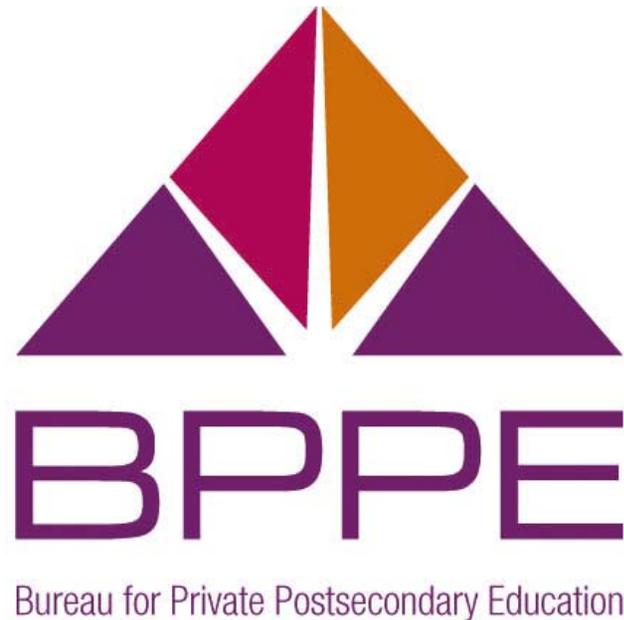


California Department of Consumer Affairs
Bureau for Private Postsecondary Education

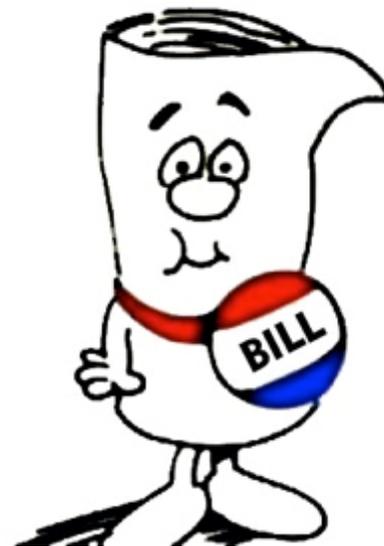


Presentation by: Laura Metune, Bureau Chief
September 19, 2012, Regional Meeting
Distance Education and Training Council

Private Postsecondary Education Act of 2009

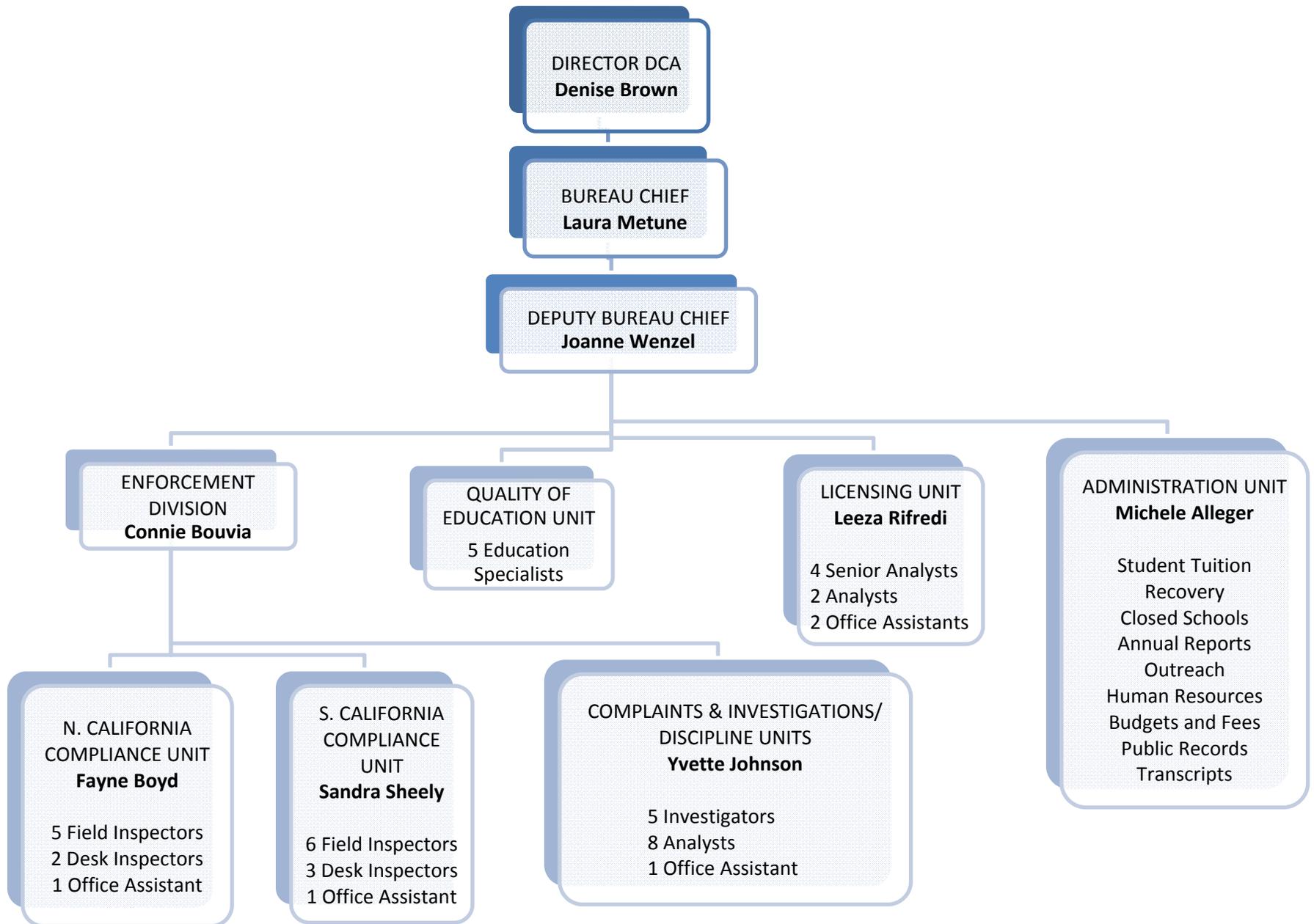
AB 48 (Portantino) Chapter 310, Statutes of 2009

- ❖ Licensing of private institutions
- ❖ Ongoing compliance through regular inspections
- ❖ Meaningful student protections through complaints investigations
- ❖ Ongoing 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.”

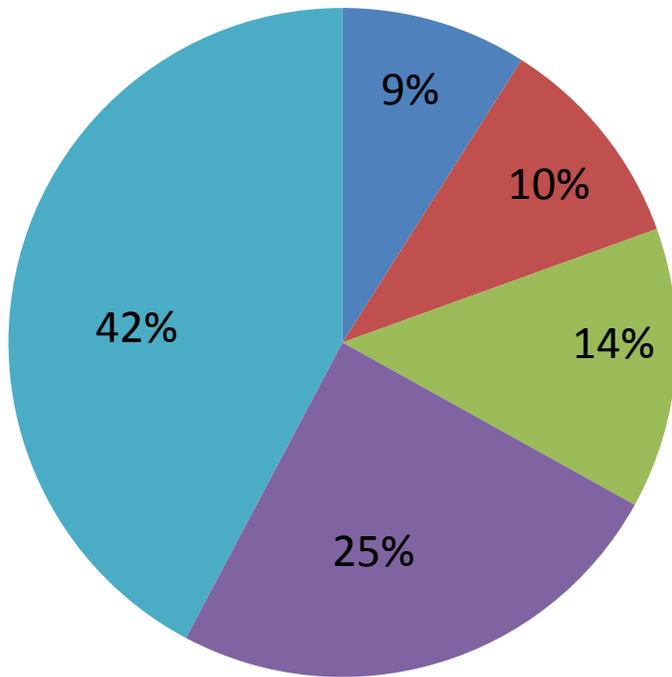
BUREAU ORGANIZATIONAL STRUCTURE



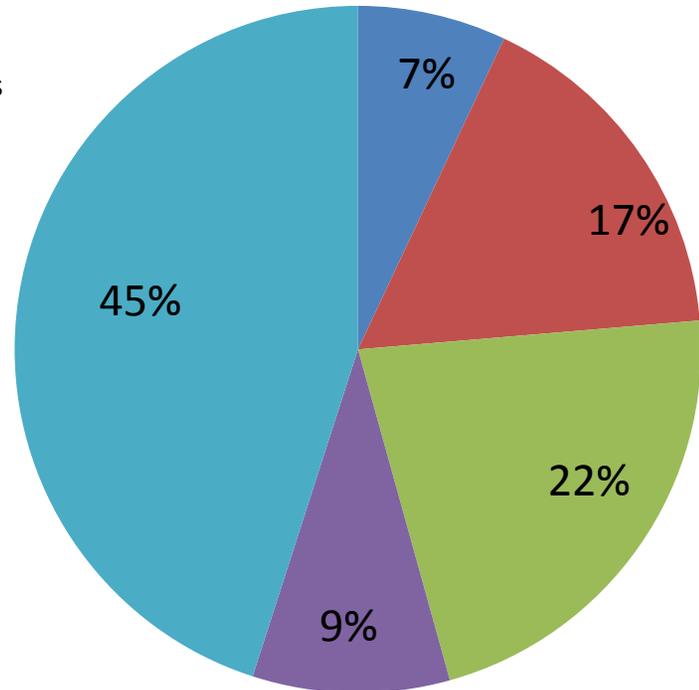
BUREAU LICENSING UNIT

Licensing Population as of June 30, 2012

1,235 Main Locations
287 Branch Locations
354 Satellite Locations



**Licensing Applications Received:
1,134**



**Licensing Applications Approved: 1,099
(July 1, 2011 to June 30, 2012)**

■ Approval: Non-Accredited
 ■ Approval: Accredited
 ■ Exempt Verification
 ■ Renewal Applications
 ■ Substantive Change

Licensure Requirements - Distance Education

Minimum Standards for Licensure

Program Approval:

- ❖ Institutions must have Bureau approval to offer programs through distance education (5 C.C.R. §71210(c)(5)).
- ❖ If seeking approval by means of accreditation the current verification of accreditation must list the program approved for distance education (5 C.C.R. §71390(b); 5 C.C.R. §71600(c)).

Instruction:

- ❖ Ensure program is appropriate for distance education;
- ❖ Assess students to ensure they have the potential to be successful in a distance setting;
- ❖ Provide meaningful interaction with qualified faculty;
- ❖ Maintain clear standards for satisfactory academic progress;
- ❖ Ensure timely student evaluations and maintain records of projects received and responses to students (5 C.C.R. §71715(d), §71720).

Specific Requirements:

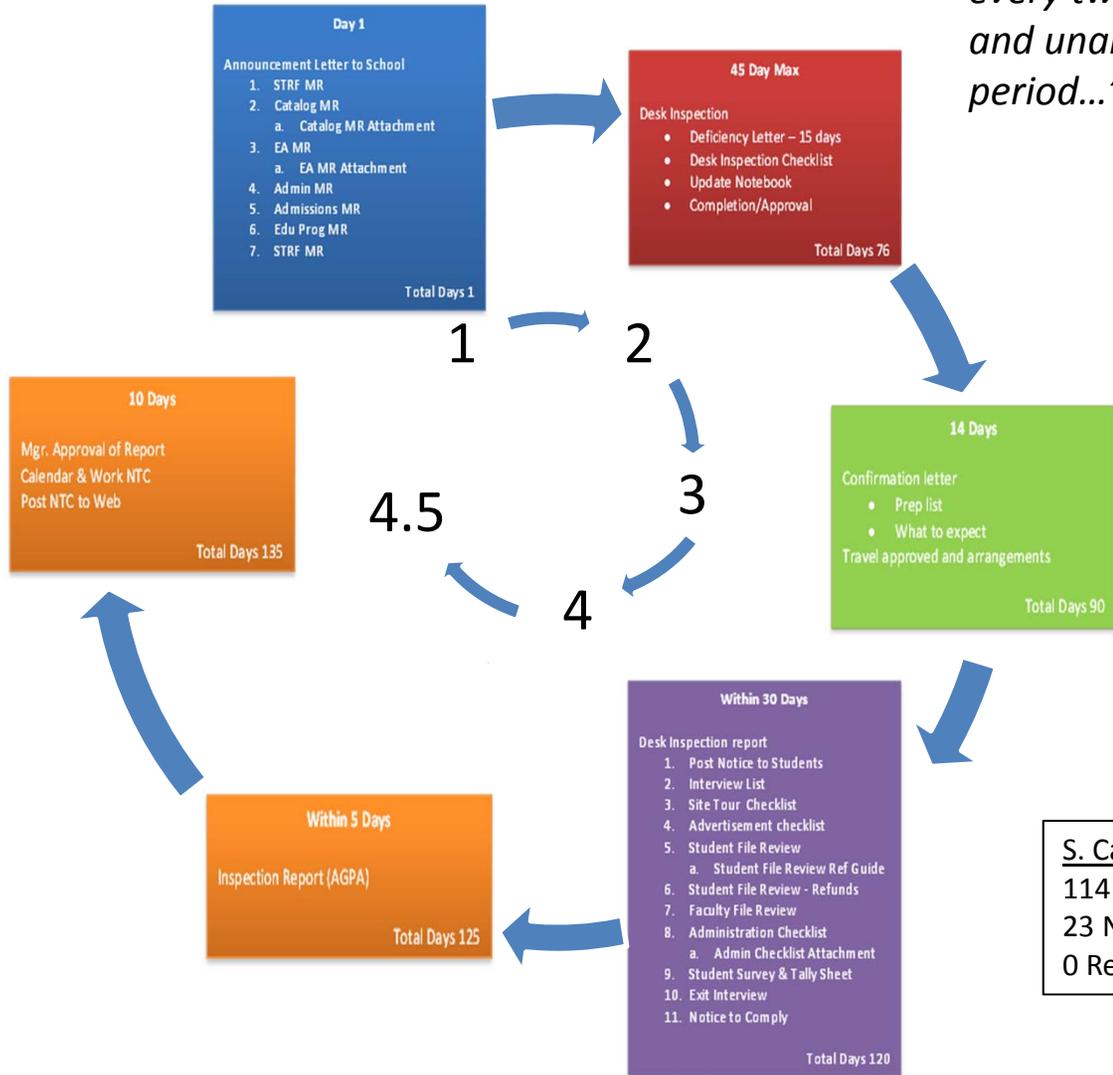
- ❖ Transmit the first lesson and materials to the student within seven days after accepting the student for admission (5 C.C.R. §71716(a)).
- ❖ Ensure compliance with student right to cancel and refund policies (5 C.C.R. §71716(b), 71750).
- ❖ Transmit all lessons and other materials as required (5 C.C.R. §71716(c)).
- ❖ Include required disclosures on the enrollment agreement (5 C.C.R. §71716(d); 5 C.C.R. §71800).

BUREAU ENFORCEMENT DIVISION

Compliance Unit

"...the bureau shall perform announced and unannounced inspections of institutions at least every two years...an equal number of announced and unannounced inspections for each two-year period..."

California Education Code §94932.5



"...the first inspection of an institution...shall be an announced inspection."

5 C.C.R. §75200

N. California Compliance
146 Inspections Completed
46 NTCs Issued
8 Referrals to Enforcement

S. California Compliance
114 Inspections Completed
23 NTCs Issued
0 Referrals to Enforcement

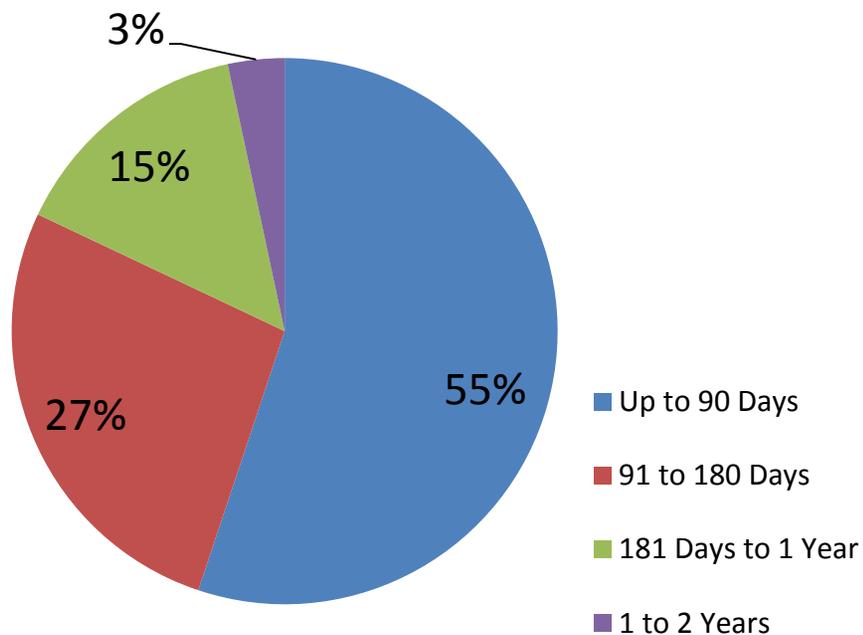
BUREAU ENFORCEMENT DIVISION

Complaint Investigations Unit

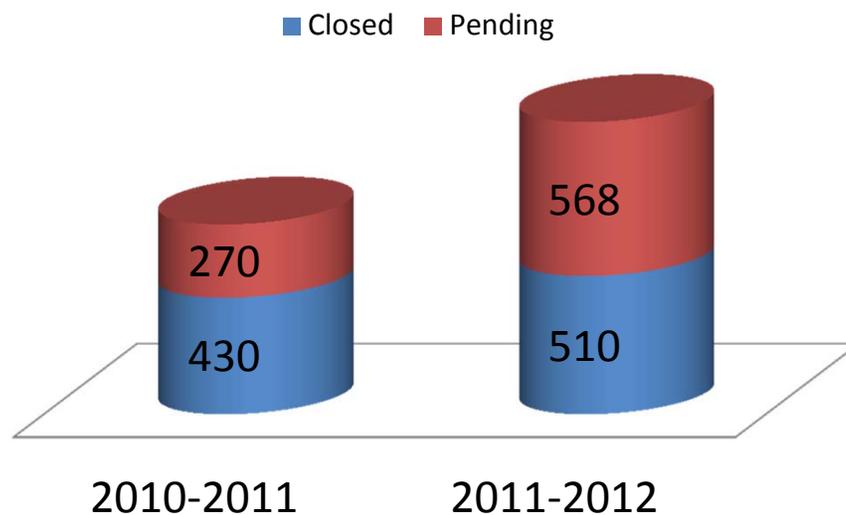
"It is the intent of the Legislature in enacting this chapter to ensure...meaningful student protections through essential avenues for recourse for students."

-California Education Code §94801

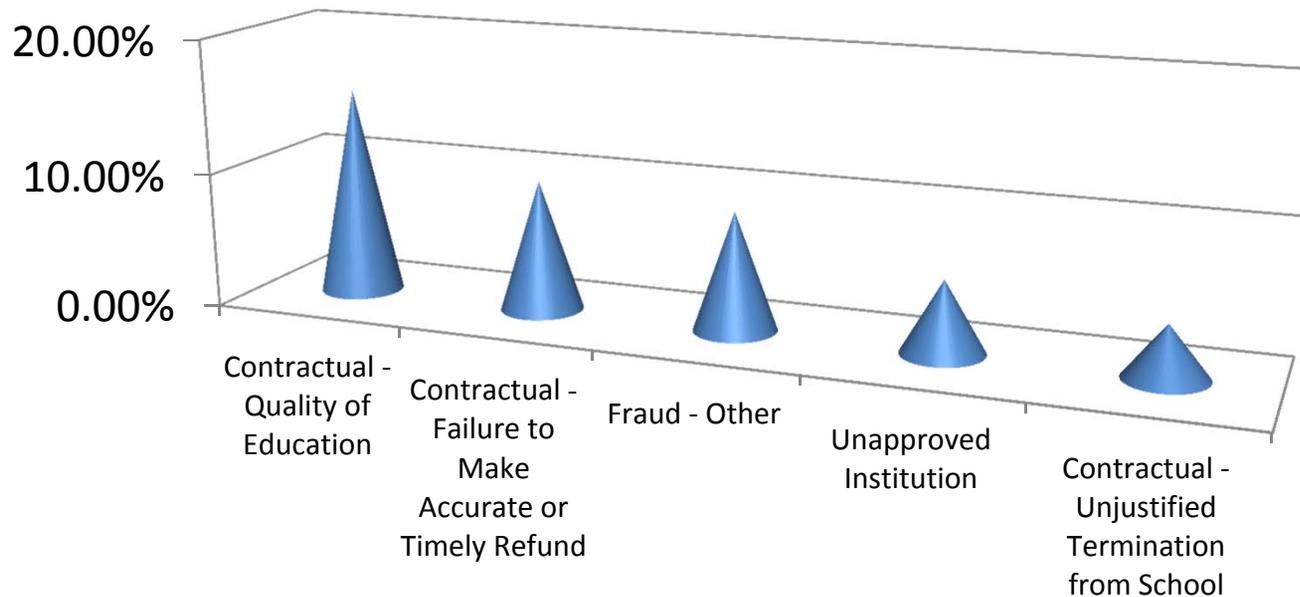
Number of Days to Complete Complaint Investigation



Complaint Intake



Top 5 Complaint Allegations



Contractual–Quality of Education: Student has signed a contract with the school to provide an education. The student feels the education received does not meet their needs or has not prepared them to take and pass examinations necessary to work in the field of study. This may also include unqualified instructors, lack of resources and equipment and the instruction not provided in the language processed.

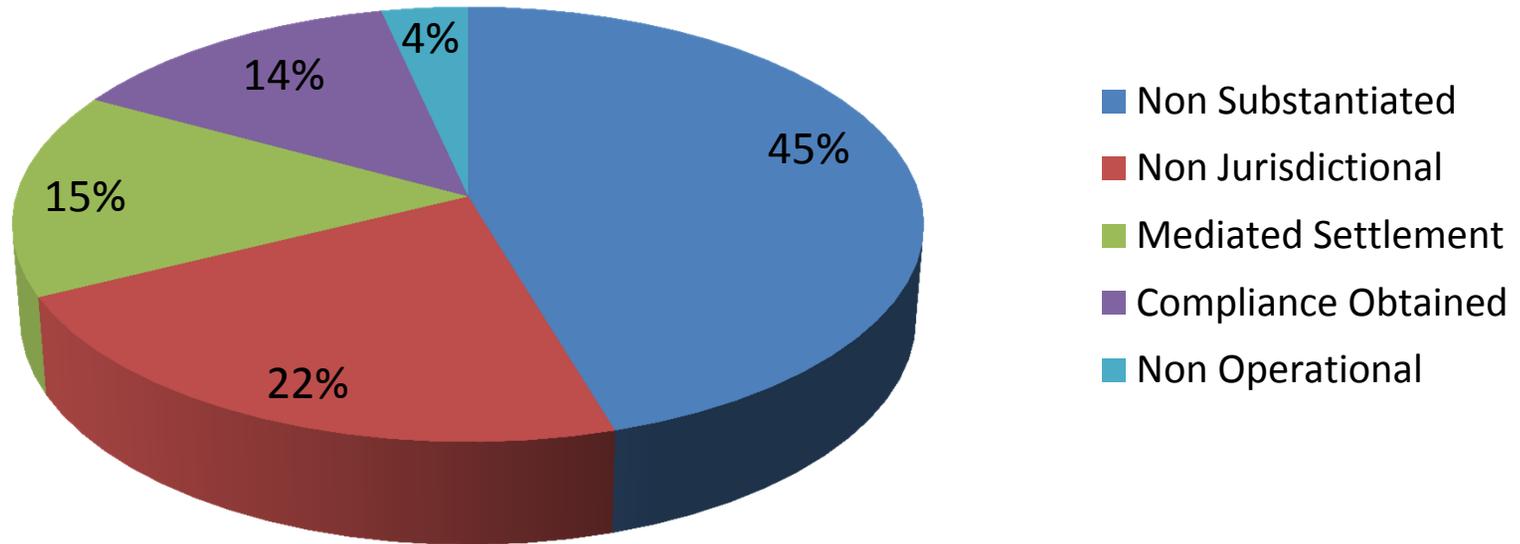
Contractual-Failure to Make Accurate or Timely Refunds: Article 13 of the Private Postsecondary Education Act establishes requirements for cancellations, withdrawals, and refunds to students.

Fraud-Other: This category is a “catch-all” and includes misrepresentation of the institution’s status (i.e. accreditation), promises of employment or salary, bait and switch, school not offering classes student signed up for, etc.

Unapproved Institution: Allegations of an institution operating without an approval to operate issued by the Bureau. Also known as unlicensed activity.

Contractual-Unjustified Termination from School: California Education Code section 94909 requires the school catalog to contain specific information regarding probation and dismissal policies.

Top 5 Reasons for Complaint Closure (Complaint Closure Prior to Bureau Disciplinary Action)



Non-Substantiated/Unsubstantiated: Evidence obtained during the investigation does not support the alleged violations.

Non-Jurisdictional: School or alleged violation does not fall under the jurisdiction of the Bureau.

Mediated Settlement: No confirmed violation, but the school and the student were able to mediate the issue to the satisfaction of the student.

Compliance Obtained: Minor violation confirmed, with no student harm and the school made the necessary correction.

Non-operational: School is closed; no longer operating.

BUREAU ENFORCEMENT DIVISION

Discipline Unit

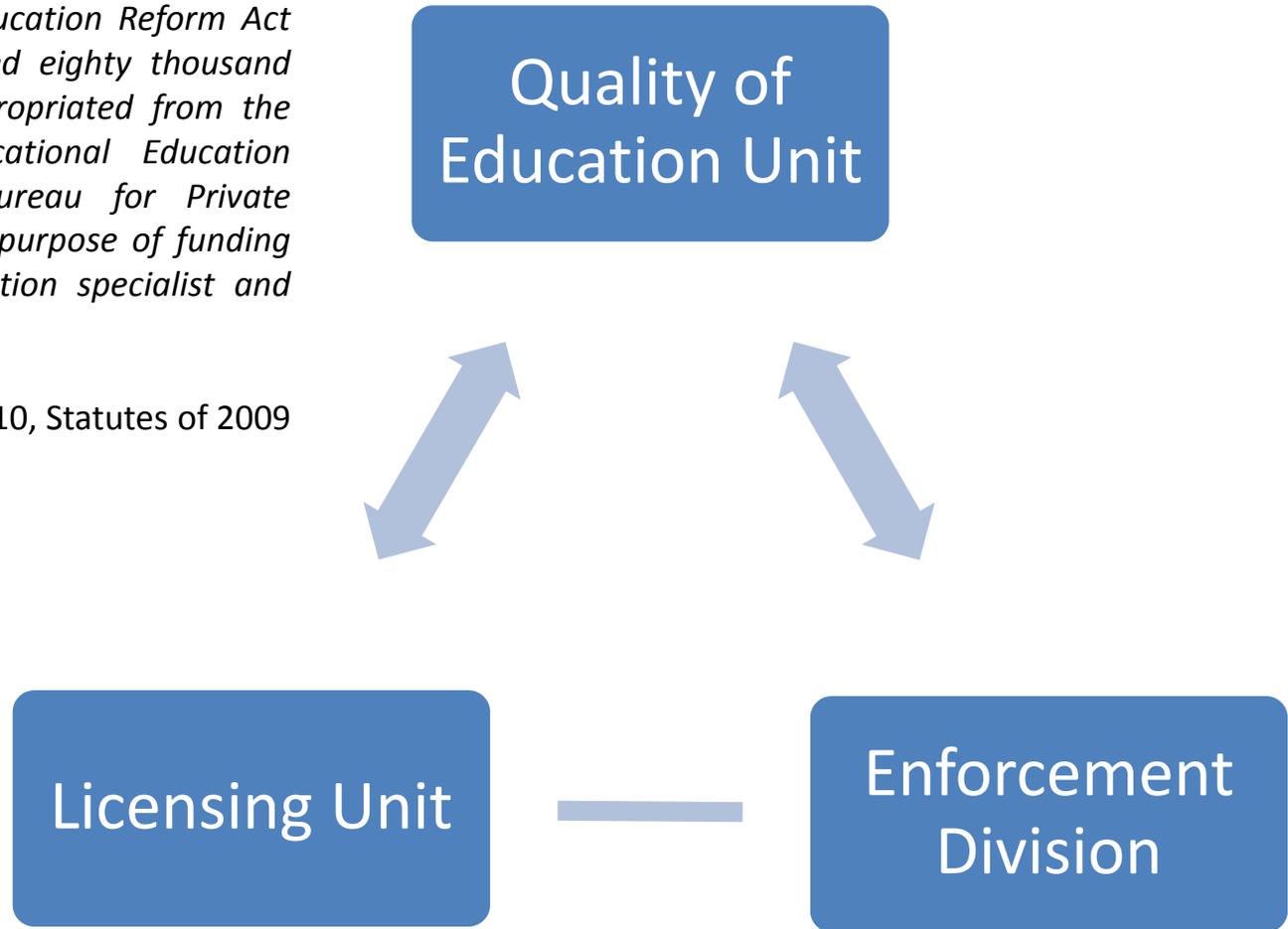


- ❖ Issue citations containing orders of abatement or administrative fines of up to \$5,000 per violation of law (CEC §94936).
- ❖ Place an institution on probation or suspend or revoke an approval to operate (CEC §94937).
- ❖ Make emergency decisions to protect students, to prevent fraud, or to prevent loss of public or student funds (CEC §94938).
- ❖ Bring actions of equitable relief that may include restitution, a temporary restraining order, the appointment of a receiver, and a preliminary or permanent injunction (CEC §94939).
- ❖ Issue a \$50,000 citation for operating an institution without an approval to operate (CEC §94944).

Quality of Education

“Notwithstanding any other provision of law, and notwithstanding the repeal of the former Private Postsecondary and Vocational Education Reform Act of 1989, the sum of five hundred eighty thousand dollars (\$580,000) is hereby appropriated from the Private Postsecondary and Vocational Education Administration Fund to the Bureau for Private Postsecondary Education, for the purpose of funding five private postsecondary education specialist and senior specialist positions...”

- Section 8 of AB 48, Chapter 310, Statutes of 2009



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

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