1	KAMALA D. HARRIS						
2	Attorney General of California DIANN SOKOLOFF Supervision Departs Attorney Consul						
3	Supervising Deputy Attorney General CARTER OTT						
4	Deputy Attorney General State Bar No. 221660						
5	1515 Clay Street, 20th Floor P.O. Box 70550						
6	Oakland, CA 94612-0550 Telephone: (510) 622-2219						
7	Facsimile: (510) 622-2270 E-mail: Carter.Ott@doj.ca.gov Attorneys for Complainant						
8		) F THE					
9	BEFORE THE DEPARTMENT OF CONSUMER AFFAIRS FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION						
10		CALIFORNIA					
11	·	I					
12	In the Matter of the Statement of Issues Against:	Case No. 999947					
13	MICRO-EASY VOCATIONAL						
14	INSTITUTE; KOLA ONAFOWODE, OWNER	STATEMENT OF ISSUES					
15	Institution Code No. 0703041	·					
16	Respondent.						
17							
18	Complainant alleges:						
19	<del></del>	<u>TIES</u>					
20		s this Statement of Issues solely in her official					
21	capacity as the Chief of the Bureau for Private Po	ostsecondary Education, Department of					
22	Consumer Affairs,						
23	2. On or about January 11, 2012, the B	ureau for Private Postsecondary Education					
24	(Bureau) received an Application for Renewal of	f Approval to Operate an Institution Non-					
25	Accredited from Micro-Easy Vocational Institute	e, Kola Onafowode, Owner (Respondent).					
26	3. On or about August 20, 2013 and Oc	tober 18, 2013, the Bureau issued to Respondent					
27	letters explaining the deficiencies in its application	on. On or about August 4, 2014, the Bureau					
28	received a response from Respondent.						
	i						

amendment version of the Act.

•	(1) The institution	or its educational	programs	are endorsed o	or recommend	ed by th
state or by th	ne bureau.				•	

"(2) The approval to operate indicates that the institution exceeds minimum state standards as set forth in this chapter.

- 9. Code section 94899.5 states:
- "(a) Institutions that offer short-term programs designed to be completed in one term or four months, whichever is less, may require payment of all tuition and fees on the first day of instruction.
- "(b) For those programs designed to be four months or longer, an institution shall not require more than one term or four months of advance payment of tuition at a time. When 50 percent of the program has been offered, the institution may require full payment.
- "(c) The limitations in this section shall not apply to any funds received by an institution through federal and state student financial aid grant and loan programs, or through any other federal or state programs.
- "(d) An institution that provides private institutional loan funding to a student shall ensure that the student is not obligated for indebtedness that exceeds the total charges for the current period of attendance.
- "(e) At the student's option, an institution may accept payment in full for tuition and fees, including any funds received through institutional loans, after the student has been accepted and enrolled and the date of the first class session is disclosed on the enrollment agreement."
  - 10. Code section 94900 states in part:

٠.

- "(b) An institution shall maintain, for each student granted a degree or certificate by that institution, permanent records of all of the following:
- "(1) The degree or certificate granted and the date on which that degree or certificate was granted.
  - "(2) The courses and units on which the certificate or degree was based.

"(3)	The	grades	earned	by	the	student	in	each	of	those	courses.	,

#### 11. Code section 94900.5 states in part:

"An institution shall maintain, for a period of not less than five years, at its principal place of business in this state, complete and accurate records of all of the following information:

"(a) The educational programs offered by the institution and the curriculum for each.

. . . . , , ,

#### 12. Code section 94908 states:

"Any information or statement required by this article to be included in the catalog, School Performance Fact Sheet, or enrollment agreement shall be printed in at least the same size font as the majority of the text in that document."

#### 13. Code section 94909 states in part:

"(a) Prior to enrollment, an institution shall provide a prospective student, either in writing or electronically, with a school catalog containing, at a minimum, all of the following:

. . .

- (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.
  - (7) Information regarding the faculty and their qualifications.
  - (8) A detailed description of institutional policies in the following areas:
- (A) Admissions policies, including the institution's policies regarding the acceptance of credits earned at other institutions or through challenge examinations and achievement tests, admissions requirements for ability-to-benefit students, and a list describing any transfer or articulation agreements between the institution and any other college or university

that provides for the transfer of credits earned in the program of instruction. If the institution has not entered into an articulation or transfer agreement with any other college or university, the institution shall disclose that fact.

(B) Cancellation, withdrawal, and refund policies, including an explanation that the student has the right to cancel the enrollment agreement and obtain a refund of charges paid through attendance at the first class session, or the seventh day after enrollment, whichever is later. The text shall also include a description of the procedures that a student is required to follow to cancel the enrollment agreement or withdraw from the institution and obtain a refund consistent with the requirements of Article 13 (commencing with Section 94919).

". . .

"(9) The schedule of total charges for a period of attendance and an estimated schedule of total charges for the entire educational program.

"(10) A statement reporting whether the institution participates in federal and state financial aid programs, and if so, all consumer information that is required to be disclosed to the student pursuant to the applicable federal and state financial aid programs.

"

"(15) The following statement:

### "NOTICE CONCERNING TRANSFERABILITY OF CREDITS AND CREDENTIALS EARNED AT OUR INSTITUTION

"The transferability of credits you earn at (name of institution) is at the complete discretion of an institution to which you may seek to transfer. Acceptance of the (degree, diploma, or certificate) you earn in (name of educational program) is also at the complete discretion of the institution to which you may seek to transfer. If the (credits or degree, diploma, or certificate) that you earn at this institution are not accepted at the institution to which you seek to transfer, you may be required to repeat some or all of your coursework at that institution. For this reason you should make certain that your attendance at this institution will meet your educational goals. This may include contacting an institution to which you may seek to transfer

1	after attending (name of institution) to determine if your (credits or degree, diploma or certificate)
2	will transfer."
3	,
4	14. Code section 94911 states in part:
5	"An enrollment agreement shall include, at a minimum, all of the following:
6	"···
7	(e)(1) A disclosure with a clear and conspicuous caption, "STUDENT'S RIGHT TO
8	CANCEL," under which it is explained that the student has the right to cancel the enrollment
9	agreement and obtain a refund of charges paid through attendance at the first class session, or the
10	seventh day after enrollment, whichever is later.
11	
12	"(h) The transferability disclosure that is required to be included in the school catalog, as
13	specified in paragraph (15) of subdivision (a) of Section 94909.
14	****
15,	15. Code section 94913 states in part:
16	"(a) An institution that maintains an Internet Web site shall provide on that Internet Web
١7	site all of the following:
18	"(1) The school catalog.
19	"(2) A School Performance Fact Sheet for each educational program offered by the
20	institution.
21	"(3) Student brochures offered by the institution.
22	"(4) A link to the bureau's Internet Web site.
23	"(5) The institution's most recent annual report submitted to the bureau.
24	***
25	REGULATORY PROVISIONS
26	16. California Code of Regulations, title 5, section 70000, subdivision (q)(1) states:
27	"(q) 'Mission' means an institution's stated educational reasons to exist. A mission
28	statement contains all of the following characteristics:
	1

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

. . . . ;;

17. California Code of Regulations, title 5, section 71475 states in part:

"

(c) The application for renewal of approval to operate and offer educational programs for non-accredited institutions shall include all of the following:

- (6) The form of business organization of the institution (e.g., sole proprietorship, general or limited partnership, for-profit corporation, nonprofit corporation, or Limited Liability Corporation). If the institution is incorporated, the institution shall also identify the state within which the institution is incorporated and the date of incorporation, and provide copies of the articles of incorporation and bylaws.
- (7) The name, title, address, email address, telephone number, nature of interest and percentage of ownership of each person, as defined in section 94855 of the Code, who owns or controls 25% or more of the stock or an interest in the institution and, to the extent applicable, each general partner, officer, corporate director, member of the board of directors, and any other person who exercises substantial control over the institution's management or policies. For the purpose of this paragraph, a person exercises "substantial control over the institution's management or policies" if the person has the authority to cause the institution to expend money or incur debt in the amount of five thousand dollars (\$5,000) or more in any year.

"

"(kk) An incomplete application filed under this section will render the institution ineligible for renewal."

27 || ////

28 || ////

18. California Code of Regulations, title 5, section 7	71485 st	ates:
--	----------	-------

"Failure of an institution to have made current payments of the assessments to the Student Tuition Recovery Fund as required by chapter 7 of this Division, and annual fees as required by chapter 5 of this Division shall render the institution ineligible for renewal."

19. California Code of Regulations, title 5, section 71700 states:

"The Bureau may request that an institution document compliance with the standards set forth in the Act and this Division to obtain and maintain an approval to operate."

- 20. California Code of Regulations, title 5, section 71750 states in part:
- "
- (c) A pro rata refund pursuant to section 94919(c) or 94920(d) or 94927 of the Code shall be no less than the total amount owed by the student for the portion of the educational program provided subtracted from the amount paid by the student, calculated as follows:

"

"(3) Except as provided herein, all amounts that the student has paid shall be subject to refund unless the enrollment agreement and the refund policy outlined in the catalog specify amounts paid for an application fee or deposit not more than \$250.00, books, supplies, or equipment, and specify whether and under what circumstances those amounts are non-refundable. Except when an institution provides a 100% refund pursuant to section 94919(d) or section 94920(b) of the Code, any assessment paid pursuant to section 94923 of the Code is non-refundable.

....\*

21. California Code of Regulations, title 5, section 71770 states in part:

"

"(b) The institution shall specify the maximum credit it will transfer from another institution for each educational program, and the basis upon which the transferred credit will be awarded.

"(1) Except as limited by subdivision (c) of this section, a maximum of 75 percent of
the units or credit that may be applied toward the award of a bachelor's degree may be derived
from a combination of any or both of the following:

"(A) Units earned at institutions approved by the Bureau, public or private institutions of higher learning accredited by an accrediting association recognized by the U. S. Department of Education, or any institution of higher learning, including foreign institutions, if the institution offering the undergraduate program documents that the institution of higher learning at which the units were earned offers degree programs equivalent to degree programs approved by the Bureau or accredited by an accrediting association recognized by the U.S. Department of Education;

"(B) Challenge examinations and standardized tests such as the College Level Placement Tests (CLEP) for specific academic disciplines.

"(2) No more than 20% of graduate semester units or the equivalent in other units awarded by another institution may be transferred for credit toward a Master's degree. An institution may accept transfer credits only from the institutions of higher learning described in subsection (1)(A).

"(3) No more than 30 graduate semester credits or its equivalent awarded by another institution may be credited toward a doctoral degree. This subdivision does not apply to graduate programs that lead to a profession or an occupation requiring state licensure where the licensing agency has a regulation permitting a different standard.

22. California Code of Regulations, title 5, section 71800 states in part:

"In addition to the requirements of section 94911 of the Code, an institution shall provide to each student an enrollment agreement that contains at the least the following information:

"(a) The name and address of the institution and the addresses where instruction will be provided.

27 || "...

|| ////

1	"(e) Itemization of all institutional charges and fees including, as applicable:
2	"(1) tuition;
3	"(2) registration fee (non-refundable);
4	"(3) equipment;
5	"(4) lab supplies or kits;
6	"(5) Textbooks, or other learning media;
7	"(6) uniforms or other special protective clothing;
8	"(7) in-resident housing;
9	"(8) tutoring;
10	"(9) assessment fees for transfer of credits;
11	"(10) fees to transfer credits;
12	"(11) Student Tuition Recovery Fund fee (non-refundable);
13	"(12) any other institutional charge or fee.
14	"(f) Charges paid to an entity other than an institution that is specifically required for
15	participation in the educational program."
16	23. California Code of Regulations, title 5, section 71810, subdivision (b) states in
17	part:
18	"(b) The catalog shall contain the information prescribed by Section 94909 of the Code and
19	all of the following:
20	···
21	"(7) The institution's policies and procedures for the award of credit for prior
22	experiential learning, including assessment policies and procedures, provisions for appeal, and all
23	charges that a student may be required to pay;
24	<b>"···</b>
25	"(10) A description of library and other learning resources and the procedures for
26	student access to those resources;
27	"(13) Housing information including all of the following:
28	<b>"</b>
- 1	

- 1	
	"(B) The availability of housing located reasonably near the institution's
	facilities and an estimation of the approximate cost or range of cost of the housing; and
	"(C) If the institution has no responsibility to find or assist a student in finding
	housing, a clear and conspicuous statement so indicating. A statement that the program is "non-
	residential" does not satisfy this subparagraph.
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
·	24. California Code of Regulations, title 5, section 71930, subdivision (b) states in
	part:
٠	"(b)(1) In addition to permanently retaining a transcript as required by section 94900(b) of
	the Code, the institution shall maintain for a period of 5 years the pertinent student records
	described in Section 71920 from the student's date of completion or withdrawal.
	25. California Code of Regulations, title 5, section 74000, subdivision (d) states:
	"(d) The Bureau shall deny a renewal of an approval to operate if the institution fails to
	submit at the time it files its application for renewal of an approval to operate: all unpaid fees;
	penalty fees; penalties; orders for reimbursement of costs and expenses; and assessments for, and
	reimbursement of all payments made to students from, the Student Tuition Recovery Fund."
	26. California Code of Regulations, title 5, section 76120 states in part:
	"(a) Each qualifying institution shall collect an assessment of fifty cents (\$.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 dollars (\$1,000) or less, the assessment is fifty
	cents (\$.50).
	,"
	27. California Code of Regulations, title 5, section 76215 states:
	"(a) A qualifying institution shall include the following statement on both its enrollment

agreement for an educational program and its current schedule of student charges:

'You must pay the state-imposed assessment for the Student Tuition Recovery Fund (STRF) if all of the following applies to you:

- '1. You are a student in an educational program, who is a California resident, or are enrolled in a residency program, and prepay all or part of your tuition either by cash, guaranteed student loans, or personal loans, and
- '2. Your total charges are not paid by any third-party payer such as an employer, government program or other payer unless you have a separate agreement to repay the third party.

'You are not eligible for protection from the STRF and you are not required to pay the STRF assessment, if either of the following applies:

- '1. You are not a California resident, or are not enrolled in a residency program, or
- '2. Your total charges are paid by a third party, such as an employer, government program or other payer, and you have no separate agreement to repay the third party."
- "(b) In addition to the statement described under subdivision (a) of this section, a qualifying institution shall include the following statement on its current schedule of student charges:

'The State of California created the Student Tuition Recovery Fund (STRF) to relieve or mitigate economic losses suffered by students in educational programs who are California residents, or are enrolled in a residency programs attending certain schools regulated by the Bureau for Private Postsecondary and Vocational Education.

'You may be eligible for STRF if you are a California resident or are enrolled in a residency program, prepaid tuition, paid the STRF assessment, and suffered an economic loss as a result of any of the following:

- '1. The school closed before the course of instruction was completed.
- '2. The school's failure to pay refunds or charges on behalf of a student to a third party for license fees or any other purpose, or to provide equipment or materials for which a charge was collected within 180 days before the closure of the school.
- '3. The school's failure to pay or reimburse loan proceeds under a federally guaranteed student loan program as required by law or to pay or reimburse proceeds received by the school prior to closure in excess of tuition and other costs.

- '4. There was a material failure to comply with the Act or this Division within 30 days before the school closed or, if the material failure began earlier than 30 days prior to closure, the period determined by the Bureau.
- '5. An inability after diligent efforts to prosecute, prove, and collect on a judgment against the institution for a violation of the Act.'

"However, no claim can be paid to any student without a social security number or a taxpayer identification number."

#### **CAUSES FOR DENIAL OF APPLICATION**

#### FIRST CAUSE FOR DENIAL OF APPLICATION

(Noncompliance with Minimum Operating Standards – Incomplete Application) (Educ. Code § 94891, subd. (b); Cal. Code Regs., title 5, § 71475, subds. (c)(6), (c)(7), and (kk))

- 28. Respondent's application is subject to denial because it fails to include the corporate information and documents as required by law. Respondent has therefore failed to provide evidence that it has the capacity to meet the minimum operating standards. In particular:
- a. Respondent failed to provide its corporation bylaws evidencing that they were adopted. (Educ. Code § 94891, subd. (b); Cal. Code Regs., title 5, § 71475, subds. (c)(6) and (kk)). The copy Respondent submitted of its resolution to adopt the articles of incorporation and bylaws was not signed.
- b. Respondent failed to provide the nature of interest of Respondent's owner on the application. (Educ. Code § 94891, subd. (b); Cal. Code Regs., title 5, § 71475, subds. (c)(7) and (kk)).

### SECOND CAUSE FOR DENIAL OF APPLICATION

(Noncompliance with Minimum Operating Standards – Exemplars of Student Agreements) (Educ. Code §§ 94891, subd. (b); 94899.5; 94908; 94909, subd. (a)(15); 94911, subds. (e)(1) and (h); and Cal. Code Regs., title 5, §§ 71800, subds. (a), (e), and (f), and 76215, subds. (a) and (b))

29. Respondent's application is subject to denial because it fails to include exemplars of student agreements as required by law. Respondent has therefore failed to provide evidence that it has the capacity to meet the minimum operating standards. In particular:

- a. Respondent failed to specify in the enrollment agreement the address(es) where instruction will be provided. (Educ. Code § 94891, subd. (b); Cal. Code Regs., title 5, § 71800, subd. (a)).
- b. Respondent failed to specify in the enrollment agreement an accurate listing of institutional charges. (Educ. Code § 94891, subd. (b); Cal. Code Regs., title 5, § 71800, subs. (e) and (f)). In Respondent's enrollment agreement checklist the following are listed as not applicable: equipment, lab supplies or kits, uniforms or other special protective clothing, inresident housing, tutoring, assessment fees for transfer of credits, fees to transfer credits, any other institutional charge or fee, and charges paid to an entity other than an institution that is specifically required for participation in the education program. In the enrollment agreement, these items appear to need completion by an admissions officer. This indicates that a fee is needed for each item.
- c. Respondent failed to provide in the enrollment agreement a clear and conspicuous caption reading, "STUDENT'S RIGHT TO CANCEL," under which it is explained that the student has the right to cancel and obtain a refund of charges paid through attendance at the first class session, or the seventh day after enrollment, whichever is later. (Educ. Code §§ 94891, subd. (b), and 94911, subd. (e)(1)). Specifically, on the bottom of page 1 of Respondent's enrollment agreement, the document states "Student's Right to Cancel." On the top of page 2, the document contains information regarding cancellation. But the caption is not conspicuous, and the information is not under the caption.
- d. Respondent failed to provide in the enrollment agreement the name of the educational program in the transferability disclosure. (Educ. Code §§ 94891, subd. (b); 94909, subd. (a)(15); and 94911, subd. (h)).
- e. Respondent failed to provide in the enrollment agreement specific required verbatim language related to the Student Tuition Recovery Fund (STRF). (Educ. Code § 94891, subd. (b); Cal. Code Regs., title 5, § 76215, subds. (a) and (b)).
- f. Respondent failed to set text in the enrollment agreement in at least the same size font as the majority of the text in that document. (Educ. Code §§ 94891, subd. (b), and

/////

/////

/////

/////

94908). Specifically, text on page 4 of the enrollment agreement, regarding late charges, is significantly smaller than other text on that page. This text relates to an institutional charge or fee listed in California Code of Regulations, title 5, section 71800(e)(12).

g. Respondent failed to provide in the enrollment agreement tuition policies that comply with the law. (Educ. Code §§ 94891, subd. (b), and 94899.5). Specifically, in the last page of the enrollment agreement, entitled "To Be Used Only If Student Has Been Placed On A Payment Plan," it states "Should default be made in any payment when due, the whole sum of principle and interest shall immediately become due and payable at the option of the holder of this Note." The brochure, used as advertising for Respondent, states, "Become a Certified Computer Professional in any of the courses below, in just 6 ½ months." If the program is longer than four months, Respondent cannot require the full payment amount. The enrollment agreement states that full payment will be required if partial payment is not received on time. This would not be compliant if the student missed a payment in the first two months.

THIRD CAUSE FOR DENIAL OF APPLICATION
(Noncompliance with Minimum Operating Standards – Advertising and Other Public Statements)
(Educ. Code §§ 94891, subd. (b), and 94897, sub. (l))

30. Respondent has failed to adhere to the prohibited business practices when it used the term "approved" without stating clearly and conspicuously that approval to operate means compliance with state standards as set forth in this chapter. (Educ. Code §§ 94891, subd. (b), and 94897, sub. (l)). Respondent has therefore failed to provide evidence that it has the capacity to meet the minimum operating standards. In particular, Respondent's advertising brochure states: "Courses approved by BPPE," without any additional clarification. In two additional portions, Respondent's advertising brochures state "PBBE (sic) approved School Code: 0703041," without the required disclaimer.

FOURTH CAUSE FOR DENIAL OF APPLICATION

(Noncompliance with Minimum Operating Standards – Catalog) (Educ. Code §§ 94838; 94891, subd. (b); 94900, subd. (b); and 94909, subds. (a)(5), (a)(6), (a)(7), (a)(8)(A), (a)(8)(B), (a)(9), and (a)(10); Cal. Code Regs., title 5, §§ 70000, subd. (q)(1); 71750, subd. (c)(3); 71770, subd. (b); 71810, subds. (b)(7), (b)(10), (b)(13)(B), and (b)(13)(C); 71930, subd. (b)(1); and 76120, subd. (a))

- 31. Respondent's application is subject to denial because it fails to include a student catalog as required by law. Respondent has therefore failed to provide evidence that it has the capacity to meet the minimum operating standards. In particular:
- a. The catalog does not contain a mission statement that covers all required aspects of the definition. (Educ. Code § 94891, subd. (b); Cal. Code Regs., title 5, § 70000, subd. (q)(1)). Specifically, the mission statement does not contain Respondent's broad expectations concerning the education that students will receive, including the fostering of values such as a commitment to pursue lifelong learning.
- b. The catalog fails to provide all consumer information that is required to be disclosed to the student pursuant to federal and state financial aid programs. (Educ. Code §§ 94891, subd. (b), and 94909, subd. (a)(10)). Specifically, the catalog states on page 1, "We provide computer training upon referral from Cal Works, Eastbay Works, Richmond Works, Veterans Administration, Vocational Rehabilitation and Work Investment Act (WIA) organizations, and other employment retraining agencies." But the catalog fails to provide consumer information for the Cal Works, Eastbay Works, Richmond Works, Veterans Administration, and WIA programs. In addition, the catalog states on page 2: "Micro-Easy Vocation Institute is not approved to participate in the Federal or State Student Aid programs."
- c. The catalog fails to provide all of the required housing information. (Educ. Code § 94891, subd. (b); Cal. Code Regs., title 5, § 71810, subd. (b)(13)(B)). Specifically, the catalog states, "Residential living in the areas served by Micro-Easy Vocational Institute may include room or apartment rental or private housing rental with costs varying \$550 upwards per month." On page 16, it states, "The available cost of housing located near the facility is unknown." This does not describe the availability of housing located reasonably near the institution's facilities.

- d. The catalog fails to provide all of the required housing information in the required manner. (Educ. Code § 94891, subd. (b); Cal. Code Regs., title 5, § 71810, subd. (b)(13)(C)). Specifically, the catalog states, "Micro-Easy Vocational Institute has no responsibility to find or assist a student in finding housing. Micro-Easy Vocational Institute does not provide housing assistance services to the students." A sentence later, the catalog states, "Student Services will help students with general information on the availability and cost range of community housing in the area around the campus." On page 16, the catalog states, "Micro-Easy Vocational Institute does not assist students in locating adequate housing near the campus." It is not clear what assistance, if any, Respondent will provide to students, and the statements are not clear and conspicuous in nature.
- e. The catalog fails to offer only approved programs. (Educ. Code §§ 94838 and 94891, subd. (b)). On page 5, the catalog states, "If you have graduated from a regionally accredited high school, you will be eligible for admission to SECURITY DEFENSE." Security Defense is not an approved program for the institution. "Educational program approval" means authorization by the Bureau, another government agency of this state, or a federal government agency, to provide educational programs, and is an element of an approval to operate.
- f. The catalog fails to offer clear policies and procedures for the award of credit for prior experiential learning, including assessment policies and procedures, provisions for appeal, and all charges that a student may be required to pay. (Educ. Code § 94891, subd. (b); Cal. Code Regs., title 5, § 71810, subd. (b)(7)). On page 2, the catalog reads, "Micro-Easy Vocational Institute does not recognize acquired life experience as a consideration for enrollment or granting credit towards any programs." On page 9, the catalog reads, "Micro-Easy Vocational Institute does not award credit for experiential learning." The Micro-Easy Vocation Institute Operational Manual, on page 39, states, "It should be noted that Micro-Easy Vocational Institute does not award credit for prior experiential learning and the Micro-Easy Vocational Institute does not offer financial aid to students." However, on page 6, the catalog states, "This institution will conduct an evaluation of any previous education and training for all veterans and eligible persons, grant appropriate credit, shorten the training period proportionately, and notify the VA and

8

6

12

13

11

14 15

16 17

18

19

20

2122

23

2425

26

2728

student accordingly." Provisions for appeal and charges that a student may be required to pay are not mentioned.

- g. The catalog fails to offer a notice and a list of the requirements for eligibility for licensure, if the educational programs is designed to lead to positions in a profession, occupation, trade, or career field requiring licensure in California. (Educ. Code §§ 94891, subd. (b), and 94909, subd. (a)(6)). The catalog states, "For those programs that require certification, licensure, or registration, the Admissions Representative will discuss with you the requirements for your chosen field and give you a copy of the certification, licensing, or registration requirements from the appropriate agency." This list of requirements must be included in the catalog.
- h. The catalog fails to offer admission policies, including the policies regarding acceptance of credits earned at other institutions or through challenge examinations and achievement tests. (Educ. Code §§ 94891, subd. (b), and 94909, subd. (a)(8)(A), and Cal. Code Regs., title 5, § 71770, subd. (b)). Specifically, on page 2, the catalog states, "Micro-Easy Vocational Institute does not accept hours or credits through challenge examinations, achievement test or experiential learning." On page 6, the catalog states, "This institution will conduct an evaluation of any previous education and training for all veterans and eligible persons, grant appropriate credit, shorten the training period proportionately, and notify the VA and student accordingly." On page 7, the catalog states, "The Admissions Representative will explain that units earned at NAME OF SCHOOL most likely will not be transferable to another institution." On page 9, the catalog states, "Micro-Easy Vocational Institute does not accept credit from other schools or programs." The Micro-Easy Vocation Institute Operational Manual, on page 39, states "It should be noted that Micro-Easy Vocational Institute does not award credit for prior experiential learning and the Micro-Easy Vocational Institute does not offer financial aid to students." This is not a clear policy.
- i. The catalog fails to state the procedures for student access to library resources. (Educ. Code § 94891, subd. (b); Cal. Code Regs., title 5, § 71810, subd. (b)(10)). The catalog does not provide information on how students may obtain the resources.

- j. The catalog fails to state a consistent transcript retention policy that complies with the law. (Educ. Code §§ 94891, subd. (b), and 94900, subd. (b); Cal. Code Regs., title 5, § 71930, subd. (b)(1)). Specifically, on page 12, the catalog states, "All transcripts of training will be kept for a period of at least 50 years after completion or withdrawal of the student financial payment documents will be kept for a period of at least 5 years after completion or withdrawal of the student the institution reserves the right to issue transcripts for training for which the student has paid tuition." This statement of Respondent's policy does not comply with Education Code section 94900, subdivision (b), and Code of Regulations, title 5, section 71930, subdivision (b)(1). The catalog, on page 18, also states, "In addition to permanently retaining a transcript as required by section 94900(b) of the Code, the institution shall maintain for a period of 5 years the pertinent student records described in Section 71920 from the student's date of completion or withdrawal."
- k. The catalog fails to state the correct amount of the Student Tuition Recovery Fund (STRF) Fee on page 19 for the Web Master program. (Educ. Code §§ 94891, subd. (b), and 94909, subd. (a)(9); Cal. Code Regs., title 5, § 76120, subd. (a)). The total charges are \$7853.50, but only \$3.50 of the STRF Fee is stated.
- l. The catalog fails to provide a consistent refund policy. (Educ. Code §§ 94891, subd. (b), and 94909, subd. (a)(8)(B); Cal. Code Regs., title 5, § 71750, subd. (c)(3)). Specifically, on page 20, the catalog contains sequential directions on how to obtain a refund, but it does not exclude the STRF Fee as required by law. However, in the example listed below those directions, it excludes the registration fee and STRF Fee as well as the cost of books before calculating the adjusted amount actually paid for instruction.
- m. The catalog fails to provide the requirements for completion of each program. (Educ. Code §§ 94891, subd. (b), and 94909, subd. (a)(5)).
- n. The catalog fails to provide the correct number of clock hours for the courses. (Educ. Code §§ 94891, subd. (b), and 94909, subd. (a)(5)). Specifically, the KY 101, Keyboard class, on page 27 of the catalog, shows 2 lecture hours and 32 lab hours, which does not equal 32 clock hours. In DB 101, Access Essentials, on page 23, 2 lecture and 66 lab hours are listed. On

page 28, regarding the same class (DB 101, Access Essentials), 2 lecture and 84 lab hours are listed. The catalog states that all courses are 520 clock hours, and Respondent submitted the following statement: "Please note: All the programs we are now offering are the same length. The institution has lengthened each approved program to 520 clock hours (26 hours). The reason for the change in hours is to make the courses more comprehensive and to meet employers' expectations." But the website references both 16 weeks and 20 weeks at 240 clock hours for the A+ Certification program, 26 weeks at 416 clock hours for the Networking program, and 20 weeks at 390 clock hours for the Computer Applications program.

o. The catalog fails to provide the faculty members and their qualifications. (Educ. Code §§ 94891, subd. (b), and 94909, subd. (a)(7)).

## FIFTH CAUSE FOR DENIAL OF APPLICATION (Noncompliance with Minimum Operating Standards – Recordkeeping) (Educ. Code §§ 94891, subd. (b), and 94900.5, subd. (a))

32. Respondent's application is subject to denial because it fails to include a recordkeeping policy which includes curriculum for each educational program. (Educ. Code §§ 94891, subd. (b), and 94900.5, subd. (a)). Respondent has therefore failed to provide evidence that it has the capacity to meet the minimum operating standards. In particular, in the Micro-Easy Vocational Institute Operational Manual, the policy is to keep the courses of study offered by Respondent, but it does not mention the curriculum.

# SIXTH CAUSE FOR DENIAL OF APPLICATION (Noncompliance with Minimum Operating Standards – Website) (Educ. Code §§ 94891, subd. (b), and 94913, subd. (a))

33. Respondent's application is subject to denial because it fails to provide a website containing the following information: (i) the school catalog, (ii) a School Performance Fact Sheet for each educational program offered by Respondent, (iii) student brochures offered by Respondent, (iv) a link to the Bureau's Internet website, and (v) Respondent's most recent annual report submitted to the Bureau. (Educ. Code §§ 94891, subd. (b), and 94913, subd. (a)). Respondent has therefore failed to provide evidence that it has the capacity to meet the minimum operating standards.

SEVENTH CAUSE FOR DENIAL OF APPLICATION

(Ineligibility / Noncompliance with Minimum Operating Standards –

Outstanding STRF Invoices)

(Educ. Code § 94891, subd. (b); Cal. Code Regs., title 5, §§ 71485 and 74000, subd. (d))

Respondent's application is subject to denial because Respondent failed to address 34. four outstanding STRF invoices. In particular, the following STRF invoices are delinquent: 2<sup>nd</sup> quarter 2013, 4<sup>th</sup> quarter 2013, 1<sup>st</sup> quarter 2014, and 2<sup>nd</sup> quarter 2014. On this basis, Respondent is ineligible to apply for renewal and has failed to provide evidence that it has the capacity to meet the minimum operating standards. (Educ. Code § 94891, subd. (b); Cal. Code Regs., title 5, §§ 71485 and 74000, subd. (d)).

#### **PRAYER**

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

- Denying Respondent's Application for Renewal of Approval to Operate an Institution 1. Non-Accredited; and
  - Taking such other and further action as deemed necessary and proper. 2.

DATED: 224/15

Chief

Bureau for Private Postsecondary Education

Department of Consumer Affairs

State of California

Complainant

SF2014902806

25