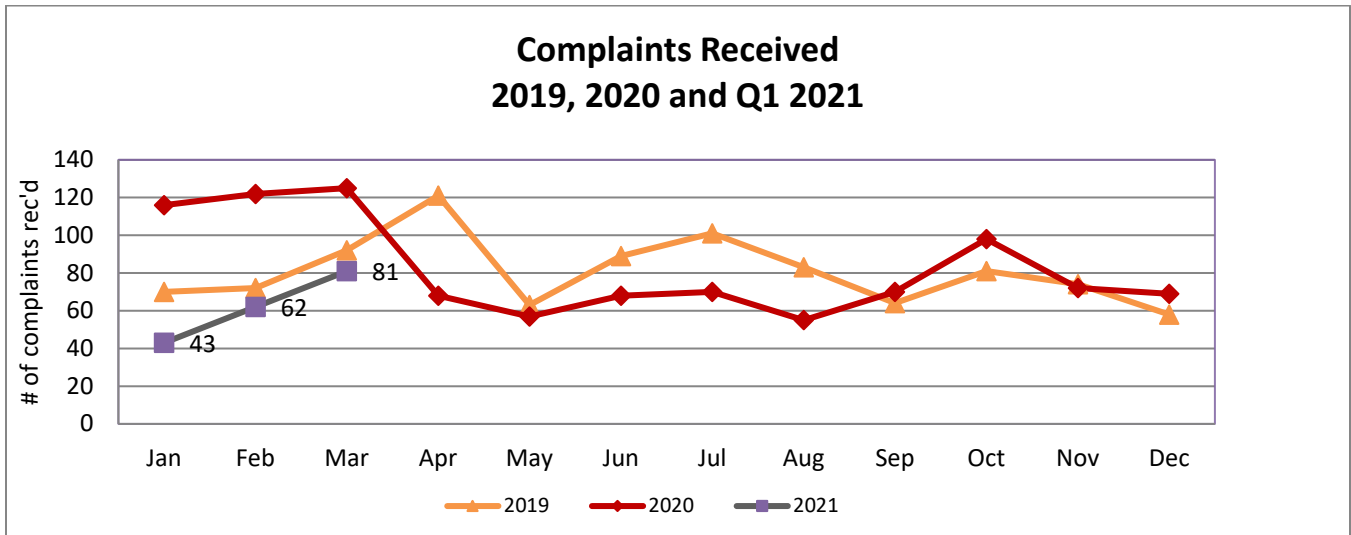
CASE DISPOSITION - Q1

	%	#
Referrals to Discipline Unit for further action*	7%	16
Compliance Obtained	1%	2
Mediated Settlement and Resolved by School	9%	20
Non-Jurisdictional - Closed Schools/STRF	0%	1
Non-jurisdictional - Referrals to Other Agency and Exempt	23%	54
Not Substantiated - Unsubstantiated	25%	58
Not Substantiated - Insufficient Evidence to Confirm Violation	7%	17
Duplicate Entry	8%	18
Consolidated Case	9%	21
Consolidated Case – Referred to AG	3%	6
Other Closure Reasons	8%	19

TOTAL 100% 232



Source: Custom SAIL and CONNECT reports provided by DCA Office of Information Services



Source: CPEI Monthly Statistical Reports

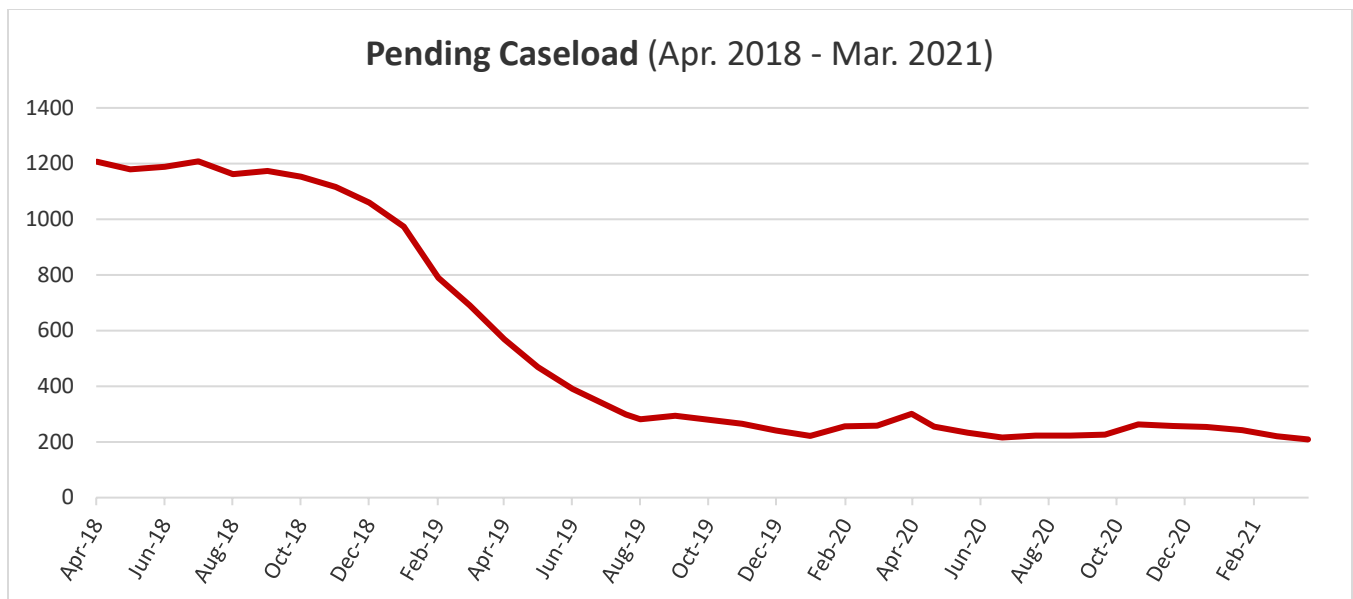
PENDING CASELOAD AS OF 3/31/2021

CASE AGE	PENDING		EXT-STUDENT		URGENT	
	#	%	#	%	#	%
0-90	93	44.5%	66	51.2%	34	60.7%
91-180	41	19.6%	23	17.8%	11	19.6%
181-365 (1 yr)	32	15.3%	20	15.5%	4	7.1%
1-2 yrs (366-730 days)	33	15.8%	14	10.9%	7	12.5%
2-3 yrs (731-1095 days)	5	2.4%	4	3.1%	0	0.0%
3-4 yrs (1096-1460 days)	5	2.4%	2	1.6%	0	0.0%
4-5 years (1461-1825 days)	0	0.0%	0	0.0%	0	0.0%
over 5 years (1826+ days)	0	0.0%	0	0.0%	0	0.0%
TOTAL	209	100%	129	100%	56	100%

62% of pending

27% of pending

Source: BPPE Complaint Case Tracking Log as of 03/31/2021



STUDENT IMPACT (January March 2021)

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

- Total of **\$30,266.00** in refunds to students or to their federal student aid account.
- Students had Income Sharing Agreements cancelled or reduced
- Students received degree, diploma, proofs-of-training, certificate, license, and transcripts.
- Students re-enrolled in program.
- Students allowed to retake course at no additional cost.
- Student accounts transferred from collections back to the school.
- Students referred for Student Tuition Recovery Fund.
- Compliance obtained or school policy updated.

LICENSING REPORT

Licensing Applications Status as of May 1, 2020 for Fiscal Year 20/21

Type	Received FY 20/21	Pending Assignment (Queue)	Under Review	Total Pending	Approved	Withdrawn or Abandoned	Denied	Total Closed	Average Days to Approve ^a
New Full Approval	35	16	68	84	22	7	7	36	322
New Accreditation	36	0	21	21	29	3	1	33	115
Renewal Full	65	0	95	95	10	6	5	21	430
Renewal Accreditation	63	0	44	44	44	5	0	49	132
Changes Full	177	0	86	86	176	17	7	200	135
Changes Accreditation	262	0	62	62	284	24	3	311	75
Verification of Exemption	204	0	40	40	171	1	61	233	69
Out of State Registration	22	0	5	5	19	0	0	19	64
Totals:	864	16	421	437	755	63	84	902	168

^aAverage Days to Approve is calculated from time assigned to analyst.

*16 applications pending new term of accreditation.

Total Pending Applications by Date

Total pending applications on 1/1/2020:	253
Total pending applications on 7/1/2020:	390
Total pending applications on 11/1/2020:	435
Total pending applications on 1/1/2021:	454
Total pending applications on 5/1/2021:	437

Oldest Pending Full Applications (as of 5/1/2021)

Oldest Full Apps in Queue:	3/24/2020
Oldest Full Apps Under Review:	1/30/2019
Oldest Renewal Full Apps Under Review:	4/10/2017
Median Date of Full Apps in Queue:	1/21/2021

Total Number of Schools by Location Type & Approval Type				
As of January 1, 2021				
Location Type	Mains	Branches	Satellites	Total Locations
	956	364	518	1,838
Approval Type	ABMA (Accredited)	Full (Non Accredited)	Conditional^a	Provisional^b
	408	525	1	34

^aConditional 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)).

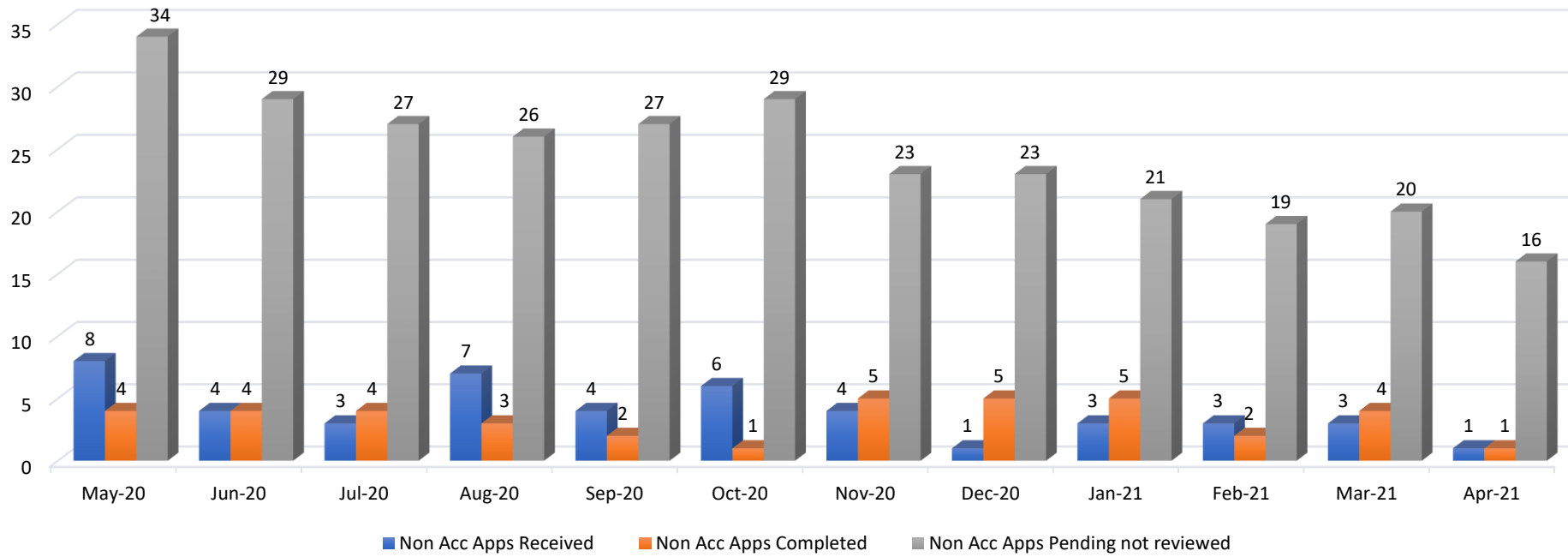
^bProvisional Approvals are issued to unaccredited institutions seeking approval to offer one or more degree programs and must satisfy the requirements under California Education Code section 94885.5.

		10/30/2018	2/1/2019	5/3/2019	8/1/2019	10/1/2019	2/1/2020
Location Type	Main	1,073	1,093	1,066	1,042	1,041	1043
	Branch	397	401	390	386	381	377
	Satellite	505	520	530	530	533	537
Approval Type	ABMA	440	442	431	433	438	435
	Full	598	607	592	568	563	570
	Conditional	21	0	1	1	0	0
	Provisional	14	44	42	39	40	38

Approved Out of
State
Registrations as
of 5/1/2021
66

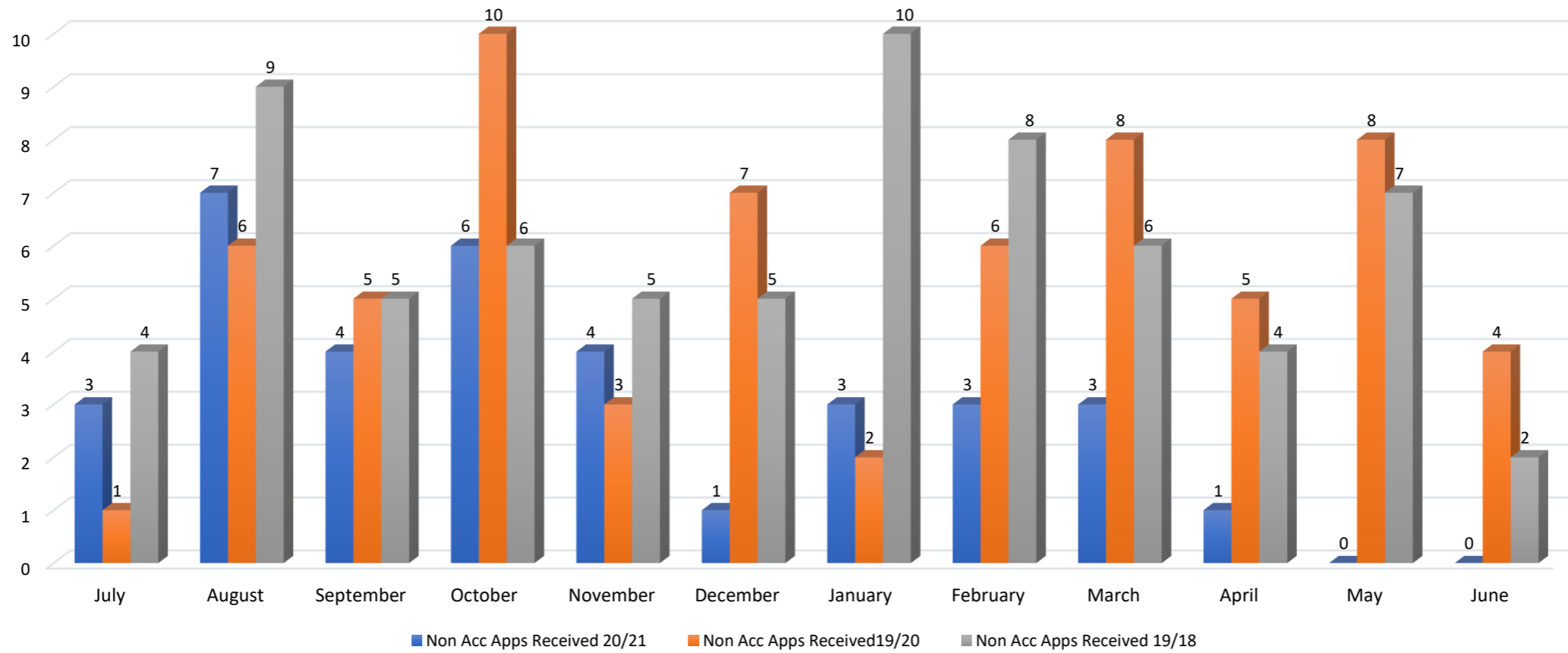
	7/1/2020	11/1/2020	1/1/2021	5/1/2021
	1018	1018	1032	956
	374	370	372	364
	542	528	529	518
	422	421	428	408
	558	559	566	513
	0	2	0	1
	38	36	38	34

12 MONTH NEW NON ACC APP OVERVIEW



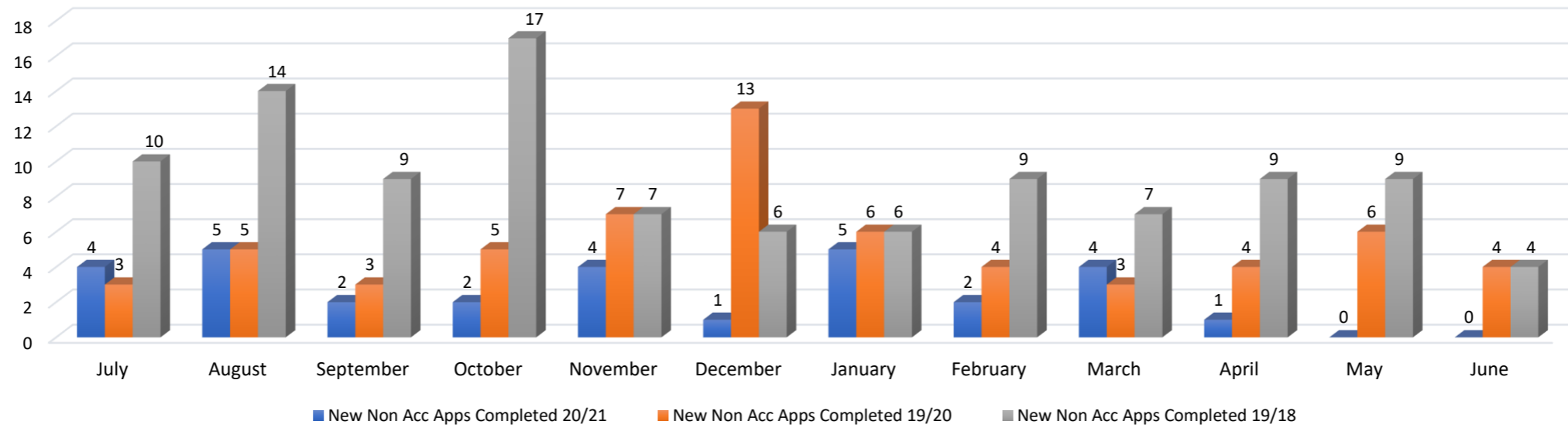
Month	Non Acc Apps Received	Non Acc Apps Completed	Non Acc Apps Pending not reviewed
May-20	8	4	34
Jun-20	4	4	29
Jul-20	3	4	27
Aug-20	7	3	26
Sep-20	4	2	27
Oct-20	6	1	29
Nov-20	4	5	23
Dec-20	1	5	23
Jan-21	3	5	21
Feb-21	3	2	19
Mar-21	3	4	20
Apr-21	1	1	16

NEW NON ACCREDITED APPLICATIONS RECEIVED



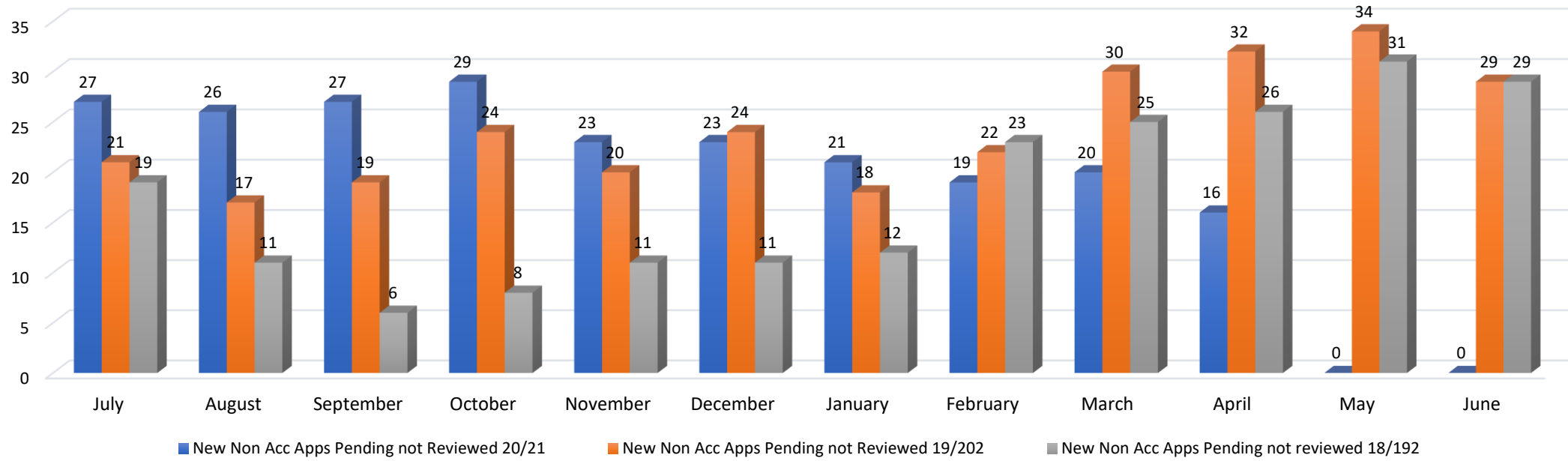
Month	Non Acc Apps Received 20/21	Non Acc Apps Received 19/20	Non Acc Apps Received 19/18
July	3	1	4
August	7	6	9
September	4	5	5
October	6	10	6
November	4	3	5
December	1	7	5
January	3	2	10
February	3	6	8
March	3	8	6
April	1	5	4
May	0	8	7
June	0	4	2

NEW NON ACCREDITED APPLICATIONS COMPLETED



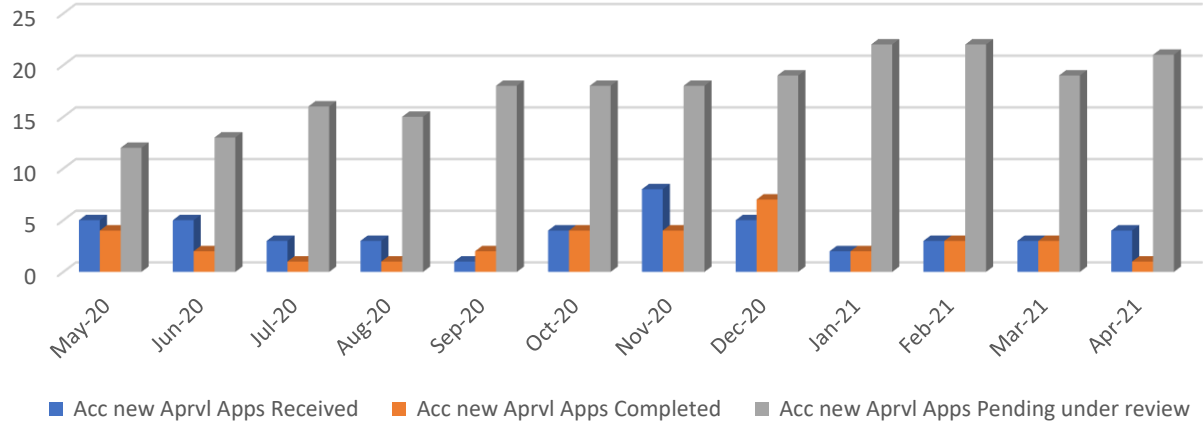
Month	New Non Acc Apps Completed 20/21	New Non Acc Apps Completed 19/20	New Non Acc Apps Completed 19/18
July	4	3	10
August	5	5	14
September	2	3	9
October	2	5	17
November	4	7	7
December	1	13	6
January	5	6	6
February	2	4	9
March	4	3	7
April	1	4	9
May	0	6	9
June	0	4	4

NEW NON ACCREDITED APPLICATIONS PENDING REVIEW



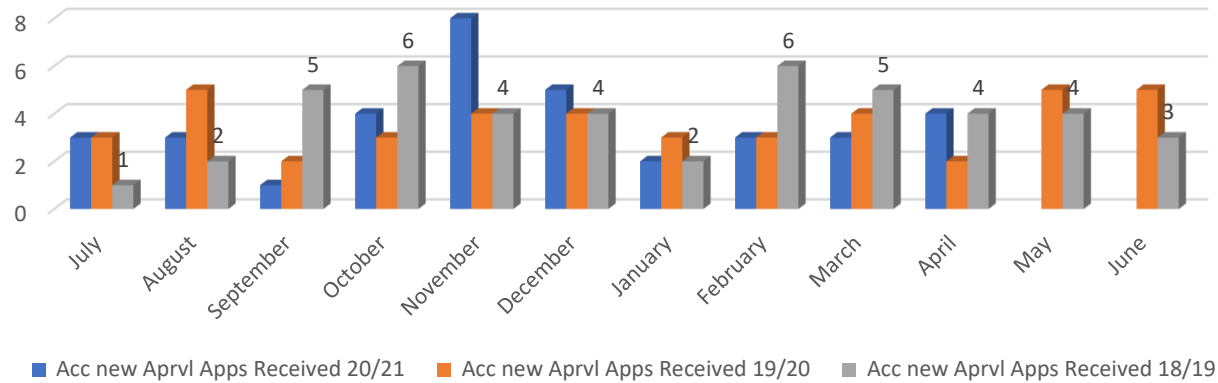
Month	New Non Acc Apps Pending not Reviewed 20/21	New Non Acc Apps Pending not Reviewed 19/202	New Non Acc Apps Pending not reviewed 18/192
July	27	21	19
August	26	17	11
September	27	19	6
October	29	24	8
November	23	20	11
December	23	24	11
January	21	18	12
February	19	22	23
March	20	30	25
April	16	32	26
May	0	34	31
June	0	29	29

12 MONTH NEW ACC APP OVERVIEW



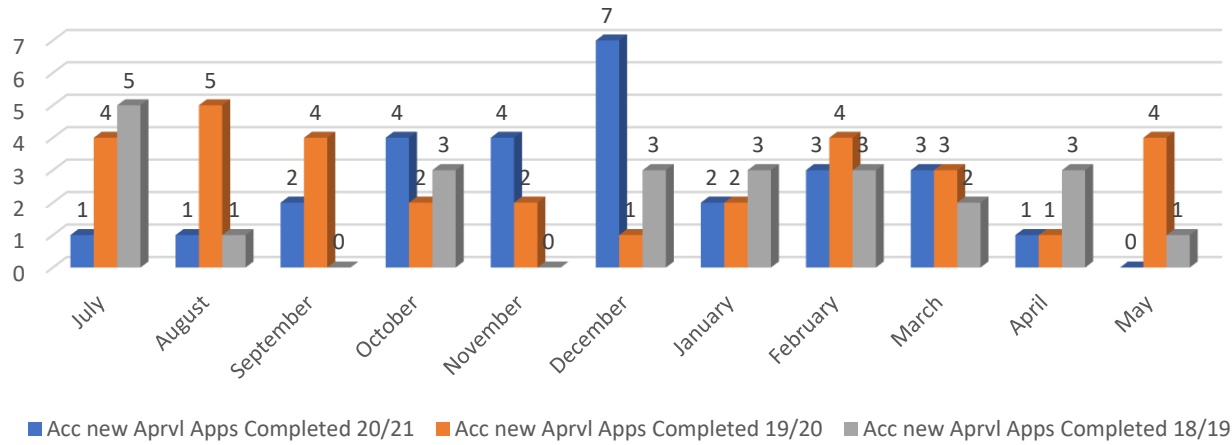
Month	Acc new Aprvl Apps Received	Acc new Aprvl Apps Completed	Acc new Aprvl Apps Pending under review
May-20	5	4	12
Jun-20	5	2	13
Jul-20	3	1	16
Aug-20	3	1	15
Sep-20	1	2	18
Oct-20	4	4	18
Nov-20	8	4	18
Dec-20	5	7	19
Jan-21	2	2	22
Feb-21	3	3	22
Mar-21	3	3	19
Apr-21	4	1	21

NEW ACCREDITED APPLICATIONS RECEIVED



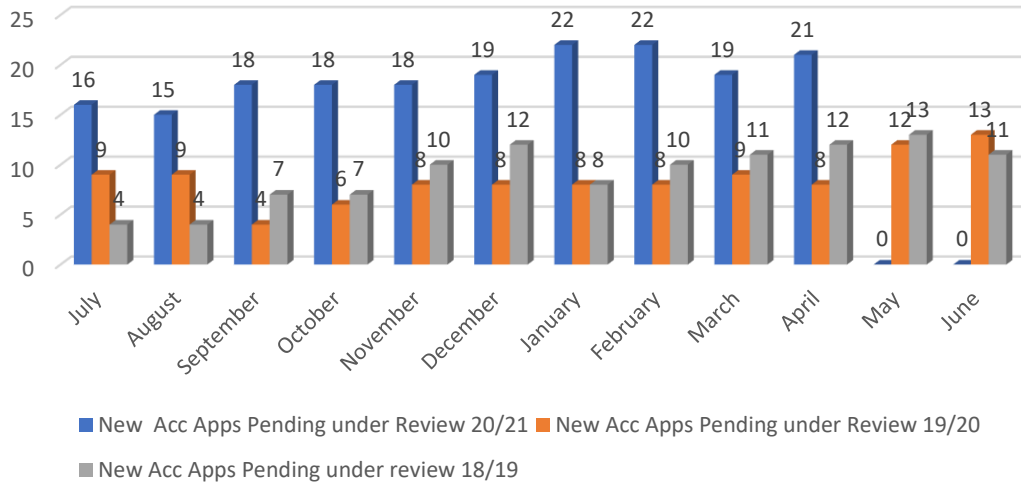
Month	Acc new Aprvl Apps Received 20/21	Acc new Aprvl Apps Received 19/20	Acc new Aprvl Apps Received 18/19
July	3	3	1
August	3	5	2
September	1	2	5
October	4	3	6
November	8	4	4
December	5	4	4
January	2	3	2
February	3	3	6
March	3	4	5
April	4	2	4
May		5	4
June		5	3

NEW ACCREDITED APPLICATIONS COMPLETED



Month	Acc new Aprvl Apps Completed 20/21	Acc new Aprvl Apps Completed 19/20	Acc new Aprvl Apps Completed 18/19
July	1	4	5
August	1	5	1
September	2	4	0
October	4	2	3
November	4	2	0
December	7	1	3
January	2	2	3
February	3	4	3
March	3	3	2
April	1	1	3
May	0	4	1
June	0	2	3

NEW ACCREDITED APPLICATIONS PENDING REVIEW



Month	New Acc Apps Pending under Review 20/21	New Acc Apps Pending under Review 19/20	New Acc Apps Pending under review 18/19
July	16	9	4
August	15	9	4
September	18	4	7
October	18	6	7
November	18	8	10
December	19	8	12
January	22	8	8
February	22	8	10
March	19	9	11
April	21	8	12
May	0	12	13
June	0	13	11

OFFICE OF STUDENT ASSISTANCE AND RELIEF (OSAR) REPORT

Office of Student Assistance and Relief

2020/21 State Fiscal Year

Data as of May 3, 2021



CHART A: INFORMED CHOICE OUTREACH AND EDUCATIONAL ACTIVITIES

Student Outreach Activities	Event Type	Event Date	Event Location
California Transition Assistance Program Beale Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	7/9/2020	Yuba County, CA
California Transition Assistance Program Travis Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	7/10/2020	Travis Air Force Base, CA
California Transition Assistance Program March Air Reserve Base Virtual Workshop	Virtual Student Workshop / Presentation	8/7/2020	Riverside County, CA
California Transition Assistance Program Presidio of Monterey Virtual Workshop	Virtual Student Workshop / Presentation	8/10/2020	Monterey, CA
California Transition Assistance Program Fort Irwin Virtual Workshop	Virtual Student Workshop / Presentation	8/31/2020	Fort Irwin, CA
California Transition Assistance Program Homeport California, Camp Pendleton Virtual Workshop	Virtual Student Workshop / Presentation	9/9/2020	San Diego, CA
California Transition Assistance Program Marine Corps Recruit Depot Virtual Workshop	Virtual Student Workshop / Presentation	9/10/2020	San Diego, CA
California Transition Assistance Program Travis Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	9/18/2020	Travis Air Force Base, CA
California Transition Assistance Program Vandenberg Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	9/25/2020	Vandenberg Air Force Base, CA
California Transition Assistance Program Naval Air Station Lemoore Virtual Workshop	Virtual Student Workshop / Presentation	9/30/2020	Kings County, CA
California Transition Assistance Program MCAS Miramar Virtual Workshop	Virtual Student Workshop / Presentation	10/13/2020	MCAS Miramar, CA
California Transition Assistance Program Beale Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	10/14/2020	Yuba County, CA
California Transition Assistance Program Los Angeles Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	10/15/2020	Los Angeles, CA
California Student Opportunity and Access Program (Cal-SOAP) Virtual College Fair	Virtual College Fair	10/28/2020	San Diego, CA
California Transition Assistance Program Presidio of Monterey Virtual Workshop	Virtual Student Workshop / Presentation	11/5/2020	Monterey, CA
Natomas Unified School District How to Pay for College Workshop	Virtual Student Workshop / Presentation	11/12/2020	Sacramento, CA
California Transition Assistance Program Marine Corps Recruit Depot Virtual Workshop	Virtual Student Workshop / Presentation	11/19/2020	San Diego, CA
California Transition Assistance Program Homeport California, Camp Pendleton Virtual Workshop	Virtual Student Workshop / Presentation	11/23/2020	San Diego, CA
California Transition Assistance Program Travis Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	12/4/2020	Travis Air Force Base, CA
California Transition Assistance Program Fort Irwin Virtual Workshop	Virtual Student Workshop / Presentation	12/7/2020	Fort Irwin, CA

CHART A: INFORMED CHOICE OUTREACH AND EDUCATIONAL ACTIVITIES (CONTINUED)

Student Outreach Activities	Event Type	Event Date	Event Location
Natomas Unified School District Researching Colleges Workshop	Virtual Student Workshop / Presentation	12/10/2020	Sacramento, CA
California Transition Assistance Program Naval Base Ventura Virtual Workshop	Virtual Student Workshop / Presentation	12/15/2020	Port Hueneme, CA
Info Hour With OSAR Virtual Workshop	Virtual Student Workshop / Presentation	12/22/2020	Sacramento, CA
California Transition Assistance Program Beale Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	1/14/2021	Yuba County, CA
California Transition Assistance Program Homeport California, Camp Pendleton Virtual Workshop	Virtual Student Workshop / Presentation	1/21/2021	San Diego, CA
California Transition Assistance Program Travis Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	1/22/2021	Travis Air Force Base, CA
Black College Expo	Virtual College Fair	2/19/2021	California
Black College Expo	Virtual College Fair	2/20/2021	California
California Transition Assistance Program Presidio of Monterey Virtual Workshop	Virtual Student Workshop / Presentation	2/22/2021	Monterey, CA
California Transition Assistance Program Fort Irwin Virtual Workshop	Virtual Student Workshop / Presentation	3/1/2021	Fort Irwin, CA
California Transition Assistance Program Los Angeles Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	3/3/2021	Los Angeles, CA
California Transition Assistance Program Naval Air Station Lemoore Virtual Workshop	Virtual Student Workshop / Presentation	3/17/2021	Kings County, CA
California Transition Assistance Program Marine Corps Recruit Depot Virtual Workshop	Virtual Student Workshop / Presentation	3/18/2021	San Diego, CA
California Transition Assistance Program Vandenberg Virtual Workshop	Virtual Student Workshop / Presentation	3/26/2021	Vandenberg Air Force Base, CA
California Transition Assistance Program MCAS Miramar Virtual Workshop	Virtual Student Workshop / Presentation	4/1/2021	MCAS Miramar, CA
Informational Meeting for Newberry School of Beauty Students	Virtual Student Workshop / Presentation	4/8/2021	Granada Hills, CA
California Transition Assistance Program Travis Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	4/9/2021	Travis Air Force Base, CA
National Association for College Admission Counseling (NACAC) Virtual College Fair	Virtual College Fair	4/10/2021	California
California Transition Assistance Program Beale Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	4/15/2021	Yuba County, CA
California Transition Assistance Program Homeport California, Camp Pendleton Virtual Workshop	Virtual Student Workshop / Presentation	4/15/2021	San Diego, CA
California Transition Assistance Program Presidio of Monterey Virtual Workshop	Virtual Student Workshop / Presentation	5/17/2021	Monterey, CA

CHART B: CLOSED SCHOOL OUTREACH WORKSHOPS

Student Outreach Activities	Event Type	Event Date	Event Location
Royale College of Beauty and Barbering Virtual School Closure Outreach Event	Virtual Student Workshop	8/25/2020	Temecula, CA
California University of Business and Technology Virtual Program Closure Outreach Event	Virtual Student Workshop	9/4/2020	Hacienda Heights, CA
Saint Leo University Virtual School Closure Outreach Event	Virtual Student Workshop	10/15/2020	San Diego, CA

CHART C: OTHER CLOSED SCHOOL OUTREACH EFFORTS

Student Outreach Activities	Outreach Type	Date Conducted	School Location
Glen Oaks College	Email Outreach	7/1/2020	Riverside, CA
Professional School of Psychology	Email Outreach	8/26/2020	Sacramento, CA
Basis International University	Email Outreach	9/16/2020	San Diego, CA
University of East West Medicine (Program Closure)	Email Outreach	9/16/2020	Sunnyvale, CA
160 California, LLC dba 160 Driving Academy (Branch Closure)	Email Outreach	9/23/2020	Yucca Valley, CA
Metis d/b/a of Kaplan, Inc.	Email Outreach	10/6/2020	San Francisco, CA
LA Barber College	Email Outreach	11/18/2020	Los Angeles, CA
Fashion Institute of Design & Merchandising (Branch Closure)	Email Outreach	11/18/2020	San Diego, CA
Park University (Branch Closure)	Email Outreach	11/18/2020	Fort Irwin, CA
John F Kennedy University	Email Outreach	12/11/2020	Pleasant Hill, CA
Alliance School of Trucking	Email Outreach	12/21/2020	Chatsworth, CA
Golden State University (Program Closure)	Email Outreach	12/23/2020	Downey, CA
Blake Austin College	Email Outreach	1/20/2021	Vacaville, CA
Lifton Institute of Media Arts and Sciences	Email Outreach	1/21/2021	Castaic, CA
Southwestern California University	Email Outreach	2/18/2021	Los Angeles, CA
University of Herbal Medicine	Email Outreach	2/18/2021	Hayward, CA
Milan Institute (Branch Closure)	Email Outreach	2/25/2021	Bakersfield, CA

CHART C: OTHER CLOSED SCHOOL OUTREACH EFFORTS (CONTINUED)

Student Outreach Activities	Outreach Type	Date Conducted	School Location
Kaplan International at Golden West College	Email Outreach	3/8/2021	Huntington Beach, CA
Kaplan International (Branch)	Email Outreach	3/8/2021	San Francisco, CA
Stockton Barber College	Email Outreach	3/18/2021	Stockton, CA
Holberton School	Email Outreach	3/26/2021	San Francisco, CA
New School of Cooking	Email Outreach	5/3/2021	Pasadena, CA

**Office of Student Assistance and Relief
AB-1346 / Corinthian Colleges Outreach Campaign**

December 30, 2020 to Date

Total Email Messages Sent from OSAR to Former Corinthian Colleges Students ¹	
As of 2/5/2021	As of 5/3/2021
28,296	57,279

Total Email Messages Sent from CSAC to Former Corinthian Colleges Students ²
41,087

Total Number of Calls Received	
As of 2/5/2021	As of 5/3/2021
226	550

Total Number of Emails Received	
As of 2/5/2021	As of 5/3/2021
212	545

Total Number of Corinthian Colleges STRF Claims Received	
As of 2/5/2021	As of 5/3/2021
23	144

Outreach for Previously Denied STRF Claims ³	
Number of Previously Denied STRF Claims	177
Email Correspondence Sent	149
Letters Sent ⁴	28

¹ 57,279 email addresses from the student lists which the Bureau has in possession have been contacted via email.

² 41,087 students have been contacted on behalf of OSAR from lists which the California Student Aid Commission (CSAC) has in its possession.

³ STRF Claims received from former Corinthian Colleges students that were previously denied due to enrollment dates that now may be eligible under AB-1346.

⁴ Physical letters with our Corinthian College outreach message have been mailed to students who were either inaccessible via email or if it was determined that the students' email addresses were no longer in service.

Data as of May 3, 2021

STUDENT TUITION RECOVERY FUND (STRF) REPORT

Student Tuition Recovery Fund (STRF) Claims

2019/2020 State Fiscal Year (07-01-2019 to 06-30-2020)

2020/2021 State Fiscal Year (07-01-2020 to Current)

STRF Claims Received		
State Fiscal Year	2019/2020	2020/2021
Claims Received	430	1217

STRF Claims Closed		
State Fiscal Year	2019/2020	2020/2021
Claims Approved ¹	488	379
Claims Ineligible ²	68	65
Claims Denied ²	67	146
Unable to Contact ³	120	115
Total	743	705

Current STRF Claims		
State Fiscal Year	2019/2020	2020/2021
In Queue	156	861
Analyst Review	197	112
Waiting for Student Response	394	220
Analyst's First Review Complete / Recommendation Pending	134	179
Total	881	1372

STRF Claims Approved for Payment (Amount)		
State Fiscal Year	2019/2020	2020/2021
Amount	\$4,553,958.83	\$5,316,398.16

STRF Claims Pending Payment - State Controller's Office		
State Fiscal Year	2019/2020	2020/2021
Claims	15	48

Definitions

- | | |
|----------------------------------|--|
| Claims Approved ¹ | Claims Approved For Payment/Paid |
| Ineligible / Denied ² | Student Not Eligible For Payment and/or Claim Did Not Satisfy The Requirements of California Education Code §94923(b)(2) |
| Unable to Contact ³ | Staff Reached Out to Student via Phone, Email & Written Correspondence At Least Three Times |

Current Fund Balance:	\$17,359,000
Historical Fund Balances (State Fiscal Year Closing):	
2019-20	\$21,723,000
2018-19	\$25,100,695
2017-18	\$26,295,000
2016-17	\$28,497,000

Data as of: 05/06/2021

Student Tuition Recovery Fund Claims

Large Impact Closures 2020/2021 State Fiscal Year

	STRF Claims Received	STRF Claims in Progress	Ineligible / Denied	Unable to Contact	Number of STRF Claims Approved for Payment ¹	STRF Claims Approved for Payment
ITT Tech	2	2	3	2	3	\$51,573
Heald ²	82	80	5	7	23	\$250,970
WyoTech ²	10	10	1	4	1	\$1,267
Everest ²	66	66	1	7	16	\$135,384
Art Institute ³	10	4	9	4	18	\$185,461
Argosy ³	1	1	1	7	10	\$156,970
Silicon Valley	814	782	3	4	147	\$2,739,454
Brightwood ⁴	7	4	4	8	58	\$1,937,551
Golf Academy ⁴	1	1	1	0	4	\$56,616

From School Closure to Current (Total Impact)

	STRF Claims Received	STRF Claims in Progress	Ineligible / Denied	Unable to Contact	Number of STRF Claims Approved for Payment	STRF Claims Approved for Payment
ITT Tech	305	10	155	79	61	\$404,810
Heald ²	450	232	83	61	74	\$695,943
WyoTech ²	161	30	43	34	54	\$298,644
Everest ²	546	211	124	103	108	\$436,193
Art Institute ³	98	20	22	6	50	\$688,164
Argosy ³	103	39	9	21	34	\$480,190
Silicon Valley	990	795	3	5	187	\$3,466,865
Brightwood ⁴	391	32	27	55	277	\$1,303,278
Golf Academy ⁴	17	2	1	1	13	\$136,311

¹ These values may include STRF claims that were received prior to the 2020/21 State Fiscal Year but processed in the 2020/21 State Fiscal Year.

² Heald College, WyoTech, and Everest College were operated by Corinthian Colleges, Inc. - includes Federal Borrower Defense applications

³ The Art Institute of California and Argosy University were operated by Dream Center Education Holdings, LLC.

⁴ Brightwood College and Golf Academy of America were operated by Education Corporation of America.

Data as of 05/06/2021

STATUS UPDATES RELATED TO THE FOLLOWING REGULATIONS:

- a. Status on English as a Second Language Programs (Title 5, California Code of Regulations (CCR) Section 70000 (k))**
- b. Status on Application for Verification of Exempt Status (California Education Code (CEC) Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5; Title 5, CCR Section 71395)**
- c. Status on STRF Fee Increase (Title 5, CCR Section 76120)**
- d. Status on Assembly Bill (AB) 1340 Implementation (CEC Section 94892.6)**
- e. Status on AB 1346 Implementation (CEC Section 94923; Title 5, CCR Section 76200)**
- f. Discussion on AB 1344 Implementation (CEC Section 94801.5; Title 5, CCR Section 71396)**

ATTACHMENT:

- A. BPPE Regulation Summary
- B. BPPE Related Bills
- C. AB 1334 Summary
- D. Draft Application for Registration or Re-Registration of Out of State Institutions

BPPE Regulation Summary

Sec #	Short Title	Action	Description	Pre-Approve	Legal Review	Dept.	Agency	OAL	Notice	Hearing	OAL Final	File SoS
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		10/18/19	12/3/19	10/14/20	03/30/21
71395	Exempt	Amend	Verification of Exempt Status amends the form to reflect numerous statutory changes.	10/19/17	→	5/14/18	4/3/19					
71752 71755	Comply	Adopt	This fills in some loopholes for requiring compliance with minimum operating standards.	9/18/18	→	3/25/19						
70020	Address Change	Amend	Changes BPPE's physical address.			8/13/20		9/22/20			9/21/20	10/26/20
76215	Address Change	Amend	Changes BPPE's physical address and phone number on			8/17/20		9/21/20			9/20/20	10/29/20

			STRF Application.									
	AB 1340	Adopt	Establish data collection system for student wage data.									
71396	AB 1344	Adopt	Revise Out-of-State Registration Form			1/20/21						
76200	AB 1346	Adopt	Revise STRF Application process and form.			1/13.21			N/A	N/A	2/26/21	04/13/21
STRF Fee Increase		Amend	Reinstate STRF Fee at \$0.50 per \$1,000 charge				12/1/20	12/30	N/A	N/A	02/08/21	02/08/2021

BPPE Related Bills

[AB 1097](#) (Santiago D) Public institution of higher education: student financial aid: Cal Grants: fraud, abuse, and false advertising.

Current Text: Introduced: 2/18/2021 [html](#) [pdf](#)

Introduced: 2/18/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was HIGHER ED. on 3/4/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-A. 2 YEAR

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would make postsecondary educational institutions that are public, established by a jurisdiction other than the state, and meeting certain requirements eligible, as qualifying institutions, to receive Cal Grant awards for California residents attending these institutions. The bill, without establishing target numbers of new unduplicated transfer students accepted by these institutions who have been given associate degree for transfer commitments, would fix the same maximum tuition award for new students attending these institutions at the same maximum tuition award set for new students attending independent institutions of higher education.

[SB 766](#) (Eggman D) Private postsecondary education.

Current Text: Introduced: 2/19/2021 [html](#) [pdf](#)

Introduced: 2/19/2021

Status: 4/30/2021-Failed Deadline pursuant to Rule 61(a)(2). (Last location was B., P. & E.D. on 3/3/2021)(May be acted upon Jan 2022)

Location: 4/30/2021-S. 2 YEAR

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would prohibit private postsecondary educational institutions, commencing with the 2023-24 academic year, from enrolling California residents if, pursuant to that federal law, for the previous 2 consecutive fiscal years or 2 out of the previous 3 fiscal years it derived less than 10 percent of its revenues from sources other than federal financial assistance.

[SB 802](#) (Roth D) Private postsecondary education.

Current Text: Amended: 5/5/2021 [html](#) [pdf](#)

Introduced: 2/19/2021

Last Amend: 5/5/2021

Status: 5/6/2021-Re-referred to Com. on APPR. pursuant to Joint Rule 10.5.

Location: 5/6/2021-S. APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The California Private Postsecondary Education Act of 2009 provides for the regulation of private postsecondary educational institutions by the Bureau for Private Postsecondary Education in the Department of Consumer Affairs. This bill would revise and recast provisions of the act. The bill would revise the definition of "continuing education" to expressly exclude instruction that leads to a degree and would revise the definition of "educational program" to exclude a course of 32 hours of instruction or less that is not designed to lead to employment. The bill would change the definition of "postsecondary education" from a formal institutional educational program whose "curriculum" is designed primarily for specified students, to a formal institutional educational program whose "instruction" is designed primarily for those students. The bill would clarify that institutions cannot qualify for the trade or fraternal organization exemption by sponsoring their own educational programs.

Total Measures: 3

Total Tracking Forms: 3

Discussion on AB 1344 Implementation (CEC Section 94801.5; Title 5, CCR Section 71396)

Existing law, the California Private Postsecondary Education Act of 2009, provides for student protections and regulatory oversight of private postsecondary institutions in the state. The act is enforced by the Bureau for Private Postsecondary Education within the Department of Consumer Affairs. The act requires an out-of-state private postsecondary educational institution to comply with specified requirements, including providing the bureau evidence of the institution's accreditation, evidence that the institution is approved to operate in the state where the institution maintains its main administrative location, the agent for service of process, and a copy of the institution's catalog and sample agreement. Under existing law registration with the bureau is valid for 2 years.

Effective July 1, 2022, California Education Code 94801.5 (as modified by AB 1344) specifies additional duties under the act. In particular, the bill:

- a. Requires an out-of-state private postsecondary educational institution to provide the bureau with specified information regarding whether or not the institution, or a controlling officer of, or a controlling interest or controlling investor in, the institution, or in the parent entity of the institution, has been subject to certain adverse state or federal actions in the previous 5 years before seeking authorization to operate in California, and with any additional documentation the bureau deems necessary for consideration in the registration process.
- b. Authorizes the bureau to determine, within 30 days of receipt of the notification, whether the institution should be permitted to continue to enroll California residents. The bill would authorize the bureau, in its discretion, to limit enrollments, permitting the institution to enroll California residents pending the completion of a review by the bureau. The bill would authorize an institution to seek review of a bureau decision through a writ of mandate action.
- c. Requires the bureau to adopt through emergency regulations an updated registration form.
[Note: The Office of Administrative Law's interpretation of "emergency" precludes the creation of this form through emergency regulation.]
- d. Requires the bureau to disclose on its internet website a list of registered institutions and disclose a designated email address for a California resident to send a complaint to the bureau about an institution.

Out-of-state institutions enrolling Californians to which registration requirements apply currently register through an online form finalized in 2017. Modifying this form to comply with forthcoming requirements (per CEC 94801.5(a)(1)) requires new regulations. With respect to what new information must be collected, the statute is clear and making the requisite regulatory changes to the form should be straightforward. The Bureau intends to move forward quickly to finalize the form so that it is available by July 1, 2022.

CEC 94801.5(a)(2)(A) also directs BPPE to "exercis[e] its reasonable discretion" to "approve, reject, or condition registration based upon a review of all of the information provided to it." The Bureau is interested in the Advisory Committee's input on factors the Bureau may want to consider as it contemplates how best to "exercis[e] its reasonable discretion" to "approve, reject, or condition registration based upon a review of all of the information provided to it" by out-of-state institution registrants.



Bureau for Private Postsecondary Education
1747 N. Market Blvd., Ste. 225 Sacramento, CA 95834
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 574-8900 F (916) 263-1897 www.bppe.ca.gov

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

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

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

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

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

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

Check one of the following:

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

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

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

<u>OFFICE USE ONLY</u>			
Date Stamp	SAIL Application # _____	Institution Code _____	
	Application Fee <u>Received</u> _____	Date _____	Revenue Code *****125700-2E

SECTION 1 – OUT-OF-STATE INSTITUTION				
Legal Name of Institution:				
Business Form (please check only one):				
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited Liability Company (LLC)	<input type="checkbox"/> Corporation (For-Profit)	<input type="checkbox"/> Corporation (Non-Profit)
DBA or Trade Name of Institution (If different than legal name):				
Institution's Main Administrative Address:				
City:	State:	Zip:		
Phone Number:				
Website Address:				

SECTION 2 - CONTACT PERSON FOR THIS APPLICATION		
Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	

SECTION 3 – INSTITUTION'S CALIFORNIA AGENT FOR SERVICE OF PROCESS WITHIN CALIFORNIA		
Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	
<u>I confirm my contact information listed above and acknowledge that I am the designated agent for service of process.</u>		
<u>Signature:</u>	<u>Date:</u>	

SECTION 4 – AFFILIATED INSTITUTION(S) IN CALIFORNIA (if any)
Identify any affiliated institutions or affiliated institutional locations the out-of-state institution has in California. Attach additional sheets if necessary. An affiliate is an entity that is related to the out-of-state institution by financial interests or other means of control.
Legal Name of Affiliate Institution:
Institution/School Code with the Bureau:
Business Form (please check only one):

<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited Liability Company (LLC)	<input type="checkbox"/> Corporation (For-Profit)	<input type="checkbox"/> Corporation (Non-Profit)
DBA or Trade Name of Affiliate Institution or Affiliate Locations (if different than legal name):				
Affiliate Institution's California Address(es):				
City:		State:		Zip
Phone Number:			Fax Number:	

SECTION 5 – ACCREDITATION
Attached is verification of accreditation granted by the institution's accrediting agency that is recognized by the United States Department of Education.
Document is attached: _____ (initial)

SECTION 6 – STATE AUTHORIZATION
Attached is verification that the institution is approved to operate in the state of its main administrative location.
Document is attached: _____ (initial)

SECTION 7 – CATALOG AND ENROLLMENT AGREEMENT
Attached are copies of the current catalog and a sample enrollment agreement for California students, showing the required Student Tuition Recovery Fund (STRF) disclosures.
Catalog attached: _____ (initial)
Enrollment Agreement attached: _____ (initial)

SECTION 8 – EXPLANATION OF PRIOR OR PENDING ACTIONS
1. <u>Has the institution, or a predecessor institution under substantially the same control or ownership, had its authorization or approval revoked or suspended by a state or by the federal government, or, within five years before submission of the registration, was subject to an enforcement action by a state or by the federal government that resulted in the imposition of limits on enrollment or student aid, or is subject to such an action that is not final and that was ongoing at the time of submission of the registration?</u>
<input type="checkbox"/> Yes (statement attached) <input type="checkbox"/> No _____ (initial)
2. <u>Has the institution, or a controlling officer of, or a controlling interest or controlling investor in, the institution or in the parent entity of the institution, had been subject to any education, consumer protection, unfair business practice, fraud, or related enforcement action by a state or federal agency within five years before submitting the registration. If so, the institution shall provide the bureau a copy of the operative complaint with the registration?</u>
<input type="checkbox"/> Yes (statement attached) <input type="checkbox"/> No _____ (initial)

3. Is the institution currently on probation, show cause, or subject to other adverse action, or the equivalent thereof, by its accreditor or has had its accreditation revoked or suspended within the five years before to submitting the registration?

Yes (statement attached) No _____ (initial)

4. Has the institution, within five years before to submitting the registration, settled, or been adjudged to have liability for, a civil complaint alleging the institution's failure to provide educational services, including a complaint alleging a violation of Title IX of the federal Education Amendments of 1972 (Public Law 92-318) or a similar state law, or a complaint alleging a violation of a law concerning consumer protection, unfair business practice, or fraud, filed by a student or former student, an employee or former employee, or a public official, for more than two hundred fifty thousand dollars (\$250,000). The institution shall provide the bureau a copy of the complaint filed by the plaintiff and a copy of the judgment or settlement agreement for any such judgment or settlement, and the bureau shall consider, pursuant to 94801.5(a)(1)(H)(2), all material terms and aspects of the settlement, including, for example, whether a student plaintiff remained enrolled or reenrolled at the institution?

Yes (statement attached) No _____ (initial)

SECTION 89 – CERTIFICATION UNDER PENALTY OF PERJURY

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

Authorized Signature:	Date:
Print of Type Name:	Title:

NOTICE ON COLLECTION OF PERSONAL INFORMATION

The information requested on this application is mandatory pursuant to Education Code sections 94801.5, 94850.5 and Title 5 CCR section 71396. Failure to provide all of the information requested will result in the application being rejected as incomplete. The information provided will be used to determine qualification of the applicant for registration by the Bureau for Private Postsecondary Education (Bureau) as an out-of-state private postsecondary educational institution. The information may be provided to other governmental agencies, or in response to a court order, subpoena, or public records request. You have a right of access to records containing personal information maintained by the Bureau unless the records are exempted from disclosure by law. For questions about this notice or access to your records, you may contact the Bureau for Private Postsecondary Education, P.O. Box 980818, West Sacramento, CA 95798, by phone at (916) 574-8900, or by email at bppe@dca.ca.gov.

Agenda Item 8

UPDATE AND DISCUSSION ON THE BUREAU'S SUNSET REVIEW (SB 802)

ATTACHMENT:

A. Senate Bill 802 (Amended in Senate May 5, 2021)

AMENDED IN SENATE MAY 5, 2021

SENATE BILL

No. 802

Introduced by Senator Roth

February 19, 2021

An act to amend Sections ~~94827 and 94857~~ 94827, 94837, 94857, 94874, 94880, 94885.1, 94885.5, 94889, 94894, and 94937 of the Education Code, relating to private postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

SB 802, as amended, Roth. Private postsecondary education.

Existing law, the California Private Postsecondary Education Act of 2009, provides for the regulation of private postsecondary educational institutions by the Bureau for Private Postsecondary Education in the Department of Consumer Affairs. The act applies to private entities with a physical presence in the state that offer postsecondary education, as defined in the act, to the public for an institutional charge, but exempts certain institutions from its application, including certain institutions that offer continuing education, which is also defined in the ~~act~~ act, and other institutions that offer educational programs to members of a trade or fraternal organization that sponsor the educational programs. The act requires the bureau to adopt by regulation minimum operating standards for institutions that are subject to the act's provisions, ~~as specified~~ including a standard that requires accreditation for degree-granting institutions. The act requires an institution to obtain bureau approval before making certain substantive changes to its operations. The act authorizes the bureau to suspend, revoke, or place on probation an institution's approval to operate for violations of the act that result in actual student harm. The act is repealed by its own provisions on January 1, 2022.

This bill would revise *and recast provisions of the act. The bill would revise* the definition of “continuing education” to expressly exclude instruction that leads to a ~~degree~~. *degree and would revise the definition of “educational program” to exclude a course of 32 hours of instruction or less that is not designed to lead to employment.* The bill would change the definition of “postsecondary education” from a formal institutional educational program whose “curriculum” is designed primarily for specified students, to a formal institutional educational program whose “instruction” is designed primarily for those students. *The bill would clarify that institutions cannot qualify for the trade or fraternal organization exemption by sponsoring their own educational programs. The bill would set a 4-year term for the bureau’s advisory committee members and would require the committee to elect a chair and vice chair and adopt rules for its affairs. The bill would allow the bureau to extend the accreditation deadlines under certain conditions and would clarify the bureau’s authority to suspend an institution’s educational programs and to suspend, revoke, or place on probation an institution’s approval to operate. The bill would expand the types of substantive changes requiring prior bureau approval to include changes to an institution’s educational programs related to clock and credit hours or distance learning, and those relating to an institution’s participation in certain federal student aid programs. These provisions and other clarifying, conforming, and nonsubstantive changes to the act would become operative only if another act that becomes operative on or before January 1, 2022, delays or eliminates the act’s January 1, 2022, repeal date.*

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

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

- 1 SECTION 1. Section 94827 of the Education Code is amended
- 2 to read:
- 3 94827. “Continuing education” means instruction that does
- 4 not lead to a degree in subjects that licensees are required to take
- 5 solely for the purpose of continued licensure, or to enhance the
- 6 licensee’s skills and knowledge within their particular profession,
- 7 occupation, trade, or career field.
- 8 SEC. 2. Section 94837 of the Education Code is amended to
- 9 read:

1 94837. “Educational program” means a planned sequence
 2 composed of a *set of related courses or modules, or a single course*
 3 ~~or module, or module if not offered as a component of a set of~~
 4 related courses or modules, that provides education, training, skills,
 5 or experience, or a combination of ~~these~~; *these, except that*
 6 *“educational program” does not include a single course,*
 7 *workshop, seminar, continuing education course, or other*
 8 *instruction that consists of 32 hours of instruction or less that is*
 9 *not designed to lead to employment.*

10 ~~SEC. 2.~~

11 SEC. 3. Section 94857 of the Education Code is amended to
 12 read:

13 94857. “Postsecondary education” means a formal institutional
 14 educational program whose instruction is designed primarily for
 15 students who have completed or terminated their secondary
 16 education or are beyond the compulsory age of secondary
 17 education, including programs whose purpose is academic,
 18 vocational, or continuing professional education.

19 SEC. 4. Section 94874 of the Education Code is amended to
 20 read:

21 94874. Except as provided in Sections 94874.2, 94874.7, and
 22 94927.5, the following are exempt from this chapter:

23 (a) An institution that offers solely avocational or recreational
 24 educational programs.

25 (b) (1) An institution *only* offering educational programs
 26 ~~sponsored by to members of~~ a bona fide trade, business,
 27 professional, or fraternal organization, ~~solely for that organization’s~~
 28 ~~membership~~; *organization that is separate and distinct from the*
 29 *institution and that sponsors the educational programs. An*
 30 *institution that sponsors an educational program directly or*
 31 *through an affiliated division or corporate entity of the institution*
 32 *and that requires student membership for purposes of those*
 33 *educational programs does not qualify under this exemption.*

34 (2) (A) Except as provided in subparagraph (B), a bona fide
 35 organization, association, or council that offers preapprenticeship
 36 training programs, on behalf of one or more Division of
 37 Apprenticeship Standards-approved labor-management
 38 apprenticeship programs that satisfies one of the following
 39 conditions:

- 1 (i) It is not on the Eligible Training Provider List established
2 and maintained by the California Workforce Development Board
3 but has met the requirements for placement on the list.
- 4 (ii) It is on the Eligible Training Provider List established and
5 maintained by the California Workforce Development Board and
6 meets the requirements for continued listing.
- 7 (B) If an organization, association, or council has been removed
8 from the Eligible Training Provider List established and maintained
9 by the California Workforce Development Board for failure to
10 meet performance standards, it is not exempt until it meets all
11 applicable performance standards.
- 12 (c) A postsecondary educational institution established, operated,
13 and governed by the federal government or by this state or its
14 political subdivisions.
- 15 (d) An institution offering either of the following:
- 16 (1) Test preparation for examinations required for admission to
17 a postsecondary educational institution.
- 18 (2) Continuing education or license examination preparation,
19 if the institution or the program is approved, certified, or sponsored
20 by any of the following:
- 21 (A) A government agency, other than the bureau, that licenses
22 persons in a particular profession, occupation, trade, or career field.
- 23 (B) A state-recognized professional licensing body, such as the
24 State Bar of California, that licenses persons in a particular
25 profession, occupation, trade, or career field.
- 26 (C) A bona fide trade, business, or professional organization.
- 27 (e) (1) An institution owned, controlled, and operated and
28 maintained by a religious organization lawfully operating as a
29 nonprofit religious corporation pursuant to Part 4 (commencing
30 with Section 9110) of Division 2 of Title 1 of the Corporations
31 Code, that meets all of the following requirements:
- 32 (A) The instruction is limited to the principles of that religious
33 organization, or to courses offered pursuant to Section 2789 of the
34 Business and Professions Code.
- 35 (B) The diploma or degree is limited to evidence of completion
36 of that education.
- 37 (2) An institution operating under this subdivision shall offer
38 degrees and diplomas only in the beliefs and practices of the
39 church, religious denomination, or religious organization.

1 (3) An institution operating under this subdivision shall not
2 award degrees in any area of physical science.

3 (4) Any degree or diploma granted under this subdivision shall
4 contain on its face, in the written description of the title of the
5 degree being conferred, a reference to the theological or religious
6 aspect of the degree's subject area.

7 (5) A degree awarded under this subdivision shall reflect the
8 nature of the degree title, such as "associate of religious studies,"
9 "bachelor of religious studies," "master of divinity," or "doctor of
10 divinity."

11 (f) An institution that does not award degrees and that solely
12 provides educational programs for total charges of two thousand
13 five hundred dollars (\$2,500) or less when no part of the total
14 charges is paid from state or federal student financial aid programs.
15 The bureau may adjust this cost threshold based upon the California
16 Consumer Price Index and post notification of the adjusted cost
17 threshold on its ~~Internet Web site~~, *internet website* as the bureau
18 determines, through the promulgation of regulations, that the
19 adjustment is consistent with the intent of this chapter.

20 (g) A law school that is accredited by the Council of the Section
21 of Legal Education and Admissions to the Bar of the American
22 Bar Association or a law school or law study program that is
23 subject to the approval, regulation, and oversight of the Committee
24 of Bar Examiners, pursuant to Sections 6046.7 and 6060.7 of the
25 Business and Professions Code.

26 (h) A nonprofit public benefit corporation that satisfies all of
27 the following criteria:

28 (1) Is qualified under Section 501(c)(3) of the United States
29 Internal Revenue Code.

30 (2) Is organized specifically to provide workforce development
31 or rehabilitation services.

32 (3) Is accredited by an accrediting organization for workforce
33 development or rehabilitation services recognized by the
34 Department of Rehabilitation.

35 (i) An institution that is accredited by the Accrediting
36 Commission for Senior Colleges and Universities, Western
37 Association of Schools and Colleges, or the Accrediting
38 Commission for Community and Junior Colleges, Western
39 Association of Schools and Colleges.

1 (j) Flight instruction providers or programs that provide flight
2 instruction pursuant to Federal Aviation Administration regulations
3 and meet both of the following criteria:

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

6 (2) The flight instruction provider or program does not require
7 or accept prepayment of instruction-related costs in excess of two
8 thousand five hundred dollars (\$2,500).

9 (k) (1) An institution owned, controlled, operated, and
10 maintained by a community-based organization, as defined in
11 Section 7801 of Title 20 of the United States Code, as that section
12 exists on March 1, 2017, that satisfies all of the following criteria:

13 (A) The institution has programs on or is applying for some or
14 all of their programs to be on the Eligible Training Provider List
15 established and maintained by the California Workforce
16 Development Board.

17 (B) The institution is registered as a nonprofit entity qualified
18 under Section 501(c)(3) of the federal Internal Revenue Code.

19 (C) The institution does not offer degrees, as defined in Section
20 94830.

21 (D) The institution does not offer educational programs designed
22 to lead directly or specifically to positions in a profession,
23 occupation, trade, or career field requiring licensure, if bureau
24 approval is required for the student to be eligible to sit for licensure.

25 (E) The institution would not otherwise be subject to oversight
26 of the bureau under this chapter if it did not receive funding under
27 the federal Workforce Innovation and Opportunity Act (29 U.S.C.
28 Sec. 3101 et seq.). For purposes of this requirement, funds received
29 through the federal Workforce Innovation and Opportunity Act
30 (29 U.S.C. Sec. 3101 et seq.) do not count towards the total
31 referenced in subdivision (f) or any other fee charge limitation
32 condition for an exemption from this chapter.

33 (F) The institution can provide a letter from the local workforce
34 development board that demonstrates the institution has met the
35 initial criteria of that board.

36 (2) An institution granted an exemption pursuant to paragraph
37 (1) shall comply with all of the following requirements:

38 (A) The institution shall provide to the Employment
39 Development Department all required tracking information and
40 data necessary to comply with performance reporting requirements

1 under the federal Workforce Innovation and Opportunity Act,
2 codified in Chapter 32 (commencing with Section 3101) of Title
3 29 of the United States Code, for programs on the Eligible Training
4 Provider List.

5 (B) The institution shall comply with the Eligible Training
6 Provider List policy developed by the California Workforce
7 Development Board.

8 (C) The institution shall not charge a student who is a recipient
9 of funding under the federal Workforce Innovation and Opportunity
10 Act (29 U.S.C. Sec. 3101 et seq.) any institutional charges, as
11 defined in Section 94844, for attending and participating in the
12 program.

13 *SEC. 5. Section 94880 of the Education Code is amended to*
14 *read:*

15 94880. (a) There is within the bureau a 12-member advisory
16 committee. The members of the committee shall be appointed as
17 follows:

18 (1) Three members, who shall have a demonstrated record of
19 advocacy on behalf of consumers, of which the director, the Senate
20 Committee on Rules, and the Speaker of the Assembly shall each
21 appoint one member.

22 (2) Two members, who shall be current or past students of
23 institutions, appointed by the director.

24 (3) Three members, who shall be representatives of institutions,
25 appointed by the director.

26 (4) One public member appointed by the Senate Committee on
27 Rules.

28 (5) One public member appointed by the Speaker of the
29 Assembly.

30 (6) Two nonvoting, ex officio members as follows:

31 (A) The chair of a policy committee of the Assembly with
32 jurisdiction over legislation relating to the bureau appointed by
33 the Speaker of the Assembly. The chair may designate a
34 representative for any meeting or meetings ~~he or she~~ *the chair* is
35 unable to attend.

36 (B) The chair of a policy committee of the Senate with
37 jurisdiction over legislation relating to the bureau appointed by
38 the Senate Committee on Rules. The chair may designate a
39 representative for any meeting or meetings ~~he or she~~ *the chair* is
40 unable to attend.

1 (b) (1) A member appointed pursuant to paragraph (2), (4), or
2 (5) of subdivision (a) shall not, either at the time of ~~his or her~~ *the*
3 *member's* appointment or during ~~his or her~~ *the member's* tenure
4 in office, have any financial interest in any organization currently
5 or previously subject to regulation by the bureau, be a close family
6 member of an employee, officer, or the director of any institution
7 subject to regulation by the bureau, or currently have, or previously
8 have had, a business relationship, in the five years preceding ~~his~~
9 ~~or her~~ *the member's* appointment, with any institution subject to
10 regulation by the bureau.

11 (2) A member appointed pursuant to paragraph (2), (4), or (5)
12 of subdivision (a) shall not, within the five years immediately
13 preceding ~~his or her~~ *the member's* appointment, have engaged in
14 pursuits on behalf of an institution or institutional accreditor or
15 have provided representation to the postsecondary educational
16 industry or a profession regulated by the bureau, if ~~he or she~~ *the*
17 *member* is employed in the industry or a member of the profession,
18 respectively, and ~~he or she~~ *the member* shall not engage in those
19 pursuits or provide that representation during ~~his or her~~ *the*
20 *member's* term of office.

21 (c) The advisory committee shall examine the oversight
22 functions and operational policies of the bureau and advise the
23 bureau with respect to matters relating to private postsecondary
24 education and the administration of this chapter, including annually
25 reviewing the fee schedule and the equity of the schedule relative
26 to the way institutions are structured, and the licensing and
27 enforcement provisions of this chapter. The advisory committee
28 shall make recommendations with respect to policies, practices,
29 and regulations relating to private postsecondary education, and
30 shall provide any assistance as may be requested by the bureau.

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

38 (e) The bureau chief shall attend all advisory committee
39 meetings and shall designate staff to provide ongoing
40 administrative support to the advisory committee.

1 (f) Until January 1, 2017, the director shall personally attend,
2 and testify and answer questions at, each meeting of the advisory
3 committee.

4 (g) The Chief of the Office of Student Assistance and Relief
5 established in Article 20.6 (commencing with Section 94949.7)
6 shall attend, and testify and answer questions at, each meeting of
7 the advisory committee.

8 (h) The advisory committee shall have the same access to
9 records within the Department of Consumer Affairs related to the
10 operation and administration of this chapter as do members of
11 constituent boards of the department in regard to records related
12 to their functions.

13 (i) Advisory committee meetings shall be subject to the
14 Bagley-Keene Open Meeting Act (Article 9 (commencing with
15 Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of
16 the Government Code). Advisory committee meeting materials
17 shall be posted on the Internet. A majority of the voting members
18 of the committee shall constitute a quorum for the committee's
19 meetings.

20 (j) The advisory committee shall meet at least quarterly and
21 shall appoint a member of the committee to represent the committee
22 for purposes of communicating with the Legislature.

23 (k) The Department of Consumer Affairs shall review, and
24 revise if necessary, the department's conflicts of interest regulations
25 to ensure that each advisory committee member is required to
26 disclose conflicts of interest to the public.

27 (l) *The term of each member of the advisory committee shall be*
28 *four years.*

29 (m) *The advisory committee shall elect annually from among*
30 *its members a chair and vice chair. A member shall not serve in*
31 *the chair or vice chair position for more than a combined two*
32 *years.*

33 (n) *The advisory committee shall adopt reasonable rules for the*
34 *conduct of its affairs consistent with this section.*

35 SEC. 6. *Section 94885.1 of the Education Code is amended to*
36 *read:*

37 94885.1. (a) An institution that is not accredited by an
38 accrediting agency recognized by the United States Department
39 of Education and offering at least one degree program, and that
40 has obtained an approval to operate from the bureau on or before

1 January 1, 2015, shall be required to satisfy at least one of the
2 following no later than July 1, 2015:

3 (1) Accreditation by an accrediting agency recognized by the
4 United States Department of Education, with the scope of that
5 accreditation covering the offering of at least one degree program
6 by the institution.

7 (2) Compliance with subdivision (b).

8 (b) The bureau shall identify institutions that are subject to
9 subdivision (a) and notify those institutions by February 1, 2015,
10 of the accreditation requirements pursuant to this section and that
11 the institution is required to provide the following information to
12 the bureau if the institution plans to continue to offer a degree
13 program after July 1, 2015:

14 (1) An accreditation plan that, at a minimum, identifies an
15 accrediting agency recognized by the United States Department
16 of Education from which the institution will seek accreditation,
17 with the scope of that accreditation covering the offering of at least
18 one degree program, and outlines the process by which the
19 institution will achieve accreditation candidacy or pre-accreditation
20 by July 1, 2017, and full accreditation by July 1, 2020.

21 (2) Evidence of having achieved accreditation candidacy or
22 pre-accreditation by July 1, 2017.

23 (3) Evidence of having obtained full accreditation by July 1,
24 2020.

25 (4) Any additional documentation the bureau deems necessary.

26 (c) An institution that satisfies the requirements of subdivision
27 (b) shall comply with all of the following:

28 (1) Notify students seeking to enroll in the institution, in writing,
29 ~~prior to~~ *before* the execution of the student's enrollment agreement,
30 that the institution's approval to offer a degree program is
31 contingent upon the institution being subsequently accredited.

32 (2) A visiting committee, empaneled by the bureau pursuant to
33 Section 94882, shall review the institution by January 1, 2017, and
34 determine if the institution is likely to achieve full accreditation
35 by July 1, 2020. If the visiting committee finds the institution
36 deficient in its accreditation plan, the bureau may prohibit the
37 institution from enrolling new students in its degree program or
38 programs, and require the execution of a teach-out plan for its
39 enrolled students.

1 (d) (1) The bureau shall, upon the timely submission of
 2 sufficient evidence that an unaccredited institution is making strong
 3 progress toward obtaining accreditation, *or if warranted by the*
 4 *accrediting agency's conditions for applying for accreditation*
 5 *related to student enrollment or graduation*, grant an institution's
 6 request for an extension of time, not to exceed ~~two~~ *a combined*
 7 *total of five years*, to meet the requirements of this section.

8 (2) Evidence submitted to the bureau pursuant to paragraph (1)
 9 shall include, but is not limited to, an amended accreditation plan
 10 adequately identifying why pre-accreditation, accreditation
 11 candidacy, or accreditation outlined in the original plan submitted
 12 to the bureau was not achieved, active steps the institution is taking
 13 to comply with this section, and documentation from an accrediting
 14 agency demonstrating *either* the institution's likely ability to meet
 15 the requirements of this ~~section~~ *section or the accrediting agency's*
 16 *relevant conditions for an institution to apply for accreditation*.

17 (3) The bureau may establish policies and procedures to comply
 18 with the requirements in this subdivision. Establishment of these
 19 policies and procedures are exempt from Chapter 3.5 (commencing
 20 with Section 11340), Chapter 4 (commencing with Section 11370),
 21 Chapter 4.5 (commencing with Section 11400), and Chapter 5
 22 (commencing with Section 11500) of Part 1 of Division 3 of Title
 23 2 of the Government Code.

24 (e) ~~Any~~ *(1) Except as provided in paragraph (2), an institution*
 25 *that fails to comply with the requirements of this section by the*
 26 *dates provided, as required, or for which accreditation is removed*
 27 *or revoked by the accrediting agency, shall have its approval to*
 28 *operate with respect to its degree programs automatically*
 29 *suspended on the applicable date. The bureau shall issue an order*
 30 *suspending the degree programs of the institution and that*
 31 *suspension shall not be lifted until the institution complies with*
 32 *the requirements of this section. A suspended institution*
 33 *or has its accreditation reinstated. An institution that has its degree*
 34 *programs suspended shall not enroll new students in any of its*
 35 *degree programs, and shall execute a teach-out plan for its enrolled*
 36 ~~students.~~ *students in those degree programs.*

37 (2) (A) *This section does not prohibit an institution from*
 38 *voluntarily ceasing to pursue accreditation. An institution that*
 39 *voluntarily ceases to pursue accreditation shall immediately notify*
 40 *the bureau in writing of the institution's intent to stop offering its*

1 *degree programs and shall comply with all other applicable laws*
 2 *and regulations. Upon the bureau's receipt of the notification, the*
 3 *institution's approval to operate with respect to the degree*
 4 *programs is deemed voluntarily surrendered.*

5 (B) *An institution offering both degree and nondegree programs*
 6 *that has its provisional approval to operate degree programs*
 7 *suspended or that voluntarily ceases to pursue accreditation may*
 8 *continue to offer its nondegree programs, subject to all other laws*
 9 *and regulations.*

10 (C) *An institution that is pursuing accreditation under this*
 11 *section shall not make a change in ownership, change in control,*
 12 *or change in business organization form pursuant to Sections*
 13 *94893 and 94894 until the institution obtains full accreditation.*

14 (f) The bureau shall adopt emergency regulations for purposes
 15 of implementing this section. The adoption of these regulations
 16 shall be deemed to be an emergency and necessary for the
 17 immediate preservation of the public peace, health and safety, or
 18 general welfare for purposes of Sections 11346.1 and 11349.6 of
 19 the Government Code. These emergency regulations shall become
 20 law through the regular rulemaking process within one year of the
 21 enactment of this section.

22 (g) This section shall remain in effect until January 1, 2023, and
 23 as of that date is repealed, unless a later enacted statute, that is
 24 enacted before January 1, 2023, deletes or extends that date.

25 *SEC. 7. Section 94885.5 of the Education Code is amended to*
 26 *read:*

27 94885.5. (a) If an institution that has not been accredited by
 28 an accrediting agency recognized by the United States Department
 29 of Education seeks to offer one or more degree programs, the
 30 institution shall satisfy the following requirements in order to be
 31 issued a provisional approval to operate *degree programs* from
 32 the bureau:

33 (1) The institution may not offer more than two degree programs
 34 during the term of its provisional approval to ~~operate.~~ *operate*
 35 *degree programs.*

36 (2) The institution shall submit an accreditation plan, approved
 37 by the bureau, for the institution to become fully accredited within
 38 five years of issuance of its provisional approval to ~~operate.~~ *operate*
 39 *degree programs.* The plan shall include, at a minimum,
 40 identification of an accreditation agency recognized by the United

1 States Department of Education, from which the institution plans
 2 to seek accreditation, and outline the process by which the
 3 institution will achieve accreditation candidacy or pre-accreditation
 4 within two years, and full accreditation within five years, of
 5 issuance of its provisional approval. *approval to operate degree*
 6 *programs.*

7 (3) The institution shall submit to the bureau all additional
 8 documentation the bureau deems necessary to determine if the
 9 institution will become fully accredited within five years of
 10 issuance of its provisional approval to operate. *operate degree*
 11 *programs.*

12 (b) If an institution is granted a provisional approval to operate
 13 *degree programs* pursuant to subdivision (a), the following is
 14 required:

15 (1) Students seeking to enroll in that institution shall be notified
 16 in writing by the institution, ~~prior to~~ *before* the execution of the
 17 student's enrollment agreement, that the institution's approval to
 18 operate is contingent upon it being subsequently accredited.

19 (2) Within the first two years of issuance of the provisional
 20 ~~approval,~~ *approval to operate degree programs,* a visiting
 21 committee, empaneled by the bureau pursuant to Section 94882,
 22 shall review the institution's application for approval and its
 23 accreditation plan, and make a recommendation to the bureau
 24 regarding the institution's progress to achieving full accreditation.

25 (3) The institution shall provide evidence of accreditation
 26 candidacy or pre-accreditation within two years of issuance of its
 27 ~~provisional approval,~~ *approval to operative degree programs,* and
 28 evidence of accreditation within five years of issuance of its
 29 ~~provisional approval,~~ *approval to operate degree programs,* with
 30 the scope of that accreditation covering the offering of at least one
 31 degree program.

32 (c) ~~An~~ *(1) Except as provided in paragraph (2), an* institution
 33 required to comply with this section that fails to do so by the dates
 34 provided, as required, *or for which accreditation is removed or*
 35 *revoked by the accrediting agency,* shall have its provisional
 36 approval to operate *degree programs* automatically suspended on
 37 the applicable date. The bureau shall issue an order suspending
 38 ~~the institution~~ *institution's degree programs* and that suspension
 39 shall not be lifted until the institution complies with the
 40 requirements of this ~~section.~~ *A suspended institution section or*

1 *has its accreditation reinstated. An institution that has its degree*
2 *programs suspended shall not enroll new students in any of its*
3 *degree programs and shall execute a teach-out plan for its enrolled*
4 ~~students.~~ *students in those degree programs.*

5 (2) (A) *This section does not prohibit an institution from*
6 *voluntarily ceasing to pursue accreditation. An institution that*
7 *voluntarily ceases to pursue accreditation shall immediately notify*
8 *the bureau in writing of the institution's intent to stop offering its*
9 *degree programs and shall comply with all other applicable laws*
10 *and regulations. Upon the bureau's receipt of the notification, the*
11 *institution's approval to operate degree programs is deemed*
12 *voluntarily surrendered.*

13 (B) *An institution offering both degree and nondegree programs*
14 *that has its provisional approval to operate degree programs*
15 *suspended or that voluntarily ceases to pursue accreditation may*
16 *continue to offer its nondegree programs, subject to all other laws*
17 *and regulations.*

18 (C) *An institution that is pursuing accreditation under this*
19 *section shall not make a change in ownership, change in control,*
20 *or change in business organization form pursuant to Sections*
21 *94893 and 94894 until the institution obtains full accreditation.*

22 (d) (1) *The bureau shall, upon the timely submission of*
23 *sufficient evidence that an unaccredited institution is making strong*
24 *progress toward obtaining accreditation, or if warranted by the*
25 *accrediting agency's conditions for applying for accreditation*
26 *related to student enrollment or graduation, grant an institution's*
27 *request for an extension of time, not to exceed ~~two~~ a combined*
28 *total of five years, to meet the requirements of this section.*

29 (2) *Evidence submitted to the bureau pursuant to paragraph (1)*
30 *shall include, but is not limited to, an amended accreditation plan*
31 *adequately identifying why preaccreditation, accreditation*
32 *candidacy, or accreditation outlined in the original plan submitted*
33 *to the bureau was not achieved, active steps the institution is taking*
34 *to comply with this section, and documentation from an accrediting*
35 *agency demonstrating either the institution's likely ability to meet*
36 *the requirements of this ~~section.~~ section or the accrediting agency's*
37 *relevant conditions for an institution to apply for accreditation.*

38 (3) *The bureau may establish policies and procedures to comply*
39 *with the requirements in this subdivision. Establishment of these*
40 *policies and procedures are exempt from Chapter 3.5 (commencing*

1 with Section 11340), Chapter 4 (commencing with Section 11370),
 2 Chapter 4.5 (commencing with Section 11400), and Chapter 5
 3 (commencing with Section 11500) of Part 1 of Division 3 of Title
 4 2 of the Government Code.

5 (e) An institution issued a provisional approval *to operate degree*
 6 *programs* under this section is required to comply with all other
 7 laws and regulations.

8 (f) The bureau shall adopt emergency regulations for purposes
 9 of implementing this section. The adoption of these regulations
 10 shall be deemed to be an emergency and necessary for the
 11 immediate preservation of the public peace, health and safety, or
 12 general welfare for purposes of Sections 11346.1 and 11349.6 of
 13 the Government Code. These emergency regulations shall become
 14 law through the regular rulemaking process within one year of the
 15 enactment of this section.

16 *SEC. 8. Section 94889 of the Education Code is amended to*
 17 *read:*

18 94889. ~~(a)~~ Except as provided in subdivision (b) of Section
 19 ~~94890 and subdivision (b) of this section;~~ 94890, an approval to
 20 operate shall be for a term of five years.

21 ~~(b) The bureau may adopt, by regulation, a process by which~~
 22 ~~an institution with an approval to operate may request, and be~~
 23 ~~approved by the bureau for, an inactive status. To regain an active~~
 24 ~~approval status with the bureau, the institution shall apply for an~~
 25 ~~approval to operate in accordance with this chapter.~~

26 *SEC. 9. Section 94894 of the Education Code is amended to*
 27 *read:*

28 94894. The following changes to an approval to operate are
 29 considered substantive changes and require prior authorization:

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

33 (b) A change in ownership.

34 (c) A change in control.

35 (d) A change in business organization form.

36 (e) A change of location.

37 (f) A change of name.

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

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

1 (i) An increase or decrease of 25 percent or more in the number
 2 of clock hours or credit hours required for successful completion
 3 of the program.

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

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

9 (l) A change in the distance education learning management
 10 system.

11 SEC. 10. Section 94937 of the Education Code is amended to
 12 read:

13 94937. (a) As a consequence of an investigation, which may
 14 incorporate any materials obtained or produced in connection with
 15 a compliance inspection, and upon a finding that an institution has
 16 committed a violation, the bureau may place an institution on
 17 probation or may suspend or revoke an institution's approval to
 18 operate for:

19 (1) Obtaining an approval to operate by fraud.

20 (2) A material violation or repeated violations of this chapter
 21 or regulations adopted pursuant to this chapter that have ~~resulted~~
 22 *resulted, or may result*, in harm to students. For purposes of this
 23 paragraph, "material violation" includes, but is not limited to,
 24 misrepresentation, fraud in the inducement of a contract, and false
 25 or misleading claims or advertising, upon which a student
 26 reasonably relied in executing an enrollment agreement and that
 27 ~~resulted~~ *resulted, or may result*, in harm to the student.

28 (b) The bureau shall adopt regulations, within one year of the
 29 enactment of this chapter, governing probation and suspension of
 30 an approval to operate.

31 (c) The bureau may seek reimbursement pursuant to Section
 32 125.3 of the Business and Professions Code.

33 (d) An institution shall not be required to pay the cost of
 34 investigation to more than one agency.

Agenda Item 9

**DISCUSSION ON SENATE BILL 118 PROHIBITION ON USE OF APPLICANTS'
CRIMINAL HISTORY IN ADMISSION DECISIONS (CEC SECTION 66024.5)**

ATTACHMENT:

A. CEC Section 66024.5

State of California

EDUCATION CODE

Section 66024.5

66024.5. (a) This section shall apply to all segments of postsecondary education in this state.

(b) Except for purposes of an application for a professional degree or law enforcement basic training courses and programs, a postsecondary educational institution shall not inquire about a prospective student’s criminal history on an initial application form or at any time during the admissions process before the institution’s final decision relative to the prospective student’s application for admission.

(c) A postsecondary educational institution shall make any necessary changes to its application form to comply with subdivision (b) by the fall term of the 2021–22 academic year.

(Added by Stats. 2020, Ch. 29, Sec. 4. (SB 118) Effective August 6, 2020.)

SUGGESTIONS FOR FUTURE AGENDA ITEMS

ADJOURNMENT