



Bureau for Private Postsecondary Education
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CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: Grace University, Owner
Grace University
1560 Brookhollow Dr., Suite 209, Slot 7
Santa Ana, CA 92705

INSTITUTION CODE: 1924741
CITATION NUMBER: 2021128
CITATION ISSUANCE/SERVICE DATE: October 21, 2020
DUE DATE: November 20, 2020
FINE AMOUNT: \$ 7,500.00
ORDER OF ABATEMENT INCLUDED: Yes

Christina Villanueva issues this Citation: Assessment of Fine and Order of Abatement (Citation) in her official capacity as Discipline Manager of the Bureau for Private Postsecondary Education (Bureau) of the California Department of Consumer Affairs.

CITATION

A Citation is hereby issued to Grace University, Owner of Grace University (Institution) located at 1560 Brookhollow Dr., Suite 209, Slot 7, Santa Ana, CA 92705, pursuant to Business and Professions Code section 125.9; California Education Code (CEC) sections 94936 and 94932; and Title 5 of the California Code of Regulations (5, CCR) section 75020 for the violations described below.

BACKGROUND

In 2016, Bureau staff conducted a Compliance inspection at the Institution (previously named California American University). During the inspection, Bureau staff reviewed student files and found violations related to enrollment agreements, student files missing School Performance Fact Sheets (SPFS), and missing supporting documentation to substantiate the data reported on the SPFS. These violations resulted in the Bureau issuing a Notice to Comply (NTC), (NTC CA1924741 0116) to the Institution in which the Institution was given thirty days from the date of the inspection to either remedy all violations listed on the NTC or submit a written Notice of Agreement. Bureau staff received a response to the NTC violations, and it was determined that the Institution came into compliance with the violations listed on the NTC. On July 26, 2016, Bureau staff mailed an NTC closure letter to the Institution.

On February 12, 2020, Bureau staff conducted an unannounced Compliance inspection at the Institution. Bureau staff reviewed student files and found material violations related to enrollment agreements, SPFS, and supporting documentation to substantiate the data reported on SPFS.

VIOLATION(S)

#	Below you will find the California Education Code (CEC) and/or Title 5 of the California Code of Regulations (5, CCR code) section(s) of law you are charged with violating.
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1.

Violation:

5, CCR Section 71920 (a)(b)(3)(4)(10) – Student Records

“(a) The institution shall maintain a file for each student who enrolls in the institution whether or not the student completes the educational service.

(b) In addition to the requirements of section 94900, the file shall contain all of the following pertinent student records:

(3) Copies of all documents signed by the student, including contracts, instruments of indebtedness, and documents relating to financial aid;

(4) Records of the dates of enrollment and, if applicable, withdrawal from the institution, leaves of absence, and graduation; and

(10) A document specifying the amount of a refund, including the amount refunded for tuition and the amount for other itemized charges, the method of calculating the refund, the date the refund was made, and the name and address of the person or entity to which the refund was sent;”

5, CCR Section 71930 (e) – Maintenance of Records

“(e) All records that the institution is required to maintain by the Act or this chapter shall be made immediately available by the institution for inspection and copying during normal business hours by the Bureau and any entity authorized to conduct investigations.”

CEC Section 94902 (a)(b)(1)(3) – General Enrollment Requirements

“(a) A student shall enroll solely by means of executing an enrollment agreement. The enrollment agreement shall be signed by the student and by an authorized employee of the institution.

(b) An enrollment agreement is not enforceable unless all of the following requirements are met:

(1) The student has received the institution’s catalog and School Performance Fact Sheet prior to signing the enrollment agreement.

(3) Prior to the execution of the enrollment agreement, the student and the institution have signed and dated the information required to be disclosed in the Student Performance Fact Sheet pursuant to subdivisions (a) to (d), inclusive, of Section 94910. Each of these items in the Student Performance Fact Sheet shall include a line for the student to initial and shall be initialed and dated by the student.”

94910 – Minimum Requirements for School Performance Fact Sheet

“Except as provided in subdivision (d) of Section 94909 and Section 94910.5, prior to enrollment, an institution shall provide a prospective student with a School Performance Fact Sheet containing, at a minimum, the following information, as it relates to the educational program”

CEC Section 94912 – Signature, Initials Required

“Prior to the execution of an enrollment agreement, the information required to be disclosed pursuant to subdivisions (a) to (d), inclusive, of Section 94910 shall be signed and dated by the institution and the student. Each of these items shall also be initialed and dated by the student.”

Violations: 5, CCR Section 71920 (a)(b)(3)(4), 5, CCR Section 71930 (e), CEC Section 94902 (a)(b)(1)(3), CEC Section 94910 and CEC Section 94912: Bureau staff reviewed student files and found that student files were missing enrollment agreements. In addition, Bureau staff found that student files contained enrollment agreements that were missing information.; Student files contained incomplete enrollment agreements or had different dates listed as to when the enrollment agreements were signed, and/or were missing an Institution Representative’s signature.

Furthermore, Bureau staff found that student files were missing SPFS. Institution staff stated that they were unaware of the requirement that SPFS should be completed prior to enrollment and placed in student files.

The issues mentioned above were noted during the 2016 Compliance inspection, during which the same Institution staff member was present for, and the violations were placed on the NTC issued to the Institution.

Violation: 5, CCR Section 71920 (b)(10): Bureau staff reviewed withdrawn and refunded student files and found that the files were missing a notice of cancellation and a calculation sheet.

Order of Abatement:

The Bureau orders the Institution to submit a policy, or procedure, of how future compliance will be maintained with 5, CCR Sections 71920 and 71930, and CEC Sections 94902, 94910 and 94912.

Assessment of Fine

The fine for this violation is \$2,500.00

2. **5, CCR Section 74112 (m)(1-9) – Uniform Data – Annual Report, Performance Fact Sheet**

“(m) Documentation supporting all data reported shall be maintained electronically by the institution for at least five years from the last time the data was included in either an Annual Report or a Performance Fact Sheet, and shall be provided to the Bureau upon request; and the data for each program shall include at a minimum:

- (1) the list of job classifications determined to be considered gainful employment for the educational program;*
- (2) student name(s), address, phone number, email address, program completed, program start date, scheduled completion date, and actual completion dates;*
- (3) graduate’s place of employment and position, date employment began, date employment ended, if applicable, actual salary, hours per week, and the date employment was verified;*
- (4) for each employer from which employment or salary information was obtained, the employer name(s) address and general phone number, the contact person at the employer and the contact’s phone number and email address, and all written communication with employer verifying student’s employment or salary;*
- (5) for students who become self-employed, all documentation necessary to demonstrate self-employment;*
- (6) a description of all attempts to contact each student. or employer;*
- (7) any and all documentation used to provide data regarding license examinations and examination results;*
- (8) for each student determined to be unavailable for graduation or unavailable for employment, the identity of the student, the type of unavailability, the dates of unavailability, and the documentation of the unavailability; and*
- (9) the name, email address, phone number, and position or title of the institution’s representative who was primarily responsible for obtaining the students’ completion, placement, licensing, and salary and wage data, the date that the information was gathered, and copies of notes, letters or emails through which the information was requested and gathered.”*

Bureau staff requested the supporting documentation to substantiate the data reported on the 2017-2018 SPFS, and Institution staff stated the information is not being tracked by the Institution as required. The Institution was unable to provide the documentation to Bureau staff as requested.

Order of Abatement:

The Bureau orders the Institution to submit a policy, or procedure, of how future compliance will be maintained with 5, CCR Section 74112.

	Assessment of Fine The fine for this violation is <u>\$5,000.00</u>
TOTAL ADMINISTRATIVE FINE DUE: \$7,500.00	

ASSESSMENT OF A FINE

In accordance with CEC section 94936; and 5, CCR sections 75020 and 75030, the Bureau hereby orders this assessment of fine in the amount of **\$7,500.00** for the violations described above. **Payment must be made, to the Bureau, within 30 days from the date of service of the Citation.**

COMPLIANCE WITH ORDER OF ABATEMENT

In accordance with the provisions of CEC section 94936 and 5, CCR section 75020 the Bureau hereby issues the order(s) of abatement described above. **Evidence of compliance with the order(s) of abatement must be submitted, to the Bureau, within 30 days from the date of service of the Citation.**

APPEAL OF CITATION

You have the right to contest this Citation through an informal conference with the Bureau; and/or through an administrative hearing in accordance with Chapter 5 (Commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

If you wish to contest this Citation, you must submit the 'Notice of Appeal of Citation – Request for Informal Conference and/or Administrative Hearing' form (enclosed) within 30 days from the date of service of the Citation. *If you do not request an informal conference and/or an administrative hearing within 30 days from the service of the Citation, you will not be able to request one at a later time.*

Unless a written request for an informal conference and/or an administrative hearing is signed by you and delivered to the Bureau by **November 20, 2020**, you will be deemed to have waived or forfeited your right to appeal this matter.

EFFECTIVE DATE OF CITATION

If you do not request an informal conference and/or an administrative hearing, this Citation shall become effective on **October 21, 2020**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **November 20, 2020**. Your payment of the administrative fine shall not constitute an admission of the violation(s) charged.

If a hearing is requested, you will not be required to comply with this Citation until 30 days after a final order is entered against you.

Payment of the administrative fine and/or written request for appeal must be mailed to:

Gabriella Perez, Discipline Citation Program
Bureau for Private Postsecondary Education
1747 N. Market Blvd., Suite 225
Sacramento, CA 95834

Failure for an applicant or institution to abate the violation(s) listed above or to pay the administrative fine within the time allowed may result in denial of an application for an approval or renewal to operate; disciplinary action, and/or collection action. The Bureau will promptly take all appropriate action to enforce this Citation and recover the civil penalties prescribed therein or found to be due after a hearing.

CONTACT INFORMATION

If you have any questions regarding this Citation, or desire further information, please contact Gabriella Perez, Citation Analyst, at (916) 574-8969 or Gabriella.Perez@dca.ca.gov.

“Original signature on file”

“10/21/2020”

Christina Villanueva
Discipline Manager

Date

Enclosures

- Applicable Laws Violated
- Statement of Rights: Appeal Process Information Sheet
- Notice of Appeal of Citation: Request for Informal Conference and/or Administrative Hearing
- Payment of Fine – Waiver of Appeal
- Declaration of Service by Certified and First- Class Mail