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8
9 **BEFORE THE**
DEPARTMENT OF CONSUMER AFFAIRS
10 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**
STATE OF CALIFORNIA

11
12 In the Matter of the Statement of Issues
13 Against:

Case No. 1000378

14 **UNIVERSITY OF SCIENCE AND**
15 **TECHNOLOGY; BALAJI NETTIMI,**
OWNER

STATEMENT OF ISSUES

16 Respondent.

17
18 Complainant alleges:

19 **PARTIES**

20 1. Joanne Wenzel (Complainant) brings this Statement of Issues solely in her official
21 capacity as the Chief of the Bureau for Private Postsecondary Education, Department of
22 Consumer Affairs.

23 2. On or about January 6, 2012, the Bureau for Private Postsecondary Education
24 received an Application for an Approval to Operate a Non-Accredited Institution (Application
25 Number 24280) from California Mind Institute, Balaji Nettimi, Owner (Respondent). On or
26 about November 20, 2011, Balaji Nettimi certified under penalty of perjury to the truthfulness of
27 all statements, answers, and representations in the application. The Bureau denied the application
28 on January 30, 2015.

1 **JURISDICTION**

2 3. This Statement of Issues is brought before the Director of the Department Consumer
3 Affairs (Director) for the Bureau for Private Postsecondary Education, under the authority of the
4 following laws.¹ All section references are to the Education Code unless otherwise indicated.

5 4. Education Code (hereinafter "Code") Section 94886 states:

6 Except as exempted in Article 4 (commencing with section 94874) or in
7 compliance with the transition provisions in Article 2 (commencing with
8 Section 94802), a person shall not open, conduct, or do business as a private
postsecondary educational institution in this state without obtaining an approval
to operate under this chapter.

9 5. Code Section 94887 states:

10 An approval to operate shall be granted only after an applicant has presented
11 sufficient evidence to the bureau, and the bureau has independently verified the
12 information provided by the applicant through site visits or other methods
13 deemed appropriate by the bureau, that the applicant has the capacity to satisfy
the minimum operating standards. The bureau shall deny an application for an
approval to operate if the application does not satisfy those standards.

14 **STATUTORY AND REGULATORY PROVISIONS**

15 6. Title 5, CCR, section 71100 states:

16 (a) An applicant seeking approval to operate pursuant to Section 94886 of the
17 Code, other than Approval to Operate by Accreditation pursuant to Section
18 94890(a)(1) of the Code, shall complete the "Application for Approval to
19 Operate for an Institution Not Accredited," Form Application 94886 (rev. 2/10).
An applicant seeking approval to operate by accreditation pursuant to Section
94890(a)(1) of the Code shall comply with section 71390.

20 (b) An applicant shall submit the completed form, the information or
21 documentation required by this Article, the appropriate application fee as
provided in Section 94930.5(a)(1) of the Code, and any appropriate annual fee
as required by Article 1 of Chapter 5 of this Division, to the Bureau.

22 (c) An application that fails to contain all of the information required by this
23 article shall render it incomplete.

24 ///

25 ¹ On October 11, 2009, the Bureau for Private Postsecondary Education Act of 2009 (SB
26 48 and hereinafter, "the Act") was signed into law. The Act, which became operative on January
27 1, 2010, established the Bureau for Private Postsecondary Education (hereinafter "Bureau"). The
California Private Postsecondary Education Act of 2009 was recently amended, effective January
28 1, 2015. See Senate Bill No. 1247. This Statement of Issues is based on amended version of the
Act.

1 7. Code Section 94897 states:

2 An institution shall not do any of the following:

3 ...

4 (p) Offer an associate, baccalaureate, master's, or doctoral degree without
5 disclosing to prospective students prior to enrollment whether the institution or
6 the degree program is unaccredited and any known limitation of the degree,
7 including, but not limited to, all of the following:

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

8 ...

9 8. Code Section 94909 states:

10 (a) Except as provided in subdivision (d), prior to enrollment, an institution
11 shall provide a prospective student, either in writing or electronically, with a
12 school catalog containing, at a minimum, all of the following:

13 ...

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

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

18 ...

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

20 (A) Admissions policies, including the institution's policies
21 regarding the acceptance of credits earned at other institutions or through
22 challenge examinations and achievement tests, admissions requirements
23 for ability-to-benefit students, and a list describing any transfer or
24 articulation agreements between the institution and any other college or
25 university that provides for the transfer of credits earned in the program
26 of instruction. If the institution has not entered into an articulation or
27 transfer agreement with any other college or university, the institution
28 shall disclose that fact.

...
26

(16) A statement specifying whether the institution, or any of its degree
programs, are accredited by an accrediting agency recognized by the United
States Department of Education. If the institution is unaccredited and offers an
associate, baccalaureate, master's, or doctoral degree, or is accredited and offers

1 an unaccredited program for an associate, baccalaureate, master's, or doctoral
2 degree, the statement shall disclose the known limitations of the degree
3 program, including, but not limited to, all of the following:

4 (A) Whether a graduate of the degree program will be eligible to sit
5 for the applicable licensure exam in California and other states.

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

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

11 ...

12 9. Code Section 94911 states:

13 An enrollment agreement shall include, at a minimum, all of the following:

14 ...

15 (k) The following statement above the space for the student's signature:
16 'I understand that this is a legally binding contract. My signature below certifies
17 that I have read, understood, and agreed to my rights and responsibilities, and
18 that the institution's cancellation and refund policies have been clearly
19 explained to me.'

20 10. Title 5, California Code of Regulations ("CCR"), section 70000 states in part:

21 ...

22 (q) "Mission" means an institution's stated educational reasons to exist. A
23 mission statement contains all of the following characteristics:

24 (1) The mission includes the institution's broad expectations concerning
25 the education that students will receive, including the acquisition of the body of
26 knowledge presented in the educational program, the development of
27 intellectual, analytical, and critical abilities, and the fostering of values such as
28 a commitment to pursue lifelong learning; and

(2) The mission relates to the educational expectations of the institution's
students, faculty and community that the institution serves.

(r) "Objectives" are the goals and methods by which the institution fulfills its
mission and transforms it into measurable student learning outcomes for each
educational program.

...

11. Title 5, CCR, section 71170 states, "The institution shall describe in detail its mission
and objectives."

///

1 12. Title 5, CCR, section 71180 states, "The institution shall include, with its Form
2 Application 94886, exemplars of all student enrollment agreements and instruments of
3 indebtedness."

4 13. Title 5, CCR, section 71260 states in part:

5 (a) For each program offered, the Form Application 94886 shall contain a
6 description of the facilities and the equipment which is available for use by
students at the main, branch, and satellite locations of the institution.

7 (b) For facilities that are leased or rented, the Form Application 94886 shall
8 contain the name and address of the lessor or landlord, together with a copy of
any use, lease, or rental agreements for the facilities.

9 (c) The description of the physical facilities shall include building diagrams or
10 campus maps to assist the Bureau in locating these facilities. The diagrams or
maps shall identify the location of classrooms, laboratories, workshops, and
11 libraries.

12 ...

13 (f) The Form Application 94886 shall contain a list of all permits, certifications,
14 or other evidence of inspections or authorizations to operate required by the
jurisdictions within which the institution operates that the institution has
15 obtained, and/or an explanation as to why those permits, certifications, or
inspections have not yet been obtained.

16 14. Title 5, CCR, section 71290 states, "The Form Application 94886 shall include a
17 copy of the institution's catalog, in published or proposed-to-be-published form. The catalog shall
18 meet the requirements of the Act and of section 71810."

19 15. Title 5, CCR, section 71705 states:

20 An institution shall have a written statement of its mission and the objectives
21 for each educational program. The mission and the objectives shall indicate the
kind of education offered, for whom the instruction is intended and the
22 expected outcomes for graduates.

23 16. Title 5, CCR, section 71710 states:

24 In order to meet its mission and objectives, the educational program defined in
25 section 94837 of the Code shall be comprised of a curriculum that includes:

26 ...

27 (c) course or module materials that are designed or organized by duly qualified
28 faculty. For each course or module, each student shall be provided with a
syllabus or course outline that contains:

- (1) a short, descriptive title of the educational program;
- (2) a statement of educational objectives;
- (3) length of the educational program;
- (4) sequence and frequency of lessons or class sessions;
- (5) complete citations of textbooks and other required written materials;
- (6) sequential and detailed outline of subject matter to be addressed or a list of skills to be learned and how those skills are to be measured; ...

17. Title 5, CCR, section 71740 states in part:

...

(d) An institution that depends for library and other learning resources primarily on other institutions' collections and resources not in its possession shall do all of the following:

(1) Describe those library and other learning resources, in the application and catalog.

(2) Provide students and faculty with access to the regular services of a professional librarian or information specialist experienced in the electronic retrieval of information, who shall provide support for faculty in curriculum matters and actively serve as a resource guide for both graduate and undergraduate students.

...

18. Title 5, CCR, section 71770 states in part:

(a) The institution shall establish specific written standards for student admissions for each educational program. These standards shall be related to the particular educational program. An institution shall not admit any student who is obviously unqualified or who does not appear to have a reasonable prospect of completing the program. In addition to any specific standards for an educational program, the admissions standards must specify as applicable that:

(1) Each student admitted to an undergraduate degree program, or a diploma program, shall possess a high school diploma or its equivalent, or otherwise successfully take and pass the relevant examination as required by section 94904 of the Code.

(2) Each student admitted into a post-baccalaureate degree program shall possess a bachelor's degree or its equivalent. If a graduate program leads to a profession or an occupation requiring state licensure and the licensing agency does not require that a member of the profession or occupation possess a Bachelor's degree or its equivalent, this subdivision does not apply.

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19. Title 5, CCR, section 71810 states in part:

(a) Each institution shall provide a catalog pursuant to section 94909 of the Code, which shall be updated annually. Annual updates may be made by the use of supplements or inserts accompanying the catalog. If changes in educational programs, educational services, procedures, or policies required to be included in the catalog by statute or regulation are implemented before the issuance of the annually updated catalog, those changes shall be reflected at the time they are made in supplements or inserts accompanying the catalog.

(b) The catalog shall contain the information prescribed by Section 94909 of the Code and all of the following:

(1) The specific beginning and ending dates defining the time period covered by the catalog;

(2) A statement of the institution's missions and purposes and the objectives underlying each of its educational programs;

...

20. Title 5, CCR, section 71865 states in part:

(a) A Master's degree may only be awarded to a student who demonstrates at least the achievement of learning in a designated major field that is equivalent in depth to that normally acquired in a minimum of 30 semester credits or its equivalent or one year of study beyond the Bachelor's degree.

...

21. With regard to licensed Marriage and Family Therapists, Business and Professions Code, section 4980.36 states in part:

...

(b) To qualify for a license or registration, applicants shall possess a doctoral or master's degree meeting the requirements of this section in marriage, family, and child counseling, marriage and family therapy, couple and family therapy, psychology, clinical psychology, counseling psychology, or counseling with an emphasis in either marriage, family, and child counseling or marriage and family therapy, obtained from a school, college, or university approved by the Bureau for Private Postsecondary Education, or accredited by either the Commission on Accreditation for Marriage and Family Therapy Education, or a regional accrediting agency that is recognized by the United States Department of Education. The board has the authority to make the final determination as to whether a degree meets all requirements, including, but not limited to, course requirements, regardless of accreditation or approval.

...

(d) The degree described in subdivision (b) shall contain no less than 60 semester or 90 quarter units of instruction that includes, but is not limited to,

1 the following requirements:

2 ...

3 (2) Instruction in all of the following:

4 ...

5 (F) The effects of socioeconomic status on treatment and available
6 resources.

7 ...

8 (e) The degree described in subdivision (b) shall, in addition to meeting the
9 requirements of subdivision (d), include instruction in case management,
10 systems of care for the severely mentally ill, public and private services and
11 supports available for the severely mentally ill, community resources for
12 persons with mental illness and for victims of abuse, disaster and trauma
13 response, advocacy for the severely mentally ill, and collaborative treatment.
14 This instruction may be provided either in credit level coursework or through
15 extension programs offered by the degree-granting institution. ...

12 **FACTS**

13 22. On January 6, 2012, the Bureau received an Application for Approval to Operate a
14 Non-accredited Institution (Application # 24280) from Balaji Nettimi, owner of California Mind
15 Institute (Respondent).

16 23. On March 23, 2012, , the Bureau sent Respondent a letter advising of numerous
17 deficiencies in the application, including deficiencies in the form of the business organization,
18 facilities and equipment, instruction and degrees offered, and in the exemplars of enrollment
19 agreements and school catalog submitted with the application.

20 24. On April 19, 2012, the Bureau received Respondent's response to the deficiency
21 letter, which consisted of exemplars of enrollment agreements, the school catalog, a description
22 of the educational programs, and a description of the facilities and resources, among other things.

23 25. On April 26, 2012, the Bureau sent Respondent a second letter advising of
24 deficiencies in the application, including deficiencies in the agent for service of process, financial
25 resources and in the exemplars of enrollment agreements and school catalog.

26 26. On July 25, 2012, the Bureau received Respondent's response to the second
27 deficiency letter, which consisted of a revised Application for Approval to Operate identifying the
28 institution as "University of Science and Technology" instead of "California Mind Institute."

1 Respondent submitted additional documents including course syllabi, exemplars of enrollment
2 agreements, the school catalog, a description of the educational programs, and a description of the
3 facilities and resources, among other things.

4 27. On February 21, 2013, the Bureau sent Respondent a third letter advising of
5 deficiencies in the application, including deficiencies in the agent for service of process, financial
6 resources, description of the educational programs, facilities and other learning resources and the
7 exemplars of enrollment agreements and school catalog.

8 28. On March 4, 2013, the Bureau received Respondent's response to the third
9 deficiency letter, which consisted of additional information regarding the educational programs
10 and degrees offered, faculty CVs, syllabi, financial documents and an exemplar catalog.

11 29. On January 30, 2014, the Bureau sent Respondent a fourth letter advising of
12 deficiencies in the application, including deficiencies in the description of the facilities,
13 description of the educational programs, library resources and the exemplars of enrollment
14 agreements and school catalog.

15 30. On September 4, 2014, the Bureau received Respondent's response to the fourth
16 deficiency letter, which included additional information regarding the facilities and an exemplar
17 catalog. However, deficiencies remained in the application.

18 31. On January 30, 2015, Bureau sent Respondent a Notice of Denial of the application
19 for an approval to operate because deficiencies in the application and the documents submitted
20 with the application rendered the application incomplete.

21 **FIRST CAUSE FOR DENIAL**

22 **(Failure to Describe Mission and Objectives)**

23 32. Respondents' application is subject to denial under title 5, CCR, sections 71100,
24 71170, and 71705, in that the institution's mission and objectives, as defined in section 70000(q),
25 do not set forth the goals and methods by which the institution fulfills its mission and transforms
26 it into measurable student learning outcomes for each educational program delivered on an online
27 platform and through direct instruction. Instead, the institution described its licensure
28 requirements as its mission and objectives.

1 **SECOND CAUSE FOR DENIAL**

2 **(Lack of Required Language in Enrollment Agreement)**

3 33. Respondents' application is subject to denial under title 5, CCR, sections 71100 and
4 Code section 94887 in that the school's enrollment agreement submitted with Respondent's
5 application failed to comply with the Bureau's statues and regulations. The institution's
6 enrollment agreement failed to include the required verbatim statement above the line for the
7 student to sign regarding the binding nature of the agreement, as required by Code section
8 94911(k).

9 **THIRD CAUSE FOR DENIAL**

10 **(Lack of Information Regarding Instruction and Degrees Offered)**

11 34. Respondents' application is subject to denial under title 5, CCR, sections 71100 and
12 71710(c) in that information regarding instruction and degrees offered were deficient as follows:

13 a. The curriculum for the Master of Science in Marriage and Family Therapy does not
14 offer instruction in the following: systems of care for the severely mentally ill; public and private
15 services and supports available for the severely mentally ill; community resources for persons
16 with mental illness and for victims of abuse; disaster and trauma response; advocacy for the
17 severely mentally ill; and collaborative treatment as specified in Business and Professions Code
18 section 4980.36(c).

19 b. The application and supporting documents do not support the level of rigor required
20 for the Master of Science in Counseling and Marriage and Family Therapy program pursuant to
21 title 5 CCR, section 71865(a). The learning outcomes outlined in the course syllabi for the
22 program focus on identifying, understanding, acquiring knowledge, and determining issues and
23 topics. The objectives do not indicate the program's achievement of learning is equivalent in
24 depth to that normally acquired in studies beyond a bachelor's degree.

25 c. The course syllabi for the following courses failed to set forth a detailed outline of the
26 subject matter to be addressed or a list of skills to be learned and how those skills are to be
27 measured, as required by title 5, CCR, section 71710(c)(6): AOD 102, Law and Ethics for
28 Alcohol and Drug Counselors; AOD 105, Counseling Theories in Alcohol and Drug Counseling;

1 LPCC 605 Psychological Assessments for Counselors; LPCC 609 Advanced Group Counseling
2 for Counselors; MFT 603 Human Sexuality for Marriage and Family Therapists; and, MFT 600
3 Advanced Life-Span Development for Marriage and Family Therapists.

4 **FOURTH CAUSE FOR DENIAL**

5 **(Deficiencies Regarding Facility)**

6 35. Respondents' application is subject to denial under title 5, CCR, sections 71100, and
7 71260, subdivisions (a)-(c) and (f), in that Respondent failed to submit a description of the facility
8 available for use by students at the main, branch and satellite locations of the institution.
9 Respondent failed to submit a list of all permits and a lease of a facility that provides for a
10 location for instruction and an area for practicum that involves direct client contact in a
11 supervised clinical setting. Respondent submitted an insufficient document between Respondent
12 and Mira Costa College to provide classes for a certificate program.

13 **FIFTH CAUSE FOR DENIAL**

14 **(Lack of Required Language in School Catalog)**

15 36. Respondents' application is subject to denial under title 5, CCR, sections 71100 and
16 71810 and Code section 94909 in that the school's catalog submitted with Respondents'
17 application failed to comply with the Bureau's statutes and regulations in that the school catalog
18 failed to include:

19 a. a statement of the institution's mission and objectives underlying each of its
20 educational programs, as required by title 5, CCR, 71810(b)(2).

21 b. educational requirements in the admissions policy for each of the educational
22 programs, including certificate and degree programs, as required by Code section 94909(a)(8)(A)
23 and title 5, CCR, 71770(a).

24 c. the complete notice regarding whether the institution's educational programs are
25 designed to lead to positions in a profession, occupation, trade, or career field requiring licensure
26 in this state and failed to list the requirements for eligibility for licensure, as required by Code
27 section 94909(a)(6).

28

1 d. the disclosures set forth in Code section 94909(a)(16)(A) regarding eligibility of
2 graduates of the institution's educational programs to sit for licensure examinations, as required
3 by Code section 94897(p)(1).

4 e. a description of the instruction provided in each of the courses offered by the
5 institution and whether any final tests or examinations, internships or externships are required, as
6 required by Code section 94909(a)(5). Contrary to the catalog, the syllabi states practicums and
7 final examinations are required.

8 **SIXTH CAUSE FOR DENIAL**

9 **(Failure to Provide Library Services)**


10 37. Respondents' application is subject to denial under title 5, CCR, sections 71100 and
11 71740(d)(2) in that the institution, which depends primarily on other institutions' collections and
12 resources for library and other learning resources, failed to provide students and faculty with
13 access to the regular services of a professional librarian or information specialist.

14 **PRAYER**

15 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
16 and that following the hearing, the Director of the Department of Consumer Affairs issue a
17 decision:

- 18 1. Denying the application of Balaji Nettiimi for an approval to operate University of
19 Science and Technology, a non-accredited institution; and,
20 2. Taking such other and further action as deemed necessary and proper.

21
22 DATED: 8/17/15


23 JOANNE WENZEL
24 Chief
25 Bureau for Private Postsecondary Education
26 Department of Consumer Affairs
27 State of California
28 *Complainant*

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