XAVIER BECERRA
Attorney General of California
DIANN SOKOLOFF
Supervising Deputy Attorney General
CARTER OTT
Deputy Attorney General
State Bar No. 221660
1515 Clay Street, 20th Floor
P.O. Box 70550
Oakland, CA 94612-0550
Telephone: (510) 879-1349
Facsimile: (510) 622-2270
E-mail: Carter.Ott@doj.ca.gov
Attorneys for Complainant

BEFORE THE
DEPARTMENT OF CONSUMER AFFAIRS
FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
STATE OF CALIFORNIA

In the Matter of the Statement of Issues Against: **BAY COLLEGE OF CALIFORNIA** **Application for Renewal of Approval to Operate Applicant** **Institution Code 81739864** Respondent.	Case No. 1002516 **STATEMENT OF ISSUES**

Complainant alleges:

PARTIES

1. Leeza Rifredi ("Complainant") brings this Statement of Issues solely in her official capacity as the Deputy Bureau Chief of the Bureau for Private Postsecondary Education, Department of Consumer Affairs.

2. On or about December 21, 2015, the Bureau for Private Postsecondary Education ("Bureau") received an Application for Renewal of Approval to Operate an Institution Non-Accredited from Respondent Bay College of California ("Respondent"). The Bureau denied the application on March 7, 2017.

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JURISDICTION

3. This Statement of Issues is brought before the Director of the Department of Consumer Affairs ("Director") for the Bureau, under the authority of the following laws. All section references are to the Education Code unless otherwise indicated.

4. **Section 94885, subdivision (a)** provides, in part:

"(a) The bureau shall adopt by regulation minimum operating standards for an institution that shall reasonably ensure that all of the following occur:

"(1) The content of each educational program can achieve its stated objective.

. . .

"(3) The facilities, instructional equipment, and materials are sufficient to enable students to achieve the educational program's goals.

. . .

"(7) That, upon satisfactory completion of an educational program, the institution gives students a document signifying the degree or diploma awarded.

. . .

"(9) The institution is maintained and operated in compliance with this chapter and all other applicable ordinances and laws."

5. **Section 94886** provides:

"Except as exempted in Article 4 (commencing with Section 94874) or in compliance with the transition provisions in Article 2 (commencing with Section 94802), a person shall not open, conduct, or do business as a private postsecondary educational institution in this state without obtaining an approval to operate under this chapter."

6. **Section 94887** provides:

"An approval to operate shall be granted only after an applicant has presented sufficient evidence to the bureau, and the bureau has independently verified the information provided by the applicant through site visits or other methods deemed appropriate by the bureau, that the applicant has the capacity to satisfy the minimum operating standards. The bureau shall deny an application for an approval to operate if the application does not satisfy those standards."

STATUTORY AND REGULATORY PROVISIONS

7. **Section 94897** provides, in part:

"An institution shall not do any of the following:

. . .

"(i) Use a name in any manner improperly implying any of the following:

"(1) The institution is affiliated with any government agency, public or private corporation, agency, or association if it is not, in fact, thus affiliated.

. . . ."

8. **Section 94900, subdivision (b)** provides:

"(b) An institution shall maintain, for each student granted a degree or certificate by that institution, permanent records of all of the following:

"(1) The degree or certificate granted and the date on which that degree or certificate was granted.

"(2) The courses and units on which the certificate or degree was based.

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

9. **Section 94902** provides:

"(a) A student shall enroll solely by means of executing an enrollment agreement. The enrollment agreement shall be signed by the student and by an authorized employee of the institution.

"(b) An enrollment agreement is not enforceable unless all of the following requirements are met:

"(1) The student has received the institution's catalog and School Performance Fact Sheet prior to signing the enrollment agreement.

"(2) At the time of the execution of the enrollment agreement, the institution held a valid approval to operate.

"(3) Prior to the execution of the enrollment agreement, the student and the institution have signed and dated the information required to be disclosed in the Student Performance Fact Sheet pursuant to subdivisions (a) to (d), inclusive, of Section 94910. Each of these items in the Student

Performance Fact Sheet shall include a line for the student to initial and shall be initialed and dated by the student.

"(c) A student shall receive a copy of the signed enrollment agreement, in writing or electronically, regardless of whether total charges are paid by the student."

10. **Section 94900.5** provides:

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

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

"(b) The names and addresses of the members of the institution's faculty and records of the educational qualifications of each member of the faculty.

"(c) Any other records required to be maintained by this chapter, including, but not limited to, records maintained pursuant to Article 16 (commencing with Section 94928)."

11. **Section 94909, subdivision (a)** provides, in part:

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

"(1) The name, address, telephone number, and, if applicable, Internet Web site address of the institution.

. . .

"(5) A description of the programs offered and a description of the instruction provided in each of the courses offered by the institution, the requirements for completion of each program, including required courses, any final tests or examinations, any required internships or externships, and the total number of credit hours, clock hours, or other increments required for completion.

. . .

"(8) A detailed description of institutional policies in the following areas:

"(A) Admissions policies, including the institution's policies regarding the acceptance of credits earned at other institutions or through challenge examinations and achievement tests,

admissions requirements for ability-to-benefit students, and a list describing any transfer or articulation agreements between the institution and any other college or university that provides for the transfer of credits earned in the program of instruction. If the institution has not entered into an articulation or transfer agreement with any other college or university, the institution shall disclose that fact.

. . .

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

. . . ."

12. **Section 94910** provides:

"Except as provided in subdivision (d) of Section 94909 and Section 94910.5, prior to enrollment, an institution shall provide a prospective student with a School Performance Fact Sheet containing, at a minimum, the following information, as it relates to the educational program:

"(a) Completion rates, as calculated pursuant to Article 16 (commencing with Section 94928).

"(b) Placement rates for each educational program, as calculated pursuant to Article 16 (commencing with Section 94928), if the educational program is designed to lead to, or the institution makes any express or implied claim related to preparing students for, a recognized career, occupation, vocation, job, or job title.

"(c) License examination passage rates for programs leading to employment for which passage of a state licensing examination is required, as calculated pursuant to Article 16 (commencing with Section 94928).

"(d) Salary or wage information, as calculated pursuant to Article 16 (commencing with Section 94928).

"(e) If a program is too new to provide data for any of the categories listed in this subdivision, the institution shall state on its fact sheet: "This program is new. Therefore, the number of students who graduate, the number of students who are placed, or the starting salary

you can earn after finishing the educational program are unknown at this time. Information regarding general salary and placement statistics may be available from government sources or from the institution, but is not equivalent to actual performance data."

"(f) All of the following:

"(1) A description of the manner in which the figures described in subdivisions (a) to (d), inclusive, are calculated or a statement informing the reader of where he or she may obtain a description of the manner in which the figures described in subdivisions (a) to (d), inclusive, are calculated.

"(2) A statement informing the reader of where he or she may obtain from the institution a list of the employment positions determined to be within the field for which a student received education and training for the calculation of job placement rates as required by subdivision (b).

"(3) A statement informing the reader of where he or she may obtain from the institution a list of the objective sources of information used to substantiate the salary disclosure as required by subdivision (d).

"(g) The following statements:

"(1) 'This fact sheet is filed with the Bureau for Private Postsecondary Education. Regardless of any information you may have relating to completion rates, placement rates, starting salaries, or license exam passage rates, this fact sheet contains the information as calculated pursuant to state law.'

"(2) 'Any questions a student may have regarding this fact sheet that have not been satisfactorily answered by the institution may be directed to the Bureau for Private Postsecondary Education at (address), Sacramento, CA (ZIP Code), (Internet Web site address), (telephone and fax numbers).'

"(h) If the institution participates in federal financial aid programs, the most recent three-year cohort default rate reported by the United States Department of Education for the institution and the percentage of enrolled students receiving federal student loans.

"(i) Data and information disclosed pursuant to subdivisions (a) to (d), inclusive, is not required to include students who satisfy the qualifications specified in subdivision (d) of Section

94909, but an institution shall disclose whether the data, information, or both provided in its fact sheet excludes students pursuant to this subdivision. An institution shall not actively use data specific to the fact sheet in its recruitment materials or other recruitment efforts of students who are not California residents and do not reside in California at the time of their enrollment."

13. **Section 94911** provides, in part:

"An enrollment agreement shall include, at a minimum, all of the following:

. . .

"(b) A schedule of total charges, including a list of any charges that are nonrefundable and the student's obligations to the Student Tuition Recovery Fund, clearly identified as nonrefundable charges.

. . .

"(d) A clear and conspicuous statement that the enrollment agreement is legally binding when signed by the student and accepted by the institution.

"(e)(1) A disclosure with a clear and conspicuous caption, 'STUDENT'S RIGHT TO CANCEL,' under which it is explained that the student has the right to cancel the enrollment agreement and obtain a refund of charges paid through attendance at the first class session, or the seventh day after enrollment, whichever is later.

"(2) The disclosure shall contain the institution's refund policy and a statement that, if the student has received federal student financial aid funds, the student is entitled to a refund of moneys not paid from federal student financial aid program funds.

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14. **Section 94930.5** provides, in part:

"Subject to Section 94930, an institution shall remit to the bureau for deposit in the Private Postsecondary Education Administration Fund the following fees, in accordance with the following schedule:

. . .

"(c) The following fees shall apply to an institution seeking authorization of a substantive change to its approval to operate, if applicable:

"(1) Processing fee for authorization of a substantive change to an approval to operate: five hundred dollars ($500).

"(2) Processing fee in connection with a substantive change to an approval to operate by means of accreditation: two hundred fifty dollars ($250).

. . . ."

15. **Section 94932** provides:

"The bureau shall determine an institution's compliance with the requirements of this chapter. The bureau shall have the power to require reports that institutions shall file with the bureau in addition to the annual report, to send staff to an institution's sites, and to require documents and responses from an institution to monitor compliance. When the bureau has reason to believe that an institution may be out of compliance, it shall conduct an investigation of the institution. If the bureau determines, after completing a compliance inspection or investigation, that an institution has violated any applicable law or regulation, the bureau shall take appropriate action pursuant to this article."

16. **Section 94893** provides:

"If an institution intends to make a substantive change to its approval to operate, the institution shall receive prior authorization from the bureau. Except as provided in subdivision (a) of Section 94896, if the institution makes the substantive change without prior bureau authorization, the institution's approval to operate may be suspended or revoked."

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17. **Section 94894, subdivision (e)** provides:

"The following changes to an approval to operate are considered substantive changes and require prior authorization:

. . .

"(e) A change of location.

. . . ."

18. **California Code of Regulations, title 5, section 71475** provides, in part:

. . .

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

. . .

"(4) The physical address, phone number and fax number of each campus and branch at which the educational programs will be offered, including the identification of the institution's main location and branch locations.

. . .

"(h) The institution shall include in its application the name, title, physical address, telephone number, fax number, and e-mail address for the agent for service of process in California as required by section 94943.5 of the Code. The agent shall be at an address other than the address of the institution or any branch. The agent must confirm the information and acknowledge in writing that he or she is the designated agent for service of process. The information shall be kept current pursuant to section 74190.

"(i) The institution shall include in its application an organization chart that shows the governance and administrative structure of the institution and the relationship between faculty and administrative positions. If there have been no substantive changes since the last submission of an organizational chart, the institution may so state and is not required to submit documentation.

. . .

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"(k) The institution shall identify in the application the chief executive officer, chief operating officer, and chief academic officer and describe their education, experience, and qualifications to perform their duties and responsibilities. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

"(l) If the institution has a governing board, the application shall include the name, work address, email address, and telephone number of each member of the governing board. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

. . .

"(u) For each educational program that the institution offers or proposes to offer, the application shall contain a statement that the educational program meets the requirements of section 71710, as well as the following unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation:

. . .

"(7) Upon request, the institution shall provide to the Bureau copies of the curriculum or syllabi required pursuant to section 71710.

. . .

"(y)(1) For each program offered, the application shall contain a description of the facilities and the equipment which is available for use by students at the main, branch, and satellite locations of the institution unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

"(2) For facilities that are leased or rented, the application shall contain the name and address of the lessor or landlord, together with a copy of any use, lease, or rental agreements for the facilities unless there have been no substantive changes since the last submission. If there

have been no substantive changes made the institution may so state and is not required to provide documentation.

"(3) The application shall include, in addition to the description of the physical facilities, building diagrams or campus maps to assist the Bureau in locating these facilities. The diagrams or maps shall identify the location of classrooms, laboratories, workshops, and libraries unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

"(4) The description in the application shall include specifications of significant equipment that demonstrate that the equipment meets the standards prescribed by the Code and this chapter and is sufficient to enable students to achieve the educational objectives of each education program unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

"(5) For each item of significant equipment, the description in the application shall indicate whether the equipment is owned, leased, rented, or licensed for short- or long-term, or owned by another and loaned to be used without charge unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

"(6) The application shall contain a list of all permits, certifications, or other evidence of inspections or authorizations to operate required by the jurisdictions within which the institution operates that the institution has obtained, and/or an explanation as to why those permits, certifications, or inspections have not yet been obtained unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

"(z) The application shall include a description of library holdings, services, and other learning resources, including policies and procedures for supplying them to students who do not receive classroom instruction. The description need not consist of a list of each holding. The

description shall include an explanation of how the library and other learning resources are sufficient to support the instructional needs of students and, if no facilities exist at the institution, how and when students may obtain access to a library and other learning resources as required by the curriculum unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

. . .

"(bb) The application shall include a copy of the institution's catalog, in published or proposed-to-be-published form. The catalog shall meet the requirements of the Act and of section 71810.

"(cc) The institution shall submit with the application, a copy of the document that is awarded to a graduating student upon successful completion of each educational program unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

"(dd)(1) The application shall contain a description of how records required by Article 9 of the Act or this chapter are or will be organized and maintained, the types of documents contained in student files, how the records are stored, and whether academic and financial records are maintained in separate files. The description shall include a statement of the institution's procedures for security and safekeeping of records unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

"(2) The description in the application shall include the name, physical address, email address, and telephone number of the custodian of records, and the physical addresses and telephone numbers of the offices or buildings where the records will be maintained unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

. . .

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

19. **California Code of Regulations, title 5, section 71500** provides:

"(a) An institution seeking a change of location as defined in 94823.5 of the Code shall complete the "Change of Location" form (LOC rev. 2/10) to obtain prior authorization. The form shall be submitted at least 60 days prior to the proposed date of the change in location unless an unforeseen and unavoidable circumstance outside the control of the institution requires an earlier change; in which case it shall be submitted no later than 30 days following the change in location. The form shall be submitted to the Bureau along with the appropriate fee as provided in Section 94930.5(c) of the Code. It shall be signed by the signatory(ies) required by section 71380 and dated, and each fact stated therein and each attachment thereto shall be declared to be true under penalty of perjury, in the following form:

'I declare under penalty of perjury under the laws of the State of California that the foregoing and all attachments are true and correct.

_____ _____

(Date) (Signature)'

"(b) The application shall establish that the institution can meet the minimum operating standards contained in Chapter 3, and shall include:

"(1) The name, school code, current and proposed addresses, and telephone and fax numbers of the institution;

"(2) A description of the proposed physical facilities, including building diagrams or campus maps. The diagram or maps shall identify at a minimum, the locations of classrooms, laboratories, workshops and libraries;

"(3) A description of any equipment to be used at the proposed facilities that is different from the equipment used at the present facility;

"(4) The date on which the institution intends to offer instruction at the new location;

"(5) The distance between the approved location and the proposed new location;

"(6) The reason for the move;

"(7) A description of the actions taken to notify students, if any, pursuant to section 94898(d)(1) of the Code, and whether the institution has offered a full refund to students pursuant to section 94898(d)(3) of the Code; and

"(8) The name, address, email address, telephone and fax numbers for the institution's contact person for the purpose of this application.

"(c) The Bureau may deem the actions that the institution takes to notify students of the proposed change of location to be sufficient notice for purposes of section 94898(d)(2).

"(d) An institution that has been granted an approval to operate by means of accreditation shall notify the Bureau of the substantive change within 30 days of that change on the Change of Location form, by providing the information required in sections (b)(1), (b)(8) of this section and shall attach certification from the institution's accreditation agency demonstrating that the substantive change was made in accordance with the institution's accreditation standards, and complies with the Act and this Division.

"(1) The application for change of location for an institution approved by means of accreditation shall be signed and dated by the signatory(ies) required by section 71390(d), and each fact stated therein and each attachment thereto shall be declared to be true under penalty of perjury, in the following form:

"'I declare under penalty of perjury under the laws of the State of California that the foregoing and all attachments are true and correct.

_____ _____

(Date) (Signature)'"

20. **California Code of Regulations, title, 5, section 71700** provides:

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

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21. **California Code of Regulations, title, 5, section 71710** provides, in part:

"In order to meet its mission and objectives, the educational program defined in section 94837 of the Code shall be comprised of a curriculum that includes:

"(a) those subject areas that are necessary for a student to achieve the educational objectives of the educational program in which the student is enrolled;

"(b) subject areas and courses or modules that are presented in a logically organized manner or sequence to students;

"(c) course or module materials that are designed or organized by duly qualified faculty. For each course or module, each student shall be provided with a syllabus or course outline that contains:

"(1) a short, descriptive title of the educational program;

"(2) a statement of educational objectives;

"(3) length of the educational program;

"(4) sequence and frequency of lessons or class sessions;

"(5) complete citations of textbooks and other required written materials;

"(6) sequential and detailed outline of subject matter to be addressed or a list of skills to be learned and how those skills are to be measured;

"(7) instructional mode or methods.

"(d) if degree granting, require research of an appropriate degree that utilizes a library and other learning resources;

"(e) specific learning outcomes tied to the sequence of the presentation of the material to measure the students' learning of the material; and

"(f) evaluation by duly qualified faculty of those learning outcomes."

22. **California Code of Regulations, title, 5, section 71715, subdivision (b)** provides:

"(b) The institution shall document that the instruction offered leads to the achievement of the learning objectives of each course."

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23. **California Code of Regulations, title, 5, section 71720, subdivision (a)** provides, in part:

"(a) An Educational Program Leading to a Degree.

"(1) An institution offering an educational program that leads to a degree shall employ duly qualified faculty sufficient in number to provide the instruction, student advisement, and learning outcomes evaluation necessary for the institution to document its achievement of its stated mission and objectives, and for students to achieve the specific learning objectives of each course offered;

"(2) Each institution shall develop and implement written policies and procedures providing for the participation by duly qualified faculty in the conducting of research, development of curricula, academic planning, enforcement of standards of academic quality, pursuit of academic matters related to the institution's mission and objectives, establishment of criteria for contracting with new faculty, and evaluation of faculty credentials;

. . . ."

24. **California Code of Regulations, title, 5, section 71730** provides, in part:

. . .

"(e) The chief academic officer shall possess a degree or equivalent acceptable experience at least equal to the highest qualifications required of the institution's faculty. Chief academic officers employed on the date of implementation of these regulations, who do not meet the qualifications for their positions, shall have three years to earn the necessary degrees or experience to qualify them for their position.

"(f) The institution shall employ administrative personnel who have the expertise to ensure the achievement of the institution's mission and objectives and the operation of the educational programs.

. . . ."

25. **California Code of Regulations, title, 5, section 71735** provides, in part:

"(a) An institution shall have sufficient facilities and necessary equipment to support the achievement of the educational objectives of all of the courses and educational programs in which

students are enrolled. If an institution represents that the educational service will fit or prepare a student for employment in a particular occupation or as described in particular job titles, either of the following conditions shall be met:

"(1) The equipment used for instruction or provided to the student shall be comparable in model type or features to equipment generally used in those occupations or job titles at the time the instruction is offered.

"(2) The institution shall establish that the equipment used for instruction or provided to a student is not obsolete and is sufficient for instructional purposes to reasonably assure that a student acquires the necessary level of education, training, skill, and experience to obtain employment in the field of training and to perform the tasks associated with the occupation or job title to which the educational program was represented to lead.

"(b) An institution's facilities, including heating and cooling, ventilation, lighting, classrooms, laboratories, and campus environs, shall be well-maintained. The institution shall maintain all valid permits required by any public agencies relating to the health and safety of the institution's facilities and equipment on file, and such permits shall be available to the Bureau upon request."

26. **California Code of Regulations, title, 5, section 71740, subdivision (d)** provides, in part:

"(d) An institution that depends for library and other learning resources primarily on other institutions' collections and resources not in its possession shall do all of the following:

. . .

"(2) Provide students and faculty with access to the regular services of a professional librarian or information specialist experienced in the electronic retrieval of information, who shall provide support for faculty in curriculum matters and actively serve as a resource guide for both graduate and undergraduate students.

"(3) Assure that students have access to the library collections and resources of another institution, organization, or library.

"(4) Document compliance with paragraphs (1), (2), and (3)."

27. **California Code of Regulations, title, 5, section 71770, subdivision (b)** provides:

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

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

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

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

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

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

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28. **California Code of Regulations, title, 5, section 71775.5** provides:

"(a) An approved unaccredited institution enrolling a student in a degree program shall, prior to execution of an enrollment agreement, provide the student with the following notice, which shall be in at least 12-point type in the same font as the enrollment agreement:

"'Notice to Prospective Degree Program Students

"This institution is approved by the Bureau for Private Postsecondary Education to offer degree programs. To continue to offer degree programs, this institution must meet the following requirements:

"• Become institutionally accredited by an accrediting agency recognized by the United States Department of Education, with the scope of the accreditation covering at least one degree program.

"• Achieve accreditation candidacy or pre-accreditation, as defined in regulations, by July 1, 2017, and full accreditation by July 1, 2020.

"If this institution stops pursuing accreditation, it must:

"• Stop all enrollment in its degree programs, and

"• Provide a teach-out to finish the educational program or provide a refund.

"An institution that fails to comply with accreditation requirements by the required dates shall have its approval to offer degree programs automatically suspended.

"Institutional Representative Initials:_____ Student Initials:_____

"Date: _____ Date: _____'

"(b) The student and an institutional representative shall initial and date the notice prior to executing an enrollment agreement. An initialed copy of the notice shall be given to the student and the original shall be retained in the enrolled student's records.

"(c) The notice shall also be posted immediately preceding or following as to clearly pertain to the description of the degree program, including, but not limited to, one or more of the following; admissions requirements, length of program, courses offered or areas of focus. Such notice shall be included, at a minimum, in the following locations:

"(1) The institution's catalog where each degree program is described.

"(2) The institution's website where each degree program is described.

"(3) The institution's degree program brochures."

29. **California Code of Regulations, title, 5, section 71800** provides, in part:

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

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

. . .

"(d) Date by which the student must exercise his or her right to cancel or withdraw, and the refund policy, including any alternative method of calculation if approved by the Bureau pursuant to section 94921 of the Code.

"(e) Itemization of all institutional charges and fees including, as applicable:

"(1) tuition;

"(2) registration fee (non-refundable);

"(3) equipment;

"(4) lab supplies or kits;

"(5) Textbooks, or other learning media;

"(6) uniforms or other special protective clothing;

"(7) in-resident housing;

"(8) tutoring;

"(9) assessment fees for transfer of credits;

"(10) fees to transfer credits;

"(11) Student Tuition Recovery Fund fee (non-refundable);

"(12) any other institutional charge or fee.

. . . ."

30. **California Code of Regulations, title, 5, section 71810** provides, in part:

"(a) Each institution shall provide a catalog pursuant to section 94909 of the Code, which shall be updated annually. Annual updates may be made by the use of supplements or inserts

accompanying the catalog. If changes in educational programs, educational services, procedures, or policies required to be included in the catalog by statute or regulation are implemented before the issuance of the annually updated catalog, those changes shall be reflected at the time they are made in supplements or inserts accompanying the catalog.

"(b) The catalog shall contain the information prescribed by Section 94909 of the Code and all of the following:

. . .

"(3) If the institution admits students from other countries, whether visa services are provided or whether the institution will vouch for student status, and any associated charges;

. . .

"(10) A description of library and other learning resources and the procedures for student access to those resources;

. . .

"(15) Policies on the retention of student records."

31. **California Code of Regulations, title, 5, section 71930** provides, in part:

"(a) An institution shall maintain all records required by the Act and this chapter. The records shall be maintained in this state.

"(b)(1) In addition to permanently retaining a transcript as required by section 94900(b) of the Code, the institution shall maintain for a period of 5 years the pertinent student records described in Section 71920 from the student's date of completion or withdrawal.

"(2) Notwithstanding (b)(1), the institution shall maintain records relating to federal financial aid programs as provided by federal law.

. . . ."

32. **California Code of Regulations, title, 5, section 74000** provides:

"(a) An institution shall pay the fees established by Article 17 of the Act. A failure to include a fee with an application or other request renders the application or request incomplete.

"(b) All fees lawfully collected are non-refundable.

"(c) A fee that is not paid timely is subject to penalty as set forth in section 94931 of the Code.

"(d) The Bureau shall deny a renewal of an approval to operate if the institution fails to submit at the time it files its application for renewal of an approval to operate: all unpaid fees; penalty fees; penalties; orders for reimbursement of costs and expenses; and assessments for, and reimbursement of all payments made to students from, the Student Tuition Recovery Fund.

"(e)(1) If an institution fails to pay any fee and any penalty fees timely, the Bureau may initiate proceedings to revoke the institution's approval to operate for failure to pay fees.

"(2) Any proceeding to revoke an institution's approval to operate is subject to the provisions of Chapter 5 of the Administrative Procedures Act. If a hearing is requested, it shall be limited to the issues of whether any fee or penalty was owed and, if so, whether the fee or penalty were paid when originally due.

"(3) The procedure specified in this subdivision is cumulative to any other right or remedy the Bureau may invoke against an institution which fails to pay its annual fee or a penalty fee when originally due. Nothing in this subdivision restricts the Bureau's authority to bring other administrative or judicial action against an institution that fails to pay its fees when due.

"(4) An institution whose approval to operate was revoked because of nonpayment of an annual fee or penalty fee may seek to obtain approval to operate only by filing an application for a new approval to operate."

33. **California Code of Regulations, title, 5, section 74112** provides:

"(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 and all titles and column headings shall be in bold 14 pt. type, which shall also identify the program for which the Performance Fact Sheet pertains. The Performance Fact Sheet shall contain all and only the information required or specifically permitted by sections 94910 and 94929.5 of the Code or this chapter. A separate Performance Fact Sheet shall be prepared for each program.

"(b) An institution offering educational programs that are too new to provide the required two years of data shall include the date the program began as well as the statement required by

section 94910(e) of the Code. The Performance Fact Sheet shall also disclose the estimated date of availability for two full years of data for those programs.

"(c) Institutions approved under section 94874.8 of the Code, which do not include all required information per section 94874.8(a)(4), shall include on the Performance Fact Sheet the date of approval to operate and when the required data will be available.

"(d) In addition to the definitions contained in section 94928 of the Code:

"(1) 'Number of Students Who Began the Program' means the number of students who began a program who were scheduled to complete the program within 100% of the published program length within the reporting calendar year, and excludes all students who cancelled during the cancellation period.

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

"(3) 'Gainfully Employed' means:

"(A)(i) The graduate is employed in a job classification under the United States Department of Labor's Standard Occupational Classification codes, using the Detailed Occupation (six-digit) level, for which the institution has identified in its catalog and in its employment positions list required by section 94910(f)(2) of the Code that the program prepares its graduates; and

"(ii) The graduate is employed in a single position or concurrent aggregated positions totaling at least 30 hours per week for 5 weeks (35 calendar days), or totaling at least 20 hours per week for 5 weeks (35 calendar days) with a statement signed by the graduate stating that he or she chose to seek part-time employment rather than fulltime employment after graduation; or

"(B) The graduate is employed by the same employer that employed the graduate before enrollment, and any of the following conditions are met:

"(i) the graduate is employed in an occupation with a different Detailed Occupation (six-digit) level Standard Occupational Classification code than applies to the position in which the graduate was employed before enrollment; or

"(ii) the employer or the graduate provides a statement to the effect that the employment after graduation was the result of a promotion with increased pay, due at least in part to graduation from the program; or

"(iii) the employer or the graduate provides a statement to the effect that the degree or the completed program was required as a condition of continued employment; or

"(C) The graduate is self-employed or working freelance as reasonably evidenced by, but not limited to, a business license, fictitious business name statement, advertising (other than business cards), website, or business receipts or other evidence of income from business; or an attestation signed by the graduate of self-employment or freelance work and dated after graduation.

"(e) 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 December 1st, and shall report data for the previous two calendar years based upon the 'number of students who began the program,' as defined in subdivision (d)(1) of this section and were scheduled to graduate in the reported year(s).

"(f) Total Charges. The 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. The institution must include the disclosure that there may be additional charges if the program is not completed on-time.

"Total charges shall be disclosed 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 may be higher for students that do not complete on-time.

"Student's Initials: _____ Date: _____

"Initial only after you have had sufficient time to read and understand the information.

"(g) Student Loan/Debt Information.

"(1) If the institution participates in federal financial aid programs, the institution shall include loan information in the institution's Annual Report and on the Performance Fact Sheet. The loan information shall include:

"(A) The most recent three year cohort default rate, as reported by the United States Department of Education;

"(B) The percentage of enrolled students receiving federal student loans;

"(C) The average amount of federal student loan debt of those graduates who have federal student loan debt in the reporting year; and

"(D) The percentage of graduates with federal student loans, 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):

"Federal Student Loan Debt at (Name of Institution)

"Percentage of students who defaulted on their federal student loans at this school: 28% 1

"Percentage of students enrolled in 20XX who took out federal student loans to pay for this program: 43%

"Percentage of graduates in 20XX who took out federal student loans to pay for this program: 65%

"Average federal student loan debt of 20XX graduates who took out federal student loans at this institution: $26,000

"1 The percentage of students who defaulted on their federal student loans is called the Cohort Default Rate (CDR). It shows the percentage of this school's students who were more than 270 days (about 9 months) behind on their federal student loans within three years of when the first payment was due. This is the most recent CDR reported by the U.S. Department of Education.

"Student's Initials: _____ Date: _____

"Initial only after you have had sufficient time to read and understand the information.

"(2) Institutions that do not participate in federal financial aid programs shall include one of two statements in the Performance Fact Sheet in a format substantially similar to the following:

"Students at (name of institution) are not eligible for federal student loans. The U.S. Department of Education has determined that this institution does not meet the criteria that would allow its students to participate in federal student aid programs.

"or

"(Name of Institution) is eligible, but chooses not to participate in federal student aid programs. So students here do not have federal student loans.

"Student's Initials: _____ Date: _____

"Initial only after you have had sufficient time to read and understand the information.

"(h) 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 the program as defined in subdivision (d)(1) of this section, the number of students available for graduation, number of on-time graduates, and completion rate(s). An optional table may be added to include completion rate data for students completing within 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 and 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. Programs that are more than one year in length which are reporting 150% Completion Rate will provide four calendar years of data.

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

"**On-time Completion Rates (Graduation Rates)** (includes data for the two calendar years prior to reporting)

"**Name of Educational Program** (Program Length)

Calendar Year	*Number of Students Who Began the Program*	*Students Available for Graduation*	*Number of On-time Graduates*	*On-time Completion Rate*
20XX	100	98	70	71%
20XY	80	80	55	69%

"**Students Completing Within 150% of the Published Program Length**

"**Name of Educational Program** (Program Length)

Calendar Year	*Number of Students Who Began the Program*	*Students Available for Graduation*	*150% Graduates*	*150% Completion Rate*
20XX	100	98	95	97%
20XY	80	80	78	98%
*20XZ	90	90	87	97%
*20YA	87	85	74	87%

"*Included only if program is more than one year in length

"Student's Initials: _____ Date: _____

"**Initial only after you have had sufficient time to read and understand the information.**

"(i) Job 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 began the program as defined in subdivision (d)(1) of this section 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, placement shall be measured six months after the announcement of the examination results for the first examination available after a student completes an applicable educational program. 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 section 94842 of the Code, the graduates available for employment, graduates employed in the field and job placement rate(s).

"(3) If the institution makes any claim related to preparing students for a job or regarding job placement, the list required by section 94910(f)(2) of the Code shall identify the employment positions by using the Detailed Occupation or six-digit level of the Standard Occupational Classification codes.

"(4) Placement rate shall be calculated as follows: the number of graduates employed in the field as defined in section 94928(e)(1) of the Code in conjunction with section 74112(d)(3) divided by the number of graduates available for employment as defined in section 94928(d) of the Code.

"Job Placement rates and related disclosures shall be included in the Performance Fact Sheet in a format substantially similar to the charts below, (dates, numbers, and other data shown are for example only):

"**Job 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 the Program*	*Number of Graduates*	*Graduates Available for Employment*	*Graduates Employed in the Field*	*Placement Rate % Employed in the Field*

20XX	100	70	70	55	79%
20XY	80	55	55	20	36%

"**Gainful Employment Categories** (includes data for the two calendar years prior to reporting)

"**Name of Educational Program** (Program Length)

"**Part Time vs. Full Time Employment**

	Graduates Employed in the Field 20 to 29 hours per week	Graduates Employed in the field at least 30 hours per week	Total Graduates Employed in the Field
20XX	15	40	55
20XY	5	15	20

"**Single Position vs. Concurrent Aggregated Positions**

	Graduates Employed in the field in a single position	Graduates Employed in the field in concurrent aggregated positions	Total Graduates Employed in the Field
20XX	52	3	55
20XY	19	1	20

"**Self-Employed/Freelance Positions**

	Graduates Employed who are self-employed or working freelance	Total Graduates Employed in the Field
20XX	3	55
20XY	5	20

"**Institutional Employment**

	Graduates Employed in the field who are employed by the institution, an employer owned by the institution, or an employer who shares	Total Graduates Employed in the Field

	ownership with the institution	
20XX	15	55
20XY	5	20

"Student's Initials: _____ Date: _____

"Initial only after you have had sufficient time to read and understand the information.

"(5) The following self-employment/freelance worker disclosure shall be initialed by students entering any programs in which the majority of graduates who obtain jobs obtain in this type of work:

"This program may result in freelance or self-employment.

"• The work available to graduates of this program is usually for freelance or self-employment.

"• This type of work may not be consistent.

"• The period of employment can range from one day to weeks to several months.

"• Hours worked in a day or week may be more or less than the traditional 8 hour work day or 40 hour work week.

"• You can expect to spend unpaid time expanding your networks, advertising, promoting your services, or honing your skills.

"• Once graduates begin to work freelance or are self-employed, they will be asked to provide documentation that they are employed as such so that they may be counted as placed for our job placement records.

"• Students initialing this disclosure understand that either a majority or all of this school's graduates are employed in this manner and understand what comprises that work style.

"Student's Initials: _____ Date: _____

"Only initial after you have had sufficient time to read and understand the information.

"(j) 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 graduates 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 graduates 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, (dates, numbers, and other data shown are for example only):

"**License Examination Passage Rates** (includes data for the two calendar years prior to reporting)

"**Name of Educational Program** (Program Length)

First Available Exam Date	Date Exam Results Announced	Number of Graduates in Calendar Year	Number of Graduates Taking Exam	Number Who Passed Exam	Number Who Failed Exam	Passage Rate
2/1/20XX	3/15/20XX	277	80	40	40	50%
6/1/20XX	7/15/20XX	277	100	75	25	75%
10/1/20XX	11/15/20XX	277	82	68	14	76%
2/1/20XY	3/20/20XX	304	80	40	40	50%

6/1/20XY	7/19/20XX	304	100	70	30	70%
10/1/20XY	11/19/20XX	304	92	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: _____

"Initial only after you have had sufficient time to read and understand the information.

"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 (dates, numbers, and other data shown are for example only):

"**License Examination Passage Rates** (includes data for the two calendar years prior to reporting)

"**Name of Educational Program** (Program Length)

Calendar Year	*Number of Graduates in Calendar Year*	*Number of Graduates Taking Exam*	*Number Who Passed First Available Exam*	*Number Who Failed First Available Exam*	*Passage Rate*
20XX	95	80	40	40	50%
20XY	109	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: _____

"Initial only after you have had sufficient time to read and understand the information.

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"(k) Salary and Wage Information.

"All Salary and Wage Information shall be reported to the Bureau pursuant to sections 94910(d) and 94929.5(a)(3) of the Code and shall be included in the Performance Fact Sheet, for each educational program, in a format substantially similar to the chart below (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 for Graduates Employed in the Field							
Calendar Year	*Graduates Available for Employment*	*Graduates Employed in the Field*	*$15,000-$20,000*	*$20,001-$25,000*	*$25,001-$30,000*	*$30,001-$35,000*	*No Salary Information Reported*
20XX	100	70	5	40	6	3	16
20XY	80	55	5	7	3	5	35

"A list of sources used to substantiate salary disclosures is available from the school. (Insert how student can obtain this information.)

"Student's Initials: _____ Date: _____

"**Initial only after you have had sufficient time to read and understand the information.**

"(l) Definitions. Definitions for all terms contained on the Performance Fact Sheet shall be included as part of the Performance Fact Sheet, in the same format as required in subdivision (a).

"The following are the definitions for the Performance Fact Sheet:

"'Number of Students Who Began the Program' means the number of students who began a program who were scheduled to complete the program within 100% of the published program length within the reporting calendar year and excludes all students who cancelled during the cancellation period.

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

"'Number of On-time Graduates' is the number of students who completed the program within 100% of the published program length within the reporting calendar year.

"'On-time Completion Rate' is the number of on-time graduates divided by the number of students available for graduation.

"'150% Graduates' is the number of students who completed the program within 150% of the program length (includes on-time graduates).

"'150% Completion Rate' is the number of students who completed the program in the reported calendar year within 150% of the published program length, including on-time graduates, divided by the number of students available for graduation.

"'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 beginning within six months after a student completes the applicable educational program are gainfully employed, whose employment has been reported, and for whom the institution has documented verification of employment. For occupations for which the state requires passing an examination, the six month period begins after 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 Graduates Taking Exam' is the number of graduates who took the first available exam in the reported calendar year.

"'First Available Exam Date' is the date for the first available exam after a student completed a program.

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

"'Number Who Passed First Available Exam' is the number of graduates who took and passed the first available licensing exam after completing the program.

"'Salary' is as reported by graduate or graduate's employer.

"'No Salary Information Reported' is the number of graduates for whom, after making reasonable attempts, the school was not able to obtain salary information.

"(m) Documentation supporting all data reported shall be maintained electronically by the institution for at least five years from the last time the data was included in either an Annual Report or a Performance Fact Sheet and shall be provided to the Bureau upon request; the data for each program shall include at a minimum:

"(1) the list of job classifications determined to be considered gainful employment for the educational program;

"(2) student name(s), address, phone number, email address, program completed, program start date, scheduled completion date, and actual completion date;

"(3) graduate's place of employment and position, date employment began, date employment ended, if applicable, actual salary, hours per week, and the date employment was verified;

"(4) for each employer from which employment or salary information was obtained, the employer name(s) address and general phone number, the contact person at the employer and the contact's phone number and email address, and all written communication with employer verifying student's employment or salary;

"(5) for students who become self-employed, all documentation necessary to demonstrate self-employment;

"(6) a description of all attempts to contact each student or employer;

"(7) any and all documentation used to provide data regarding license examinations and examination results;

"(8) for each student determined to be unavailable for graduation or unavailable for employment, the identity of the student, the type of unavailability, the dates of unavailability, and the documentation of the unavailability; and

"(9) the name, email address, phone number, and position or title of the institution's representative who was 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.

"(n) The institution shall provide on a separate document along with the Performance Fact Sheet the same cancellation disclosure as that which is required to be included with the enrollment agreement by Section 94911(e)(1) of the Code. The separate document shall be substantially the same size as the Performance Fact Sheet and shall be captioned 'STUDENT'S RIGHT TO CANCEL' using bold 14 pt. type."

FIRST CAUSE FOR DENIAL OF APPLICATION
(Incomplete Application – Campus Location)
(Educ. Code §§ 94887, 94893, and 94894, subd. (e); and Cal. Code Regs., title 5, §§ 71475, subds. (c)(4) and (kk), and 71500)

34. Respondent's application is subject to denial because it fails to reference a prior-approved campus address. (Educ. Code § 94887, 94893, and 94894, subd. (e); and Cal. Code Regs., title 5, §§ 71475, subds. (c)(4) and (kk), and 71500). In addition, any institution with an approval to operate must obtain the Bureau's approval prior to changing its campus location. (Cal. Code of Regs., title 5, § 71500). The main campus location stated in Respondent's application was not approved by the Bureau. Although the Bureau has instructed Respondent to submit a "Change of Location" form to obtain approval to use this campus location, Respondent declined. The Bureau cannot approve Respondent's application because the application states a main campus location that has not been approved in violation of Sections 94893 and 94894, subdivision (e).

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SECOND CAUSE FOR DENIAL OF APPLICATION
(Incomplete Application – Agent for Service of Process)
(Educ. Code § 94887; Cal. Code Regs., title 5, §§ 71475, subds. (h) and (kk))

35. Respondent's application is subject to denial because it fails to provide, for Respondent's agent for service of process, an email address and confirmation in writing that he or she is the designated agent for service of process, as required by California Code of Regulations, title 5, section 71475, subdivision (h). (Cal. Educ. Code § 94887; Cal. Code Regs., title 5, §§ 71475, subds. (h) and (k)(k)).

THIRD CAUSE FOR DENIAL OF APPLICATION
(Incomplete Application – Details Regarding Governance and Administration)
(Educ. Code §§ 94887 and 94932; Cal. Code Regs., title, 5, §§ 71475, subds. (i), (k), and (l), 71700, and 71730, subds. (e) and (f))

36. Respondent's application is subject to denial because it fails to document that it has the requisite governance and administration. (Educ. Code §§ 94887 and 94932; Cal. Code Regs., title, 5, §§ 71475, subd. (k), 71700, and 71730, subds. (e) and (f)). In particular:

a. Respondent did not provide an organizational chart showing its institution's governance and administrative structure and the relationship between faculty and administrative positions. While Respondent represented to the Bureau that there were no substantive changes to report, pursuant to Education Code section 94932 and Code of Regulations, title 5, sections 71700 and 71730, subdivision (f), Respondent is required to provide, at the Bureau's request, documentation demonstrating its ability to obtain and maintain an approval to operate. In a letter dated December 6, 2016, the Bureau instructed Respondent to provide an organizational chart showing the governance and administrative structure of its institution and the relationship between faculty and administrative positions. Respondent did not respond.

b. Respondent did not provide a description of the job duties and responsibilities of each administrative and faculty position. While Respondent represented to the Bureau that there were no substantive changes to report, pursuant to Education Code section 94932 and Code of Regulations, title 5, section 71700, Respondent is required to provide, at the Bureau's request, documentation demonstrating its ability to obtain and maintain an approval to operate. In a letter dated December 6, 2016, the Bureau instructed Respondent to provide a description of the job

duties and responsibilities of each administrative and faculty position. Respondent did not respond.

c. Respondent did not identify its chief executive officer and chief operating officer, and describe their education, experience, and qualifications to perform their duties and responsibilities. While Respondent represented to the Bureau that there were no substantive changes to report, pursuant to Education Code section 94932 and Code of Regulations, title 5, section 71700, Respondent is required to provide, at the Bureau's request, documentation demonstrating its ability to obtain and maintain an approval to operate. In a letter dated December 6, 2016, the Bureau instructed Respondent to identify its chief executive officer and chief operating officer, and describe their education, experience, and qualifications to perform their duties and responsibilities. Respondent did not respond.

d. Respondent did not provide the academic qualifications of its chief academic officer ("CAO") and describe the CAO's education, experience, and qualifications. While Respondent represented to the Bureau that there were no substantive changes to report, pursuant to Education Code section 94932 and Code of Regulations, title 5, sections 71700 and 71730, subdivision (e), Respondent is required to provide, at the Bureau's request, documentation demonstrating its ability to obtain and maintain an approval to operate. In a letter dated December 6, 2016, the Bureau instructed Respondent to provide the academic qualifications of its CAO and describe the CAO's education, experience, and qualifications. Respondent did not respond.

e. Respondent did not provide the name, work address, email address, and telephone number of each member of its governing board. While Respondent represented to the Bureau that there were no substantive changes to report, pursuant to Education Code section 94932 and Code of Regulations, title 5, section 71700, Respondent is required to provide, at the Bureau's request, documentation demonstrating its ability to obtain and maintain approval to operate. In a letter dated December 6, 2016, the Bureau instructed Respondent to provide the name, work address, email address, and telephone number of each member of its governing board. Respondent did not respond.

FOURTH CAUSE FOR DENIAL OF APPLICATION
(Exemplars of Student Agreements)
(Educ. Code §§ 94885, subd. (a)(9), 94887, and 94911, subds. (b) and (e)(2); and Cal. Code of Regs., title 5, § 71800, subds. (a), (d), and (e))

37. Respondent's application is subject to denial because the enrollment agreement it provided is not sufficient. (Educ. Code §§ 94885, subd. (a)(9), 94887, and 94911, subds. (b) and (e)(2); and Cal. Code of Regs., title 5, § 71800, subds. (a), (d), and (e)). In particular:

a. Because the institution has not received authorization for the main campus location stated on its enrollment agreement, that enrollment agreement is not valid.

b. The registration fee that is listed on page 1 of the enrollment agreement, under "Institutional Charges" is $50. This is inconsistent with the refund policy, at the bottom of the same page, which states that the registration fee is $150 non-refundable. In addition, a transcript fee of $15 is referenced on page 25 of the 2015-2016 catalog, but this fee is stated as $10 on the schedule of charges that is published on page 37 of the catalog.

FIFTH CAUSE FOR DENIAL OF APPLICATION
(Advertising and Other Public Statements)
(Educ. Code § 94887 and Cal. Code of Regs., title 5, § 71775.5)

38. Respondent's application is subject to denial because its Notice to Prospective Degree Program Students fails to disclose the dates by which the institution is required to achieve pre-accreditation and full accreditation. (Educ. Code § 94887 and Cal. Code of Regs., title 5, § 71775.5).

SIXTH CAUSE FOR DENIAL OF APPLICATION
(Instruction and Degrees Offered)
(Educ. Code §§ 94885, subd. (a)(1) and 94887; and Cal. Code of Regs., title 5, § 71715, subd. (b))

39. Respondent's application is subject to denial because it has failed to document that the instruction offered leads to the achievement of the learning objectives of each course. (Educ. Code §§ 94887 and 94885, subd. (a)(1); and Cal. Code of Regs., title 5, § 71715, subd. (b)). In particular:

a. Respondent seeks to renew three Bachelor of Arts degree programs (in "Computer Arts–New Media," "Digital Arts and Communications," and "Graphic Design") and two Bachelor of Science degree programs (in "Business and Management" and "Economics and

Finance"). Respondent's catalog purports that each educational program offers different educational objectives. But according to the catalog, Respondent has outlined identical education course curricula for each of the Bachelor of Arts programs and the Bachelor of Science programs.

b. In a December 6, 2016 letter, the Bureau instructed Respondent to articulate the educational objectives and learning outcomes for its educational programs. Respondent did not respond.

c. Given that each educational program results in a separate undergraduate degree, Respondent has not offered evidence that the contents of each of its educational programs can achieve their stated objectives. Nor has Respondent documented that its instruction leads to the achievement of the learning objectives of each course. In addition, Respondent has not demonstrated that it has adequately planned an educational curriculum with the capacity to meet minimum operating standards.

SEVENTH CAUSE FOR DENIAL OF APPLICATION
(Description of Educational Programs)
(Educ. Code §§ 94885, subd. (a)(1) and 94887; and
Cal. Code of Regs., title 5, §§ 71475, subds. (u)(7) and (z) and
71710, subds. (a), (c), and (d))

40. Respondent's application is subject to denial because it has failed to demonstrate that its educational programs have the capacity to meet minimum operating standards. (Educ. Code §§ 94885, subd. (a)(1) and 94887; and Cal. Code of Regs., title 5, §§ 71475, subds. (u)(7) and (z) and 71710, subds. (a), (c), and (d)). In particular:

a. Respondent did not submit current, updated syllabi for any of its degree-granting educational programs. Pursuant to Code of Regulations, title 5, section 71475, subdivision (u)(7), Respondent is required to provide these syllabi upon the Bureau's request. In a letter dated December 6, 2016, the Bureau directed Respondent to submit syllabi for all of its educational programs. Respondent did not respond. Accordingly, Respondent has not provided evidence showing that the contents of its educational programs can achieve their stated objectives. Respondent has also failed to demonstrate that its has created syllabi that comply with Code of Regulations, title 5, section 71710, subdivision (c). As a result, Respondent has not

demonstrated that it has adequately planned an educational curriculum with the capacity to meet minimum operating standards.

b. Respondent has not demonstrated that the general education requirements in its undergraduate degree programs is comprised of a curriculum that includes those subject areas that are necessary for a student to achieve its stated educational objectives.

c. Respondent has not demonstrated that any of its Bachelor's degree-level educational program curricula require research of an appropriate degree that utilizes a library and other learning resources, as required by Code of Regulations, title 5, section 71710, subdivision (d).

d. Respondent has not demonstrated that it provides sufficient library and other learning resources to meet and support the instruction needs of students that conduct academic research at the Bachelor's level.

EIGHTH CAUSE FOR DENIAL OF APPLICATION
(Faculty)
(Educ. Code § 94887 and Cal. Code of Regs., title 5, § 71720, subds. (a)(1) and (2))

41. Respondent's application is subject to denial because it has failed to demonstrate that is employs duly qualified faculty or that it has written policies and procedures providing for the participation of that faculty. (Educ. Code § 94887 and Cal. Code of Regs., title 5, § 71720, subds. (a)(1) and (2)). In particular, in a letter dated December 6, 2016, the Bureau directed Respondent to provide evidence that it has contracted with duly qualified faculty as well as its written policies and procedures that provide for participation of the faculty. Respondent did not respond.

NINTH CAUSE FOR DENIAL OF APPLICATION
(Facilities and Equipment)
(Educ. Code §§ 94885, subd. (a)(3) and 94887; and
Cal. Code of Regs., title 5, §§ 71475, subd. (y) and 71735)

42. Respondent's application is subject to denial because Respondent has not provided documentation that demonstrates that its facilities, instructional equipment, and materials are sufficient to enable students to achieve the educational programs' goals. (Educ. Code §§ 94885,

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subd. (a)(3) and 94887; and Cal. Code of Regs., title 5, §§ 71475, subd. (y) and 71735). In particular:

a. Respondent did not submit a diagram of its main campus location where instruction will take place.

b. Respondent did not include specifications of significant equipment showing that equipment complies with Code of Regulations, title 5, section 71735 and that the equipment is sufficient to enable students to achieve the educational objectives of each education program.

c. Respondent failed to demonstrate that it maintains all valid permits from public agencies related to the health and safety of Respondent's facilities and equipment.

TENTH CAUSE FOR DENIAL OF APPLICATION
(Library and Other Learning Resources)
(Educ. Code § 94887 and Cal. Code of Regs., title 5, §§ 71475, subd. (z), and 71740)

43. Respondent's application is subject to denial because Respondent has not demonstrated that it makes available for student use a library and other learning resources. (Educ. Code § 94887 and Cal. Code of Regs., title 5, §§ 71475, subd. (z), and 71740). In particular:

a. Respondent represents in its 2015-2016 catalog that it depends on library and other learning resources primarily from resources not in its possession. But Respondent has not demonstrated that it can reasonably assure that students have access to the library collections and resources of another institution, organization, or library.

b. Respondent has failed to identify a professional librarian or information specialist, as required by Code of Regulations, title 5, section 71740, subdivision (d). Nor has Respondent documented the qualifications of this individual with experience in electronic retrieval of information, and has not provided documentation that this individual is able to support faculty in curriculum matters and actively serve as a resource guide for students.

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ELEVENTH CAUSE FOR DENIAL OF APPLICATION
(Catalog)
(Educ. Code § 94887; 94897, subd. (i)(1); 94900, subd. (b); 94900.5; and 94909, subds. (a)(1), (a)(5), (a)(8)(A), and (a)(9); and Cal. Code of Regs., title 5, §§ 71475, subd. (bb); 71740, subds. (d)(2), (d)(3), and (d)(4); 71770, subd. (b); 71775.5, subds. (a) and (c)(1); 71810, subds. (a), (b)(3), (b)(10) and (b)(15); and 71930, subds. (a) and (b))

44. Respondent's application is subject to denial because Respondent has failed to demonstrate it is able to provide students with a catalog that meets minimum requirements. (Educ. Code § 94887; 94897, subd. (i)(1); 94900, subd. (b); 94900.5; and 94909, subds. (a)(1), (a)(5), (a)(8)(A), and (a)(9); and Cal. Code of Regs., title 5, §§ 71475, subd. (bb); 71740, subds. (d)(2), (d)(3), and (d)(4); 71770, subd. (b); 71775.5, subds. (a) and (c)(1); 71810, subds. (a), (b)(3), (b)(10) and (b)(15); and 71930, subds. (a) and (b).) In particular:

a. Respondent's catalog fails to include the Notice to Prospective Degree Program Students disclosure. (Cal. Code of Regs., title 5, §§ 71775.5, subds. (a) and (c)(1).)

b. Respondent's catalog lists an address not approved by the Bureau. (Educ. Code § 94909, subd. (a)(1).)

c. Respondent's catalog fails to contain a description of its library or learning resources and instructions on how to access those resources. (Cal. Code of Regs., title 5, §§ 71475, subd. (bb); 71740, subds. (d)(2), (d)(3), and (d)(4); and 71810, subd. (b)(10).)

d. Respondent's catalog fails to contain course descriptions for two education courses: "LA 205: Introduction to Ergonomic" and "LA 207: Topics in Contemporary Math." (Educ. Code § 94909, subd. (a)(5).)

e. Respondent's catalog states a transfer credit policy that is ambiguous, and Respondent declined the Bureau's request to clarify that policy. (Educ. Code § 94909, subd. (a)(8)(A) and Cal. Code of Regs., title 5, § 71770, subd. (b).)

f. Respondent did not provide an updated schedule of total charges for a period of attendance and an estimated schedule of total charges for the entire educational program, and Respondent declined the Bureau's request to update related data. (Educ. Code § 94909, subd. (a)(9).)

g. Respondent's catalog does not contain a compliant student records retention policy. (Educ. Code § 94900, subd. (b) and Cal. Code of Regs., title 5, §§ 71810, subd. (b)(15) and 71930, subd. (b).)

h. Respondent's catalog states a document retention policy that contradicts itself and, on its face, appears to violate the law. Specifically, Respondent's catalog alternatively states that records will be maintained in California and in Hawaii. Respondent has failed to offer a compliant or consistent document retention policy. (Educ. Code §§ 94897, subd. (i)(1) and 94900.5 and Cal. Code of Regs., title 5, § 71930, subd. (a).)

i. Respondent's catalog states an inconsistent and contradictory policy regarding the admission of international students. (Cal. Code of Regs., title 5, § 71810, subd. (b)(3).)

TWELFTH CAUSE FOR DENIAL OF APPLICATION
(Graduation and Completion-Related Documents)
(Educ. Code §§ 94885, subd. (a)(7), 94887, and 94932; and
Cal. Code of Regs., title 5, §§ 71475, subd. (cc) and 71700)

45. Respondent's application is subject to denial because Respondent failed to submit a copy of the document that is awarded to a graduating student upon successful completion of each educational program. (Educ. Code §§ 94885, subd. (a)(7), 94887, and 94932; and Cal. Code of Regs., title 5, § 71475, subd. (cc) and 71700.) While Respondent represented to the Bureau that there were no substantive changes to report, pursuant to Education Code section 94932 and Code of Regulations, title 5, sections 71700, Respondent is required to provide, at the Bureau's request, documentation demonstrating its ability to obtain and maintain approval to operate. In a letter dated December 6, 2016, the Bureau instructed Respondent to submit a copy of the document that is provided to graduating students upon successful completion of each educational program. Respondent did not respond.

THIRTEENTH CAUSE FOR DENIAL OF APPLICATION
(Custodian of Records)
(Educ. Code § 94887 and
Cal. Code of Regs., title 5, § 71475, subd. (dd)(2))

46. Respondent's application is subject to denial because Respondent's application does not include the name, physical address, email address, and telephone number of the custodian of

records, and the physical addresses and telephone numbers of the offices or buildings where the records will be maintained. (Educ. Code § 94887 and Cal. Code of Regs., title 5, §71475, subd. (dd)(2).)

FOURTEENTH CAUSE FOR DENIAL OF APPLICATION
(Failure to Remit Dishonored Check Fee)
(Educ. Code §§ 94887 and 94930.5, subd. (c); and
Cal. Code of Regs., title 5, § 74000)

47. Respondent's application is subject to denial because Respondent has failed to remit payment to the Bureau for a dishonored check and an associated delinquent penalty fee. (Educ. Code §§ 94887 and 94930.5, subd. (c); and Cal. Code of Regs., title 5, § 74000.) In particular, applicants seeking renewal of an approval to operate must pay to the Bureau a filing fee with their application. Respondent's check for the filing fee was dishonored, and that resulted in a delinquent penalty fee. Respondent has failed or refused to remit to the Bureau payment for either.

FIFTEENTH CAUSE FOR DENIAL OF APPLICATION
(Failure to Submit School Performance Fact Sheet)
(Educ. Code §§ 94887, 94902 and 94910; Cal. Code of Regs., title 5, § 74112)

48. Respondent's application is subject to denial because Respondent failed to provide the Bureau with the School Performance Fact Sheets for 2013 and 2014. (Educ. Code §§ 94887, 94902 and 94910; Cal. Code of Regs., title 5, § 74112.)

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PRAYER

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

1. Denying Respondent's Application for Renewal of Approval to Operate a Non-Accredited Institution; and

2. Taking such other and further action as deemed necessary and proper.

DATED: 10/16/2017

LEEZA RIFREDI
Deputy Bureau Chief
Bureau for Private Postsecondary Education
Department of Consumer Affairs
State of California
Complainant

SF2017901157