

Bureau for Private Postsecondary Education - Transition Plan

Scope of Authority

The California Private Postsecondary Education Act of 2009 (Act) created a Bureau for Private Postsecondary Education (Bureau) within the Department of Consumer Affairs (DCA) to regulate private postsecondary educational institutions operating within California. On January 1, 2010, the Bureau became operational.

In exercising its powers, and performing its duties, the Act states that protection of the public shall be the Bureau's highest priority. The Bureau has authority to approve and deny applications for approval to operate a private postsecondary institution in California. The Bureau shall also verify an institution's compliance with applicable laws and regulations, investigate student and consumer complaints against institutions, investigate activities of unlicensed institutions, and discipline institutions when their operations are found to be in violation of the Act and regulations. Further, the Bureau shall manage the Student Tuition Recovery Fund (STRF) to assist students harmed by an institution's closure prior to completion of their educational program.

Commencing Operations

The FY 2010-11 Governor's Budget proposed 71.0 positions and \$8.7 million and the California State Legislature's Budget Conference Committee has approved 63.0 permanent positions and \$8.0 million for the Bureau. The legislatively approved positions include 36 enforcement/compliance positions and 22 licensing/Student Tuition Recovery Fund/Administration positions. Final approval of the Bureau's FY 2010-11 budget is pending final Legislative and Governor approval.

The FY 2010-11 Bureau hiring plan calls for field staff in southern California and the San Francisco Bay Area in addition to its headquarters location in Sacramento. The field staff will consist primarily of compliance inspectors and education specialists responsible for verification of compliance with applicable laws and regulations.

Advisory Committee

The Bureau established an advisory committee to seek input on regulations and to advise on matters related to private postsecondary education and the administration of the law, as required by the Act. As of July 1, 2010 the Bureau held two advisory committee meetings. A list of committee members, meeting agendas, and meeting minutes is available on the Bureau's web site.

Regulations

On February 1, 2010 emergency regulations to implement the Act were adopted. The regulations are available at this link: http://www.bppe.ca.gov/lawsregs/unofficial_language.pdf. The emergency

regulations included applications for approval to operate, operating standards for approved institutions and STRF procedures. The Bureau is currently in the process of adopting the emergency regulations as permanent.

In addition to the emergency regulations, two additional regulation packages are anticipated to be proposed in the near future. One package would establish compliance and discipline procedures, and the other would clarify other provisions of the Act. All regulation packages being promulgated at this time are expected to be adopted by January 1, 2011. To receive more information on the proposed regulations visit the Bureau's website and/or sign up for e-mail updates at this link:

<https://www.dca.ca.gov/webapps/bppe/subscribe.php>

Transition of Approved Institutions

In January, 2010 the Bureau mailed letters to all institutions identified in the database of the former Bureau for Private Postsecondary and Vocational Education as open and not exempt. The letters informed the institutions that their approval had been extended under the new Act, and provided information on the transition provisions and exemptions from the Act. Letters also were mailed to institutions identified as previously exempt from oversight that may be regulated under the Act.

The Act provides institutions that held valid approvals under the former Bureau must operate in compliance with the new Act and regulations. Institutions that were not previously approved by the former Bureau may continue to operate as long as they maintain compliance with the Act and regulations and submit an application for approval to operate to the Bureau by August 1, 2010. In addition, an institution claiming exemption is not required to submit an application for verification of exemption, but may if they choose. The Act does not set a timeframe for processing these applications.

Student and Consumer Complaints

Complaints against private postsecondary institutions addressed to the Bureau are currently being processed by the DCA complaint resolution unit. This task will move to the Bureau upon hiring of appropriate staff. There are approximately 140 complaints being processed as of July 1, 2010.

Complaints submitted to the former Bureau that were not closed prior to June 30, 2007, will be processed by the Bureau's complaint unit once that unit is established.

Administrative Actions

Administrative actions initiated but not completed, by the former Bureau will be reviewed by the disciplinary unit of the Bureau once that unit is established.

Applications

Institutions with applications pending on June 30, 2007 and institutions with "Temporary Approvals" as of June 30, 2007 are being contacted and asked to provide current information to the Bureau in order to

have an updated application on file. Review of pending applications or files of institutions with “Temporary Approval” will not commence without updated documents.

Applications received since February 1, 2010 are being processed in the order in which they were received. As of July 1, 2010 there were approximately 450 applications pending processing.

Student Tuition Recovery Fund

The Bureau has invoiced institutions included in the database for the first quarter 2010 Student Tuition Recovery Fund payments. Institutions operating legally but without an approval to operate, or other institutions that do not receive an invoice because they are not yet in the Bureau’s database, are asked to submit the collected Student Tuition Recovery Fund fees on an invoice available on the Bureau’s website. The invoice is available at this link: http://www.bppe.ca.gov/forms_pubs/strf_assessment.pdf

Applications for payments from the Student Tuition Recovery Fund are being accepted and processed. Those applications are available online at this link: <http://www.bppe.ca.gov/applications/strf.pdf>

Compliance Inspections

Compliance inspections will begin once the unit has been established.

Annual Report

The first annual report will be due in July, 2011.