



APPEAL OF CITATION INFORMAL CONFERENCE
DECISION: CITATION MODIFIED

July 2, 2019

Delancey Street Academy, Owner
 Delancey Street Academy
 600 Embarcadero
 San Francisco, CA 94107

Date of Issuance	Citation Number	Institution Code
July 2, 2019	1819210	3804381

On June 27, 2019, an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 1819210 (Citation) against Delancey Street Academy, Owner of Delancey Street Academy. In attendance were Beth Scott, Enforcement Chief; and Stephanie Muller, Director.

Pursuant to Business and Professions Code, section 125.9; California Education Code, section 94936; and Title 5 of the California Code of Regulations, section 75020 and section 75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 1819210.

It is the decision of the Enforcement Chief that on June 27, 2019, Citation No. 1819210 is modified and makes the following change(s):

VIOLATION CODE SECTIONS

#	Below you will find the California Education Code (CEC) and/or Title 5 of the California Code of Regulations (5, CCR code) section(s) of law you are charged with violating.
1.	<p>Violation: 5, CCR Section 74110 (a-d) – Annual Report <i>“(a) The annual report required by section 94934 of the Code shall include the information required by section 94929.5 and 94934 for all educational programs offered in the prior calendar year. (b) In addition to the information required by section 94934 and this section provided under penalty of perjury, the institution shall have annual financial statements prepared for the institution’s prior fiscal year and signed under penalty of perjury and shall submit a hard copy under separate cover of such statements in conjunction with its annual report. The form, content and mode of preparation of</i></p>

financial statements shall comply with Section 74115 of this Division. The Bureau may request that the institution immediately make available for inspection to a representative of the Bureau, these financial statements at the offices of the institution. (c) An institution shall file its annual report by December 1st. The Bureau may extend the period for filing if the institution demonstrates evidence of substantial need but in no case longer than 60 days. The institution shall not change the date of its filing its annual report because of a change in the fiscal year without the Bureau's approval. (d) The annual report shall be electronically filed by submitting the information required by section 94934 of the Code and this section via the online form provided on the Bureau's website, electronically attaching, as directed, the School Performance Fact Sheet, the enrollment agreement, and the school catalog".

CEC Section 94934(a)(1-9) - Annual Report

"(a) As part of the compliance program, an institution shall submit an annual report to the bureau, under penalty of perjury, signed by a responsible corporate officer, by July 1 of each year, or another date designated by the bureau, and it shall include the following information for educational programs offered in the reporting period:

- (1) The total number of students enrolled by level of degree or for a diploma.
- (2) The number of degrees, by level, and diplomas awarded.
- (3) The degree levels and diplomas offered.
- (4) The Student Performance Fact Sheet, as required pursuant to Section 94910.
- (5) The school catalog, as required pursuant to Section 94909.
- (6) The total charges for each educational program by period of attendance.
- (7) A statement indicating whether the institution is, or is not, current in remitting Student Tuition Recovery Fund assessments.
- (8) A statement indicating whether an accrediting agency has taken any final disciplinary action against the institution.
- (9) Additional information deemed by the bureau to be reasonably required to ascertain compliance with this chapter".

As of May 28, 2019, the Bureau has not received an Annual Report for years 2016 and 2017 from the Institution.

Order of Abatement:

The Bureau orders the Institution to submit its Annual Report in accordance with 5, CCR section 74110 (a-d) and CEC section 94934(a)(1-9). The Institution shall submit the following:

2016 Annual Report:

- Complete the 2016 Annual Report template located on the Bureau's website at https://bppe.ca.gov/annual_report/2016_annual_report.shtml.
- Save the following documents to a cd or flash drive:
 - 2016 Annual Report
 - School Performance Fact Sheets
 - Catalog, and
 - Enrollment Agreement

The cd or flash drive and a hard copy of the financial statements for year-end 2016 must be submitted via regular mail to the Bureau for Private Postsecondary Education, P.O. Box 980818, West Sacramento, CA 95833.

2017 Annual Report

- Complete and submit the 2017 Annual Report via the Bureau's Annual Report Submission Portal website at https://bppe.ca.gov/annual_report/.

A hard copy of the financial statements for year-end 2017 must be submitted via regular mail to the Bureau for Private Postsecondary Education, P.O. Box 980818, West Sacramento, CA 95833.

Assessment of Fine

The fine for this violation is \$5,000.00

Reason for modification of fine: New substantive facts were presented at the conference.

The administrative fine for this violation has been modified from \$5,000.00 to \$500.00.

2. **Violation:**

5, CCR Section 76130 (a-e)– Collection and Submission of Assessments

"(a) A qualifying institution shall collect the assessment from each student in an educational program at the time it collects the first payment from or on behalf of the student at or after enrollment. The assessment shall be collected for the entire period of enrollment, regardless of whether the student pays the institutional charges in increments.

(b) A qualifying institution shall complete the STRF Assessment Reporting Form (Rev. 2/10) and remit it with the STRF assessments collected from students to be received by the Bureau no later than the last day of the month following the close of the quarter as follows:

(1) April 30 for the first quarter,

(2) July 31 for the second quarter,

(3) October 31 for the third quarter, and

(4) January 31 for the fourth quarter. If the due date falls on a Saturday, Sunday or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.

If the due date falls on a Saturday, Sunday, or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.

(c) The STRF Assessment Reporting Form shall contain the following information:

(1) Total number of students who signed enrollment agreements for educational programs during the reporting period; and

(2) Total number of students eligible for STRF who signed enrollment agreements for educational programs during the reporting period; and

(3) The total number of students who signed their enrollment agreement during the reporting period, were eligible for STRF, and who made their first payment during the reporting period; and

(4) The total number of students who signed their enrollment agreement in a previous reporting period, were eligible for STRF, and who made their first payment during the current reporting period; and

(5) Total amount of institutional charges after rounding each student's institutional charges to the

nearest \$1,000, for all eligible STRF students whose STRF assessment was collected in the reporting period; and
(6) Current contact telephone number of the person preparing the form; and
(7) A declaration dated and signed under penalty of perjury by the person preparing the form that the form and any attachments are true and correct.
(d) In the event of a school closure, any collected assessments shall be remitted to the Bureau within seven days following the cessation of instruction.
(e) Submission of all prior reports and assessments required by this section is a condition of renewal.”

The Institution has failed to submit STRF Assessment Reporting Forms for the 3rd quarter of 2016, and 4th quarter of 2018.

On January 2, 2018, the Institution was mailed a notice, at 600 Embarcadero, San Francisco, CA 94107, stating that the STRF Assessment Reporting Form for the 3rd quarter of 2016 was due.

On December 20, 2018, the Institution was mailed a notice, at 600 Embarcadero, San Francisco, CA 94107, stating that the STRF Assessment Reporting Form for the 4th quarter of 2018 was due.

As of May 28, 2019, the Bureau has not received the STRF Assessment Reporting Form from the Institution for the 3rd quarter of 2016, and 4th quarter of 2018.

Order of Abatement:

The Bureau orders that the Institution submit the delinquent STRF Assessment Reporting Forms for the quarters listed above. The Institution shall also submit the student information to substantiate the data reported on the STRF Assessment Reporting Form(s). The information provided shall comply with “Record Keeping Requirements” Pursuant to 5, CCR section 76140.

Reason for modification: New substantive facts were presented at the conference. Abatement has been satisfied.

Assessment of Fine

The fine for this violation is \$50.00

The administrative fine for this violation has been modified from \$50.00 to \$00.00.

3. **Violation:**

5, CCR Section 74006(a) and (b) - Annual Fee

“(a) An institution’s annual fee is due within 30 days of the date on which the institution originally receives its approval to operate and each year thereafter on the anniversary of the date of the original approval. (b) An institution shall pay its annual fee in addition to any other applicable fees.

CEC 94930.5 (d)(1)(A) - Fee Schedule

(d) (1) In addition to any fees paid to the bureau pursuant to subdivisions (a) to (c), inclusive, each institution that is approved to operate pursuant to this chapter shall remit both of the following:

(A) An annual fee for each campus designated by the institution as a main campus location in California, in an amount equal to 0.45 percent of the campus' total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars (\$2,500) and not to exceed sixty thousand dollars (\$60,000).

CEC 94931(b) – Late Payment

"(b) A fee that is not paid on or before the 90th calendar day after the due date for payment of the fee shall be subject to a 35 percent late payment penalty fee."

The Institution failed to pay its annual fee for the 2017 calendar year within the appropriate timeframe; therefore, a penalty payment fee was assessed.

The Institution failed to submit its penalty fee for the late submission of the annual fee for the 2017 calendar year.

Order of Abatement:

The Bureau orders the Institution to submit its penalty fee for the 2017 calendar year in accordance with 5, CCR section 74006(a)(b) and CEC section 94950.5(d)(1)(A).

Reason for modification: New substantive facts were presented at the conference. Abatement has been satisfied.

Assessment of Fine

The find for this violation is \$00.00

TOTAL MODIFIED ADMINISTRATIVE FINE DUE: \$500.00

ORDER OF ABATEMENT

The Bureau orders that you comply with the orders described in the 'Violation Code Sections' of this document and submit evidence of compliance within 30 days from the date of this decision.

PENALTY – ASSESSMENT OF A FINE

Payment of the administrative fine is due within 30 days from the date of this decision. Please complete the Payment of Fine form. Payment must be made to the Bureau by check, or money order. Please include the citation number on the payment of the fine assessment. Payment of the administrative fine shall not constitute an admission of the violation(s) charged and shall be represented as satisfactory resolution of the matter for purposes of public disclosure. Payments may be mailed to:

Ray Delaney, Discipline Citation Program
Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833

APPEAL OF CITATION

You *do not* have the right to request another Informal Conference to appeal this modified Citation. If you did not initially request an Administrative Hearing within 30 days from when the original citation was issued, you can no longer request one.

EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

This modified Citation is effective on **July 2, 2019**. The order of abatement and payment are due by **August 1, 2019**.

Failure to abate the violation or to pay the administrative fine within the time allowed is grounds for denial of an application for an approval to operate or discipline. The Bureau will promptly take all appropriate action to enforce the modified Citation and recover the civil penalties prescribed therein or found to be due after a hearing.

CONTACT INFORMATION

Should you have any questions regarding this decision or desire further information, please contact Ray Delaney, Citation Analyst, at (916) 431-6946 or at Ray.Delaney@dca.ca.gov.



Christina Villanueva
Discipline Manager



Date

Enclosures

- Payment of Fine – Waiver of Appeal Rights
- Declaration of Service by Certified and First-Class Mail