

**Department of Consumer Affairs
Bureau for Private Postsecondary Education**

Initial Statement of Reasons

Hearing Date: June 7, 2010

Subject Matter of Proposed Regulations: Bureau Administration; Definitions; Applications, including renewals and substantive changes; Institutional Operating Standards, including Admissions and Academic Achievement Standards, and Maintenance and Production of Records; Institutions – General Provisions, including fees; Student Tuition Recovery Fund

Sections Affected:

Adopt sections:

70030, 70040, 71135, 71320, 71390, 71395, 71400.5, 71401, 71475, 71480, 71485, 71640, 71650, 71655, 71660, 71716, 71750, 71760, 74110, 74115, 76020, 76140, 76212, and 76240

Amend sections:

70000, 70010, 70020, 71100, 71110, 71120, 71130, 71140, 71150, 71160, 71170, 71180, 71190, 71200, 71210, 71220, 71230, 71240, 71250, 71260, 71270, 71280, 71290, 71300, 71310, 71340, 71380, 71400, 71405, 71450, 71455, 71460, 71465, 71470, 71500, 71550, 71600, 71630, 71700, 71705, 71710, 71715, 71720, 71730, 71735, 71740, 71745, 71770, 71800, 71810, 71850, 71865, 71920, 71930, 74000, 74002, 74004, 74006, 74120, 74130, 74140, 74150, 74160, 74170, 74190, 74200, 76000, 76120, 76130, 76200, 76210, and 76215

Repeal sections:

70030, 71000, 71005, 71010, 71020, 71330, 71360, 71410, 71415, 71420, 71490, 71495, 71505, 71510, 71515, 71520, 71555, 71560, 71565, 71605, 71610, 71615, 71650, 71655, 71725, 71775, 71805, 71830, 71855, 71860, 71870, 71875, 71880, 71885, 71890, 71900, 71905, 71910, 72000, 72005, 72010, 72020, 72101, 72105, 72110, 72120, 72130, 72140, 72150, 72160, 72170, 72180, 72190, 72200, 72210, 72220, 72230, 72240, 72250, 72260, 72270, 72280, 72290, 72300, 72310, 72330, 72340, 72360, 72380, 72400, 72405, 72410, 72415, 72420, 72450, 72455, 72460, 72465, 72470, 72500, 72505, 72515, 72520, 72550, 72555, 72560, 72565, 72570, 72600, 72605, 72610, 72615, 72650, 72655, 72700, 72701, 72705, 72710, 72715, 72720, 72725, 72730, 72735, 72740, 72745, 72770, 72775, 72800, 72805, 72810, 72830, 72850, 72855, 72860, 72865, 72870, 72875, 72880, 72885, 72890, 72900, 72905, 72910, 72915, 72920, 72930, 73000, 73010, 73100, 73110, 73120, 73130, 73140, 73150, 73160, 73165, 73170, 73180, 73190, 73200, 73210, 73220, 73230, 73240,

73260, 73270, 73280, 73290, 73300, 73310, 73320, 73330, 73340, 73350, 73360, 73380, 73390, 73400, 73410, 73420, 73430, 73440, 73470, 73480, 73500, 73520, 73530, 73540, 73550, 73600, 73610, 73620, 73630, 73640, 73650, 73660, 73670, 73680, 73690, 73700, 73710, 73720, 73730, 73740, 73750, 73760, 73765, 73770, 73780, 73790, 73800, 73820, 73830, 73831, 73832, 73850, 73860, 73870, 73880, 73890, 73900, 73910, 74008, 74010, 74014, 74016, 74018, 74020, 74030, 74040, 74050, 74100, 74180, 74300, 74310, 74320, 75000, 75020, 75030, 75040, 75100, 75110, 75120, 75130, and 76010

Introduction:

AB 48 reestablishes, after a two and one half year absence, regulation of private postsecondary educational institutions in California. Previously, the Bureau for Private Postsecondary and Vocational Education regulated these institutions. However, the law authorizing the existence of that entity and every statute and regulation related to ensuring the sound operation of these institutions, including all student protections, became inoperative on July 1, 2007, and was repealed as of January 1, 2008.

The Legislature specifically incorporated a requirement, in Section 94803 of the Education Code, that the Bureau adopt emergency regulations to amend or repeal, as necessary, the regulations of the former Bureau for Private Postsecondary and Vocational Education located in Division 7.5 (commencing with Section 70000) of Title 5 of the California Code of Regulations to conform to Chapter 8.5 (commencing with Section 94800) of Part 59 of Division 10 of Title 3 of the Education Code no later than February 1, 2010. The regulatory language was approved by the Office of Administrative Law (OAL) as an emergency regulatory action predicated on Sections 11346.1 and 11349.6 of the Government Code on February 1, 2010, and will expire on August 1, 2010, unless extended or superseded by formally-adopted regulations.

Presently, it is estimated that approximately 400,000 students are enrolled at the various private postsecondary institutions within California. Fees paid by these students are estimated to total over 4.5 billion dollars of private and public funds in order to benefit from the educational programs offered by these institutions. The sources of funds include personal funds from the students and their families, private loans issued by private lending institutions, loans guaranteed by the state and federal governments, grants issued by the state and federal governments, including rehabilitation grants and veterans grants, private employers paying for employees' education, and numerous other sources, including loans directly from the institutions to the enrolled students. While the legislation adopted in AB 48 provides a framework for protecting this multi-billion dollar investment in these students' education, without these regulations the specific details of what is required and what is and is not permitted will remain undefined, allowing for some institutions to place these significant funds at risk by failing to provide the services and quality of education that the institutions promise prospective students.

California, along with the rest of the United States, is seeing harsh economic times unprecedented since the Great Depression of the early twentieth century. As a result, unemployment levels are at near record and record levels and are anticipated to remain at

these high levels for several years to come. As industry recovers, as has occurred in the past during difficult economic times, employees will require training in new specialties, job fields, and professions. Laid off employees from traditional employers will need training in “green” employers specialties. With the passage of a national health care plan, the health care industry will see an increased number of patients and as a result, an increase in the number of trained medical lay and medical paraprofessionals will be needed. As a result, it is anticipated that a significant number of people will become postsecondary education students.

Without adoption of these regulations, these schools will have little guidance in interpreting and applying the new requirements of AB 48, which was passed in order to protect students and their and the public’s investment of \$4.5 billion annually in these institutions.

Consequently, while institutions that had obtained approval to operate prior to the elimination of the prior regulatory agency and institutions that have opened subsequent to the repeal of the prior Private Postsecondary and Vocational Education Reform Act of 1989 are provided limited term approvals to continue operating under AB 48, new institutions may not commence operations until an approval to operate has been granted by the new Bureau. New approvals cannot be issued without a procedure for approving them, as well as the existence of minimum operating standards, as required by Education Code Section 94885, because in order to apply, institutions must demonstrate compliance with the minimum operating standards, as required by Section 94887. Furthermore, without the adoption of these regulations, new institutions seeking to apply for approval to operate cannot even begin to compile their applications, because applications compliant with the requirements of AB 48 and the Administrative Procedure Act will not exist.

In addition, because of requirements in AB 48 pertaining to the new mandatory enrollment agreement and accompanying documents, existing institutions that are permitted temporarily to operate before obtaining a new approval under AB 48 cannot enroll new students without these regulations. Nor can existing institutions make changes to their program without complying with the necessary requirements for notification to students and the Bureau, because the necessary requirements will not exist without these regulations. For institutions who had previously obtained approvals to operate and that made changes to their offerings subsequent to the repeal of the prior Act, in order to comply with the terms of their existing approval, may be required to discontinue offering programs or offering them at certain locations. Only with the adoption of these regulations addressing the notification and application process can these institutions continue to operate as they have since July 1, 2007.

The majority of the institutions that will be subject to regulation were regulated by the former Bureau for Private Postsecondary and Vocational Education, and are therefore familiar with the scope of these regulations, and the impact upon them will not be unduly burdensome. The benefit to the public, however, is great and necessary.

Specific Purpose of each adoption, amendment, or repeal:

Amend section 70000 (Definitions) – AB 48 reestablishes the regulation of California private postsecondary educational institutions in accordance with the California Private Postsecondary Education Act of 2009. Therefore, the amendments to this section are necessary to define terms used in the California Private Postsecondary Education Act of 2009.

Factual Basis/Rationale:

For ease of reading and to make this section consistent with the California Private Postsecondary Education Act of 2009, former section 71000 (Definitions) was repealed, and its provisions were incorporated into this amended section. Former section 72000 (Definitions) was repealed because it was duplicative of former repealed section 71000.

Amend section 70010 (Application of Division) – This section specifies to whom this division shall apply.

Factual Basis/Rationale:

The authority and reference sections were updated to make this section consistent with the California Private Postsecondary Education Act of 2009.

Amend section 70020 (Principal Office of the Bureau) – This section updates the principal office location for communications with the Bureau.

Factual Basis/Rationale:

The California Private Postsecondary Education Act of 2009 established the Bureau, and the Council no longer exists. In addition, the former contents of this section did not include an address for communications with the former Council. Therefore, to make this section consistent with the California Private Postsecondary Education Act of 2009, “Council” was stricken, and the Bureau’s physical and mailing addresses were added to this amended section.

Repeal section 70030 (Delegation of Functions to Director) – This section is now obsolete predicated on the California Private Postsecondary Education Act of 2009.

Factual Basis/Rationale:

The power and duties of the Bureau are set forth in Chapter 8, Article 5, commencing with section 94875 (Empowerment of Bureau) of the California Private Postsecondary Education Act of 2009. Therefore, this section is redundant.

Adopt section 70030 (Pending Applications; Fees) – This section is necessary for the Bureau to address applications for approval to operate that were pending when the former Bureau was sunset and fees that were submitted with the applications.

Factual Basis/Rationale:

Institutions that had applications for an approval to operate pending on June 30, 2007, are not required to submit a new application to the Bureau if the pending application satisfies the requirements of the new application. However, this adopted section clarifies that a fee is required for an approval to operate pursuant to the fee schedule contained within Education Code section 94930.5(a).

Adopt section 70040 (Disclosures Regarding Prior Approvals and Pending Applications) -

This section requires certain disclosures by an institution that had an application to renew its approval to operate pending with the former Bureau at the time of the Bureau's sunset.

Factual Basis/Rationale:

In the interest of consumer protection and to provide regulatory consistency, it is necessary that all institutions make the same disclosures and in the same manner.

Repeal section 71000 (Definitions) – The provisions of this section are incorporated into section 70000 (Definitions).

Factual Basis/Rationale:

For ease of reading and to make this section consistent with the California Private Postsecondary Education Act of 2009, former section 71000 (Definitions) was repealed, and its provisions were incorporated into section 70000 (Definitions).

Repeal section 71005 (Requirements for a Course of Study) – The provisions of this former section are incorporated into section 71710 (Educational Program).

Factual Basis/Rationale:

For clarity and ease of reading, the provisions concerning a “course of study” were organized into the description of an educational program, as provided for in section 71710.

Repeal section 71010 (Applicability of Chapter) – This former section is obsolete predicated on the California Private Postsecondary Education Act of 2009.

Factual Basis/Rationale:

The new law does not include a Council, and the provisions of the former law are no longer effective. Therefore, this former section has no regulatory basis.

Repeal section 71020 (Vocational Diploma Programs Offered By Degree Granting Institutions) – This section is obsolete predicated on the California Private Postsecondary Education Act of 2009.

Factual Basis/Rationale:

The new law does not make a distinction between degree and non-degree educational programs. Therefore, this former section has no regulatory basis.

Amend section 71100 (Application Form) - This section addresses the required form of an application for approval to operate by a non-accredited institution.

Factual Basis/Rationale:

Because applications were pending approval during the sunset period, it was necessary to clarify that an application must include all required information and the annual fee for such institutions.

Amend section 71110 (Institution’s Name, Address, Telephone Number of Primary Administrative Office) – This section specifies what contact information the Bureau needs in an application.

Factual Basis/Rationale:

Because most educational institutions have a website address, the Bureau needs that information included on the application. In addition, the social security number or federal employer identification number for each non-corporate person identified in the application was added because the Business and Professions Code requires this information.

Amend section 71120 (Form of Business Organization) – This section specifies what information the Bureau needs to determine an institution’s form of business organization.

Factual Basis/Rationale:

“Limited Liability Corporation” is added to this section and copies of articles of incorporation and bylaws are required to accompany an application to assist the Bureau in determining an institution’s business structure to conform to the prior practices of the Bureau.

Amend section 71130 (Institution Ownership and Control; Violation of Law) – This section specifies what information is needed to ensure that the Bureau has complete and accurate information concerning an educational institution’s ownership and of those who exercise control over such institutions.

Factual Basis/Rationale:

Educational institutions are now required to include an email address of each person who owns or controls 25% or more of stock in the institution. The definition of “owner” or “person in control” is amended to comply with section 94885 of the California Private Postsecondary Education Act of 2009.

Conviction information is needed by the Bureau to establish the soundness of an institution and to ensure that the directors meet minimum standards.

Provisions were added to allow the Bureau to collect personal information, so the Bureau could locate each person who has at least a 25% ownership or controlling interest in the institution and to ensure that the institution meets minimum operating standards.

Adopt section 71135 (Agent for Service of Process) – This section makes specific what information is needed in an application concerning an institution’s agent for service of process.

Factual Basis/Rationale:

It is necessary for the Bureau to effectuate service on an educational institution for enforcement purposes in accordance with section 94943.5 of the Education Code, which requires an agent for service of process within this state.

Language from section 74190 (Agents for Services of Process; Changes) was incorporated into this section to allow the Bureau to collect specific information on the application and for ease of reading.

Amend section 71140 (Organization and Management) – The amendment does not alter any requirement, right, responsibility, condition, prescription or other regulatory element of any California Code of Regulations provision. (See CCR, Title 1, section 100 (a)(5).)

Factual Basis/Rationale:

The authority and reference sections were updated to make this section consistent with the California Private Postsecondary Education Act of 2009.

Amend section 71150 (Governing Board) – This section specifies what information the Bureau needs in an application concerning an institution’s governing board.

Factual Basis/Rationale:

Because most educational institutions have a website and use email as a form of communication, it is necessary to have the email address of each governing board member in an application for communication purposes.

Amend section 71160 (Institution Representative) – This section specifies what information is needed by the Bureau to correspond with an institution.

Factual Basis/Rationale:

An educational institution is required to designate a representative for contacts with the Bureau, including legal transactions. An email address and fax number are required on an application for approval to operate. “Council” is changed to “Bureau” to comply with the California Private Postsecondary Education Act of 2009.

Amend section 71170 (Mission and Objectives) – This section requires an institution to describe its mission and objectives in its application.

Factual Basis/Rationale:

“Mission, purposes, and objectives” was changed to exclude “purposes” because it is redundant.

Amend section 71180 (Exemplars of Student Agreements) - The amendment does not alter any requirement, right, responsibility, condition, prescription or other regulatory element of any California Code of Regulations provision. (See CCR, Title 1, section 100 (a)(5).)

Factual Basis/Rationale:

The authority and reference sections were updated to make this section consistent with the California Private Postsecondary Education Act of 2009.

Amend section 71190 (Financial Aid Policies, Practices and Disclosures) – This section requires certain disclosures concerning an institution’s financial aid policies, practices, and disclosures.

Factual Basis/Rationale:

For ease of reading, this section clarifies that institutions that receive financial aid for qualifying students must provide its policies, practices, and disclosures concerning financial aid.

Amend section 71200 (Advertising and Other Public Statements) – This section requires institutions that disseminate advertising materials and statements concerning the institution or its programs to include copies with its application.

Factual basis/Rationale:

The references to “branch” and “educational program” are deleted because a request to add an additional branch campus and a request to add an educational program are not made in the same application. The previous regulations required one application for both types of requests.

Amend section 71210 (Instruction and Degrees Offered) – This section specifies what information is needed in an application concerning an institution’s educational programs.

Factual Basis Rationale:

The amendments to this section are necessary to conform to the California Private Postsecondary Education Act of 2009. The reference to the “ability- to-benefit examination” was added to conform to section 94904 of the Education Code. “Mode” was changed to “method”, and “educational” was added to provide consistency in the use of those terms. To comply with the California Private Postsecondary Education Act of 2009, an application to operate shall identify each occupation and job title to which an educational program will lead.

Amend section 71220 (Description of Educational Program) – This section specifies what information is needed by the Bureau concerning an institution’s educational program(s).

Factual basis/Rationale:

The requirement that an application include a statement that the program(s) offered by an educational institution meets the criteria as set forth in section 71710 (Educational Program) is added to ensure compliance with that section. Approval from the required licensing agency is also added to ensure that the Bureau does not approve an application if a program must first be approved by a particular licensing agency, e.g., Board of Barbering and Cosmetology.

Amend section 71230 (Instruction in Languages Other Than English) – This section enables the Bureau to collect pertinent information regarding an institution’s educational programs – or a portion thereof, that are not taught in English.

Factual basis/Rationale:

The amendments to this section are for ease of reading and to clarify that any portion of an educational program not taught in English shall have sufficiently qualified faculty to teach each language group.

Amend section 71240 (Financial Resources and Statements) – Educational institutions are required to maintain financial resources to operate. The amendments to this section ensure that the financial information submitted to the Bureau is accurate, which is predicated on an audit of such reports. All unrelated provisions of this section are obsolete.

Factual Basis/Rationale:

In the interest of consumer protection, it was determined that an audited financial statement was the best way the Bureau could substantiate that an institution had sufficient financial resources to operate.

Amend section 71250 (Faculty) – This section requires an application to include a statement that the institution has contracted with faculty members who meet the qualifications of section 71720 (Faculty).

Factual Basis/Rationale:

Educational institution faculty are required to be qualified in accordance with the California Private Postsecondary Education Act of 2009. The amendments to this section eliminate the requirement that institutions provide documentation of hired faculty, but require a statement on the application to operate that the institution has hired duly qualified faculty, because faculty are subject to change from time to time, and the Bureau has no need to collect this information in the initial application.

Amend section 71260 (Facilities and Equipment) – This section enables the Bureau to collect information concerning an institution’s facilities and equipment.

Factual Basis/Rationale:

“Council” is stricken from this section, and “Bureau” was added to conform to the California Private Postsecondary Education Act of 2009. Portions of former section 73280 (Facilities and Equipment) are merged with this section, and “significant equipment” is defined to provide regulation consistency and to enable those subject to regulation by the Bureau to know and understand what the law requires with respect to equipment that is available for use by students, e.g., a truck driving school must have a truck.

Amend section 71270 (Libraries and other Learning Resources) – This section specifies what information concerning an institution’s library and other learning resources must be included in the application.

Factual Basis/Rationale:

“As required by the curriculum” is added to ensure that, if a curriculum requires a student to access information from a library or learning resource that does not exist at the educational institution, an institution provides a means for students to access the information.

Amend section 71280 (Student Services – Job Placement Assistance) – This section specifies that that an application must include a description of the job placement assistance provided to students if such assistance is offered at the institution.

Factual basis/Rationale:

The amendments to this section correct an ambiguity concerning student services offered at an educational institution. The requirements of this section are restated to address job placement assistance by requiring an educational institution to describe its job placement assistance services.

Amend section 71290 (Copy of Catalog) – This section requires a copy of an institution’s catalog to accompany its application.

Factual Basis/Rationale:

The requirement for an educational institution to provide the Bureau with addenda reflecting newly approved educational services is obsolete because a copy of an institution’s catalog must accompany an application to operate. The portion of this section requiring addenda is, therefore, stricken. The additional strikes to this section have no regulatory effect.

Amend section 71300 (Graduation or Completion Documents) – This section requires copies of documents awarded to students upon successful completion of an educational program.

Factual Basis/Rationale:

For ease of reading, grammatical changes were made to this section. The grammatical changes do not alter any requirement, right, responsibility, condition, prescription or other regulatory element of any California Code of Regulations provision.

Amend section 71310 (Recordkeeping; Custodian of Records) – This section requires an application to include a description of the manner in which institution records are organized and maintained.

Factual Basis/Rationale:

“Article 9” is added to this section to clarify where within the California Private Postsecondary Education Act of 2009 it addresses the manner in which records are to be maintained by an educational institution for the purpose of providing a description in an application. The provision concerning the custodian of records is amended to ensure that the Bureau knows how to contact an institution’s custodian of records and where records are stored.

Adopt section 71320 (Self-Monitoring Procedures) – This section requires an educational institution to provide a description of the methods it will employ to maintain compliance with the minimum operating standards as provided in section 94885 of the California Private Postsecondary Education Act of 2009.

Factual Basis/Rationale:

The provisions of former section 73340 (Self-Monitoring Procedures) are restated in this section to provide consistency for all institutions, and to ensure that institutions will monitor their compliance with meeting minimum operating standards.

Repeal section 71330 (Operation Plan) – This section is obsolete predicated on the California Private Postsecondary Education Act of 2009.

Factual Basis/Rationale:

The provisions concerning an operation plan are contained within other sections of these regulations. The provisions of this section are, therefore, redundant.

Amend section 71340 (Additional Information) - This section requires an institution to include in its application any material facts that might reasonably affect the Bureau’s decision to grant an approval to operate.

Factual basis/Rationale:

“Council” was stricken and “Bureau” was added to conform to the California Private Postsecondary Education Act of 2009. The authority and reference sections were also updated to make this section consistent with the new law.

Repeal section 71360 (Approval for a Particular Educational Program or Degree Title) –

The provisions of this section are obsolete.

Factual Basis/Rationale:

This section is obsolete because a separate application is required for a change in educational objectives by an educational institution.

Amend section 71380 (Signatures and Certification) – This section specifies what signatures are required on an application and requires a declaration to certify the accuracy of an application and all attachments.

Factual Basis/Rationale:

The prior law required a signature on an application to operate for each person owning or controlling 10% of an incorporated educational institution. The law has changed the ownership or control percentage from 10% to 25%, which is represented in the amendment to this section.

Education Code section 94822 defines “change in control;” therefore, the amendment makes this section consistent with the California Private Postsecondary Education Act of 2009.

In the interest of consumer protection, it is also important for the Bureau to know that a person in “control” is capable of meeting the minimum standards.

Adopt section 71390 (Application Form) – This section specifies which application must be completed and what information must be included in the application by an accredited institution seeking an approval to operate.

Factual Basis/Rationale:

The California Private Postsecondary Education Act of 2009 requires an accredited institution to submit an application for approval to operate, unless the institution is exempt from the requirement to obtain the Bureau’s approval. To conform to the California Private Postsecondary Education Act of 2009, this section was adopted.

In addition, this section clarifies that the Bureau can only approve accredited institutions that have been operating in California -- not institutions that have accreditation elsewhere and desire to open a campus in California. Institutions must be accredited and previously approved or previously exempt (or operating under 94802) in order to be eligible for approval by means of accreditation; if an accreditor would accredit an institution that hasn't existed or operated in California, the Bureau will not approve them by means of accreditation.

Adopt section 71395 ((Application; Fees) – This section specifies what information is needed in an application for verification of an institution’s exempt status and provides the form of such application.

Factual Basis/Rationale:

Education Code section 94874 exempts certain educational institutions from the requirement to obtain an approval to operate from the Bureau. Although such institutions are not required to apply for its exempt status, they may submit to the Bureau the application referred to in section 71395.

Amend section 71400 (Processing of Completed Applications) – This section specifies the manner in which applications are processed by the Bureau.

Factual Basis/Rationale:

“Council” is stricken and “Bureau” is added to conform to the California Private Postsecondary Education Act of 2009. The application for verification of exempt status is added to conform to the new law. This section also provides a process for provisional approval to operate in the event minor deficiencies are identified during application processing. Provisional approval to operate is useful in situations such as where simultaneous approval is needed from an accreditor or other regulator, e.g., Board of Barbering and Cosmetology; or in cases where a minor deficiency exists within an application that can be corrected in a short period of time, but the institution can still operate in substantial compliance; or if approval is substantially warranted, but for some reason should be conditional upon some other event, e.g., obtaining a required permit from the local jurisdiction.

Adopt section 71400.5 (Denial of an Application) – This section specifies the grounds for denial of an application and the Administrative Procedure Act as the process by which the Bureau will handle a denial.

Factual Basis/Rationale:

The process by which an application or license is denied would be subject to the Administrative Procedure Act to provide consistency amongst the entities existing within the Department of Consumer Affairs. The former Act provided an alternative hearing process that was not clear and therefore not efficient. This section, also for clarity and consistency, incorporates Business and Professions Code section 480 to ensure that the Bureau can discipline a license or deny licensure based on a conviction, fraud, or dishonesty.

Adopt section 71401 (Abandonment of Application) – This section specifies when an application will be deemed abandoned and the fee forfeited.

Factual Basis/Rationale:

The provisions of former section 74180 (Abandonment of Application) are restated in section 71401 to provide consistency within Article 4. This section also clarifies that the one-year period will begin to run when the application is initially received by the Bureau or the date upon which the Bureau notified the applicant that the application is incomplete.

Amend section 71405 (Change in Circumstances Affecting Application Information) – This section requires an applicant to inform the Bureau of any material change in circumstances following the submission of an application.

Factual Basis/Rationale:

“Council” was stricken and “Bureau” was added to conform to the California Private Postsecondary Education Act of 2009. The authority and reference sections were also updated to make this section consistent with the new law.

Repeal section 71410 (Right to an Administrative Hearing) – This section is repealed because its provisions are obsolete or incorporated within other sections of these regulations.

Factual Basis/Rationale:

The repealed section provided an institution the right to an administrative hearing when it had been informed that its application was incomplete.

To comply with the California Private Postsecondary Education Act of 2009, the apparent right to an Administrative Procedure Act hearing for incomplete applications was

abolished. The right to an administrative hearing was incorporated into section 71400.5, and consequences were added to section 71401 (Abandonment of Application) for abandonment under that section, e.g., forfeited fee.

Repeal section 71415 (Length of Approval to Operate) – This section is obsolete.

Factual Basis/Rationale:

This section is repealed because the length of an approval to operate is provided in Education Code section 94889.

Repeal section 71420 (Applications From Institutions Operating on December 31, 1990) – This section is obsolete.

Factual Basis/Rationale:

The provisions within this section are incorporated into Article 3.5 to transition educational institutions operating in accordance with the former law. The provisions of this section are now obsolete predicated on the California Private Postsecondary Education Act of 2009.

Amend section 71450 (Empanelling of Visiting Committees; Reports) – The amendments to this section clarify when an institution shall undergo an onsite evaluation by a visiting committee and the composition of a visiting committee when it is impaneled for the purpose of evaluating an application for approval to operate.

Factual Basis/Rationale:

The former law required a visiting committee for degree-granting institutions. The Director now has the discretion to empanel a visiting committee to evaluate an application for an approval to operate if an evaluation is necessary to assist in the review of an institution or any of its programs. This change allows the Bureau to save resources when an evaluation is not necessary.

Amend section 71455 (Challenge to the Visiting Committee) – This section provides an institution the right to object to the members of a visiting committee.

Factual Basis/Rationale:

The former Bureau was criticized for the length of time to approve an application. The timelines, therefore, now shorten the length of the approval process. The time period for notice to an institution being evaluated of the members who comprise the visiting committee is changed from 45 to 30 days before the visit. The time period for objecting to the inclusion of any member's service on the committee is changed from 10 to 14 days.

A report to the Director of a committee member's bias is changed to require such a report be in writing, which clarifies the former "by written evidence" language.

Amend section 71460 (Duties of the Visiting Committee) – This section specifies the duties of a visiting committee. The amendments do not alter any requirement, right, responsibility, condition, prescription or other regulatory element of any California Code of Regulations provision.

Factual Basis/Rationale:

“Purpose” was stricken to provide consistency with section 71170 (Mission and Objectives). “Division” and “Bureau” were added to conform to the California Private Postsecondary Education Act of 2009. The authority and reference sections were also updated to make this section consistent with the new law.

Amend section 71465 (Visiting Committee Report) – This section specifies the contents of a visiting committee report and how it is to be used by the Bureau.

Factual Basis/Rationale:

The amendments clarify that the report shall focus on the minimum operating standards and required disclosures, rather than the quality of education provided by an institution.

Amend section 71470 (Institution Cooperation with Visiting Committee) – This sections requires institutions to make available for inspection by a visiting committee all records deemed necessary to inspect to determine whether an institution meets the minimum operating standards.

Factual Basis/Rationale:

All references to the former Private Postsecondary and Vocational Education Reform Act of 1989 were stricken from this section; “chapter” was replaced with “Division” to conform to the California Private Postsecondary Education Act of 2009; and the authority and reference sections were also updated to make this section consistent with the new law.

Adopt section 71475 – This section specifies the requirements to renew an approval to operate for a non-accredited institution to conform to the California Private Postsecondary Education Act of 2009.

Factual Basis/Rationale:

The provisions of this section clarify when an approval to operate is subject to expiration and when an application to renew an application is due, including what documentation shall accompany such an application. The provisions also specify what the late fees are and provide the time after which an expired approval will not be renewed and the license will be deemed cancelled. In the interest of consumer protection, the six month period after which an approval to operate expired was selected because an institution that has not been

in operation for that time should be required to file a new application to re-establish its ability to meet minimum operating standards.

Adopt section 71480 (Renewal of an Approval to Operate for an Accredited Institution) – This section establishes the requirements to renew an approval to operate for an accredited institution.

Factual Basis/Rationale:

To conform to the California Private Postsecondary Education Act of 2009, the provisions of this section set the time for expiration of an approval to operate for an accredited institution, addresses when late fees shall apply, and provide the time after which an expired approval will not be renewed and the license will be deemed cancelled. In the interest of consumer protection, the six month period after which an approval to operate expired was selected because an institution that has not been in operation for that time should be required to file a new application to re-establish its ability to meet minimum operating standards..

Adopt section 71485 (Student Tuition Recovery Fund Assessments and Annual Fees as Condition of Renewal) – This section establishes that an institution is ineligible for renewal of its approval to operate if payment of Student Tuition Recovery Fund assessments and annual fees are not paid.

Factual Basis/Rationale:

The Bureau deemed it necessary to clarify that if an institution's Student Tuition Recovery Fund payments and annual fees are not current, the institution is ineligible for renewal.

Repeal section 71490 (Emerging New Fields of Study) – This section is obsolete.

Factual Basis/ Rationale:

The provisions concerning emerging new fields of study are not included in the California Private Postsecondary Education Act of 2009.

Repeal section 71495 (Innovative or Unique Methods of Instruction) – This section is obsolete.

Factual Basis/ Rationale:

The provisions concerning unique methods of instruction are not included in the California Private Postsecondary Education Act of 2009.

Amend section 71500 (Application to Change Location) – This section specifies what is required if an institution seeks a change of location.

Factual Basis/ Rationale:

The amendments to this section are necessary to comply with section 94823.5, 94894 and 94898 of the Education Code.

For ease of reading, the definition of “change of location,” as provided in Education Code section 94825, the provisions of repealed sections 71505 (Contents of Application for Change in Location), 71510 (Notice to Students of Change in Location), 71515 (Council Approval), and 71520 (Emergency Application for Change in Location) are incorporated into section 71500.

Repeal section 71505 (Contents of Application for Change in Location) – The section is obsolete.

Factual Basis/Rationale:

For ease of reading, the provisions of this section are incorporated into section 71500 (Application to Change Location).

Repeal section 71510 (Notice to Students of Change in Location) – The section is obsolete.

Factual Basis/Rationale:

For ease of reading, the provisions of this section are incorporated into section 71500 (Application to Change Location).

Repeal section 71515 (Council Approval) – The section is obsolete.

Factual Basis/Rationale:

For ease of reading, the provisions of this section are incorporated into section 71500 (Application to Change Location).

Repeal section 71520 (Emergency Application for Change in Location) – This section is obsolete.

Factual Basis/Rationale:

For ease of reading, the provisions concerning an application for a change in location predicated on an emergency are incorporated into section 71500.

Amend section 71550 (Application for Addition of Separate Branch) – This section specifies what an application must include if an institution seeks to add a separate branch location.

Factual Basis/Rationale:

The amendments to this section clarify and make specific Education Code section 94895. For ease of reading, the provisions of sections 71555, 71560, and 71565 are incorporated into section 71550.

Repeal section 71555 (Contents of the Application) – This section is obsolete.

Factual Basis/Rationale:

The contents of an application for the addition of a separate branch are incorporated into section 71550.

Repeal section 71560 (Processing of Applications) – This section is obsolete.

Factual Basis/Rationale:

The provisions concerning the processing of applications are incorporated into section 71550.

Repeal section 71565 (Decision on the Application) - This section is obsolete.

Factual Basis/Rationale:

The provisions concerning the processing of applications are incorporated into section 71550.

Amend section 71600 (Application for Significant Change in Method of Instructional Delivery) – Education Code section 94894 requires institutions to seek the approval of the Bureau for any significant change in the method of instructional delivery. The amendments to this section require an application for such a change.

Factual Basis/Rationale:

The provisions concerning a change of mission, purposes, or objectives or primary method of instruction are not included in the California Private Postsecondary Education Act of 2009 as a substantive change in an approval to operate.

A “change in educational programs,” which may, in part, encompass a change in mission or objectives, is incorporated into section 71550.

Repeal section 71605 (Contents of Application) – This section is obsolete predicated on the California Private Postsecondary Education Act of 2009.

Factual Basis/Rationale:

The provisions concerning a change of mission, purposes, or objectives or primary method of instruction are not included in the California Private Postsecondary Education Act of 2009 as a substantive change in an approval to operate.

A “change in educational programs” is incorporated into section 71550.

Repeal section 71610 (Processing of Application) – This section is obsolete because the provisions concerning the processing of an application are contained within the adopted section 71655.

Factual Basis/Rationale:

The provisions concerning a change of mission, purposes, or objectives or primary method of instruction are not included in the California Private Postsecondary Education Act of 2009 as a substantive change in an approval to operate.

A “change in educational programs” is incorporated into section 71550.

Repeal section 71615 (Decision on the Application) – This section is obsolete because the provisions concerning a decision by the Bureau on an application are contained within the adopted section 71655.

Factual Basis/Rationale:

The provisions concerning a change of mission, purposes, or objectives or primary method of instruction are not included in the California Private Postsecondary Education Act of 2009 as a substantive change in an approval to operate.

A “change in educational programs” is incorporated into section 71550.

Amend section 71630 (Application for Change of Name) – This section specifies what the process is for an institution to seek a change of name.

Factual Basis/Rationale:

Education Code section 94894 requires an application for a change of name. The amendments to this section make specific and are in conformity with the new law.

Adopt section 71640 (Application for ownership, Control, or Business Organization Form) – This section specifies what the process is for an institution seeking to change the business organization form, control, or ownership as defined in the Education Code.

Factual Basis/Rationale:

This section clarifies and makes specific Education Code sections 94894, 94821, 94822, and 94823.

Repeal section 71650 (Branch Locations) – This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because the provisions concerning educational programs that can be offered at a branch location are addressed in section 71550 (Application for Addition of Separate Branch).

Adopt section 71650 (Application for Change in Educational Objectives) - This section specifies what the process is for an institution seeking to change its educational objectives.

Factual Basis/Rationale:

This section clarifies and makes specific Education Code section 94894 and describes what “unrelated” changes would trigger the requirement to file the application.

Repeal section 71655 (Satellite Locations) – This section was reorganized into section 71717.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section have been reorganized within section 71717, and has also been accounted for in section 71660.

Adopt section 71655 (Time for Filing an Application; Processing of an Application; Denials) – This section establishes requirements for institutions that made substantive changes during the sunset period.

Factual Basis/Rationale:

To clarify and make specific Education Code section 94894, the Bureau determined that only complete applications would be processed, and false or misleading information or the intentional or negligent omission or pertinent information could subject an application to denial.

The Bureau also determined that, to be consistent with the six-month period for approval, an institution that has made a substantive change can continue to operate but should also be subject to the same six-month period of time to file an application under this section.

Adopt section 71660 – This section outlines the requirement and the process that an institution must follow to notify the Bureau of a change that is not a substantive change requiring prior authorization from the Bureau, but is still information that the Bureau must have about each institution.

Factual Basis/Rationale:

For consumer protection reasons, the Bureau must know about the status of institutions such as change of location, new branches, satellites, and other changes that may not trigger the requirement to apply for a substantive change.

Amend section 71700 (Applicability of Standards) – This section establishes that the Bureau may require an institution to document its compliance with the California Private Postsecondary Education Act of 2009.

Factual Basis/Rationale:

The reference to complaints is stricken from this section to conform to the California Private Postsecondary Education Act of 2009.

Amend section 71705 (Mission, Purposes, and Objectives) – This section requires an institution to have a written statement of its mission and objectives.

Factual basis/Rationale:

The amendments are necessary to conform its language to that used in the Education Code. The stricken language is incorporated into section 71710.

Amend section 71710 (Educational Program) - This section establishes what an educational program must include.

Factual Basis/Rationale:

The amendments to this section conform the language to that used in the Education Code and incorporate the definition of “course of study” from former section 71005.

Amend section 71715 (Instruction) – This section requires establishes requirements for “instruction.”

Factual basis/Rationale:

This section is amended to delete the reference to “indirect instruction” and include “distance education” as provided within section 94834 of the Education Code. The notice requirement is obsolete because it is provided within section 72400. Distance education provisions are also added to conform to Distance Education and Training Council and Accrediting Commission of Career Schools and Colleges accreditation standards.

The Bureau clarifies that instruction is the essential focus of an educational program, in order to prohibit diploma mills from operating in California and to ensure there is consistency with accreditation standards.

Adopt section 71716 (Distance Educational Programs – Specific Provisions for Instruction Not in Real Time) – This section specifies requirements for institutions offering a distance educational program.

Factual Basis/Rationale:

This section includes provisions from former section 71830 (Degree Programs by Correspondence Instruction). The provisions concerning “not-in-real-time” instruction are also added to comply with the Education Code’s use of the term “distance education” rather than “correspondence instruction.”

Amend section 71720 (Faculty) – This section establishes requirements for faculty.

Factual Basis/Rationale:

The amendments to this section clarify and make specific the faculty requirements for degree and non-degree granting institutions. For ease of reading, the provisions concerning distance education are incorporated into section 71715 (Instruction), and language from former sections 73270 (Instructors) and 73720 (Instructors) is incorporated into this section.

The three year requirement for non-degree programs came from prior law. Former CEC section 94920 required instructors to have three years of experience and training or education in the area they wish to teach, which is reasonable to ensure competence.

Repeal section 71725 (Ownership and Management) – This section is obsolete.

Factual Basis/Rationale:

This section is unnecessary predicated on section 71760 (Self-Monitoring Procedures) and concepts of due process.

Amend section 71730 (Administration) - The amendments do not alter any requirement, right, responsibility, condition, prescription or other regulatory element of any California Code of Regulations provision. (See CCR, Title 1, section 100 (a)(4) and (5).)

Factual Basis/Rationale:

The authority and reference sections were updated to make this section consistent with the California Private Postsecondary Education Act of 2009. Minor grammatical changes were also made for clarity.

Amend section 71735 (Facilities and Equipment) – This section requires institutions to have sufficient facilities and equipment to support the achievement of educational objectives.

Factual Basis/Rationale:

The amendments make specific the facility and equipment requirements as provided in the Act. The provisions of former sections 73710 (Physical Facilities, Equipment, and Materials) and 73890 (Permits) are also incorporated into this section for clarity and ease of reading.

Amend section 71740 (Library and Other Learning Resources) – This section requires degree granting institutions to maintain library and other resources for students.

Factual Basis/Rationale:

Minor grammatical changes were made that do not alter any requirement, right, responsibility, condition, prescription or other regulatory element of any California Code of Regulations provision. The provision concerning the requirement that institutions shall assist its students with study groups was unnecessary and, therefore, stricken.

Amend section 71745 (Financial Records) – This section requires institutions to have sufficient assets and financial resources to conform to the requirements of the California Private Postsecondary Education Act of 2009.

Factual Basis/Rationale:

The amendments to this section clarify an institution's financial responsibilities. Asset to liability ratios were changed from how it existed in the prior law to be consistent with current accreditation standards, which is 1 to 1.

Adopt section 71750 (Withdrawals and Refunds) – This section makes specific and clarifies what an institution must do when a student withdraws from an educational program and outlines the minimum elements of a refund policy.

Factual Basis/Rationale:

For clarity and ease of reading, it is made clear that an application fee may be non-refundable in all refund situation, and that the refund time period is consistent with Education Code sections 94920 and 94919. For the same reasons, the provisions within former section 71805 (Refunds) are also incorporated into this section.

Adopt section 71760 (Self-Monitoring Procedures) – This section requires institutions to establish procedures to assure that it is maintained and operated in compliance with the California Private Postsecondary Education Act of 2009.

Factual Basis/Rationale:

This section consolidates the provisions of former sections 73340 (Self-Monitoring Procedures) and 71725 (Ownership and Management).

Self-monitoring procedures must be part of the minimum operating standards so that an institution sets in place the manner of ensuring its compliance with those standards. A description of those procedures is required in an application.

Amend section 71770 (Admissions Standards and Transferred Credits Policy) – This section establishes requirements for admission standards and transferred credits.

Factual Basis/Rationale:

For clarity and ease of reading, the admissions requirements for undergraduate and graduate degree programs, as set forth in former sections 71850, 71865, and 71870, are incorporated into this section. For the same reason, the provisions of former section 71890 concerning the grant of credit for prior experiential learning are also incorporated into this section.

Repeal section 71775 (Standards for Students Academic Achievement) – This section is obsolete.

Factual Basis/Rationale:

For better organization and ease of reading, the provisions of this section are incorporated into sections 71715 (Instruction) and 71720 (Faculty)

Amend section 71800 (Enrollment Agreement) – This section establishes the requirement of an enrollment agreement and its contents.

Factual Basis/Rationale:

The amendments to this section clarify what minimum information must be contained in an institution's enrollment agreement with a student, in addition to the information required by section 94911 of the Code.

Repeal section 71805 (Refunds) – This section is obsolete.

Factual Basis/Rationale:

For ease of reading, the provisions of this section are incorporated into section 71750 (Withdrawals and Refunds).

Amend section 71810 (Catalog) – This section establishes the requirement of an institution catalog and its contents.

Factual Basis/Rationale:

To ensure that catalogs consistently contain vital information that a prospective student would need to make an informed decision when comparing institutions and deciding to enroll at a particular institution, the amendments to this section eliminate redundancies created by the catalog requirements provided within this section and those provided within Education Code section 94909.

Repeal section 71830 (Degree Programs By Correspondence Instruction) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because its provisions are incorporated into section 71716 (Distance Educational Programs – Specific Provisions for Instruction Not in Real Time).

Amend section 71850 (Minimum Educational Requirements in Order to Award an Undergraduate Degree) – This section establishes the minimum educational requirements to award an undergraduate degree.

Factual Basis/Rationale:

For clarity and ease of reading, former sections 71855 and 71860 are incorporated into this section. For the same reasons, the admission provisions are incorporated into section 71770 (Admissions Standards and Transferred Credits Policy).

Repeal section 71855 (Associate Degree) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because its provisions are incorporated into section 71850 (Minimum Educational Requirements in Order to Award an Undergraduate Degree). The minimum educational requirements were reorganized for clarity and ease of reading.

Repeal section 71860 (Bachelor's Degrees) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because its provisions are incorporated into section 71850. The minimum educational requirements were reorganized for clarity and ease of reading.

Amend section 71865 (Minimum Educational Requirements in Order to Award a Graduate Degree) – This section establishes minimum educational requirements to award a graduate degree.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of former sections 71870 (Master's Degrees), 71875 (Professional Doctoral Degrees), 71880 (Doctorate Degrees), and 71885 (Doctoral Committees) are incorporated into this section.

Repeal section 71870 (Master's Degrees) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because its provisions are incorporated into section 71865 (Minimum Educational Requirements in Order to Award a Graduate Degree). The minimum educational requirements were reorganized for clarity and ease of reading.

Repeal section 71875 ((Professional Doctoral Degrees) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because its provisions are incorporated into section 71865 (Minimum Educational Requirements in Order to Award a Graduate Degree). The minimum educational requirements were reorganized for clarity and ease of reading.

Repeal section 71880 (Doctorate Degrees) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because its provisions are incorporated into section 71865 (Minimum Educational Requirements in Order to Award a Graduate Degree). The minimum educational requirements were reorganized for clarity and ease of reading.

Repeal section 71885 (Doctoral Committees) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because its provisions are incorporated into section 71865 (Minimum Educational Requirements in Order to Award a Graduate Degree). The minimum educational requirements were reorganized for clarity and ease of reading.

Repeal section 71890 (Credit for Prior Experiential Learning) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because its provisions are incorporated into section 71770 (Admissions Standards and Transferred Credits Policy), and "prior experiential learning" is defined in section 70000 (Definitions).

Repeal section 71900 (Annual Report) – This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 74110 (Annual Report).

Repeal section 71905 (Financial Reports) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 74115 (Financial Statements).

Repeal section 71910 (Permits) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71735 (Facilities and Equipment).

Amend section 71920 (Student Records) – This section requires institutions to maintain a file for each of its students and establishes what shall be maintained in such files.

Factual Basis/Rationale:

Education Code section 94900 requires institutions to maintain records of its students. The amendments to this section clarify and make specific that section of the Education Code.

Amend section 71930 (Maintenance of Records) – This section requires institutions to maintain all records maintained by the California Private Postsecondary Education Act of 2009.

Factual Basis/Rationale:

Some of the provisions requiring the maintenance of records at an institution in California are obsolete predicated on Education Code section 94900.5 and are stricken to eliminate redundancy. The amendments define what is a “current” record, and clarify how long records must be retained, and from when that time begins. The amendments also specify that the records must be maintained in California so that the Bureau can maintain access to them. The authority and reference sections have been updated to conform to the new law.

Repeal section 72000 (Definitions) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 70000 (Definitions).

Repeal section 72005 (Requirements for a Course of Study) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into Chapter 3, Article 1.

Repeal section 72010 (Applicability of Chapter) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72020 (Vocational Diploma Programs Offered by Degree Granting Institutions) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72101 (Application Procedures)- This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into Chapter 2, Articles 1 through 4.

Repeal section 72105 (Application Form)- This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71100 (Application Form).

Repeal section 72110 (Institution's Name, Address, Telephone Number of Primary Administrative Office) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71110.

Repeal section 72120 (Form of Business Organization) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71140 (Organization and Management).

Repeal section 72130 (Institution Ownership and Control; Violation of Law) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71130.

Repeal section 72140 (Organization and Management) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72150 (Governing Board) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71150 (Governing Board).

Repeal section 72160 (Institution Representative) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71160 (Institution Representative).

Repeal section 72170 (Mission, Purposes, and Objectives) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71170.

Repeal section 72180 (Exemplars of Student Agreements) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71180.

Repeal section 72190 (Financial Aid Students) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71190.

Repeal section 72200 (Advertising and Other Public Statements) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71200.

Repeal section 72210 (Instruction and Degrees Offered) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71210.

Repeal section 72220 (Description of Educational Service) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71220.

Repeal section 72230 (Instruction in Languages Other Than English) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71230.

Repeal section 72240 (Financial Reports) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71240.

Repeal section 72250 (Faculty) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71250.

Repeal section 72260 (Facilities and Equipment) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71260.

Repeal section 72270 (Libraries and Other Learning Resources) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71270.

Repeal section 72280 (Student Services) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71280.

Repeal section 72290 (Copy of Catalog) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71290.

Repeal section 72300 (Graduation Document) - This section is obsolete.

Factual Basis/Rationale:

The provisions of this section are incorporated into section 71300.

Repeal section 72310 (Recordkeeping; Custodian of Records) - This section is obsolete.

Factual Basis/Rationale:

The provisions of this section are incorporated into section 71310.

Repeal section 72330 (Operational Plan) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72340 (Additional Information) - This section is obsolete.

Factual Basis/Rationale:

The provisions of this section are incorporated into section 71340.

Repeal section 72360 (Approval for A Particular Educational Program or Degree Title)- This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72380 (Signatures and Certification)- This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71380.

Repeal section 72400 (Change in Circumstance Affecting Application Information)- This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71405.

Repeal section 72405 (Change in Circumstance Affecting Application Information)- This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71405.

Repeal section 72410 (Right to an Administrative Hearing)- This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72415 (Length of Approval to Operate)- This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72420 (Applications from Institutions Operating on December 31, 1990)- This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72450 (Visiting Committees) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71450.

Repeal section 72455 (Challenge to the Visiting Committee)- This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71455.

Repeal section 72460 (Duties of the Visiting Committee)- This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71460.

Repeal section 72465 (Visiting Committee Report)- This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71465.

Repeal section 72470 (Institution Cooperation with Visiting Committee)- This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71470.

Repeal section 72500 (Application to Change Location Required) – This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71500.

Repeal section 72505 (Contents of Application for Change of Location) – This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71500.

Repeal section 72515 (Council Approval) – This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72520 (Emergency Application for Change in Location) – This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71500.

Repeal section 72550 (Application for Addition of Location) – This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71550.

Repeal section 72555 (Contents of the Application) – This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71505.

Repeal section 72560 (Processing of Application) – This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71500.

Repeal section 72565 (Decision on the Application) – This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71500.

Repeal section 72570 (Change of Institutional Name) – This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71630.

Repeal section 72600 (Application for Change) – This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71630.

Repeal section 72605 (Contents of Application) – This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71630.

Repeal section 72610 (Processing of Applications) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72615 (Decision on the Application) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72650 (Branch Locations) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72655 (Satellite Locations) – This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because “satellite location” is defined in Education Code section 94862.

Repeal section 72700 (Operational Standards) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72701 (Applicability of Standards) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72705 (Mission, Purposes, and Objectives) – This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72710 (Curriculum) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72715 (Instruction) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72720 (Faculty) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72725 (Ownership and Management) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72730 (Administration) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72735 (Facilities) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72740 (Library and Other Learning Resources) – This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law.

Repeal section 72745 (Financial Resources) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72770 (Statement of Admissions Policy) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72775 (Standards for Student Academic Achievement) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72800 (Enrollment Agreement and Charges) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72805 (Refunds) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72810 (Catalog) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72830 (Degree Programs by Correspondence Instruction) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72850 (General Provisions) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72855 (Associate Degrees) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72860 (Bachelor's Degree) - This section is obsolete.

Factual Basis/Rationale: This section is obsolete because it is based on the former law

Repeal section 72865 (General Provisions) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72870 (Master's Degrees) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72875 (Professional Doctoral Degree) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72880 (Doctorate Degrees) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72885 (Doctoral Committees) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72890 (Credit for Prior Experiential Learning) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72900 (Annual Report) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72905 (Financial Reports) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72910 (Records) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72915 (Permits) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72920 (Student Records) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 72930 (Maintenance of Records) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73000 (Definitions and Reference) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law, and because definitions were all consolidated in 70000.

Repeal section 73010 (Applicability of Chapter) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73100 (Application Form) - For clarity and ease of reading, the provisions of this section are incorporated into section 71100.

Repeal section 73110 (Institution's Name, Address, Telephone Number of Primary Administrative Office) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71110.

Repeal section 73120 (Form of Business Organization) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71120.

Repeal section 73130 (Institution Ownership and Control; Violations of Law) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71130.

Repeal section 73140 (Organization and Management) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71140.

Repeal section 73150 (Governing Board) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71150.

Repeal section 73160 (Student Progress, Review, and Notification) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73165 (Institution Representative) - This section is obsolete.

Factual Basis/Rationale:

The provisions of this section are incorporated into Chapter 2, Article 1.

Repeal section 73170 (Exemplars of Student Agreements; Written Disclosures) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71180.

Repeal section 73180 (Financial Aid Students) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71190.

Repeal section 73190 (Advertising and Other Public Statements) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71200.

Repeal section 73200 (Instruction Offered) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71210.

Repeal section 73210 (Description of Educational Service) - This section is obsolete.

Factual Basis/Rationale:

The provisions of this section are incorporated into section 71220.

Repeal section 73220 (Minimum Level of Education) - This section is obsolete.

Factual Basis/Rationale:

The provisions of this section are incorporated into section 71210.

Repeal section 73230 (Instruction in Languages Other Than English) - This section is obsolete.

Factual Basis/Rationale:

The provisions of this section are incorporated into section 71230.

Repeal section 73240 (Instruction to Non English Speaking Students) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73260 (Financial Reports) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71240.

Repeal section 73270 (Instructors) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73280 (Facilities and Equipment) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71260.

Repeal section 73290 (Libraries) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71270.

Repeal section 73300 (Student Services) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71280.

Repeal section 73310 (Recordkeeping; Custodian of Records) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71310.

Repeal section 73320 (Copy of Catalog) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71290.

Repeal section 73330 (Job Placement Assistance) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71280.

Repeal section 73340 (Self Monitoring Procedures) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71320.

Repeal section 73350 (Claim of Exemption) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71390.

Repeal section 73360 (Entrance Tests) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73380 (Operational Plan) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73390 (Additional Information) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71340.

Repeal section 73400 (Unavailable Information) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73410 (Approval for A Particular Educational Service, Course, or Program)

- This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73420 (Student Records) - This section is obsolete.

Factual Basis/Rationale:

The provisions of this section are incorporated into Chapter 3, Article 3.

Repeal section 73430 (Certification of Compliance) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73440 (Signatures and Certification) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71380.

Repeal section 73470 (FAA Certified Flight Schools) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73480 (Truck Driving Schools) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73500 (Processing Time for Completed Applications) – This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71400.

Repeal section 73520 (Change in Circumstance Affecting Application Information)– This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71405.

Repeal section 73530 (Priority of Review) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73540 (Length of Approval to Operate) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law, and the current law provides for length of approval.

Repeal section 73550 (Application for Approval to Change Name) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71630.

Repeal section 73600 (Application to Change Location Required) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71500.

Repeal section 73610 (Contents of Application for Change in Location) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71505.

Repeal section 73620 (Notice to Students of Change in Location) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71510.

Repeal section 73630 (Approval to Change Location Pursuant to Section 94873(h)(2) of the Code) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73640 (Bureau Approval) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71515.

Repeal section 73650 (Emergency Application for Change in Location) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71520.

Repeal section 73660 (Application for Certificate of Authorization; Applicability) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73670 (Contents of Application) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73680 (Bureau Review and Decision) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73690 (Instructional Staff Vacancies) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73700 (Quality of Instruction; Educational Objectives) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71715.

Repeal section 73710 (Physical Facilities, Equipment, and Materials) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71735.

Repeal section 73720 (Instructors) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71720.

Repeal section 73730 (Financial Aid Director and Officers) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71730.

Repeal section 73740 (Officers, Directors, Owners) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71725.

Repeal section 73750 (Catalog Requirements) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71780.

Repeal section 73760 (Cosmetology School Catalog Requirements) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73765 (Monitoring Student Progress) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73770 (Student Complaint Procedures) – This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because complaint procedures are addressed in Education Code sections 94941 and 94942.

Repeal section 73780 (Documents of Completion) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71300.

Repeal section 73790 (Disclosures; Performance Standards) - This section is obsolete.

Factual Basis/Rationale: This section is obsolete because it is based on the former law

Repeal section 73800 (Refunds under Section 94870 of the Code) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73820 (English-As-A-Second Language (“ESL”) Instruction; Independent Test Administration for ESL Programs) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73830 (Definitions) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73831 (Minimum Test Scores) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73832 (Recognition of Tests) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73850 (Annual Report) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71900.

Repeal section 73860 (Financial Reports) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71905.

Repeal section 73870 (Logs) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 73880 (Course Syllabus) - This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into sections 71920 and 71930.

Repeal section 73890 (Permits) – This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into sections 71920 and 71930.

Repeal section 73900 (Student Records) – This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because “student records” are addressed in Education Code section 94900 and section 71930 of the Code.

Repeal section 73910 (Maintenance of Records) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete predicated on Education Code section 94900 and CCR section 71930.

Amend section 74000 (Fees and Penalties – General Provisions) – This section sets forth the fees to be paid by institutions and penalties for failing to pay them.

Factual Basis/Rationale:

The amendments clarify and make specific Article 17 of the California Private Postsecondary Education Act of 2009. Redundancies are stricken and a penalty is added for the non-payment of fees.

Amend section 74002 (Definitions) – This section defines terms associated with fees to be paid by institutions.

Factual Basis/Rationale:

The amendments clarify and make specific Article 17 of the California Private Postsecondary Education Act of 2009. “Annual fee” is defined, and obsolete language is stricken predicated on the California Private Postsecondary Education Act of 2009.

Amend section 74004 (Request for Verification of Exemption) – This section establishes the fee to be paid by institutions seeking a verification of exemption.

Factual Basis/Rationale:

The fee schedule provision is obsolete because it is provided in Education Code section 94874. A fee to verify an institution’s exempt status (Article 4 of the California Private Postsecondary Education Act of 2009) is established by amendment to this section.

The \$250.00 amount was selected based on an analysis of the cost associated with staff time to intake, process, and make a decision on the application for verification of exempt status.

Amend section 74006 (Annual Fee) – The amendments to this section restate when the annual fee is due. Language concerning the annual fee assessment is stricken because such assessments are provided in Education Code section 94930.5.

Repeal section 74008 (Fees Payable by Institutions In Connection With Approval Under Sections 94900, 94901 and 94905 of the Code) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 74010 (Fees Payable by Institutions In Connection With Approval Under Section 94915 of the Code) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 74014 (Institutions Subject to Section 94931(c)(3) of the Code) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 74016 (Agents and Agencies) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 74018 (Certificates of Authorization) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 74020 (Definitions) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 74030 (Application for Change of Ownership) – This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because an “application for change in ownership” is addressed in Education Code sections 94822 (Change in Control) and 94823 (Change in Ownership) and CCR section 71130 (Institution Ownership and Control; Violations of Law).

Repeal section 74040 (Completion of Application) – This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because the application for a change in ownership is addressed in Education Code sections 94822 (Change in Control) and 94823 (Change in Ownership) and CCR section 71130 (Institution Ownership and Control; Violations of Law).

Repeal section 74050 (Processing Time) – This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because the time period for processing an application for a change in ownership is incorporated into section 71655 (Time for Filing an Application; Processing of an Application; Denials).

Repeal section 74100 (Probation) – This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because an order of probation is addressed in Education Code section 94937 and CCR section 74170 (Stipulations).

Adopt section 74110 (Annual Report) – This section establishes the requirements and contents of an annual report, including when the report is due.

Factual Basis/Rationale:

This section clarifies and makes specific the requirements of Education Code section 94934 by setting forth a time period for annual report filings, which must be accompanied by a financial report.

Adopt section 74115 (Financial Statements) – This section establishes the requirements of financial statements required to be prepared or filed, in accordance with the California Private Postsecondary Education Act of 2009 or these regulations.

This section is obsolete.

Factual Basis/Rationale:

This section clarifies and makes specific Education Code section 94897 (j)(1) by setting forth the requirements of financial statements.

Amend section 74120 (Substantial Relationship Criteria) – This section describes when a crime or act shall be considered substantially related to the qualifications, functions, or duties of any owner, corporate director or member of a governing board, officer, administrator, or instructor for the purposes of denying an application under section 480 of the Business and Professions Code.

Factual Basis/Rationale:

The authority and reference sections were updated to make this section consistent with the California Private Postsecondary Education Act of 2009.

Amend section 74130 (Criteria for Rehabilitation) – This section describes the criteria for rehabilitation.

Factual Basis/Rationale:

The authority and reference sections were updated to make this section consistent with the California Private Postsecondary Education Act of 2009.

Amend section 74140 (Retention of Advertising) – This section requires institutions to retain copies of all advertising for a minimum of five years.

Factual Basis/Rationale:

The authority and reference sections were updated and obsolete information was stricken to make this section consistent with the California Private Postsecondary Education Act of 2009.

Amend section 74150 (Use of Term “University”) – This section describes when the term “university” can be used.

Factual Basis/Rationale:

The amendment to this section eliminate obsolete provisions predicated on the California Private Postsecondary Education Act of 2009 and the time for exclusion from use of “university” in its name or in connection with a description of itself or its educational programs.

Amend section 74160 (Surrender of Approval) – This section describes when an institution can surrender its approval to operate and the process to surrender it.

Factual Basis/Rationale:

The authority and reference sections were updated and obsolete information was stricken to make this section consistent with the California Private Postsecondary Education Act of 2009.

Amend section 74170 (Stipulations) – This section describes under which circumstances the Director can enter into stipulations with an institution.

Factual Basis/Rationale:

Obsolete language was stricken from this section, and the authority and reference sections were updated to make this section consistent with the California Private Postsecondary Education Act of 2009.

Repeal section 74180 (Abandonment of Application) – This section is obsolete.

Factual Basis/Rationale:

For clarity and ease of reading, the provisions of this section are incorporated into section 71401 (Abandonment of Application).

Amend section 74190 (Agents for Service of Process; Changes) – This section requires an institution to keep the Bureau informed of any change in information concerning its agent for service of process, which must be confirmed by the agent.

Factual Basis/Rationale:

The amendments to this section clarify and make specific Education Code section 94943.5.

Amend section 74200 (Cessation of Educational Program) – This section requires an institution to notify the Bureau within 30 days if it has ceased to offer any educational program.

Factual Basis/Rationale:

The authority and reference sections were updated and grammatical changes were made to make this section consistent with the California Private Postsecondary Education Act of 2009.

Repeal section 74300 (Duration of Temporary Approvals) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 74310 (Temporary Approval Notice) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 74320 (Temporary Approval Notice for the Media) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 75000 (Agent's Permits Required) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 75020 (Application for Agent's Permit) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 75030 (Complete Application; Bureau's Decision) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 75040 (Term of Permit) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 75100 (Agency Authorization Required) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 75110 (Application for Agency Authorization) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 75120 (Complete Application; Bureau's Decision) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Repeal section 75130 (Term of Permit) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law

Amend section 76000 (Definitions) – This section provides definitions applicable to the Student Tuition Recovery Fund.

Factual Basis/Rationale:

The amendments to this section were made to conform the Student Tuition Recovery Fund definitions to the language used in the Education Code.

Repeal section 76010 (Teach-Out Plan) - This section is obsolete.

Factual Basis/Rationale:

This section is obsolete because it is based on the former law, but the contents of the section were reorganized in section 76240.

Adopt section 76020 (Student Tuition Recovery Fund (STRF)) – This section details the purpose of the Student Tuition Recovery Fund.

Factual Basis/Rationale:

This section clarifies and makes specific Article 14 of the California Private Postsecondary Education Act of 2009.

Amend section 76120 (Amount of STRF Assessment) – This section describes the Student Tuition Recovery Fund assessments.

Factual Basis/Rationale:

The amendments to this section clarify and make specific Article 14 of the California Private Postsecondary Education Act of 2009.

Amend section 76130 (Collection and Submission of Assessments) – This section details when a qualifying institution shall collect the Student Tuition Recovery Fund assessments.

Factual Basis/Rationale:

The amendments to this section clarify and make specific Article 14 of the California Private Postsecondary Education Act of 2009.

Adopt section 76140 (Record-Keeping Requirements) – This section requires qualifying institutions to collect and maintain records to substantiate the data reported to the Bureau.

Factual Basis/Rationale:

The amendments to this section clarify and make specific Article 14 of the California Private Postsecondary Education Act of 2009.

Amend section 76200 (Application for Payment) – This section establishes the payment requirements for students seeking reimbursement under the Student Tuition Recovery Fund.

Factual Basis/Rationale:

The amendments to this section clarify and make specific Article 14 of the California Private Postsecondary Education Act of 2009.

Amend section 76210 (Claims Amount, Payment and Denial) – This section details the authority of the Bureau to act on claims under the Student Tuition Recovery Fund.

Factual Basis/Rationale:

The amendments to this section clarify and make specific Article 14 of the California Private Postsecondary Education Act of 2009.

Adopt section 76212 (Claims by Government Agency on Behalf of Students) – This section details the entitlement to payment from the Student Tuition Recovery Fund if a government agency obtains a judgment against an institution on behalf of one or more students.

Factual Basis/Rationale:

This section clarifies and makes specific Article 14 of the California Private Postsecondary Education Act of 2009.

Amend section 76215 (Student Tuition Recovery Fund Disclosures) – This section requires specific Student Tuition Recovery Fund disclosures to be included on its enrollment agreement and its current schedule of student charges.

Factual Basis/Rationale:

The amendments to this section clarify and make specific Article 14 of the California Private Postsecondary Education Act of 2009.

Adopt section 76240 (Required Notices and Teach-Out Plan) – This section establishes requirements concerning notices and teach-out plans when an institution closes.

Factual Basis/Rationale:

This section clarifies and makes specific Article 14 of the California Private Postsecondary Education Act of 2009.

Underlying Data

- Accrediting Commission of Career Schools and Colleges (Distance Education Programs)
- Transfer Credit Allowance Matrix
- Private Postsecondary and Vocational Education Reform Act of 1989
- Fee analysis

Business Impact

The bureau has made an initial determination that the proposed regulatory action may have significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

Specific Technologies or Equipment

The California Private Postsecondary Education Act of 2009 does not require specific technologies or equipment. However, Education Code section 94885(c) requires the Bureau to adopt by regulation minimum operating standards for an institution that shall reasonably ensure instructional equipment is sufficient to enable students to achieve the educational program's goals.

This regulation amends section 71260 to provide that "significant equipment" is that which is necessary to achieve educational objectives.

Consideration of Alternatives

No reasonable alternative to the regulations would be either more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed regulations.