



Business, Consumer Services and Housing Agency– Governor Edmund G. Brown Jr.

Bureau for Private Postsecondary Education
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**Advisory Committee Meeting Minutes
Tuesday, November 12, 2014**

**Department of Consumer Affairs
Hearing Room
1625 North Market Boulevard
Sacramento, California 95834**

Advisory Committee (Committee) Members in Attendance:

Shawn Crawford, Institutional Representative, Chair
Margaret Reiter, Consumer Advocate, Vice Chair
Ken McEldowney, Consumer Advocate
Katherine Lee-Carey, Institutional Representative
Tamika Butler, Public Member
Patrick Uetz, Consumer Advocate
Mitchell Fuerst, Institutional Representative
Marie De La Parra, Past Student of Institutions

Committee Members Absent:

Maria R. Anguiano, Public Member

Bureau for Private Postsecondary Education (Bureau) Staff in Attendance:

Joanne Wenzel, Bureau Chief
Alyson Cooney, Deputy Bureau Chief
Norine Marks, Legal Counsel, Department of Consumer Affairs
Kurt Heppler, Legal Counsel, Department of Consumer Affairs
Leeza Rifredi, Licensing Chief
Yvette Johnson, Enforcement Chief
Wayne Brenner, Enforcement Manager
John Bruce, Enforcement Manager
Jennifer Juarez, Administration Manager
Cathy Creeggan, Education Specialist
April Oakley, Associate Governmental Program Analyst
Seyed Dibaji-Foroshani, Education Senior Specialist
Vicky Parsons, Education Specialist
Vern Hines, Auditor I
Lloyd Seely, Staff Services Analyst
Lucy Hanna, Office Technician

Call to Order

The meeting was called to order by Mr. Crawford at 9:08 a.m. on November 12, 2014, at the Department of Consumer Affairs Hearing Room, 1625 North Market Boulevard, Sacramento, California 95834.

Agenda Item # 1 - Welcome and Introductions

Mr. Crawford welcomed the public and Committee.

The Advisory Committee members introduced themselves.

- (a) **Approval of Minutes from August 12, 2014, Committee Meeting:** Ms. Reiter noted that the minutes inaccurately reflected the discussion regarding Assembly Bill 2296. Bureau staff agreed to refer back to the meeting notes and update the minutes if necessary. The Committee approved the minutes with that correction.
- (b) **Dates for Future Meetings:** Ms. Wenzel provided date options for February 2015 and May 2015 Committee meetings. The Committee agreed on February 18, 2015, for the next meeting. Ms. Wenzel said that she would have staff research conference room availability for Wednesdays in May 2015 and provide additional date options at the next Committee meeting.

Agenda Item #2 – Remarks by Awet Kidane, Director, Department of Consumer Affairs (Department)

Mr. Kidane greeted the Committee. He stated that the two Bureau priorities he wanted to discuss were staffing and updated data collection. Mr. Kidane stated that he has been working with CPS HR Consulting (CPS) and the Department's human resources staff to determine the Bureau's staffing needs. He also mentioned that Department staff was determining the best way to capture the Bureau's paper processes for converting into the Department's new BrEze system which was in the implementation process.

Ms. Reiter asked Mr. Kidane where the Bureau was on staffing and what the timeframe was for the Bureau to be able to utilize the BrEze system. Mr. Kidane responded, stating that the Bureau was in the process of drafting a Budget Change Proposal to enable it to support additional positions. He stated that the completion of the BrEze project depended on negotiations with the project's vendor.

Agenda Item #3 – Regulatory Update

- (a) **Student Tuition Recovery Fund (STRF) – Proposed Regulatory Rate Change**
Ms. Wenzel presented draft language that beginning January 1, 2015, institutions are not required to collect or submit a STRF assessment fee until the STRF falls below \$20 million.

The Committee also discussed the current processes for the Bureau communicating with institutions about their STRF reporting requirements. Committee members recommended that the Bureau consider administrative process changes to coincide with STRF rate changes. Ms. Reiter suggested that the Bureau consider accepting institutions' STRF updates electronically. Mr. Fuerst and Ms. Reiter suggested that the Bureau assess the STRF's current cap.

- (b) **Update on Pending Regulatory Issues**
 - i. **Emergency Regulations Pursuant to Senate Bill 1247**
Ms. Wenzel presented the draft regulatory language to the Committee and addressed Committee members' questions. Ms. Lee-Carey suggested that the Bureau consider coordinating future Bureau staff visits with accrediting agency staff visits.

Juan Yñiguez, Executive Director, Association for Private Postsecondary Section Education in California, said that he felt the regulations were a bit

excessive. He also asked that the Bureau consider pushing the Notice to Students deadline of February 2015 to July 1, 2015, since institutions are already required to submit their accreditation plan to the Bureau on that date. Ed Howard, Legal Counsel, University of San Diego School of Law's Center for Public Interest Law, emphasized the value of reaching out to stakeholders during the rulemaking process. He said that he hoped the same amount of time and attention would be taken addressing all of the changes mandated by Senate Bill 1247. Steve Arthur, President, Ryokan College, addressed some of the Committee members' questions and informed the Committee of his experience seeking accreditation for his school.

ii. Reports – Implementation of Assembly Bill 2296

Ms. Wenzel provided an update on the implementation of Assembly Bill 2296 and addressed the members' questions.

Rigel Massaro, Public Advocates expressed concern that an updated version of the regulatory language was not available for the meeting. She also requested that updated regulatory language be made available as early as possible to allow for public input. Linda Leu, Young Invincibles, also requested that copies of the updated regulatory language be made available as early as possible to allow for public input. She added that her organization felt a strong sense of urgency in getting these regulations out. She encouraged the Bureau to consider ways the public can be involved in finalizing the regulatory language without having to physically attend a Committee meeting. Robert Johnson, California Association of Private Postsecondary Schools, stated that the legislature didn't put placement requirements in Assembly Bill 2296 – the Bureau did. He encouraged the Bureau to finalize the regulations quickly.

iii. Intensive English Language Programs

Brooks Ellison and Pat Whalen, Legal Counsel, Ellison Wilson Advocacy, LLC, presented correspondence prepared in response to questions asked by Committee members during the August 12, 2014, Committee meeting. Mr. Ellison and Mr. Whalen then responded to Committee members' questions and reminded the Committee that they were dedicated to working with the Bureau to address any concerns the Committee may have.

iv. STRF

Ms. Wenzel noted that there were many changes coming to the STRF. Ms. Reiter suggested that the Bureau consider drafting emergency regulations since certain students will now qualify for STRF tuition reimbursement.

Agenda Item #4 – Senate Bill 1247 Implementation

(a) Task Force

Ms. Wenzel summarized Senate Bill 1247 language mandating a Bureau task force. She added that the application to become a task force member will be available on the Bureau's Web site. She said that all applications will be due on December 1, 2014. Ms. Wenzel informed the Committee that two members were required to serve on the task force.

(b) Implementation

Ms. Wenzel summarized the mandates set by Senate Bill 1247 and provided a status on each one.

Agenda Item #5 – Review of the Committee Handbook

Mr. Crawford requested a few minor changes. The Committee then approved the handbook, in concept, understanding that it will likely have to be updated with the changes resulting from Senate Bill 1247.

Agenda Item #6 – Bureau Operation Update

(a) CPS & STRF Review

Ms. Cooney discussed the CPS evaluation and update of Bureau procedures and processes.

Ms. Cooney reported that the STRF currently had no backlog of unprocessed claims and that the STRF balance was approximately \$28.8 million. She added that since she last reported to the Committee on August 12, 2014, the Bureau had paid 27 additional STRF claims totaling \$80,462.

(b) Licensing Update

Ms. Rifredi reported that the Licensing Section (Licensing) had one vacancy. She added that its application workshops were proceeding well and the Bureau was receiving applications from individuals who have attended a workshop. She noted that Licensing staff would soon determine whether the application workshops helped with application processing times.

Ms. Rifredi reported that Licensing was receiving approximately 50-75 applications per month. She indicated that the Bureau had 912 applications in-house and Bureau staff had processed 399 applications since July 1, 2014. Ms. Rifredi also pointed out that in October 2014, Licensing staff processed 26 more applications than it did in October 2013.

(c) Enforcement Update

Ms. Johnson presented complaint statistics. She reported that the Enforcement Section had 950 pending complaints and of those, 242 were self-referred from Bureau staff. Mr. Hines introduced a complaint prioritization spreadsheet that the Bureau was working on. He explained how the spreadsheet was developed to prioritize complaints based on the age of the complaint, location of the institution involved, licensing status of the institution, quantity of complaints received for the institution in question and the type of complaint. The Committee members commended the Bureau's work and stated that the spreadsheet was a step in the right direction.

Ms. Massaro said that the statistics provided by all Bureau staff were very helpful. She added that it would be helpful to have the data presented at Committee meetings available in writing to the public as well.

(d) Travel Reimbursement Procedures

Ms. Juarez discussed the process of seeking reimbursement for expenses related to State travel. Sean McClary, Accounting Technician, also discussed the Department's travel policies and addressed Committee members' questions.

Agenda Item #7 – Public Comment on Items not on Agenda

- (a) Ms. Leu asked that the materials discussed be available in writing to the public and also requested an agenda item to discuss youth involvement on the Committee. Ms. Butler mentioned that she had also requested an agenda item to discuss youth involvement on the Committee.

Agenda Item #8 – Adjournment

The meeting adjourned at 3:51 p.m.