

**DEPARTMENT OF CONSUMER AFFAIRS
BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**

PROPOSED REGULATION TEXT

The following Articles and Sections are new to the California Code of Regulations.

(1) Adopt Article 3.5 of Chapter 2, Division 7.5 of Title 5 of the California Code of Regulations to read as follows:

Article 3.5. Registration or Re-Registration of Out-of-State Institution

(2) Adopt Section 71396 of Division 7.5 of Title 5 of the California Code of Regulation to read as follows:

§71396. Application Form; STRF Compliance.

- (a) An applicant seeking to operate an out-of-state private postsecondary institution, as defined in Section 94850.5 of the Code, that is required to register with the Bureau pursuant to Section 94801.5 of the Code, shall complete the Bureau's Application for Registration or Re-Registration of Out-of-State Institution [Form Application 94801.5 (rev. 1/17)], which is hereby incorporated by reference. An applicant shall submit to the Bureau the completed form, the information and documentation required by Section 94801.5 of the Code, and the registration fee as provided in Section 94930.5 of the Code.
- (b) An application that does not contain all the information required by this section or as applicable, section 71398, shall render it incomplete, and the applicant will not be eligible for registration or re-registration.
- (c) Effective July 1, 2017, even if the out-of-state institution's application for registration is pending with the Bureau, the institution shall immediately comply with the requirements of the Student Tuition Recovery Fund established in the Code (commencing with Section 94923) and regulations adopted by the Bureau related to the fund for its California students. These requirements include the collection and submission of assessments and related record-keeping as required by sections 76120, 76130, and 76140, and providing student disclosures in the school catalog and enrollment agreement as required by sections 76215 and 71800(e)(11) and prior to closing as required by section 76240(b)(2).

Note: Authority cited Sections 94801.5 and 94877, Education Code. Reference: Sections 94801.5, 94850.5, 94930.5, 94923, 94924, 94909(a)(14), and 94911(b), Education Code.

(3) Adopt Section 71397 of Division 7.5 of Title 5 of the California Code of Regulation to read as follows:

§71397. Processing of Completed Applications; Appeal of Denials

- (a) Pursuant to the requirements of section 94801.5 of the Code and this Article, the Bureau will either grant or deny an application for registration.
- (b) An applicant denied a registration or re-registration under this Article may reapply or may, within 30 days of service of the denial, submit a written request to the Bureau for an informal conference with the Bureau Chief or his or her designee. Failure to request an informal conference within 30 days from service of the denial waives the right to the informal conference.
- (c) The Bureau Chief, or his or her designee, shall within 30 days from the Bureau's receipt of a written request for an informal conference, hold an informal conference with the applicant. The Bureau Chief, for good cause such as scheduling conflicts or medical emergencies, may extend the 30-day period. The informal conference may be by telephone.
- (d) Prior to or at the informal conference, the applicant may submit to the Bureau Chief, or his or her designee, declarations or documents pertinent to the application for registration or re-registration, which shall be duly considered along with any other relevant documentation.
- (e) Following the informal conference, the Bureau Chief, or his or her designee, will affirm or reverse the denial. A written order affirming or reversing the denial shall be served on the applicant within 30 days from the informal conference, unless extended for good cause, including allowing the applicant to submit, and the Bureau to consider, additional documentation.

Note: Authority cited Sections 94801.5 and 94877, Education Code. Reference: Sections 94801.5, 94850.5, and 94930.5, Education Code.

(4) Adopt Section 71398 of Division 7.5 of Title 5 of the California Code of Regulation to read as follows:

§71398. Re-Registration

- (a) Unless re-registered, a registration shall expire at 12:00a.m. on the day immediately following the last day of the out-of-state private postsecondary institution's registration as granted pursuant to section 94801.5 of the Code and this Article.
- (b) An out-of-state institution seeking to renew its registration pursuant to section 94801.5 of the Code shall complete and submit to the Bureau a new "Application for Registration or Re-Registration of Out-of-State Institution" [Form Application 94801.5 (rev. 1/17)], which is hereby incorporated by reference. An applicant shall submit to the Bureau the completed form, the information and documentation required by Section 94801.5 of the Code, and the registration fee as provided in Section 94930.5 of the Code.

- (c) If the Bureau receives a complete re-registration application prior to the expiration of the registration, the registration shall continue until the Bureau has acted upon the re-registration application.
- (d) Failure of an out-of-state institution to make the required payments of the assessments to the Student Tuition Recovery Fund as required by section 76130 shall render the institution ineligible for a re-registration.

Note: Authority cited Sections 94801.5 and 94877, Education Code. Reference: Sections 94801.5, 94850.5, and 94930.5, Education Code.

(5) Adopt Section 71399 of Division 7.5 of Title 5 of the California Code of Regulation to read as follows:

§71399. Student Tuition Recovery Fund Assessments and Disclosures.

- (a) For its California students, an out-of-state institution shall collect and submit Student Tuition Recovery Fund assessments per section 76120 according to the process and schedule set forth in section 76130, and shall keep related records as required by section 76140.
- (b) Prior to enrollment, an out-of-state institution shall provide to a prospective student, either in writing or electronically, a school catalog and an enrollment agreement that contain the Student Tuition Recovery Fund disclosure statements required in section 76215.
- (c) The enrollment agreement shall contain a statement that the Student Tuition Recovery Fund fee is non-refundable.
- (d) At least 30 days prior to closing, an out-of-state institution shall notify its California students that will not be provided complete education services or the educational program, information regarding the Student Tuition Recovery Fund and the Bureau's physical and Internet addresses, as provided in section 76240(b)(2).

Note: Authority cited Sections 94801.5 and 94877, Education Code. Reference: Sections 94801.5, 94850.5, 94930.5, 94923, 94924, 94909(a)(14), and 94911(b), Education Code.