

**Title 5. California Code of Regulations
Division 7.5. Private Postsecondary Education
Bureau Administration**

Article 2. Reports

74110. Annual Report.

(a) The annual report required by Section 94934 of the Code shall include the information required by section 94934 for all educational programs offered in the prior calendar year, and all of the following:

(1) Information regarding institutional branch and satellite locations;

(2) Information regarding accreditation and participation in state and federal student aid programs, including the amount of funding received through public funding sources;

(3) Information necessary to verify compliance with the Act and this Division, including information required to be contained in the school catalog, enrollment agreement and school performance fact sheet.

(b) In addition to the information required by section 94934 and this section provided under penalty of perjury, the institution shall have annual financial statements prepared for the institution's prior fiscal year and signed under penalty of perjury, and shall submit a hard copy under separate cover of such statements in conjunction with its annual report. The form, content and mode of preparation of financial statements shall comply with Section 74115 of this Division. The Bureau may request that the institution immediately make available for inspection to a representative of the Bureau, these financial statements at the offices of the institution.

(c) An institution shall file its annual report by September 1st. The Bureau may extend the period for filing if the institution demonstrates evidence of substantial need but in no case longer than 60 days. The institution shall not change the date of its filing its annual report because of a change in the fiscal year without the Bureau's approval.

(d) The annual report shall be electronically filed by submitting the information required by section 94934 of the Code and this section via the online form provided on the Bureau's website, electronically attaching, as directed, the School Performance Fact Sheet, ~~and the school catalog.~~ An institution without the capability to submit the information electronically shall inform the Bureau not less than 45 days prior to the date the information is required by subdivision (c), and receive direction on alternative means of submission.

Note: Authority cited: Sections 94803 and 94934, Education Code. Reference: Sections 94932 and 94934, Education Code.

74112. Uniform Data - Annual Report, Performance Fact Sheet

(a) Format. The format for the Performance Fact Sheet shall be in at least 12 pt. type, in an easily readable font, with 1.15 line spacing. The Performance Fact Sheet shall contain all and only the information required or specifically permitted by section 94910 of the Code or this chapter.

(b) An institution offering educational programs that are too new to provide the required two years of data shall report the required data as it becomes available and shall include a disclosure on the fact sheet regarding the estimated availability of two full years of data.

~~(c)~~ In addition to the definitions contained in section 94928 of the Code:

(1) "Number of Students Who Began Program" means the number of students who began a program who are scheduled to complete the program within 100% of the published program length within the reporting calendar year, and includes all the students who remained enrolled after their cancellation period.

(2) "Number of Graduates" means the number of students who completed the program within 100% of the published program length within the reporting calendar year.

(3) "Graduates Employed in the Field" means those graduates who are gainfully employed and meet the definition of section 94928(e) of the Code, who have reported their employment to the institution.

(4) "Gainfully employed" means all of the following:

(i) The graduate is employed in a job classification under the United States Department of Labor's Standard Occupational Classification codes that the institution has identified that the program prepares its graduates;

(ii) The graduate is employed in a single position or aggregated single positions totaling at least 32 hours per week; and

(iii) The graduate has reported to the institution that he/she is gainfully employed.

(5) "Total charges" means as defined in section 94870 of the Education Code.

~~(d)~~ Reporting periods:

(1) An Annual Report shall include data for all educational programs as defined in section 94837 of the Code for the previous one calendar year.

(2) A Performance Fact Sheet shall be current and available not later than August 1st, and shall report data for the previous one or two calendar years, as required, or the data currently available for programs too new to provide the required two years of data, based upon the “number of students who, when they began the program” ~~or they were scheduled to graduate in the reported year(s)~~ “number of graduates,” as defined in subdivision (b)(c), ~~for each reported calendar year.~~

(e) Estimated Cost of Program. Reporting of the estimated cost of the program for an institution’s Annual Report and Performance Fact Sheet shall include the total charges for a student to complete the program within 100% of the program length. If the institution chooses to report the institution’s 150% completion rate, the institution shall also list the total charges for a student to complete within 150% of the published program length. If the total charges fluctuated during the reporting year, indicate the highest amount charged for the program during the reporting year.

Total charges shall be included in the Performance Fact Sheet in a format substantially similar to the format listed below (dates and numbers are for example only):

Cost of Educational Program:

Total charges for the program for students completing on-time in 20XX: \$50,000.

Total charges for the program for students completing within 150% of the program length in 20XX: \$65,000.

Student’s Initials: _____ Date: _____

(f) Loan Information.

(1) If the institution participates in federal financial aid programs, the institution shall report loan information in the institution’s Annual Report and on the Performance Fact Sheet. The loan information shall include the most recent three year cohort default rate, the percentage of student borrowers, as reported by the United States Department of Education; and the average amount of student loan debt of graduates in the reporting year, as calculated by the institution. Loan information shall be included in the Performance Fact Sheet in a format substantially similar to the format listed below (dates and numbers are for example only):

The Cohort Default Rate (CDR) represents the percentage of this institution’s students that failed to make required payments on their federal loans within three years of when they were required to begin repayment of that loan. The most recent three-year cohort default rate reported by the U.S. Department of Education for this institution is 28%.

The percentage of the students enrolled in this institution in 20XX, who received federal student loans to help pay their cost of education at the school was 43%.

The average student loan debt of graduates in 20XX was \$26,500; and 43% of graduates in 20XX reported graduating with student loan debt.

Student’s Initials: _____ Date: _____

(2) Institutions that do not participate in federal financial aid programs shall identify, on the institution’s Annual Report and on the Performance Fact Sheet whether the institution is accredited and that the institution is unable to report student loan information because the institution does not participate in federal financial aid programs. If the institution is unaccredited, the institution shall state that it is ineligible for participation in federal financial aid programs because it is unaccredited. Loan information shall be included in the Performance Fact Sheet in a format substantially similar to the format listed below:

This institution is/is not accredited. Students attending unaccredited institutions are ineligible for federal financial aid programs. Because the institution does not participate in federal financial aid programs, the institution is unable to report information regarding student loan debt.

Student’s Initials: _____ Date: _____

(ge) Completion Rates. Reporting of completion rates for an institution's Annual Report and Performance Fact Sheet shall include, for each educational program, the number of students who began program as defined in subdivision (bc), the number of students available for graduation, number of graduates, and completion rate(s). An optional column may be added to include completion rate data for students completing within 401.1-150% of the published program length. For an institution reporting completion data pursuant to section 94929(b) of the Code, completion data shall be separately reported for each program. The Performance Fact Sheet shall disclose, if true, that the completion data is being reported for students completing within 150% of the published program length, and that data is not being separately reported for students completing the program within 100% of the published program length.

Completion rates shall be included in the Performance Fact Sheet in a format substantially similar to the chart below, ~~including the footnoted information below~~ (dates, numbers, and other data shown are for example only):
 Completion Rates (includes data for the two calendar years prior to reporting)

Name of Educational Program (Program Length)

Calendar Year	Number of Students Who Began Program ⁴	Students Available for Graduation ²	Graduates ³	Completion Rate ⁴
20XX	100	98	70	71%
20XY	80	80	55	69%

Students Completing Within 150% of the Published Program Length~~After Published Program Length—150% Completion Rate~~

Name of Educational Program (Program Length)

Calendar Year	Number of Students Who Began Program ⁴	Students Available for Graduation ²	Graduates ⁵	Completion Rate ⁶
20XX	100	98	25	<u>2695%</u>
20XY	80	80	23	<u>2997%</u>

Student's Initials: _____ Date: _____

~~¹ "Number of Students Who Began Program" is the number of students who began the program who are scheduled to complete the program within the reporting calendar year.
² "Students available for graduation" is the number of students who began program minus the number of "Students unavailable for graduation," which means those students who have died, been incarcerated, or called to active military duty.
³ "Graduates" is the number of students who completed the program within 100% of the published program length.
⁴ "Completion Rate" is the number of Graduates divided by the Number of Students Available for Graduation.
⁵ "150% Graduates" is the number of students who completed the program within 101-150% of the published program length.
⁶ "150% Completion Rate" is the number of students who completed the program in the reported calendar year within 101-150% of the published program length divided by the Number of Students Available for Graduation in the published program length period.~~

(he) Placement Rates.

(1) Any placement data required by sections 94910(b) and 94929.5(a) of the Code shall be reported for the number of students who, when they began the program, were scheduled to graduate in the reported year(s) as defined in subdivision (bc) for each reported calendar year.

(2) Placement is measured six months from the graduation date of each student. For programs that require passage of a licensing examination, the period of employment shall begin within six months of the announcement of the examination results for the first examination available after a student completes an applicable educational program. The institution shall request that the Licensing entity verify the date of the first available examination after the relevant graduation date. -Reporting of placement rates shall include for each

educational program: the number of students who began the program, the number of graduates as defined in subdivision (bc), graduates available for employment, graduates employed in the field and placement rate(s).
 (3) Placement rate shall be calculated as follows: the number of graduates employed in the field as defined in subsection 74112(b)(3) divided by the number of graduates available for employment as defined in section 94928(d) of the Code.

(4) The institution shall provide a student, along with the Performance Fact Sheet, a document listing the job classifications identified pursuant to subdivision (c)(4)(i). The student and institution shall initial the document, confirming the student's receipt of the document. The institution shall maintain a copy of the initialed document with the student's records.

~~(4) Graduates employed in the field shall be reported for those graduates employed in the field in a single position that averages under 32 hours per week and those employed in the field in a single position that averages at least 32 hours per week.~~

References to the Code are to the California Education Code where the California Private Postsecondary Education Act of 2009 is located.

Placement rates shall be included in the Performance Fact Sheet in a format substantially similar to the chart below, ~~including the footnoted information below~~ (dates, numbers, and other data shown are for example only):

Placement Rates (includes data for the two calendar years prior to reporting)

Name of Educational Program (Program Length)

Calendar Year	Number of Students Who Began Program ¹	Number of Graduates ²	Graduates Available for Employment ³	Graduates Employed in the Field ⁴	Placement Rate % Employed in the Field ⁵	Graduates Employed in the Field an average of less than 32 hours per week	Graduates Employed in the Field at least 32 hours per week
20XX	100	70	70	55	79%	5	50
20XY	80	55	55	20	36%	9	14

Student's Initials: _____ Date: _____

~~¹ "Number of Students Who Began Program" means the number of students who began the program who are scheduled to complete the program within the reporting calendar year.~~

~~² "Number of Graduates" is the number of students who have completed the program within 100% of the published program length.~~

~~³ "Graduates available for employment" means the number of graduates minus the number of graduates unavailable for employment. "Graduates unavailable for employment" means graduates who, after graduation, die, become incarcerated, are called to active military duty, are international students that leave the United States or do not have a visa allowing employment in the United States, or are continuing their education in an accredited or bureau approved postsecondary institution.~~

~~⁴ "Graduates employed in the field" means graduates who report that they are gainfully employed within six months of graduation in a position for which the skills obtained through the education and training provided by the institution are required or provided a significant advantage to the graduate in obtaining the position.~~

~~⁵ Placement Rate is calculated by dividing the number of graduates gainfully employed in the field by the number of graduates available for employment.~~

(fi) License Examination Passage Rates. If license examination passage rates are not available from the appropriate state agency, an institution shall collect the information directly from its graduates. If an institution demonstrates that, after reasonable efforts, it is unable to obtain the examination passage information from its graduates, the institution shall report the number of students it could not contact and note in a font the same size as the majority of the data on the Performance Fact Sheet, "License examination passage data is not available from the state agency administering the examination. We were unable to collect data from [enter the number] graduates."

Reporting of license examination passage rates for the Annual Report and the Performance Fact Sheet shall include, for each educational program: the number of students completing the program within 150% of published program length in the reported year, the number of documented graduates who passed the first available examination, number of documented graduates who failed the first available examination, the number

of graduates for whom data is not available. An optional column may be added to separately report licensing examination data for students who take and pass the exam after failing initially. The Annual Report shall also include a description of the processes for attempting to contact those students. For licensing examinations that are not continuously administered, license examination passage rates shall be included in the Performance Fact Sheet in a format substantially similar to the chart below, including the footnoted information below (dates, numbers, and other data shown are for example only):

Examination Passage Rates (includes data for the two calendar years prior to reporting)
Name of Educational Program (Program Length)

Number of Students Taking Exam ¹	Exam Date ²	Number Who Passed Exam	Number Who Failed Exam	Passage Rate ³
80	2/1/20XX	40	40	50%
100	6/1/20XX	75	25	75%
82	10/1/20XX	68	14	76%
80	2/1/20XY	40	40	50%
100	6/1/20XY	70	30	70%
92	10/1/20XY	62	30	67%

License examination passage data is not available from the state agency administering the examination. We were unable to collect data from 32 graduates.

Student's Initials: _____ Date: _____

¹ Number of Students Taking Exam is the number of students who completed the program within 150% of published program length and for whom the reported exam is the first exam that was available after their completion of the program.

² Exam Date is the date for the first available exam after the students completed the program.

³ Passage Rate is calculated by dividing the number of students who pass the exam by the number of graduates who take the reported licensing exam.

For licensing examinations that are continuously administered, license examination passage rates shall be included in the Performance Fact Sheet in a format substantially similar to the chart below, including the footnoted information below (dates, numbers, and other data shown are for example only):

Examination Passage Rates (includes data for the two calendar years prior to reporting)
Name of Educational Program (Program Length)

Calendar Year	Number of Students Taking Exam ¹	Number Who Passed First Exam Taken ²	Number Who Failed First Exam Taken	Passage Rate ³
20XX	80	40	40	50%
20XY	100	75	25	75%

License examination passage data is not available from the state agency administering the examination. We were unable to collect data from 10 graduates.

Student's Initials: _____ Date: _____

¹ Number of Students Taking Exam is the number of students who completed the program within 150% of the published program length and who took the exam in the reported calendar year for the first time.

² Number Who Passed First Exam Taken is the number of students who took and passed the licensing exam in the reported calendar year on the first attempt.

³ Passage Rate is calculated by dividing the number of graduates who pass the exam the first time that they take it by the number of graduates who took the licensing exam for the first time after completion of the

program-

(gj) Salary and Wage Information.

All Salary and Wage Information shall be reported to the Bureau pursuant to section 94929.5(ea)(3) of the Code and, if required by section 94910(d) of the Code, shall be included in the Performance Fact Sheet, for each educational program, in a format substantially similar to the chart below, including the footnoted information (dates, numbers, salaries, and other data shown are for example only).

Salary and Wage Information (includes data for the two calendar years prior to reporting)

Name of Educational Program (Program Length)

Annual Salary and Wages Reported by Graduates Employed in the Field³

Calendar Year	Graduates Available for Employment ¹	Graduates Employed in the Field ²	\$15,000.00	\$20,0001.00	\$25,0001.00	\$30,0001.00	Students Not Reporting Salary
			- \$20,000.00	- \$25,000.00	- \$30,000.00	- \$35,000.00	
20XX	100	70	5	40	6	3	16
20XY	80	55	5	7	3	5	35

Student's Initials: _____ Date: _____

¹-"Graduates available for employment" means the number of graduates minus the number of graduates unavailable for employment. Graduates unavailable for employment means graduates who, after graduation, die, become incarcerated, are called to active military duty, are international students that leave the United States or do not have a visa allowing employment in the United States, or are continuing their education in an accredited or bureau-approved postsecondary institution.

²-"Graduates employed in the field" means graduates who are gainfully employed within six months of graduation in a position for which the skills obtained through the education and training provided by the institution are required or provided a significant advantage to the graduate in obtaining the position.

³ Salary is as reported by the student. Not all graduates reported salary.

(k) Definitions. Definitions for all terms contained on the Performance Fact Sheet shall be attached to the Performance Fact Sheet, in a format substantially similar to below:

"Number of Students Who Began Program" means the number of students who began the program who are scheduled to complete the program within the reporting calendar year.

"Students available for graduation" is the number of students who began program minus the number of students who have died, been incarcerated, or been called to active military duty.

"Graduates" is the number of students who completed the program within 100% of the program length.

"Completion Rate" is the number of Graduates divided by the Number of Students Available for Graduation.

"150% Graduates" is the number of students who completed within 101-150% of the program length.

"150% Completion Rate" is the number of students who completed the program in the reported calendar year within 101-150% of the published program length divided by the Number of Students Available for Graduation in the published program length period.

"Graduates available for employment" means the number of graduates minus the number of graduates unavailable for employment. "Graduates unavailable for employment" means the graduates who, after graduation, die, become incarcerated, are called to active military duty, are international students that leave the United States or do not have a visa allowing employment in the United States, or are continuing their education in an accredited or bureau-approved postsecondary institution.

"Graduates employed in the field" means graduates who are gainfully employed in a single position for which the institution represents the program prepares its graduates within six months after a student completes the applicable educational program. For occupations for which the state requires passing an examination, the

period of employment must begin within six months of the announcement of the examination results for the first examination available after a student completes an applicable educational program.

“Placement Rate Employed in the Field” is calculated by dividing the number of graduates gainfully employed in the field by the number of graduates available for employment.

Number of Students Taking Exam is the number of students who completed the program within 150% of the published program length and who took the exam in the reported calendar year for the first time.

Exam Date is the date for the first available exam after the students completed the program.

Passage Rate is calculated by dividing the number of students who passed the exam by the number of graduates who took the reported licensing exam.

Number Who Passed First Exam Taken is the number of students who took and passed the licensing exam in the reported calendar year on the first attempt.

Salary is as reported by the student. Not all graduates report salary. A list of the employers of the Graduates Employed in the Field can be obtained from the Job Placement Office at the School.

(h) Documentation supporting all data reported shall be maintained by the institution electronically for at least five years from the time included in either an Annual Report or a Performance Fact Sheet, shall be provided to the Bureau upon request, and shall include at a minimum: the list of job classifications determined as considered gainful employment for the educational program, student name(s), address, phone number, email address, program completed, program start and completion dates, place of employment and position, salary, hours, and a description of all attempts to contact each student. Documentation shall also include the name, email address, phone number, and position or title of the institution's representative who is primarily responsible for obtaining the students' completion, placement, licensing, and salary and wage data, the date that the information was gathered, and copies of notes, letters or emails through which the information was requested and gathered.

Note: Authority cited: Sections 94877 and 94929.8, Education Code. Reference: Sections 94910, 94928, 94929, 94929.5, 94929.7 and 94929.8, Education Code.

74115. Financial Statements.

(a) This section applies to every set of financial statements required to be prepared or filed by the Act or by this chapter.

(b) A set of financial statements shall contain, at a minimum, a balance sheet, an income statement, and a cash flow statement, and the preparation of financial statements, shall comply with all of the following:

(1) Audited and reviewed financial statements shall be conducted and prepared in accordance with the generally accepted accounting principles established by the American Institute of Certified Public Accountants by an independent certified public accountant who is not an employee, officer, or corporate director or member of the governing board of the institution.

(2) Financial statements prepared on an annual basis as required by section 74110(b) shall be prepared in accordance with the generally accepted accounting principles established by the American Institute of Certified Public Accountants. Nonprofit institutions shall provide annual financial statements as required under generally accepted accounting principles for nonprofit organizations.

(3) The financial statements shall establish that the institution meets the requirements for financial resources required by Section 71745.

(4) If an audit performed to determine compliance with any federal or state student financial aid program reveals any failure to comply with the requirements of the program and the noncompliance creates any liability or potential liability for the institution, the financial statements shall reflect the liability or potential liability.

(5) Any audits shall demonstrate that the accountant obtained an understanding of the institution's internal financial control structure, assessed any risks, and has reported any material deficiencies in the internal controls.

(c) Work papers for the financial statements shall be retained for five years from the date of the statements and shall be made available to the Bureau upon request.

(d) “Current” with respect to financial statements means completed no sooner than 120 days prior to the time it is submitted to the Bureau, and covering no less than the most recent complete fiscal year. If more than 8

months will have elapsed between the close of the most recent complete fiscal year and the time it is submitted, the fiscal statements shall also cover no less than five months of that current fiscal year.

Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94885 and 94934, Education Code.

DRAFT

Definition of “Gainful Employment”

Model #1 (included in language above) – Requires both an objective measure, as well as a subjective measure as reported by the student. Does not address self-employment specifically, and some graduates will not report that he or she is gainfully employed if self-employed.

(4) “Gainfully employed” means all of the following:

- (i) The graduate is employed in a job classification under the United States Department of Labor’s Standard Occupational Classification codes that the institution has identified that the program prepares its graduates;
- (ii) The graduate is employed in a single position or aggregated single positions totaling at least 32 hours per week; and
- (iii) The graduate has reported to the institution that he or she is gainfully employed.

Model #2 -- Requires just an objective measure. Does not address self-employment specifically.

(4) “Gainfully employed” means that:

- (i) The graduate is employed in a job classification under the United States Department of Labor’s Standard Occupational Classification codes that the institution has identified that the program prepares its graduates; and
- (ii) The graduate is employed in a single position or aggregated single positions totaling at least 32 hours per week; and

Model #3 -- Requires just a subjective measure as self-defined by the student. Does not address self-employment specifically, and some graduates will not report that he or she is gainfully employed if self-employed

(4) “Gainfully employed” means that:

- (i) The graduate is employed in a job classification under the United States Department of Labor’s Standard Occupational Classification codes that the institution has identified that the program prepares its graduates; and
- (ii) The graduate has reported to the institution that he or she is gainfully employed.

Model #4 -- Requires either an objective measure, or a subjective measure as reported by the student. Does not address self-employment specifically.

(4) “Gainfully employed” means that the graduate is employed in a job classification under the United States Department of Labor’s Standard Occupational Classification codes that the institution has identified that the program prepares its graduates, and either:

- (i) the graduate is employed in a single position or aggregated single positions totaling at least 32 hours per week; or
- (ii) the graduate has reported to the institution that he/she is gainfully employed.