

**TITLE 5. EDUCATION
DIVISION 7.5. BUREAU OF PRIVATE POSTSECONDARY EDUCATION**

FINAL STATEMENT OF REASONS

Hearing Date: None.

Subject Matter of Proposed Regulations: Substantive Change Approval

Sections Affected: Division 7.5 of Title 5 of the California Code of Regulations, amend sections 71650, and add sections 71652 and 71653.

Updated Information

The Initial Statement of Reasons is included in the file. The information contained therein has not been modified. In the Initial Statement of Reasons, the Proposed Change and Rationale was inadvertently omitted for the second item in Section 8 of the Application for Change in Educational Objectives or Clock or Credit Hours Required to Complete a Program (An increase or Decrease by 25% or More) form. It should have read,

“Proposed Change: Section 8 of the form asks the applicant to, “Include specifications of significant equipment that demonstrate that the equipment meets the standards prescribed by the Code and is sufficient to enable students to achieve the educational objectives of each educational program. For each item of significant equipment, indicate whether the equipment is owned, leased, rented, or licensed for short or long term, or owned by another and loaned to be used without charge.” followed by the statement “Document is attached: _____ Yes _____ No.”

Rationale: The information gathered by this question allows the Bureau to verify what equipment is owned by the school and if we can reasonably infer the school can provide and maintain the equipment necessary for successful program completion. The language used here allows the Bureau to verify compliance with 5 CCR section 71260(e), which requires schools to describe their equipment by whether it is owned, leased, or rented, and the term of any lease or rental contract. If the Bureau sees that a school has short term lease or equipment is being rented, the Bureau can look into the terms (length of rental, cost, etc.) of the rental(s) and consider what impact that will have on the course(s) offered and student outcomes.

No changes have been made in applicable laws or to the effect of the proposed regulations from the laws and effects described in the Notice of Proposed Action.

No public hearing was originally set for this proposal, and none was requested. Bureau staff noticed the proposed rulemaking with a 45-day comment period ending on Tuesday, December 27, 2022, by 5 p.m. The Bureau did not receive any comments

during this time period.

In 71650(a) the underline of the period at the end of the first sentence was removed as the period was in the original and not added. 71650(c)(2) adds, “or for an increase or decrease of 25 percent or more in the number of clock hours or credit hours required for successful completion of an educational program as defined in Education Code section 94837” after “The reasons for changing the educational objectives” to clarify that the form may now be submitted for two separate reasons. In 71650(c)(3) the words, “or the amount of Clock or Credit Hours required for successful completion of the program” were added to again clarify that there are now two separate reasons for which the form may be submitted. In 71650(c)(6) the final “s” on “sections” was deleted with “71210 and” and the words “and section 71210 except for 71210(c)(2)” were added to clarify that that subsection of 71210 was not included in the reference. 71652(a) deletes the words, “federal Higher Education Act of 1965” as redundant. 71652(b) deletes the words “substantive change” as redundant and to align with 71653(b). These changes are all non-substantive.

Local Mandate

A mandate is not imposed on local agencies or school districts.

Small Business Impact

The Bureau has determined that the proposed regulations will not affect small businesses. The reporting requirements will affect very few businesses and the cost will be small.

Anticipated Benefits of this Proposal

The proposed regulatory language will enable the legislative language added to section 94894 of the code by SB 802 to be implemented by clearly informing institutions how to contact the Bureau to request pre-approval for the substantive changes added to the Code. Institutions making what are now deemed “substantive changes” will know which sections of the regulations to follow when reporting these changes, and what forms to use when notifying the Bureau, which will facilitate compliance with the statute.

Consideration of Alternatives

No reasonable alternative to the regulatory proposal would be either more effective in carrying out the purpose for which the action is proposed or would be as effective or less burdensome to affected private persons or businesses and would be more cost effective to affected private persons and equally effective in achieving the purposes of the regulation in a manner that ensures full compliance with the law being implemented or made specific.

Set forth below are the alternatives which were considered and the reasons each alternative was rejected.

a. Not adopt the regulations. This alternative was rejected because it is

necessary to implement the statutory changes made by the legislature by adopting regulations providing for the reporting of substantive changes as defined by statute.

Incorporation by Reference

All forms incorporated by reference through this proposed rulemaking were available upon request from the Bureau and have been made available on the Bureau’s website. Publication of the documents incorporated by reference in the California Code of Regulations would have been cumbersome or otherwise impractical due to the presence of graphical and formatting elements on the form. The use of the Bureau’s seal, text boxes, check boxes, bold and italicized text, and other elements would have made the publication of the form in a readable and visually accurate manner difficult and impractical.

Summary of Comments Received During the 45-day Notice Period

The Bureau did not receive any comments during the 45-day notice period.