

California Department of Consumer Affairs

Bureau for Private Postsecondary Education

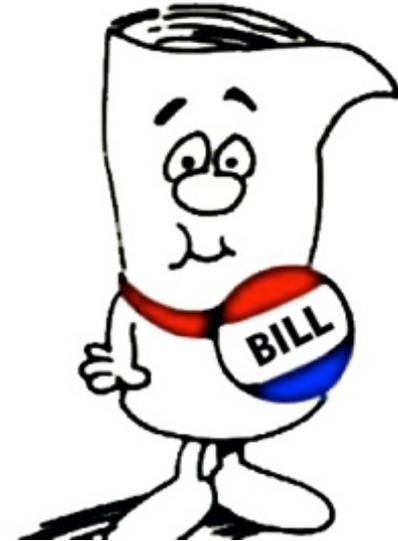


Laura Metune, Bureau Chief
October 10, 2012
CAPPS Annual Conference

Private Postsecondary Education Act of 2009

AB 48 (Portantino) Chapter 310, Statutes of 2009

- ❖ Licensing of private educational institutions
- ❖ Ongoing compliance through regular inspections
- ❖ Meaningful student protection through investigation and enforcement powers
- ❖ Data collection through annual reporting requirements
- ❖ Tuition reimbursement for harmed students



“...The bureau shall regulate private postsecondary educational institutions through the powers granted, and the duties imposed, by this chapter. In exercising its powers, and performing its duties, the protection of the public shall be the bureau’s highest priority. If protection of the public is inconsistent with other interest sought to be promoted, the protection of the public shall be paramount.”

2011-2012 Statutory Changes

- ❖ AB 611 (Gordon), Chapter 103, Statutes of 2011, prohibits an unaccredited institution from offering doctoral degrees without disclosure of accreditation status, if the degree is in a field that requires licensure, and any known limitations of the degree.
- ❖ AB 1013 (Assembly Higher Education Committee), Chapter 167, Statutes of 2011, provided for technical clean up to the Act and authorizes the Bureau to publish a list of eligible examinations for ability-to-benefit students, if the United States Department of Education does not have a relevant approved examination.
- ❖ SB 619 (Fuller), Chapter 309, Statutes of 2011, exempts from Bureau oversight flight instruction programs that provide instruction pursuant to FAA regulations and do not (i) require students to enter into a contract of indebtedness, or (ii) require upfront payment of instruction costs over \$2500.
- ❖ AB 2296 (Block), Chapter 585, Statutes of 2012, requires Bureau-approved institutions to provide additional disclosures to prospective students, including: (i) unaccredited institution that offers a degree programs must make specified disclosures regarding the limitations of the unaccredited degree; (ii) institutions must post on their websites the catalog, performance fact sheet, student brochures, the most recent annual report, and a link to the Bureau website; and, (iii) new reporting on the performance fact sheet.

Bureau Timeline

2010 - 2012



STATE AUTHORIZATION

“...Under the current statutory structure, the Bureau lacks a method to grant State authorization or approval to an otherwise exempt institution unless the institution submits itself to the Bureau’s jurisdiction. While the Bureau cannot mandate that an exempt institution seek approval, should an otherwise exempt institution voluntarily choose to submit to the Bureau’s jurisdiction and laws by seeking approval to operate, the Bureau would act on the institution’s application. An institution that is accredited by a USDE-approved accrediting agency may be granted an approval to operate by means of its accreditation. As with any institution granted an approval to operate, such an institution would be required to comply with all applicable laws and regulations...”

- Brown, Denise (Director, Department of Consumer Affairs)
Letter to institutions exempt from AB 48, June 2012

“‘Private postsecondary educational institution’ means a private entity with a physical presence in this state that offers postsecondary education to the public for an institutional charge.”

- California Education Code §94858

CONTACTING THE BUREAU

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Bureau Updates

STRF Unit: Submission of Assessments

REGULATION

76130. Collection and Submission of Assessments.

(b) A qualifying institution shall complete the STRF Assessment Reporting Form (Rev. 2/10) and remit it with the STRF assessments collected from students to be received by the Bureau no later than the last day of the month following the close of the quarter as follows:

- (1) April 30 for the first quarter,
- (2) July 31 for the second quarter,
- (3) October 31 for the third quarter, and
- (4) January 31 for the fourth quarter.

If the due date falls on a Saturday, Sunday or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.

STRF Submission of Assessment Instructions

Schools are requested to wait for the invoice from the Bureau to ensure STRF is submitted and credited to the proper school code and invoice number.

Bureau Updates

STRF Unit: Rate of Assessment

STATUTE

94925. Limits on Funds In STRF Account

The amount in the Student Tuition Recovery Fund shall not exceed twenty-five million dollars (\$25,000,000) at any time.

REGULATION

76120. Amount of STRF Assessment

(a) Each qualifying institution shall collect an assessment of two dollars and fifty cents (\$2.50) per one thousand dollars (\$1,000) of institutional charges, rounded to the nearest thousand dollars, from each student in an educational program who is a California resident or is enrolled in a residency program. For institutional charges of one thousand (\$1,000) or less, the assessment is two dollars and fifty cents (\$2.50).

STRF Information (August 31, 2012)

- ❖ Fund balance: \$23,690,534.78
- ❖ Claims paid: 118, \$336,028.80
- ❖ Claims deemed ineligible: 30
- ❖ Claims denied: 15
- ❖ Claims pending: 422

Bureau Updates

School Performance Fact Sheet/Annual Reports

STATUTE

94928. Definitions

(e) "Graduates employed in the field" means graduates who report that they are gainfully employed within six months of graduation in a position for which the skills obtained through the education and training provided by the institution are required or provided a significant advantage to the graduate in obtaining the position

AB 2296 (Block) Chapter 585, Statutes of 2012

(e)(1) "Graduates employed in the field" means graduates who report that they are gainfully employed ~~within six months of graduation~~ in a single position for which the ~~skills obtained through the education and training provided by the institution are required or provided a significant advantage to the graduate in obtaining the position~~ institution represents the program prepares its graduates within six months after a student completes the applicable educational program. For occupations for which the state requires passing an examination, the period of employment shall begin within six months of the announcement of the examination results for the first examination available after a student completes an applicable educational program.

Bureau Updates

Annual Fees: Delinquent Payments

STATUTE

94931. Late Payment

(a) A fee that is not paid on or before the 30th calendar day after the due date for the payment of the fee shall be subject to a 25 percent late payment penalty fee.

(b) A fee that is not paid on or before the 90th calendar day after the due date for payment of the fee shall be subject to a 35 percent late payment penalty fee.

REGULATION

74006. Annual Fee

(a) An institution's annual fee is due within 30 days of the date on which the institution originally receives its approval to operate and each year thereafter on the anniversary of the date of the original approval.

Annual Fee Electronic Notification

The Bureau can now send out an electronic notification to an institution when an Annual Fee invoice is mailed.

Subscribe on the Bureau website:

https://www.dca.ca.gov/webapps/bppe/annual_fee.php

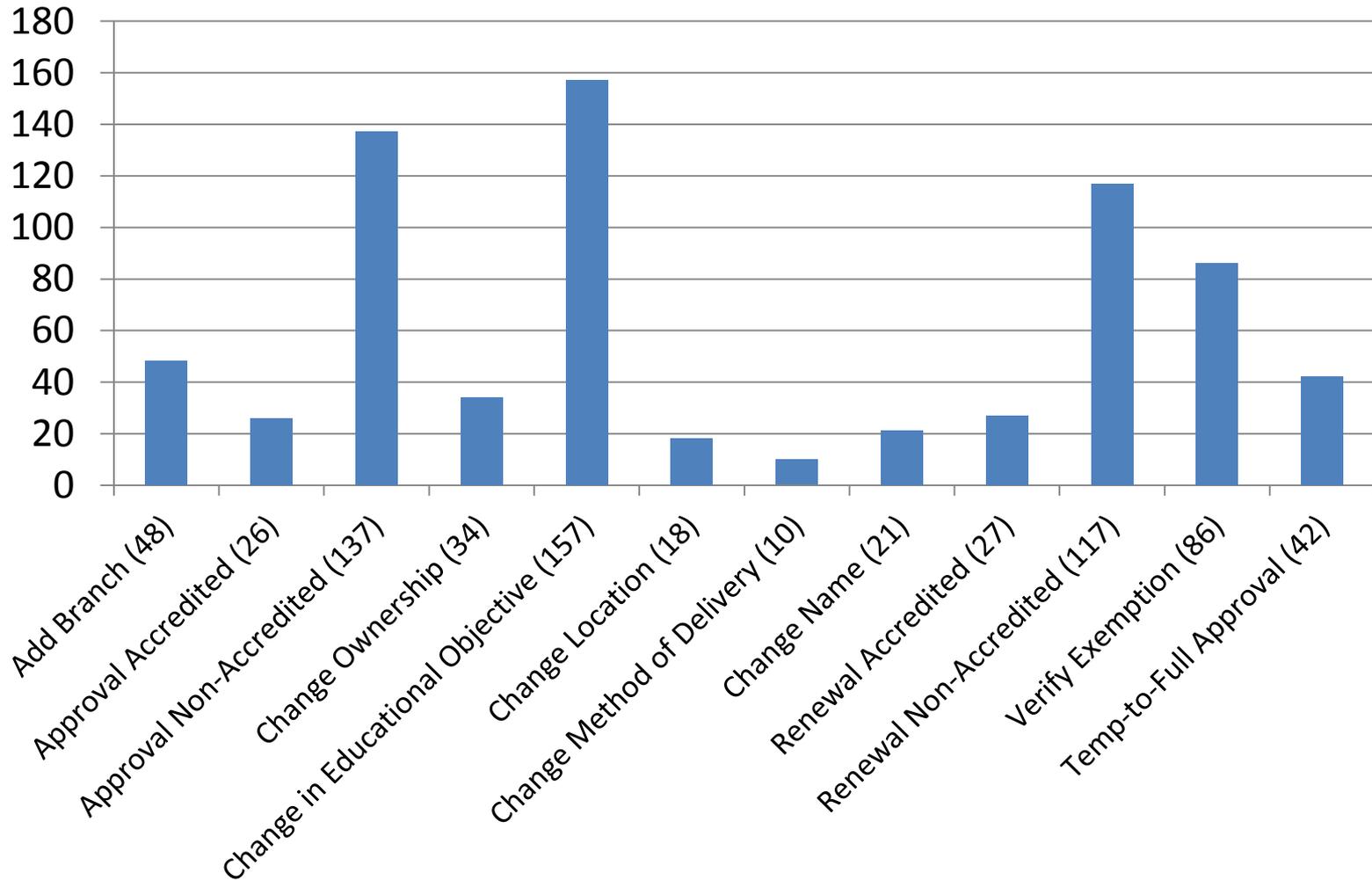
Invoice Records

The Bureau retains copies of invoices mailed to institutions.

CAPPS Annual Conference Questions & Answers

Licensing Unit

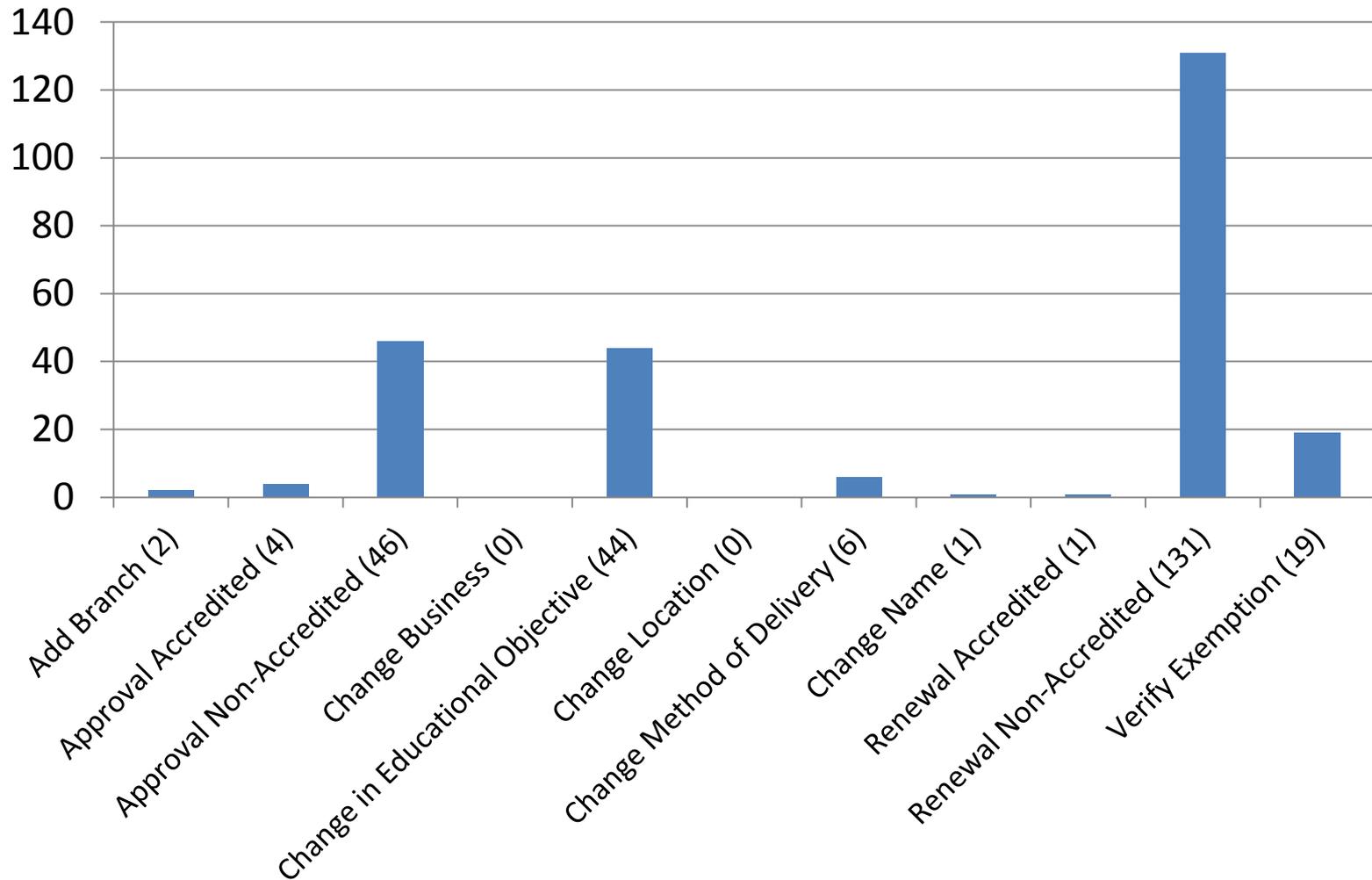
723 Applications Under Review



CAPPS Annual Conference Questions & Answers

Licensing Unit

254 Applications Pending Assignment



CAPPS Annual Conference

Questions & Answers

Program Approval by Another Government Agency

CAPPS QUESTION

What is the protocol for obtaining Bureau approval to add a program approved by another government agency? What if the other government agency wants verification of Bureau approval prior to approving the program?

BUREAU RESPONSE

The Bureau will issue an “intent to approve” letter.

LAW/REGULATION

94892. Approval By Other Government Agency

If an agency of this state other than the bureau or of the federal government provides an approval to offer an educational program and the institution already has a valid approval to operate issued by the bureau, that agency's educational program approval may satisfy the requirements of this article without any further review by the bureau. The bureau may incorporate that educational program into the institution's approval to operate when the bureau receives documentation signifying the conferral of the educational program approval by that agency.

94899. Approval Required for Programs Leading to Licensure

If an institution offers an educational program in a profession, occupation, trade, or career field that requires licensure in this state, the institution shall have an educational program approval from the appropriate state licensing agency to conduct that educational program in order that a student who completes the educational program, except as provided in Section 94905, is eligible to sit for any required licensure examination.

CAPPS Annual Conference

Questions & Answers

Exemptions

CAPPS QUESTION

If an existing school has a new LLC under the parent company offering only courses less than \$2500, is the new LLC school exempt?

BUREAU RESPONSE

More information is required.

LAW/REGULATION

94874. Categories of Exempt Institutions

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

94874.7. Verification of Exemption

The bureau shall establish, by regulation, a process pursuant to which an institution that is exempt from this chapter may request, and obtain, from the bureau verification that the institution is exempt. The bureau shall establish a reasonable fee to reimburse the bureau's costs associated with the implementation of this section.

CAPPS Annual Conference

Questions & Answers

Substantive Changes for Accredited Institutions

CAPPS QUESTION

How does an institution approved to operate by means of accreditation obtain Bureau approval of new programs?

BUREAU RESPONSE

The institution must complete the Application for Change In Educational Objectives. The application provides specific instructions for an institution approved by means of accreditation.

LAW/REGULATION

94896. Substantive Change for Accredited Schools

(a) An institution that has been granted an approval to operate by means of accreditation shall only make a substantive change in accordance with the institution's accreditation standards.

(b) The institution shall notify the bureau of the substantive change on a form provided by the bureau.

CAPPS Annual Conference

Questions & Answers

Continuing Education & STRF

CAPPS QUESTION

The Bureau does not recognize continuing education courses in their approval documents. Is STRF still applicable to continuing education courses?

BUREAU RESPONSE

Unless an institution is exempt, the institution is required to obtain Bureau approval for all educational programs. STRF is applicable.

LAW/REGULATION

94837. Educational Program

"Educational program" means a planned sequence composed of a single course or module, or set of related courses or modules, that provides the education, training, skills, and experience leading to the award of a recognized educational credential such as a degree or diploma.

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Questions & Answers

Licensing Provisional Approvals

CAPPS QUESTION

Are provisional approvals for initial applicants only?

BUREAU RESPONSE

No. Provisional approvals are issued when deemed appropriate by the Bureau.

LAW/REGULATION

71400. Processing of Completed Applications.

(d) ...When specific minor deficiencies are identified during processing but the institution is substantially in compliance with the requirements of the Code and this Division, a provisional or conditional authorization to operate may be granted for a period not to exceed six (6) months, to permit the institution to correct those deficiencies identified. If those deficiencies are not corrected after the first period of provisional approval, or the condition upon which an approval may be granted is not satisfied, the provisional or conditional authorization to operate may be extended for a period not to exceed six (6) months if the program demonstrates to the Bureau a good faith effort and ability to correct the deficiencies. A provisional or conditional authorization to operate shall expire at the end of its stated period and the application shall be deemed denied, unless the deficiencies are removed prior to its expiration and an approval to operate has been granted before that date.

CAPPS Annual Conference

Questions & Answers

Electronic Signatures

CAPPS QUESTION

Does the Bureau recognize the use of electronic signatures?

BUREAU RESPONSE

The bureau requires original signatures on all licensing applications.

The bureau does allow for the use of electronic student signatures on enrollment agreements.

Transcripts and Admission Requirements

CAPPS QUESTIONS

Can an institution withhold transcripts from a student if the student has not met their financial obligations to the institution?

Can an institution implement an admissions requirement that prohibits the admission of individuals with DUI or felony convictions?

BUREAU RESPONSE

The Bureau's statutes and regulations do not speak to these issues.

CAPPS Annual Conference Questions & Answers

Maintenance of Records

CAPPS QUESTION

Is an institution required to maintain a second set of all academic and financial records for the past 5 years if the files are secured in fire resistant cabinets.

BUREAU RESPONSE

Not if the records are maintained in a secure manner, protected from damage or loss.

LAW/REGULATION

71930. Maintenance of Records.

(d) The institution shall maintain a second set of all academic and financial records required by the Act and this chapter at a different location unless the original records, including records stored pursuant to subdivision (b) of this section, are maintained in a manner secure from damage or loss. An acceptable manner of storage under this subsection would include fire resistant cabinets.

CAPPS Annual Conference

Questions & Answers

School Performance Fact Sheet

CAPPS QUESTION

Is an institution required to disclose both the Labor Market Information occupational salary data and the salary for its graduates?

BUREAU RESPONSE

Yes, if the institutions makes claims regarding salary. AB 2296 (Block) Chapter 585, Statutes of 2012 makes several changes to this provision.

CAPPS QUESTION

Is an institution required to report campus-based or aggregated institutional data?

BUREAU RESPONSE

In the School Performance Fact Sheet, an institution is required to report completion data for each campus or branch of the institution. In the Annual Report, the data is to be aggregated.

LAW/REGULATION

94910. Minimum Requirements for School Performance Fact Sheet

(d) (1) Salary or wage information, as calculated pursuant to Article 16 (commencing with Section 94928), if the institution or a representative of the institution makes any express or implied claim about the salary that may be earned after completing the educational program.

94928. Definitions

As used in this article, the following terms have the following meanings:

(c) "Graduates" means the number of students who complete a program within 100 percent of the published program length. An institution may separately state completion information for students completing the program within 150 percent of the original contracted time, but that information may not replace completion information for students completing within the original scheduled time. Completion information shall be separately stated for each campus or branch of the institution.

CAPPS Annual Conference

Questions & Answers

Enrollment Agreement

CAPPS QUESTION

Is the “period of enrollment” on the enrollment agreement the start date and the scheduled end date of a program?

BUREAU RESPONSE

The period covered by the enrollment agreement should be the specific dates for the current period of enrollment.

School Catalog

CAPPS QUESTION

Are schools required to report “negatives” in the school catalog?

BUREAU RESPONSE

The Bureau is looking for a description of policies and programs in the catalog. A description is not necessarily required to include a negative.

CAPPS Annual Conference

Questions & Answers

Alternative Refunds

CAPPS QUESTION

How does an institution address refund policies for short-term programs. For example, under the current required policy, a student could cancel after completing a one-day course and receive a full refund?

BUREAU RESPONSE

An institution offering an educational program for which the refund calculations set forth in statute cannot be utilized should request, in writing, Bureau approval for an alternative method of calculating tuition refunds.

Student Records

CAPPS QUESTION

Is a student attestation of a high school diploma acceptable or is the school required to maintain a copy of the actual diploma or GED?

LAW/REGULATION

71920. Student Records.

(b)(1) Written records and transcripts of any formal education or training, testing, or experience that are relevant to the student's qualifications for admission to the institution or the institution's award of credit or acceptance of transfer credits including the following:

(A) Verification of high school completion or equivalency or other documentation establishing the student's ability to do college level work, such as successful completion of an ability-to-benefit test;