

1 XAVIER BECERRA
Attorney General of California
2 JOSHUA A. ROOM
Supervising Deputy Attorney General
3 BRETT A. KINGSBURY
Deputy Attorney General
4 State Bar No. 243744
455 Golden Gate Avenue, Suite 11000
5 San Francisco, CA 94102-7004
Telephone: (415) 510-3472
6 Facsimile: (415) 703-5480
Attorneys for Complainant
7

8 **BEFORE THE**
9 **DEPARTMENT OF CONSUMER AFFAIRS**
10 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**
11 **STATE OF CALIFORNIA**

12 In the Matter of the Statement of Issues
13 Against:

14 **SLIDERULE LABS, INC., D.B.A.**
15 **SPRINGBOARD,**

16 Respondent.

Case No. 1004331

STATEMENT OF ISSUES

17
18 **PARTIES**

19 1. Dr. Michael Marion, Jr. (Complainant) brings this Statement of Issues solely in his
20 official capacity as the Chief of the Bureau for Private Postsecondary Education (Bureau),
21 Department of Consumer Affairs.

22 2. On or about May 22, 2017, the Bureau received an Application for Approval to
23 Operate an Institution Non-Accredited from SlideRule Labs, Inc. d.b.a. Springboard
24 (Respondent). The Bureau denied the application on February 4, 2019.

25 **JURISDICTIONAL AND STATUTORY PROVISIONS**

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

1 4. **Section 94887** of the Code provides:

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

7 5. **Section 94900** of the Code provides:

8 "(a) An institution shall maintain records of the name, address, e-mail address, and
9 telephone number of each student who is enrolled in an educational program in that institution.

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

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

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

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

16 6. **Section 94900.5** of the Code provides:

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

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

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

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

24 7. **Section 94902** of the Code provides:

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

28 ///

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

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

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

7 "(3) Prior to the execution of the enrollment agreement, the student and the institution have
8 signed and dated the information required to be disclosed in the Student Performance Fact Sheet
9 pursuant to subdivisions (a) to (d), inclusive, of Section 94910. Each of these items in the Student
10 Performance Fact Sheet shall include a line for the student to initial and shall be initialed and
11 dated by the student.

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

14 8. **Section 94909** of the Code provides:

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

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

20 "(2) Except as specified in Article 2 (commencing with Section 94802), a statement that the
21 institution is a private institution and that it is approved to operate by the bureau.

22 "(3) The following statements:

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

27 ///

28 ///

1 "(B) 'As a prospective student, you are encouraged to review this catalog prior to signing an
2 enrollment agreement. You are also encouraged to review the School Performance Fact Sheet,
3 which must be provided to you prior to signing an enrollment agreement.'

4 "(C) 'A student or any member of the public may file a complaint about this institution with
5 the Bureau for Private Postsecondary Education by calling (toll-free telephone number) or by
6 completing a complaint form, which can be obtained on the bureau's Internet Web site (Internet
7 Web site address).'

8 "(4) The address or addresses where class sessions will be held.

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

14 "(6) If the educational program is designed to lead to positions in a profession, occupation,
15 trade, or career field requiring licensure in this state, a notice to that effect and a list of the
16 requirements for eligibility for licensure.

17 "(7) Information regarding the faculty and their qualifications.

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

19 "(A) Admissions policies, including the institution's policies regarding the acceptance of
20 credits earned at other institutions or through challenge examinations and achievement tests,
21 admissions requirements for ability-to-benefit students, and a list describing any transfer or
22 articulation agreements between the institution and any other college or university that provides
23 for the transfer of credits earned in the program of instruction. If the institution has not entered
24 into an articulation or transfer agreement with any other college or university, the institution shall
25 disclose that fact.

26 "(B) Cancellation, withdrawal, and refund policies, including an explanation that the
27 student has the right to cancel the enrollment agreement and obtain a refund of charges paid
28 through attendance at the first class session, or the seventh day after enrollment, whichever is

1 later. The text shall also include a description of the procedures that a student is required to
2 follow to cancel the enrollment agreement or withdraw from the institution and obtain a refund
3 consistent with the requirements of Article 13 (commencing with Section 94919).

4 "(C) Probation and dismissal policies.

5 "(D) Attendance policies.

6 "(E) Leave-of-absence policies.

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

9 "(10) A statement reporting whether the institution participates in federal and state financial
10 aid programs, and if so, all consumer information that is required to be disclosed to the student
11 pursuant to the applicable federal and state financial aid programs.

12 "(11) A statement specifying that, if a student obtains a loan to pay for an educational
13 program, the student will have the responsibility to repay the full amount of the loan plus interest,
14 less the amount of any refund, and that, if the student has received federal student financial aid
15 funds, the student is entitled to a refund of the moneys not paid from federal student financial aid
16 program funds.

17 "(12) A statement specifying whether the institution has a pending petition in bankruptcy, is
18 operating as a debtor in possession, has filed a petition within the preceding five years, or has had
19 a petition in bankruptcy filed against it within the preceding five years that resulted in
20 reorganization under Chapter 11 of the United States Bankruptcy Code (11 U.S.C. Sec. 1101 et
21 seq.).

22 "(13) If the institution provides placement services, a description of the nature and extent of
23 the placement services.

24 "(14) A description of the student's rights and responsibilities with respect to the Student
25 Tuition Recovery Fund. This statement shall specify that it is a state requirement that a student
26 who pays his or her tuition is required to pay a state-imposed assessment for the Student Tuition
27 Recovery Fund. This statement shall also describe the purpose and operation of the Student
28

1 Tuition Recovery Fund and the requirements for filing a claim against the Student Tuition
2 Recovery Fund.

3 "(15) The following statement:

4 ""NOTICE CONCERNING TRANSFERABILITY OF CREDITS AND CREDENTIALS
5 EARNED AT OUR INSTITUTION. The transferability of credits you earn at (name of
6 institution) is at the complete discretion of an institution to which you may seek to transfer.
7 Acceptance of the (degree, diploma, or certificate) you earn in (name of educational program) is
8 also at the complete discretion of the institution to which you may seek to transfer. If the (credits
9 or degree, diploma, or certificate) that you earn at this institution are not accepted at the
10 institution to which you seek to transfer, you may be required to repeat some or all of your
11 coursework at that institution. For this reason you should make certain that your attendance at this
12 institution will meet your educational goals. This may include contacting an institution to which
13 you may seek to transfer after attending (name of institution) to determine if your (credits or
14 degree, diploma, or certificate) will transfer.'

15 "(16) A statement specifying whether the institution, or any of its degree programs, are
16 accredited by an accrediting agency recognized by the United States Department of Education. If
17 the institution is unaccredited and offers an associate, baccalaureate, master's, or doctoral degree,
18 or is accredited and offers an unaccredited program for an associate, baccalaureate, master's, or
19 doctoral degree, the statement shall disclose the known limitations of the degree program,
20 including, but not limited to, all of the following:

21 "(A) Whether a graduate of the degree program will be eligible to sit for the applicable
22 licensure exam in California and other states or become certified or registered as required for the
23 applicable profession, occupation, trade, or career field in California.

24 "(B) A degree program that is unaccredited or a degree from an unaccredited institution is
25 not recognized for some employment positions, including, but not limited to, positions with the
26 State of California.

27 "(C) That a student enrolled in an unaccredited institution is not eligible for federal
28 financial aid programs.

1 "(b) If the institution has a general student brochure, the institution shall provide that
2 brochure to the prospective student prior to enrollment. In addition, if the institution has a
3 program-specific student brochure for the program in which the prospective student seeks to
4 enroll, the institution shall provide the program-specific student brochure to the prospective
5 student prior to enrollment.

6 "(c) An institution shall provide the school catalog to any person upon request. In addition,
7 if the institution has student brochures, the institution shall disclose the requested brochures to
8 any interested person upon request.

9 "(d) An accredited institution is not required to provide a School Performance Fact Sheet to
10 a prospective student who is not a California resident, not residing in California at the time of his
11 or her enrollment, and enrolling in an accredited distance learning degree program offered by the
12 institution, if the institution complies with all federal laws, the applicable laws of the state where
13 the student is located, and other appropriate laws, including, but not limited to, consumer
14 protection and student disclosure requirements."

15 9. **Section 94911** of the Code provides:

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

17 "(a) The name of the institution and the name of the educational program, including the
18 total number of credit hours, clock hours, or other increment required to complete the educational
19 program.

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

23 "(c) In underlined capital letters on the same page of the enrollment agreement in which the
24 student's signature is required, the total charges for the current period of attendance, the estimated
25 total charges for the entire educational program, and the total charges the student is obligated to
26 pay upon enrollment.

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

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

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

8 "(3) The text shall also include a description of the procedures that a student is required to
9 follow to cancel the enrollment agreement or withdraw from the institution and obtain a refund.

10 "(f) A statement specifying that, if the student obtains a loan to pay for an educational
11 program, the student will have the responsibility to repay the full amount of the loan plus interest,
12 less the amount of any refund.

13 "(g) A statement specifying that, if the student is eligible for a loan guaranteed by the
14 federal or state government and the student defaults on the loan, both of the following may occur:

15 "(1) The federal or state government or a loan guarantee agency may take action against the
16 student, including applying any income tax refund to which the person is entitled to reduce the
17 balance owed on the loan.

18 "(2) The student may not be eligible for any other federal student financial aid at another
19 institution or other government assistance until the loan is repaid.

20 "(h) The transferability disclosure that is required to be included in the school catalog, as
21 specified in paragraph (15) of subdivision (a) of Section 94909.

22 "(i)(1) The following statement: 'Prior to signing this enrollment agreement, you must be
23 given a catalog or brochure and a School Performance Fact Sheet, which you are encouraged to
24 review prior to signing this agreement. These documents contain important policies and
25 performance data for this institution. This institution is required to have you sign and date the
26 information included in the School Performance Fact Sheet relating to completion rates,
27 placement rates, license examination passage rates, salaries or wages, and the most recent three-
28 year cohort default rate, if applicable, prior to signing this agreement.'

1 "(c) The institution shall identify the chief executive officer, chief operating officer, and
2 chief academic officer and describe their education, experience, and qualifications to perform
3 their duties and responsibilities."

4 11. California Code of Regulations, title 5, **section 71170** provides:

5 "The institution shall describe in detail its mission and objectives."

6 12. California Code of Regulations, title 5, **section 71180** provides:

7 "The institution shall include, with its Form Application 94886, exemplars of all student
8 enrollment agreements and instruments of indebtedness."

9 13. California Code of Regulations, title 5, **section 71210** provides:

10 "(a) The institution shall identify and describe the educational program it offers, or proposes
11 to offer. If the educational program is a degree program, the institution shall identify the full title
12 which it will place on each degree awarded.

13 "(b) In addition to the general title, such as 'Bachelor of Arts' or 'Master of Science,' each
14 degree title shall include the name of a specific major field of learning involved.

15 "(c) In addition, the institution shall list the following for each educational program offered:

16 "(1) The admissions requirements, including minimum levels of prior education,
17 preparation, or training;

18 "(2) If applicable, information regarding the ability-to-benefit examination as required by
19 section 94904 of the Code;

20 "(3) The types and amount of general education required;

21 "(4) The title of the educational programs and other components of instruction offered,
22 including a description of the level of the courses (e.g., below college level, undergraduate level,
23 graduate level);

24 "(5) The method of instruction;

25 "(6) The graduation requirements; and

26 "(7) Whether the educational program is designed to fit or prepare students for employment
27 in any occupation. If so, the Form Application 94886 shall identify each occupation and job title
28 to which the institution represents the educational program will lead."

1 14. California Code of Regulations, title 5, **section 71220** provides:

2 "For each educational program that the institution offers or proposes to offer, the Form
3 Application 94886 shall contain a statement that the educational program meets the requirements
4 of section 71710, as well as the following:

5 "(a) A description of the educational program.

6 "(b) A description of the equipment to be used during the educational program.

7 "(c) A description of the number and qualifications of the faculty needed to teach the
8 educational program.

9 "(d) A projection, and the bases for the projection, of the number of students that the
10 institution plans to enroll in the educational program during each of the three years following the
11 date the Form Application 94886 was submitted.

12 "(e) A description of the learning, skills, and other competencies to be acquired by students
13 who complete the educational program.

14 "(f) If licensure is a goal of an educational program, a copy of the approval from the
15 appropriate licensing agency if required. A copy of the intent to approve conditioned solely upon
16 institutional approval from the Bureau will also meet this requirement.

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

19 15. California Code of Regulations, title 5, **section 71240(b)** provides:

20 "The institution shall submit current, reviewed financial statements at the time it applies for
21 approval to operate. Each set of financial statements shall comply with Section 74115 of this
22 chapter."

23 16. California Code of Regulations, title 5, **section 71250** provides:

24 "The Form Application 94886 shall include a statement that the institution has contracted
25 with sufficient duly qualified faculty members who meet the qualifications of section 71720."

26 ///

27 ///

28 ///

1 17. California Code of Regulations, title 5, **section 71260** provides:

2 "(a) For each program offered, the Form Application 94886 shall contain a description of
3 the facilities and the equipment which is available for use by students at the main, branch, and
4 satellite locations of the institution.

5 "(b) For facilities that are leased or rented, the Form Application 94886 shall contain the
6 name and address of the lessor or landlord, together with a copy of any use, lease, or rental
7 agreements for the facilities.

8 "(c) The description of the physical facilities shall include building diagrams or campus
9 maps to assist the Bureau in locating these facilities. The diagrams or maps shall identify the
10 location of classrooms, laboratories, workshops, and libraries.

11 "(d) The description shall include specifications of significant equipment that demonstrate
12 that the equipment meets the standards prescribed by the Code and this chapter and is sufficient to
13 enable students to achieve the educational objectives of each education program.

14 "(e) For each item of significant equipment, the description shall indicate whether the
15 equipment is owned, leased, rented, or licensed for short- or long-term, or owned by another and
16 loaned to be used without charge.

17 "(f) The Form Application 94886 shall contain a list of all permits, certifications, or other
18 evidence of inspections or authorizations to operate required by the jurisdictions within which the
19 institution operates that the institution has obtained, and/or an explanation as to why those
20 permits, certifications, or inspections have not yet been obtained."

21 18. California Code of Regulations, title 5, **section 71270** provides:

22 "The Form Application 94886 shall include a description of library holdings, services, and
23 other learning resources, including policies and procedures for supplying them to students who do
24 not receive classroom instruction. The description need not consist of a list of each holding. The
25 description shall include an explanation of how the library and other learning resources are
26 sufficient to support the instructional needs of students and, if no facilities exist at the institution,
27 how and when students may obtain access to a library and other learning resources as required by
28 the curriculum."

1 19. California Code of Regulations, title 5, **section 71280** provides:

2 "If an institution represents to the public, in any manner, that it offers job placement
3 assistance, the Form Application 94886 shall include a description of the job placement assistance
4 that it provides."

5 20. California Code of Regulations, title 5, **section 71290** provides:

6 "The Form Application 94886 shall include a copy of the institution's catalog, in published
7 or proposed-to-be-published form. The catalog shall meet the requirements of the Act and of
8 section 71810."

9 21. California Code of Regulations, title 5, **section 71300** provides:

10 "The institution shall submit a copy of the document that is awarded to a graduating student
11 upon successful completion of each educational program."

12 22. California Code of Regulations, title 5, **section 71320** provides:

13 "The Form Application 94886 shall contain a description of the procedures used by the
14 institution to assure that it is maintained and operated in compliance with the Act and this
15 Division."

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

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

19 24. California Code of Regulations, title 5, **section 71705** provides:

20 "An institution shall have a written statement of its mission and the objectives for each
21 educational program. The mission and the objectives shall indicate the kind of education offered,
22 for whom the instruction is intended and the expected outcomes for graduates."

23 25. California Code of Regulations, title 5, **section 71710** provides:

24 "In order to meet its mission and objectives, the educational program defined in section
25 94837 of the Code shall be comprised of a curriculum that includes:

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

28

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

3 "(c) course or module materials that are designed or organized by duly qualified faculty.

4 For each course or module, each student shall be provided with a syllabus or course outline that
5 contains:

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

7 "(2) a statement of educational objectives;

8 "(3) length of the educational program;

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

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

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

13 "(7) instructional mode or methods.

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

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

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

19 26. California Code of Regulations, title 5, **section 71715** provides:

20 "(a) Instruction shall be the central focus of the resources and services of the institution.

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

23 "(c) Direct instruction requires the physical presence of one or more students and one or
24 more faculty members at the same location. Direct instruction includes instruction presented in a
25 classroom, seminar, workshop, lecture, colloquium, laboratory, tutorial, or other physical learning
26 settings consistent with the mission, purposes, and objectives of the institution.

27 "(d) Distance education as defined in section 94834 of the Code, does not require the
28 physical presence of students and faculty at the same location but provides for interaction

1 between students and faculty by such means as telecommunication, correspondence, electronic
2 and computer augmented educational services, postal service, and facsimile transmission. In
3 addition to the other requirements of this chapter and the Act, an institution offering distance
4 education shall:

5 "(1) ensure that the educational program offered through distance education is appropriate
6 for delivery through distance education methods;

7 "(2) assess each student, prior to admission, in order to determine whether each student has
8 the skills and competencies to succeed in a distance education environment;

9 "(3) ensure that the materials and programs are current, well organized, designed by faculty
10 competent in distance education techniques and delivered using readily available, reliable
11 technology;

12 "(4) provide for meaningful interaction with faculty who are qualified to teach using
13 distance education methods;

14 "(5) maintain clear standards for satisfactory academic progress;

15 "(6) timely complete student evaluations of learning outcomes by duly qualified faculty,
16 which are appropriate for use with the distance education methods used, and evaluated by duly
17 qualified faculty.

18 "(7) employ a sufficient number of faculty to assure that (A) the institution's response to, or
19 evaluation of, each student lesson is returned to the student within 10 days after the lesson is
20 received by the institution; and (B) the institution's response to, or evaluation of, each student
21 project or dissertation is returned to the student within the time disclosed in the catalog; and

22 "(8) shall maintain a record of the dates on which lessons, projects, and dissertations were
23 received and responses were returned to each student."

24 27. California Code of Regulations, title 5, **section 71716** provides:

25 "(a) An institution offering a distance educational program where the instruction is not
26 offered in real time shall transmit the first lesson and any materials to any student within seven
27 days after the institution accepts the student for admission.

28 ///

1 "(b) The student shall have the right to cancel the agreement and receive a full refund
2 pursuant to section 71750 before the first lesson and materials are received. Cancellation is
3 effective on the date written notice of cancellation is sent. The institution shall make the refund
4 pursuant to section 71750. If the institution sent the first lesson and materials before an effective
5 cancellation notice was received, the institution shall make a refund within 45 days after the
6 student's return of the materials.

7 "(c)(1) An institution shall transmit all of the lessons and other materials to the student if
8 the student: (A) has fully paid for the educational program; and (B) after having received the first
9 lesson and initial materials, requests in writing that all of the material be sent.

10 "(2) If an institution transmits the balance of the material as the student requests, the
11 institution shall remain obligated to provide the other educational services it agreed to provide,
12 such as responses to student inquiries, student and faculty interaction, and evaluation and
13 comment on lessons submitted by the student, but shall not be obligated to pay any refund after
14 all of the lessons and material are transmitted.

15 "(d) The enrollment agreement shall disclose the institution's and student's rights and duties
16 under this section."

17 28. California Code of Regulations, title 5, **section 71720(b)** provides:

18 "Instructors in an Educational Program Not Leading to a Degree.

19 "(1) An institution shall employ instructors who possess the academic, experiential and
20 professional qualifications to teach, including a minimum of three years of experience, education
21 and training in current practices of the subject area they are teaching. If an instructor does not
22 possess the required three years of experience, education and training in the subject area they are
23 teaching, the institution shall document the qualifications the instructor possesses that are
24 equivalent to the minimum qualifications.

25 "(2) Each instructor shall maintain their knowledge by completing continuing education
26 courses in his or her subject area, classroom management or other courses related to teaching.

27 "(3) The institution shall not employ or continue to employ an instructor who was
28 adjudicated in a judicial or administrative proceeding as having violated any provision of the Act

1 or this chapter, or as having committed any act that would constitute grounds for the denial of a
2 license under Section 480 of the Business and Professions Code."

3 29. California Code of Regulations, title 5, **section 71730** provides:

4 "(a) Each institution shall have a chief executive officer, a chief operating officer and chief
5 academic officer. One person may serve more than one function.

6 "(b) The duties, responsibilities, and performance evaluation criteria for each administrator
7 shall be set forth in a personnel manual or other writing maintained by the institution.

8 "(c) An institution with one or more branch locations shall establish written institutional
9 policies, consistent with subdivision (d), regarding the division and sharing of administrative
10 responsibilities between the central administration at the main location and the administration at
11 the branch locations.

12 "(d) The administrative staffing at each branch location shall reflect the purposes, size, and
13 educational operations at that location and at any satellite location for which the branch has
14 administrative responsibilities.

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

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

23 "(g) The institution shall not employ or continue to employ any administrative personnel
24 who were adjudicated in a judicial or administrative proceeding as having violated any provision
25 of the Act or this chapter or as having committed any act that would constitute grounds for the
26 denial of a license under Section 480 of the Business and Professions Code."

27 ///

28 ///

1 30. California Code of Regulations, title 5, **section 71745** provides:

2 "(a) The institution shall document that it has at all times sufficient assets and financial
3 resources to do all of the following:

4 "(1) Provide all of the educational programs that the institution represented it would
5 provide.

6 "(2) Ensure that all students admitted to its educational programs have a reasonable
7 opportunity to complete the programs and obtain their degrees or diplomas.

8 "(3) Maintain the minimum standards required by the Act and this chapter.

9 "(4) Pay timely refunds as required by Article 13 of the Act.

10 "(5) Pay all operating expenses due within 30 days.

11 "(6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the
12 end of the most recent fiscal year when using generally accepted accounting principles, or for an
13 institution participating in Title IV of the federal Higher Education Act of 1965, meet the
14 composite score requirements of the U.S. Department of Education. For the purposes of this
15 section, current assets does not include: intangible assets, including goodwill, going concern
16 value, organization expense, startup costs, long-term prepayment of deferred charges, and non-
17 returnable deposits, or state or federal grant or loan funds that are not the property of the
18 institution but are held for future disbursement for the benefit of students. Unearned tuition shall
19 be accounted for in accordance with general accepted accounting principles.

20 "(b) At an institution's request, the Bureau may consider the financial resources of a parent
21 company if the parent company, as defined by section 94853 of the Code, meets and maintains all
22 of the following provisions:

23 "(1) consents in writing to be sued in California;

24 "(2) consents in writing to be subject to the jurisdiction of the Bureau with respect to the
25 institution's regulation under the Act and this Chapter;

26 "(3) designates and maintains an agent for service of process, consistent with section 74190;

27 "(4) agrees in writing to pay any refund, claim, penalty, or judgment that the institution is
28 obligated to pay; and

1 "(5) files financial reports, maintains financial records, and consents in writing to permit the
2 inspection and copying of financial records to the same extent as is required of the institution.

3 "(c) An institution shall provide to the Bureau its most current financial statements upon
4 request."

5 31. California Code of Regulations, title 5, **section 71800** provides:

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

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

10 "(b) Period covered by the enrollment agreement.

11 "(c) Program start date and scheduled completion date.

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

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

16 "(1) tuition;

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

18 "(3) equipment;

19 "(4) lab supplies or kits;

20 "(5) Textbooks, or other learning media;

21 "(6) uniforms or other special protective clothing;

22 "(7) in-resident housing;

23 "(8) tutoring;

24 "(9) assessment fees for transfer of credits;

25 "(10) fees to transfer credits;

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

27 "(12) any other institutional charge or fee.

28

1 "(f) Charges paid to an entity other than an institution that is specifically required for
2 participation in the educational program."

3 32. California Code of Regulations, title 5, **section 71810** provides additional
4 requirements for school catalogs, in addition to those identified in Code section 94909.

5 33. California Code of Regulations, title 5, **section 74115** provides:

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

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

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

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

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

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

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

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

3 "(d) 'Current' with respect to financial statements means completed no sooner than 120 days
4 prior to the time it is submitted to the Bureau, and covering no less than the most recent complete
5 fiscal year. If more than 8 months will have elapsed between the close of the most recent
6 complete fiscal year and the time it is submitted, the fiscal statements shall also cover no less than
7 five months of that current fiscal year."

8 **BACKGROUND**

9 34. Following the submission of Respondent's application on May 22, 2017, the Bureau
10 made various requests for documentation and additional information pursuant to California Code
11 of Regulations, title 5, section 71700.

12 35. Respondent submitted no further information or documents in response to any of the
13 Bureau's requests, ultimately leading the Bureau to deny the application on February 4, 2019.

14 **FIRST CAUSE FOR DENIAL OF APPLICATION**

15 (Job Duties and Responsibilities)

16 36. Respondent's application is subject to denial under Code section 94887 and California
17 Code of Regulations, title 5, section 71700, in that Respondent's application revealed violations
18 of, or Respondent's failure to provide additional information/explanation prevented the Bureau
19 from confirming the absence of violations of, the following regulatory sections with respect to job
20 duties and responsibilities:

21 37. Respondent failed to submit descriptions of the job duties and responsibilities for the
22 positions of Student Advising, Career Services, and Mentor Services, per California Code of
23 Regulations, title 5, sections 71140(b) and 71730.

24 38. Respondent failed to submit descriptions of the duties, responsibilities, and
25 qualifications required for the Chief Executive Officer, Chief Operating Officer, and Chief
26 Academic Officer positions, per California Code of Regulations, title 5, sections 71140(b) & (c)
27 and 71730.

28 ///

1 **SECOND CAUSE FOR DENIAL OF APPLICATION**

2 (Organizational Chart)

3 39. Respondent's application is subject to denial under Code section 94887 and California
4 Code of Regulations, title 5, section 71700, in that Respondent's application revealed violations
5 of, or Respondent's failure to provide additional information/explanation prevented the Bureau
6 from confirming the absence of violations of, the following regulatory section with regard to
7 Respondent's organizational chart:

8 40. Respondent's organizational chart did not include any instructor or faculty, per
9 California Code of Regulations, title 5, section 71140.

10 **THIRD CAUSE FOR DENIAL OF APPLICATION**

11 (Mission and Objectives Statement)

12 41. Respondent's application is subject to denial under Code section 94887 and California
13 Code of Regulations, title 5, section 71700, in that Respondent's application revealed violations
14 of, or Respondent's failure to provide additional information/explanation prevented the Bureau
15 from confirming the absence of violations of, the following Code and regulatory sections with
16 regard to Respondent's mission and objectives statement.

17 42. Respondent's statement of mission and objectives did not indicate the the expected
18 outcomes for graduates, per California Code of Regulations, title 5, section 71705.

19 **FOURTH CAUSE FOR DENIAL OF APPLICATION**

20 (Student Enrollment Agreement)

21 43. Respondent's application is subject to denial under Code section 94887 and California
22 Code of Regulations, title 5, section 71700, in that Respondent's application revealed violations
23 of, or Respondent's failure to provide additional information/explanation prevented the Bureau
24 from confirming the absence of violations of, the following Code and regulatory sections with
25 regard to Respondent's student enrollment agreement:

26 44. Respondent did not submit exemplars of all student enrollment agreements and
27 instruments of indebtedness with its application, per California Code of Regulations, title 5,
28 section 71180.

1 45. The document that Respondent provided as an exemplar of a student agreement did
2 not satisfy any of the requirements for a student enrollment agreement set forth in Code section
3 94902, subdivision (a), Code section 94911, or California Code of Regulations, title 5, section
4 71800.

5 **FIFTH CAUSE FOR DENIAL OF APPLICATION**

6 (Admissions Requirements)

7 46. Respondent's application is subject to denial under Code section 94887 and California
8 Code of Regulations, title 5, section 71700, in that Respondent's application revealed violations
9 of, or Respondent's failure to provide additional information/explanation prevented the Bureau
10 from confirming the absence of violations of, the following regulatory section with regard to
11 Respondent's admission requirements:

12 47. Respondent declined to clearly identify or subsequently clarify its admission
13 requirements, per California Code of Regulations, title 5, section 71210(c)(1), including
14 specifically whether any diplomas, degrees, specific courses, or certificates are required.
15 Respondent further declined to clearly identify what "college math courses or equivalent" would
16 be accepted.

17 **SIXTH CAUSE FOR DENIAL OF APPLICATION**

18 (Graduation Requirements)

19 48. Respondent's application is subject to denial under Code section 94887 and California
20 Code of Regulations, title 5, section 71700, in that Respondent's application revealed violations
21 of, or Respondent's failure to provide additional information/explanation prevented the Bureau
22 from confirming the absence of violations of, the following regulatory section with regard to
23 Respondent's graduation requirements:

24 49. Respondent declined to provide graduation requirements for Respondent's
25 "workshops," per California Code of Regulations, title 5, section 71210(c)(6).

26 ///

27 ///

28 ///

1 **SEVENTH CAUSE FOR DENIAL OF APPLICATION**

2 (Employment Preparation)

3 50. Respondent's application is subject to denial under Code section 94887 and California
4 Code of Regulations, title 5, section 71700, in that Respondent's application revealed violations
5 of, or Respondent's failure to provide additional information/explanation prevented the Bureau
6 from confirming the absence of violations of, the following regulatory section regarding the
7 preparation of students for employment:

8 51. Respondent declined to state whether Respondent's "workshops" are designed to fit or
9 prepare students for employment in any occupation, and to identify occupations or job titles, per
10 California Code of Regulations, title 5, section 71210(c)(7).

11 **EIGHTH CAUSE FOR DENIAL OF APPLICATION**

12 (Learning Management Platform)

13 52. Respondent's application is subject to denial under Code section 94887 and California
14 Code of Regulations, title 5, section 71700, in that Respondent's application revealed violations
15 of, or Respondent's failure to provide additional information/explanation prevented the Bureau
16 from confirming the absence of violations of, the following Code and/or regulatory sections
17 regarding Respondent's learning management platform:

18 53. Respondent failed to provide log-in credentials for Respondent's learning
19 management platform, as requested, prohibiting the Bureau from confirming compliance with
20 California Code of Regulations, title 5, sections 71715(d) and 71716.

21 54. Respondent failed to explain how students would execute enrollment agreements over
22 the learning management platform, per Code section 94902.

23 **NINTH CAUSE FOR DENIAL OF APPLICATION**

24 (Faculty/Instructors)

25 55. Respondent's application is subject to denial under Code section 94887 and California
26 Code of Regulations, title 5, section 71700, in that Respondent's application revealed violations
27 of, or Respondent's failure to provide additional information/explanation prevented the Bureau
28

1 from confirming the absence of violations of, the following regulatory sections regarding
2 Respondent's faculty/instructors:

3 56. Respondent has not provided a description of the duties and responsibilities of the
4 Mentor or Instructor positions, preventing the Bureau from confirming compliance with
5 California Code of Regulations, title 5, sections 71140, 71710(f), and 71720(b).

6 57. Respondent failed to include a statement in the application that Respondent has
7 contracted with sufficient duly qualified faculty members, per California Code of Regulations,
8 title 5, section 71250.

9 58. Respondent did not submit a list of current faculty members and their qualifications,
10 preventing the Bureau from confirming compliance with California Code of Regulations, title 5,
11 section 71720(b).

12 59. Respondent did not state in its application how many instructors will be required for
13 all programs, per California Code of Regulations, title 5, section 71220(c).

14 **TENTH CAUSE FOR DENIAL OF APPLICATION**

15 (Financial Statements)

16 60. Respondent's application is subject to denial under Code section 94887 and California
17 Code of Regulations, title 5, section 71700, in that Respondent's application revealed violations
18 of, or Respondent's failure to provide additional information/explanation prevented the Bureau
19 from confirming the absence of violations of, the following regulatory sections with respect to
20 Respondent's finances:

21 61. Respondent failed to provide current, reviewed and compliant financial statements,
22 per California Code of Regulations, title 5, sections 71240(b), 71745, and/or 74115.

23 **ELEVENTH CAUSE FOR DENIAL OF APPLICATION**

24 (Facilities/Equipment)

25 62. Respondent's application is subject to denial under Code section 94887 and California
26 Code of Regulations, title 5, section 71700, in that Respondent's application revealed violations
27 of, or Respondent's failure to provide additional information/explanation prevented the Bureau
28

1 from confirming the absence of violations of, the following regulatory sections with respect to
2 Respondent's facilities and equipment:

3 63. Respondent did not provide lease information or a facility map, per California Code
4 of Regulations, title 5, section 71260(a), (b), and (c).

5 64. Respondent did not identify a business license or required permits, and Respondent
6 did not provide an explanation of why such licenses and/or permits have not been obtained, per
7 California Code of Regulations, title 5, section 71260(f).

8 65. Respondent did not identify any equipment, per California Code of Regulations, title
9 5, section 71260(d) and (e).

10 **TWELFTH CAUSE FOR DENIAL OF APPLICATION**

11 (Libraries/Learning Resources)

12 66. Respondent's application is subject to denial under Code section 94887 and California
13 Code of Regulations, title 5, section 71700, in that Respondent's application revealed violations
14 of, or Respondent's failure to provide additional information/explanation prevented the Bureau
15 from confirming the absence of violations of, the following regulatory section with regard to
16 Respondent's learning resources:

17 67. Respondent declined to provide information and/or descriptions sufficient to show
18 that the learning resources provided by Respondent are sufficient to support the instructional
19 needs of students, per California Code of Regulations, title 5, section 71270.

20 **THIRTEENTH CAUSE FOR DENIAL OF APPLICATION**

21 (Job Placement Assistance)

22 68. Respondent's application is subject to denial under Code section 94887 and California
23 Code of Regulations, title 5, section 71700, in that Respondent's application revealed violations
24 of, or Respondent's failure to provide additional information/explanation prevented the Bureau
25 from confirming the absence of violations of, the following regulatory section regarding job
26 placement assistance:

27 69. Respondent did not clarify certain parameters of its job placement program in
28 response to the Bureau's inquiries, per California Code of Regulations, title 5, section 71280.

1 **FOURTEENTH CAUSE FOR DENIAL OF APPLICATION**

2 (Catalog)

3 70. Respondent's application is subject to denial under Code section 94887 and California
4 Code of Regulations, title 5, section 71700, in that Respondent's application revealed violations
5 of, or Respondent's failure to provide additional information/explanation prevented the Bureau
6 from confirming the absence of violations of, the following Code and/or regulatory sections with
7 respect to Respondent's school catalog:

8 71. Respondent did not provide a school catalog, per California Code of Regulations, title
9 5, section 71290.

10 72. Respondent failed to submit a copy of the school catalog, preventing the Bureau from
11 confirming compliance with California Code of Regulations, title 5, section 71810 and Code
12 section 94909.

13 **FIFTEENTH CAUSE FOR DENIAL OF APPLICATION**

14 (Graduation Certificate)

15 73. Respondent's application is subject to denial under Code section 94887 and California
16 Code of Regulations, title 5, section 71700, in that Respondent's application revealed violations
17 of, or Respondent's failure to provide additional information/explanation prevented the Bureau
18 from confirming the absence of violations of, the following regulatory section with respect to
19 Respondent's graduation certificate:

20 74. Respondent failed to submit graduation certificates for all course offerings, per
21 California Code of Regulations, title 5, section 71300.

22 **SIXTEENTH CAUSE FOR DENIAL OF APPLICATION**

23 (Record-keeping)

24 75. Respondent's application is subject to denial under Code section 94887 and California
25 Code of Regulations, title 5, section 71700, in that Respondent's application revealed violations
26 of, or Respondent's failure to provide additional information/explanation prevented the Bureau
27 from confirming the absence of violations of, the following Code sections regarding record-
28 keeping:

1 76. Respondent failed to describe the retention of records and transcripts, preventing the
 2 Bureau from confirming compliance with the requirements of Code sections 94900 and 94900.5.

3 **SEVENTEENTH CAUSE FOR DENIAL OF APPLICATION**

4 (Self-Monitoring)

5 77. Respondent's application is subject to denial under Code section 94887 and California
 6 Code of Regulations, title 5, section 71700, in that Respondent's application revealed violations
 7 of, or Respondent's failure to provide additional information/explanation prevented the Bureau
 8 from confirming the absence of violations of, the following regulatory section with regard to
 9 Respondent's plan for self-monitoring:

10 78. Respondent failed to describe how Respondent intends to remain compliant with the
 11 Bureau's laws and regulations, per California Code of Regulations, title 5, section 71320.

12 **PRAYER**

13 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
 14 and that following the hearing, the Director of the Department of Consumer Affairs issue a
 15 decision:

16 1. Denying the application of SlideRule Labs, Inc. d.b.a. Springboard for an Approval to
 17 operate an Institution Non-Accredited;

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

19
 20 DATED: _____

 21 DR. MICHAEL MARION, JR.
 22 Bureau Chief
 23 Bureau for Private Postsecondary
 24 Education
 25 Department of Consumer Affairs
 26 State of California
 27 *Complainant*

28
 SF2019200854
 21655110.docx