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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: **CALIFORNIA INTERNATIONAL THEOLOGICAL SEMINARY** Application for Approval to Operate an Institution Non-Accredited Respondent.	Case No. 1002620 **STATEMENT OF ISSUES**

Complainant alleges:

PARTIES

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

2. On or about August 14, 2002, the former Bureau for Private Postsecondary and Vocational Education (BPPVE) received an Application for Approval to Operate an Institution Non-Accredited from California International Theological Seminary (Respondent). On or about August 14, 2002, Respondent certified under penalty of perjury to the truthfulness of all statements, answers, and representations in the application. On February 6, 2004, the BPPVE issued a Temporary Approval to Operate. On June 30, 2007, the BPPVE was sunset (Respondent

had not obtained full approval to operate). On January 1, 2010, the California Private Postsecondary Education Act of 2009 (Act) became effective and the Bureau began operations. On July 11, 2011, the Bureau received non-compliant catalog and enrollment documents from Respondent. On February 26, 2013, the Bureau notified Respondent that additional information was required. On July 17, 2014, Respondent provided additional documents to the Bureau. On July 21, 2014, the Bureau received additional documents from Respondent. On March 7, 2016, the Bureau sent Respondent a deficiency letter. On April 6, 2016, the Bureau received Respondent's response to the deficiency letter. On May 6, 2016, the Bureau sent Respondent another deficiency letter. On September 30, 2016, the Bureau received Respondent's submission of its accreditation plan (but no further response to the May 6, 2016, deficiency letter). The Bureau denied the application on April 4, 2017.

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 (Code) unless otherwise indicated.

STATUTORY PROVISIONS

4. Business and Professions Code section 22 defines the term "board" to include "bureau."

5. Section 94887 of the Education Code states:

> "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."

6. California Education Code section 94885 states, in pertinent 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.
>
> ...

(5) The directors, administrators, and faculty are properly qualified."

7. Section 94902 of the Education Code states:

"(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."

8. Section 94911 of the Education Code states, in pertinent part:

"(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.

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

...

(e)(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.

...

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

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

(1) The federal or state government or a loan guarantee agency may take

action against the student, including applying any income tax refund to which the person is entitled to reduce the balance owed on the loan.

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

9. Section 94897 of the Education Code states, in pertinent part:

"An institution shall not do any of the following:

...

(e) Advertise, or indicate in promotional material, that the institution is accredited, unless the institution has been accredited by an accrediting agency.

...

(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.

...

(p) Offer an associate, baccalaureate, master's, or doctoral degree without disclosing to prospective students prior to enrollment whether the institution or the degree program is unaccredited and any known limitation of the degree, including, but not limited to, all of the following:

(1) Whether a graduate of the degree program will be eligible to sit for the applicable licensure exam in California and other states.

(2) A statement that reads: "A degree program that is unaccredited or a degree from an unaccredited institution is not recognized for some employment positions, including, but not limited to, positions with the State of California."

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

10. Section 94893 of the Education Code states:

"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."

11. Section 94909 of the Education Code states, in pertinent 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:

...

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

(3) The following statements:

(A) "Any questions a student may have regarding this catalog 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)."

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

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

...

(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.

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

(7) Information regarding the faculty and their qualifications.

(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.

(B) Cancellation, withdrawal, and refund policies, including an explanation 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. The text shall also include a description of the procedures that a student is required to follow to cancel the enrollment agreement or withdraw from the institution and obtain a refund consistent with the requirements of Article 13 (commencing with Section 94919).

...

(E) Leave-of-absence policies.

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

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

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

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

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

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

(15) The following statement:

"NOTICE CONCERNING TRANSFERABILITY OF CREDITS AND CREDENTIALS EARNED AT OUR INSTITUTION

The transferability of credits you earn at (name of institution) is at the complete discretion of an institution to which you may seek to transfer. Acceptance of the (degree, diploma, or certificate) you earn in (name of educational program) is also at the complete discretion of the institution to which you may seek to transfer. If the (credits or degree, diploma, or certificate) that you earn at this institution are not accepted at the institution to which you seek to transfer, you may be required to repeat some or all of your coursework at that institution. For this reason you should make certain that your attendance at this institution will meet your educational goals. This may include contacting an institution to which you may seek to transfer after attending (name of institution) to determine if your (credits or degree, diploma, or certificate) will transfer."

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

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

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

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

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

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

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

12. Section 94920 of the Education Code states, in pertinent part:

"An institution that does not participate in the federal student financial aid programs shall do all of the following:

(a) The institution shall advise each student that a notice of cancellation shall be in writing, and that a withdrawal may be effectuated by the student's written notice or by the student's conduct, including, but not necessarily limited to, a student's lack of attendance.

(b) Institutions shall refund 100 percent of the amount paid for institutional charges, less a reasonable deposit or application fee not to exceed two hundred fifty dollars ($250), if notice of cancellation is made through attendance at the first class session, or the seventh day after enrollment, whichever is later."

13. Section 94900 of the Education Code states:

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

(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."

14. Section 94913 of the Education Code states, in pertinent part:

"(a) An institution that maintains an Internet Web site shall provide on that Internet Web site all of the following:

(1) The school catalog.

(2) A School Performance Fact Sheet for each educational program offered by the institution.

(3) Student brochures offered by the institution.

(4) A link to the bureau's Internet Web site.

(5) The institution's most recent annual report submitted to the bureau.

(b) An institution shall include information concerning where students may access the bureau's Internet Web site anywhere the institution identifies itself as being approved by the bureau."

15. Section 94900.5 of the Education Code states, in pertinent part:

"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)."

16. Section 94910 of the Education Code states, in pertinent part:

"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.

...

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

...

(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)."

17. Section 94929.5 of the Education Code states, in pertinent part:

"(a) An institution shall annually report to the bureau, as part of the annual report, and shall publish in its School Performance Fact Sheet, all of the following:

(1) The job placement rate, calculated by dividing the number of graduates employed in the field by the number of graduates available for employment for each program that is either (1) designed, or advertised, to lead to a particular career, or (2) advertised or promoted with any claim regarding job placement.

....

(3) Salary and wage information, consisting of the total number of graduates employed in the field and the annual wages or salaries of those graduates stated in increments of five thousand dollars ($5,000)."

18. Section 94934 of the Education Code states, in pertinent part:

"(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.

(b) The bureau, by January 1, 2011, shall prescribe the annual report's format and method of delivery."

19. Section 94930.5 of the Education Code states, in pertinent 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:

...

(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).

(B) An annual campus fee for each branch of the institution in an amount equal to 0.45 percent of the branch's 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).

(2) The amount of the annual fees pursuant to paragraph (1) shall be proportional to the bureau's cost of regulating institutions under this chapter, but shall not exceed seven hundred fifty thousand dollars ($750,000) for any institution."

20. California Code of Regulations, title 5, section 71730 states, in pertinent 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."

21. California Code of Regulations, title 5, section 71800 states, in pertinent 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:

...

(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."

22. California Code of Regulations, title 5, section 71715 states, in pertinent part:

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

///

23. California Code of Regulations, title 5, section 71850 states, in pertinent part:

"Graduation requirements for an undergraduate degree program shall meet minimum credit requirements and shall include provisions for general education appropriate to the level and type of degree. The institution shall specify the distribution of general education credit requirements by subject area for each undergraduate degree program.

(a) A Bachelor's degree may be awarded to a student whom the institution can document has achieved sequential learning equivalent in general education and equivalent in depth of achievement in a designated major field to that acquired in four years of study beyond high school, as measured by a minimum of 120 semester credits or its equivalent. At least 25 percent of the credit requirements for a Bachelor's degree shall be in general education."

24. California Code of Regulations, title 5, section 71710 states:

"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."

25. California Code of Regulations, title 5, section 71865 states:

"(a) A Master's degree may only be awarded to a student who demonstrates at least the achievement of learning in a designated major field that is equivalent in depth to that normally acquired in a minimum of 30 semester credits or its equivalent or one year of study beyond the Bachelor's degree.

(b) A professional Doctoral degree may only be awarded to a student who has completed a prescribed level of study normally requiring a minimum of three academic years of full-time graduate study or the equivalent in part-time study; or, if the program leads to a profession or occupation requiring state licensure, which satisfies the requirements of the state agency. The degree shall include the name of the field in which it is offered (e.g., Juris Doctor or Doctor of Music).

(c)(1) A Doctor of Philosophy degree (Ph.D.) is a research-oriented degree requiring a minimum of three years of full-time graduate education or the equivalent in part-time study. Such a doctoral program shall include substantial instruction in both theory and research at an advanced level in a designated field and specialty, and may only be awarded to a student who has completed a program of study that includes research methodology and demonstrated learning achievement through original research directly attributable to the student. Each educational program leading to a Doctor of Philosophy degree shall involve preparation for scholarship and systematic inquiry.

(2)(A) Each Doctor of Philosophy program shall include a minimum of two formal evaluations of the student by a doctoral committee. The doctoral committee shall be composed of at least three members of the institution's own faculty who meet the qualifications in subdivision (c)(3).

(B) The first evaluation shall consider the student's qualifications, including the student's knowledge, skills, and conceptual framework, for undertaking rigorous inquiry into the student's designated field.

(C) The second evaluation shall consider the design procedures and products of a formal original inquiry proposed and completed by the student.

(3) The faculty members who serve on each student's doctoral examining committee shall meet the following qualifications:

(A) Each member shall have earned a Doctoral degree from: an institution that is approved by the Bureau or previously approved by a predecessor agency of the Bureau; or an accredited institution in the United States or Canada; or other state approved institution that documents that the institution at which the faculty member earned his or her degree is equivalent to an institution that is approved by the Bureau; or an institution outside the United States or Canada and in addition provides a comprehensive evaluation of the degree performed by a foreign credential evaluation service that is a member of the National Association of Credential Evaluation Services (NACES).

(B) The chair and the majority of the committee shall have earned degrees related to the student's field of investigation.

(C) A minimum of 50% of the faculty on the committee shall have degrees conferred by an institution accredited by an accrediting association recognized by the United States Department of Education or the American Bar

Association, unless the accreditation does not exist.

(D) All of the faculty shall have three or more years of field or research experience related to their degrees obtained after they obtained their degrees.

(E) All of the faculty shall have been active in their field of scholarship or profession during the five year period preceding their participation on the committee.

(4) The formal evaluation procedures shall provide the committee as a whole with the opportunity to jointly examine the candidate.

(5) If the candidate is not physically present and the evaluation must take place by telephone or other means of electronic communication, one of the following shall apply:

(A) One faculty member on the student's doctoral committee from the main location (i.e., the state in which the program is licensed or otherwise officially approved) must be present at the location where the doctoral student is examined.

(B) A proctor, selected and approved by the doctoral committee, shall sit as an observer with the student at the distant location and verify, under penalty of perjury under the laws of the State of California, the identity of the student and the facts that the student received no prompting by anyone and did not have access to unallowed materials during the evaluation process.

(6) If a project includes more than one student, the individual student's role and contributions shall be clearly identified and documented.

(7) The institution shall maintain a written record of the evaluations. This record shall include the names and signatures of all committee members who participated in the evaluations.

(d) No more than 25 percent of the credits required for graduate degree programs may be awarded for a final product such as a thesis, dissertation, or product.

(e) Dissertations, theses and other products submitted by a student as part of a graduate program shall be signed by all faculty members recommending the student for an award of a degree."

26. California Code of Regulations, title 5, section 71720 states, in pertinent 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;

(3) In determining the number of faculty sufficient to satisfy subdivision (a)(1) of this section and to implement the policies established pursuant to subdivision (a)(2) of this section, the institution shall base its faculty requirements on all of the following factors:

(A) The educational level and number of students;

(B) The number of hours needed for direct interaction between students and faculty per course, quarter, semester, or other term;

(C) The number of hours needed to be spent on evaluating written materials prepared by students, such as distance education, papers, and examinations, per course, quarter, semester, or other term;

(D) The number of group meetings per course, quarter, semester, or other term;

(E) The faculty duties established by the institution as required under subdivision (a)(2) of this section; and

(F) The number of hours per week or units per term considered full-time for faculty in the institution.

(4) The faculty shall have sufficient expertise to support the institution's awarding of a degree identifying a specialty or major field of emphasis, demonstrated by, at a minimum:

(A) That the person possesses one of the following:

1. a degree from: an institution approved by the Bureau or previously approved by a predecessor agency of the Bureau; or an accredited institution in the United States or Canada; or other state approved institution that documents that the institution at which the faculty member earned his or her degree is equivalent to an institution that is approved by the Bureau; or an institution outside the United States or Canada and in addition provides a comprehensive evaluation of the degree performed by a foreign credential evaluation service that is a member of the National Association of Credential Evaluation Services (NACES).

2. a credential generally recognized in the field of instruction.

(B) The degree, professional license, or credential possessed by the person shall be at least equivalent to the level of instruction being taught or evaluated;

(5) The institution's faculty as a whole shall possess a diverse educational background which shall be demonstrated in part by earned degrees from a variety of colleges and universities or by credentials generally recognized in the field of instruction;

(6) When contracting for educational services, the institution shall maintain control of, and responsibility for, all academic matters, and shall assure that the instruction and faculty satisfy the standards established by the Act and this chapter;

(7) The institution shall not employ or continue to employ any faculty who were adjudicated in a judicial or administrative proceeding as having violated any provision of the Act or this chapter or as having committed any act that would

constitute grounds for the denial of a license under Section 480 of the Business and Professions Code;

(8) Each institution shall have a written Academic Freedom Policy which describes the latitude the institution allows faculty in the classroom so faculty will not inadvertently violate the principles of academic freedom. These policies shall be made available to any person upon request. The institution shall not take adverse action based on a staff member's exercise of academic freedom consistent with the institution's policy; and

(9) The institution shall maintain records documenting that each faculty member is duly qualified and was qualified to perform the duties to which the faculty member was assigned, including providing instruction, evaluating learning outcomes, evaluating graduate dissertations, theses, and student projects, and participating on doctoral committees."

27. California Code of Regulations, title 5, section 71810 states, in pertinent part:

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

(1) The specific beginning and ending dates defining the time period covered by the catalog;

...

(4) Language proficiency information, including: (A) the level of English language proficiency required of students and the kind of documentation of proficiency, such as the Test of English as a Foreign Language (TOEFL), that will be accepted; and (B) whether English language services, including instruction such as ESL, are provided and, if so, the nature of the service and its cost;

(5) Whether any instruction will occur in a language other than English and, if so, the level of proficiency required and the kind of documentation of proficiency, such as the United States Foreign Service Language Rating System, that will be accepted;

(6) The institution's policies and practices regarding any form of financial aid, including all consumer information which the institution is required to disclose to the student under any state or federal financial aid program;

(7) The institution's policies and procedures for the award of credit for prior experiential learning, including assessment policies and procedures, provisions for appeal, and all charges that a student may be required to pay;

...

(9) A description of the facilities and of the types of equipment and materials that will be used for instruction;

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

...

(13) Housing information including all of the following:

(A) Whether the institution has dormitory facilities under its control;

(B) The availability of housing located reasonably near the institution's facilities and an estimation of the approximate cost or range of cost of the housing; and

(C) If the institution has no responsibility to find or assist a student in finding housing, a clear and conspicuous statement so indicating. A statement that the program is "non- residential" does not satisfy this subparagraph.

(14) Policies on student rights, including the procedure for addressing student grievances; and

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

28. California Code of Regulations, title 5, section 71775.5 states, in pertinent part:

"(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 71770 states:

"(a) The institution shall establish specific written standards for student admissions for each educational program. These standards shall be related to the particular educational program. An institution shall not admit any student who is obviously unqualified or who does not appear to have a reasonable prospect of completing the program. In addition to any specific standards for an educational program, the admissions standards must specify as applicable that:

(1) Each student admitted to an undergraduate degree program, or a diploma program, shall possess a high school diploma or its equivalent, or otherwise successfully take and pass the relevant examination as required by section 94904 of the Code.

(2) Each student admitted into a post-baccalaureate degree program shall possess a bachelor's degree or its equivalent. If a graduate program leads to a profession or an occupation requiring state licensure and the licensing agency does not require that a member of the profession or occupation possess a Bachelor's degree or its equivalent, this subdivision does not apply.

(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.

(c) If credit for prior experiential learning is to be granted, the policy for granting such credit shall be included in the institution's catalog.

(1) An institution may grant credit to a student for prior experiential learning only if:

(A) The prior learning is equivalent to a college or university level of learning;

(B) The learning experience demonstrates a balance between theory and practice and;

(C) The credit awarded for the prior learning experience directly relates to the student's degree program and is applied in satisfaction of some of the degree requirements.

(2) Each college or university level learning experience for which credit is sought shall be documented by the student in writing.

(3) Each college or university level learning experience shall be evaluated by faculty qualified in that specific subject area who shall ascertain (1) to what college or university level learning the student's prior experience is equivalent and (2) how many credits toward a degree may be granted for that experience.

(4) The faculty evaluating the prior learning shall prepare a written report indicating all of the following:

(A) The documents in the student's record on which the faculty member relied in determining the nature of the student's prior experience;

(B) The bases for determining that the prior experience (i) is equivalent to college or university level learning and (ii) demonstrates a balance between theory and practice; and

(C) The bases for determining (i) to what college or university level the experience is equivalent and (ii) the proper number of credits to be awarded toward the degree for that experience.

(5)(A) The institution shall designate at least one administrator to be responsible for the review of faculty determinations regarding the award of credit for prior experiential learning.

(B) The administrator shall document the institution's periodic review of faculty evaluations to assure that the faculty written evaluations and awards of credit comply with this section and the institution's policies and are consistent.

(6) The amount of credit awarded for prior experiential learning shall not be related to the amount charged the student for the assessment process.

(7)(A) Of the first 60 semester credits awarded a student in an

undergraduate program, no more than 15 semester credits may be awarded for prior experiential learning.

(B) Of the second 60 semester units (i.e., credits 61 to 120) awarded a student in an undergraduate program, no more than 15 semester credits may be awarded for prior experiential learning.

(C) Of the first 30 semester credits awarded a student in a graduate program, no more than 6 semester credits may be awarded for prior experiential learning.

(D) Of the second 30 semester credits (i.e., credits 31 to 60) awarded a student in a graduate program, no more than 3 semester credits may be awarded for prior experiential learning.

(E) No credit for experiential learning may be awarded after a student has obtained 60 semester credits in a graduate program."

30. California Code of Regulations, title 5, section 76215 states, in pertinent part:

"(a) A qualifying institution shall include the following statement on both its enrollment agreement and school catalog:

'The State of California established the Student Tuition Recovery Fund (STRF) to relieve or mitigate economic loss suffered by a student in an educational program at a qualifying institution, who is or was a California resident while enrolled, or was enrolled in a residency program, if the student enrolled in the institution, prepaid tuition, and suffered an economic loss. Unless relieved of the obligation to do so, you must pay the state-imposed assessment for the STRF, or it must be paid on your behalf, if you are a student in an educational program, who is a California resident, or are enrolled in a residency program, and prepay all or part of your tuition.

You are not eligible for protection from the STRF and you are not required to pay the STRF assessment, if you are not a California resident, or are not enrolled in a residency program.'

(b) In addition to the statement required under subdivision (a) of this section, a qualifying institution shall include the following statement in its school catalog:

'It is important that you keep copies of your enrollment agreement, financial aid documents, receipts, or any other information that documents the amount paid to the school. Questions regarding the STRF may be directed to the Bureau for Private Postsecondary Education, 2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833, (916) 431-6959 or (888) 370-7589.

To be eligible for STRF, you must be a California resident or enrolled in a residency program, prepaid tuition, paid or deemed to have paid the STRF assessment, and suffered an economic loss as a result of any of the following:

1. The institution, a location of the institution, or an educational program offered by the institution was closed or discontinued, and you did not choose to participate in a teach-out plan approved by the Bureau or did not complete a chosen teach-out plan approved by the Bureau.

2. You were enrolled at an institution or a location of the institution within the 120 day period before the closure of the institution or location of the institution, or were enrolled in an educational program within the 120 day period before the program was discontinued.

3. You were enrolled at an institution or a location of the institution more than 120 days before the closure of the institution or location of the institution, in an educational program offered by the institution as to which the Bureau determined there was a significant decline in the quality or value of the program more than 120 days before closure.

4. The institution has been ordered to pay a refund by the Bureau but has failed to do so.

5. The institution has failed to pay or reimburse loan proceeds under a federal student loan program as required by law, or has failed to pay or reimburse proceeds received by the institution in excess of tuition and other costs.

6. You have been awarded restitution, a refund, or other monetary award by an arbitrator or court, based on a violation of this chapter by an institution or representative of an institution, but have been unable to collect the award from the institution.

7. You sought legal counsel that resulted in the cancellation of one or more of your student loans and have an invoice for services rendered and evidence of the cancellation of the student loan or loans.

To qualify for STRF reimbursement, the application must be received within four (4) years from the date of the action or event that made the student eligible for recovery from STRF.

A student whose loan is revived by a loan holder or debt collector after a period of noncollection may, at any time, file a written application for recovery from STRF for the debt that would have otherwise been eligible for recovery. If it has been more than four (4) years since the action or event that made the student eligible, the student must have filed a written application for recovery within the original four (4) year period, unless the period has been extended by another act of law.

However, no claim can be paid to any student without a social security number or a taxpayer identification number.'"

31. California Code of Regulations, title 5, section 71750 states, in pertinent part:

"(a) Every institution shall make refunds that are no less than the refunds required under the Act and this Division.

(b) An institution may not enforce any refund policy that is not specified in the catalog as required pursuant to section 94909(a)(8)(B) of the Code, and must refund all institutional charges upon a student's withdrawal. Withdrawal policy procedures pursuant to section 94909(a)((8)(B) of the Code shall include, at a minimum: the acceptable methods of delivery of a notice to withdraw; whether withdrawal can be accomplished by conduct, and if so, how; the position or positions to whom the notice to withdraw must be delivered; and the date that the notice to withdraw is considered effective, which shall be no later than the date received by the institution.

(c) A pro rata refund pursuant to section 94919(c) or 94920(d) or 94927 of the Code shall be no less than the total amount owed by the student for the portion of the educational program provided subtracted from the amount paid by the student, calculated as follows:

(1) The amount owed equals the daily charge for the program (total institutional charge, divided by the number of days or hours in the program), multiplied by the number of days student attended, or was scheduled to attend, prior to withdrawal.

(2) Except as provided for in subdivision (a)(3) of this section, all amounts paid by the student in excess of what is owed as calculated in subdivision (a)(1) shall be refunded.

(3) Except as provided herein, all amounts that the student has paid shall be subject to refund unless the enrollment agreement and the refund policy outlined in the catalog specify amounts paid for an application fee or deposit not more than $250.00, books, supplies, or equipment, and specify whether and under what circumstances those amounts are non-refundable. Except when an institution provides a 100% refund pursuant to section 94919(d) or section 94920(b) of the Code, any assessment paid pursuant to section 94923 of the Code is non-refundable.

(4) For purposes of determining a refund under the Act and this section, a student shall be considered to have withdrawn from an educational program when he or she withdraws or is deemed withdrawn in accordance with the withdrawal policy stated in its catalog.

(d) If an institution has collected money from a student for transmittal on the student's behalf to a third party for a bond, library usage, or fees for a license, application, or examination and the institution has not paid the money to the third party at the time of the student's withdrawal or cancellation, the institution shall refund the money to the student within 45 days of the student's withdrawal or cancellation.

(e) An institution shall refund any credit balance on the student's account within 45 days after the date of the student's completion of, or withdrawal from, the educational program in which the student was enrolled. For purposes of this subdivision and section 94919(d) of the Code, "day" means calendar day.

(f) The institution shall maintain a cancellation and withdrawal log, kept current on a monthly basis, which shall include the names, addresses, telephone numbers, and dates of cancellations or withdrawal of all students who have cancelled the enrollment agreement with, or withdrawn from, the institution during the calendar year."

32. California Code of Regulations, title 5, section 71920 states, in pertinent part:

"(a) The institution shall maintain a file for each student who enrolls in the institution whether or not the student completes the educational service.

(b) In addition to the requirements of section 94900, the file shall contain all of the following pertinent student records:

(1) Written records and transcripts of any formal education or training, testing, or experience that are relevant to the student's qualifications for admission to the institution or the institution's award of credit or acceptance of transfer credits

including the following:

(A) Verification of high school completion or equivalency or other documentation establishing the student's ability to do college level work, such as successful completion of an ability-to-benefit test;

(B) Records documenting units of credit earned at other institutions that have been accepted and applied by the institution as transfer credits toward the student's completion of an educational program;

(C) Grades or findings from any examination of academic ability or educational achievement used for admission or college placement purposes;

(D) All of the documents evidencing a student's prior experiential learning upon which the institution and the faculty base the award of any credit;

(2) Personal information regarding a student's age, gender, and ethnicity if that information has been voluntarily supplied by the student;

(3) Copies of all documents signed by the student, including contracts, instruments of indebtedness, and documents relating to financial aid;

(4) Records of the dates of enrollment and, if applicable, withdrawal from the institution, leaves of absence, and graduation; and

(5) In addition to the requirements of section 94900(b) of the Code, a transcript showing all of the following:

(A) The courses or other educational programs that were completed, or were attempted but not completed, and the dates of completion or withdrawal;

(B) Credit awarded for prior experiential learning, including the course title for which credit was awarded and the amount of credit;

(C) Credit for courses earned at other institutions;

(D) Credit based on any examination of academic ability or educational achievement used for admission or college placement purposes;

(E) The name, address, website address, and telephone number of the institution.

(6) For independent study courses, course outlines or learning contracts signed by the faculty and administrators who approved the course;

(7) The dissertations, theses, and other student projects submitted by graduate students;

(8) A copy of documents relating to student financial aid that are required to be maintained by law or by a loan guarantee agency;

(9) A document showing the total amount of money received from or on behalf of the student and the date or dates on which the money was received;

(10) A document specifying the amount of a refund, including the amount refunded for tuition and the amount for other itemized charges, the method of

calculating the refund, the date the refund was made, and the name and address of the person or entity to which the refund was sent;

(11) Copies of any official advisory notices or warnings regarding the student's progress; and

(12) Complaints received from the student."

33. California Code of Regulations, title 5, section 71930 states, in pertinent 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.

(c) A record is considered current for three years following a student's completion or withdrawal. A record may be stored on microfilm, microfiche, computer disk, or any other method of record storage only if all of the following apply:

(1) The record may be stored without loss of information or legibility for the period within which the record is required to be maintained by the Act;

(2) For a record that is current, the institution maintains functioning devices that can immediately reproduce exact, legible printed copies of stored records. The devices shall be maintained in reasonably close proximity to the stored records at the institution's primary administrative location in California. For a record that is no longer current, the institution shall be able to reproduce exact, legible printed copies within two (2) business days.

(3) The institution has personnel scheduled to be present at all times during normal business hours who know how to operate the devices and can explain the operation of the devices to any person authorized by the Act to inspect and copy records; and

(4) Any person authorized by the Act or this chapter to inspect and copy records shall be given immediate access to the document reproduction devices for the purpose of inspecting and copying stored records and shall, upon request, reimburse the institution for the reasonable cost of using the institution's equipment and material to make copies at a rate not to exceed ten cents ($0.10) per page.

(d) The institution shall maintain a second set of all academic and financial records required by the Act and this chapter at a different location unless the original records, including records stored pursuant to subdivision (b) of this section, are maintained in a manner secure from damage or loss. An acceptable manner of storage under this subsection would include fire resistant cabinets.

(e) All records that the institution is required to maintain by the Act or this chapter shall be made immediately available by the institution for inspection and

copying during normal business hours by the Bureau and any entity authorized to conduct investigations.

(f) If an institution closes, the institution and its owners are jointly and severally responsible to arrange at their expense for the storage and safekeeping in California of all records required to be maintained by the Act and this chapter for as long as those records must be maintained. The repository of the records shall make these records immediately available for inspection and copying, without charge except as allowed under subdivision (c)(4) of this section, during normal business hours by any entity authorized by law to inspect and copy records."

34. California Code of Regulations, title 5, section 74112 states, in pertinent part:

"(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."

35. California Code of Regulations, title 5, section 74110 states, in pertinent part:

"(a) The annual report required by Section 94934 of the Code shall include the information required by sections 94929.5 and 94934 for all educational programs offered in the prior calendar year, and all of the following for the prior calendar year:

(1) Information regarding institutional branch campuses, including addresses and programs offered at each campus, if applicable;

(2) Information regarding satellite locations, including addresses and with which campus(es) the satellite location is affiliated, if applicable;

(3) Name of institutional accreditors for each branch and satellite campus, and for each such campus at which any programs have programmatic accreditation, the names of the programmatic accreditor for each such program, and effective dates for each programmatic accreditation, if applicable;

(4) Information regarding participation in state and federal student loan and grant programs, including the total amount of funding received from each source for those students enrolled in an approved California school regardless of their state of residency;

(5) Information regarding participation in other public funding programs, including the amount of funding received from each public funding source; for purposes of this section, public funding is any financial aid paid on behalf of students or directly to an institution from any public source, such as the Workforce Investment Act, any veterans' financial aid programs pursuant to Section 21.4253 of Title 38 of the Code of Federal Regulations or any other financial aid program that is intended to help students pay education-related expenses, including tuition, fees, room and board, and supplies for education; and

(6) The total percentage of institutional income that comes from any public funding sources.

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

(c) An institution shall file its annual report by 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."

36. California Code of Regulations, title 5, section 76120 states:

"(a) Each qualifying institution shall collect an assessment of zero dollars ($0) per one thousand dollars ($1,000) of institutional charges, rounded to the nearest thousand dollars, from each student in an educational program who is a California resident or is enrolled in a residency program. For institutional charges of one thousand dollars ($1,000) or less, the assessment is zero dollars ($0)."

37. California Code of Regulations, title 5, section 76130 states:

"(a)(1) 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.

(2) The assessment to be collected from a re-enrolling student shall be limited to any amount that is due after crediting any prior assessment amount paid by the student. The enrollment agreement shall clearly identify any prior STRF assessment paid by the student.

(b) A qualifying institution shall complete the STRF Assessment report 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.

(c) The STRF Assessment report 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."

38. California Code of Regulations, title 5, section 74000 states:

"(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."

39. California Code of Regulations, title 5, section 74006 states:

"(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.

(c) The annual institutional fee is based on the institution's annual revenue. For purposes of this article, annual revenue is annual gross revenue."

40. California Code of Regulations, title 5, section 71120 states:

"The institution shall specify the form of business organization of the institution (e.g., sole proprietorship, general or limited partnership, for-profit corporation, nonprofit corporation, or Limited Liability Corporation). If the institution is incorporated, the institution shall also identify the state within which the institution is incorporated and the date of incorporation, and provide copies of the articles of incorporation and bylaws."

41. California Code of Regulations, title 5, section 71700 states:

"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."

42. California Code of Regulations, title 5, section 74117 states:

"In addition to the requirement in Section 94913(b) of the Code, an institution that maintains a website shall provide on the homepage of that website clear and conspicuous links to all the items required in Section 94913(a) of the Code."

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FIRST CAUSE FOR DENIAL OF APPLICATION

(Administration)

43. Respondent's application is subject to denial under section 94885, subdivision (a)(5) of the Code, and California Code of Regulations, title 5, section 71730, subdivision (e) in that Respondent did not provide evidence that its Chief Academic Officer (CAO) possesses a degree or equivalent acceptable experience because Respondent did not submit academic transcripts and a signed employment contract for the Chief Academic Officer.

44. Respondent's application is subject to denial under section 94885, subdivision (a)(5) of the Code, and California Code of Regulations, title 5, section 71730, subdivision (f) in that Respondent did not provide evidence that it employs administrative personnel who have the expertise to ensure the achievement of Respondent's mission and objectives and the operation of the educational programs because it did not submit the curriculum vitae of the Chief Operating Officer and the Chief Executive Officer.

SECOND CAUSE FOR DENIAL OF APPLICATION

(Enrollment Agreement)

45. Respondent's application is subject to denial under section 94902 of the Code in that Respondent did not submit an Enrollment Agreement (EA) that included all of the required information and disclosures as mandated by section 94911 of the Code and California Code of Regulations, title 5, section 71800.

46. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71800, subdivision (d) in that Respondent did not include the date by which the student must exercise his or her right to cancel or withdraw and the refund policy on the EA.

47. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71800, subdivision (e) in that Respondent did not include mandatory information regarding an itemization of all institutional charges and fees including, the non-refundable registration and Student Tuition Recovery Fund fees and applicable fees outlined in Respondent's catalog in the EA.

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48. Respondent's application is subject to denial under section 94911, subdivision (b) of the Code in that the EA did not include mandatory information regarding 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.

49. Respondent's application is subject to denial under section 94911, subdivision (c) of the Code in that the EA did not include mandatory information regarding the total charges for the current period of attendance, the estimated total charges for the entire educational program, and the total charges the student is obligated to pay upon enrollment.

50. Respondent's application is subject to denial under section 94911, subdivision (e)(2) of the Code in that the EA did not include mandatory information regarding Respondent's refund policy and a statement of fact regarding federal student financial aid funds.

51. Respondent's application is subject to denial under section 94911, subdivision (f) of the Code in that the EA did not include mandatory information regarding the students' responsibility for repayment of loans plus interest, less the amount of any refund.

52. Respondent's application is subject to denial under section 94911, subdivision (g) of the Code in that the EA did not include mandatory information regarding the implications of defaulting on federal or state loans.

53. Respondent's application is subject to denial under section 94897, subdivision (i)(1) and section 94911, subdivisions (d) and (h) of the Code in that the EA did not include a compliant transferability disclosure or a clear and conspicuous statement that the EA is legally binding when signed by the student and accepted by Respondent. Instead, the EA included information regarding transferability of units to the University of Santa Monica (a private educational corporation that is not affiliated with Respondent).

THIRD CAUSE FOR DENIAL OF APPLICATION

(Instruction and Degrees Offered)

54. Respondent's application is subject to denial under section 94893 of the Code in that Respondent failed to obtain prior authorization to make a substantive change to its approval to operate. Specifically, Respondent listed two unapproved degree programs, the Bachelor of

Theology and Master of Arts, in the catalog and School Performance Fact Sheet (SPFS), without obtaining prior authorization from the Bureau to offer such educational programs to the public.

55. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71715, subdivision (b) and section 71850, subdivision (a) in that Respondent did not provide evidence to document that the instruction offered leads to the achievement of the learning objectives of each course. Specifically, Respondent failed to provide documentation regarding the admission requirements, information regarding the ability-to-benefit examination, the types and amount of general education required, the title of the educational programs and other components of instruction offered, graduation requirements, and identifying each occupation and job title to which each educational program is represented to lead. Further, Respondent has not demonstrated that its undergraduate degree program meets the minimum requirements appropriate to the level and type of degree given.

FOURTH CAUSE FOR DENIAL OF APPLICATION

(Educational Programs)

56. Respondent's application is subject to denial under section 94885, subdivision (a)(1) of the Code and California Code of Regulations, title 5, section 71710 in that Respondent is in violation of the minimum operating standard because it did not provide evidence that the contents of the educational program can achieve its stated objective(s) nor has it demonstrated that it created syllabi that complies with all of the mandatory provisions pursuant to California Code of Regulations, title 5, section 71710, subdivision (c).

57. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71865 in that Respondent has not provided evidence that any of its graduate-level degree program curricula meets the minimum educational requirements that are necessary to confer a graduate degree. Specifically, Respondent failed to fully comply with the mandatory provisions pursuant to California Code of Regulations, title 5, section 71865 with respect to its graduate degree programs in Master of Arts in Ministry, Master of Arts in Divinity, and Doctor of Ministry.

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58. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71710, subdivision (d) in that Respondent has not demonstrated that it provides sufficient library and other learning resources to meet and support the instructional needs of students that conduct academic research at the Bachelor's level.

FIFTH CAUSE FOR DENIAL OF APPLICATION

(Faculty)

59. Respondent's application is subject to denial under section 94885, subdivision (a)(5) of the Code and California Code of Regulations title 5, section 71720, subdivision (a) in that Respondent failed to provide evidence that it contracted with duly qualified faculty and failed to demonstrate that it maintains records documenting that each faculty member is duly qualified and was qualified to perform the duties to which the faculty member was assigned, including providing instruction and evaluating learning outcomes.

60. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71720, subdivision (a)(2) in that Respondent failed to demonstrate that it developed and implemented written policies and procedures providing for the participation by duly qualified faculty in conducting of research, development of curricula, academic planning, enforcement of standards of academic quality, pursuit of academic matters related to Respondent's mission and objectives, establishment of criteria for contracting with new faculty, and evaluation of faculty credentials.

61. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71720, subdivision (a)(3) in that Respondent failed to demonstrate that it employs a sufficient number of faculty members to provide instruction in its educational programs.

SIXTH CAUSE FOR DENIAL OF APPLICATION

(Catalog)

62. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71810, subdivision (b)(1) in that Respondent did not include the minimum requirements for a school catalog because Respondent did not include the specific beginning and end dates defining the time period covered by the catalog.

63. Respondent's application is subject to denial under section 94909, subdivision (a)(2) of the Code in that Respondent did not include the minimum requirements for a school catalog because Respondent did not include a statement in its catalog that Respondent is a private institution, Respondent did not include a statement in its catalog that it is approved to operate by the Bureau, and Respondent did not include a clear and conspicuous statement that approval to operate means compliance with state standards as set forth in this chapter.

64. Respondent's application is subject to denial under section 94909, subdivision (a)(12) of the Code in that Respondent did not include the minimum requirements for a school catalog because Respondent did not include a statement in its catalog specifying all components of the required bankruptcy disclosure.

65. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71810, subdivision (b)(9) in that Respondent did not include the minimum requirements for a school catalog because Respondent did not include a description of the facilities and of the types of equipment and materials that will be used for instruction.

66. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71810, subdivision (b)(10) in that Respondent did not include the minimum requirements for a school catalog because Respondent did not include a description of library and other learning resources and the procedures for students to access those resources.

67. Respondent's application is subject to denial under section 94909, subdivision (a)(3)(A) of the Code in that Respondent did not include the minimum requirements for a school catalog because Respondent did not include the specific required language directing students to the Bureau for unanswered questions.

68. Respondent's application is subject to denial under section 94909, subdivision (a)(3)(B) of the Code in that Respondent did not include the minimum requirements for a school catalog because Respondent did not include specific required language encouraging students to review the catalog and the School Performance Fact Sheet prior to signing an enrollment agreement.

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69. Respondent's application is subject to denial under section 94909, subdivision (a)(3)(C) of the Code in that Respondent did not include the minimum requirements for a school catalog because Respondent did not include specific required language referring individuals wishing to file a complaint about Respondent to the Bureau.

70. Respondent's application is subject to denial under section 94909, subdivision (a)(15) of the Code in that Respondent did not include the minimum requirements for a school catalog because Respondent did not include specific required language in its catalog that addresses transferability of credits and credentials.

71. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71775.5, subdivisions (a) and (c)(1), in that Respondent failed to provide students with the Notice to Prospective Degree Program Students disclosure where each degree program is described and failed to include the dates by which Respondent is required to achieve pre-accreditation and full accreditation.

72. Respondent's application is subject to denial under section 94909, subdivision (a)(8)(A) of the Code and California Code of Regulations, title 5, section 71770, subdivisions (a) and (b) in that Respondent failed to include the minimum requirements for a school catalog because Respondent did not include a detailed description of institutional policies in admission policies, admissions requirements for ability-to-benefit students, and a list describing any transfer or articulation agreements. Moreover, Respondent did not disclose whether or not it had entered into an articulation or transfer agreement with any other college or university.

73. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71810, subdivision (b)(7) and section 71770, subdivision (c) in that Respondent did not include its policy on the award of credit for prior experiential learning experience, including assessment policies and procedures, provisions for appeal, and all charges that a student may be required to pay.

74. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71810, subdivision (b)(4) in that Respondent did not include language proficiency information, including the level of English language proficiency required of students, the kind of

documentation of proficiency that will be accepted, whether English language services are provide, and (if so) the nature of the service and its cost.

75. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71810, subdivision (b)(5) in that Respondent did not submit a catalog that included information regarding whether or not any instruction will occur in a language other than English and, if so, the level of proficiency required and the kind of documentation of proficiency that will be accepted.

76. Respondent's application is subject to denial under section 94909, subdivision (a)(5) of the Code in that Respondent did not include a description of the programs offered and a description of the instruction provided in each of the courses offered by Respondent, 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.

77. Respondent's application is subject to denial under section 94909, subdivision (a)(16) and section 94897, subdivision (p) of the Code in that Respondent did not include in the catalog, a statement specifying whether Respondent or any of its degree programs are accredited by an accrediting agency recognized by the United States Department of Education, and further did not disclose the known limitations of the degree.

78. Respondent's application is subject to denial under section 94909, subdivision (a)(9) of the Code in that Respondent did not submit a catalog that contained a schedule of total charges for a period of attendance and an estimated schedule of total charges for the entire educational program.

79. Respondent's application is subject to denial under section 94909, subdivision (a)(14) of the Code and California Code of Regulations, title 5, section 76215, subdivisions (a) and (b) in that Respondent did not submit a catalog that contained the specific required language related to the Student Tuition Recovery Fund (STRF). Specifically, the catalog did not include information regarding a description of the student's rights and responsibilities with respect to the STRF, a statement that specifies that it is a state requirement that a student who pays tuition is required to

pay a state-imposed assessment for the STRF, and a statement that describes the purpose and operation of the STRF and the requirements for filing a claim against the STRF.

80. Respondent's application is subject to denial under section 94909, subdivision (a)(8)(B) and section 94920, subdivisions (a), (b), and (d) of the Code, and California Code of Regulations, title 5, section 71750 in that Respondent did not submit a catalog that contained a withdrawal and refund policy that fully complies with the mandatory provisions.

81. Respondent's application is subject to denial under section 94909, subdivision (a)(6) of the Code in that Respondent did not include information regarding whether or not the programs are designed to lead to positions in a profession that require state licensure and what specific licensed positions any program is designed to lead to.

82. Respondent's application is subject to denial under section 94909, subdivision (a)(7) of the Code in that Respondent did not include each faculty member's individual qualifications in its catalog.

83. Respondent's application is subject to denial under section 94909, subdivision (a)(10) of the Code in that Respondent did not submit a catalog that contained a clear statement indicating whether Respondent participates in federal and state financial aid programs, and, if so, all consumer information that is required to be disclosed to the student pursuant to federal and state financial aid programs.

84. Respondent's application is subject to denial under section 94909, subdivision (a)(11) of the Code in that Respondent did not submit a catalog that contained the mandatory loan disclosure information. Specifically, the catalog did not specify that, if a student obtains a loan to pay for an educational program, the student will have to repay the full amount of the loan plus interest, less the amount of any refund, and that if the student receives federal student financial aid funds, the student is entitled to a refund of the money not paid from federal financial aid funds.

85. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71810, subdivision (b)(6) in that Respondent did not provide a catalog that includes Respondent's policies and practices regarding any form of financial aid. Specifically,

the catalog did not provide any details on what types of financial aid is provided, how students may qualify, any consumer information which Respondent is required to disclose to the student under any state or federal financial aid program, and any applicable payment options that are available to students.

86. Respondent's application is subject to denial under section 94909, subdivision (a)(8)(E) of the Code in that Respondent did not provide a catalog that includes Respondent's leave of absence policy.

87. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71810, subdivision (b)(14) in that Respondent did not provide a catalog that includes Respondent's policies on student rights, including the procedure for addressing student grievances.

88. Respondent's application is subject to denial under section 94909, subdivision (a)(13) of the Code in that Respondent did not provide a catalog that includes whether or not job placement services are provided and a description of the nature and extent of the placement services.

89. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71810, subdivisions (b)(13)(A), (b)(13)(B), and (b)(13)(C) in that Respondent did not include the minimum requirements for a school catalog because Respondent failed to include required housing information, including, whether the institution has dormitory facilities under its control, the availability of housing located reasonably near the institution's facility and an estimation of the approximate cost or range of cost of the housing, and if the institution has no responsibility to find or assist a student in finding housing a clear and conspicuous statement so indicating.

90. Respondent's application is subject to denial under section 94900 and section 94900.5 of the Code, and California Code of Regulations, title 5, section 71810, subdivision (b)(15), section 71920, and section 71930 in that Respondent did not provide a catalog that contains Respondent's policy on the retention of student and institutional record.

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SEVENTH CAUSE FOR DENIAL OF APPLICATION

(Website)

91. Respondent's application is subject to denial under section 94913, subdivision (a) of the Code and California Code of Regulations, title 5, section 74117 in that Respondent's website does not include a current school catalog, a current School Performance Fact Sheet (SPFS), student brochures, a link to the Bureau's website, and Respondent's most recent annual report.

EIGHTH CAUSE FOR DENIAL OF APPLICATION

(School Performance Fact Sheet)

92. Respondent's application is subject to denial under section 94897, subdivision (e) of the Code in that Respondent engaged in prohibited business practices. Specifically, the July 17, 2014 SPFS submitted by Respondent states that Respondent received institutional accreditation by the Bureau (the Bureau does not accredit institutions), the SPFS states that Respondent has received accreditation from Transworld Accrediting Commission (this agency is not recognized by the United States Department of Education).

93. Respondent's application is subject to denial under California Code of Regulations, title 5, section 74112, subdivision (a) in that Respondent did not submit a separate SPFS for each educational program. Instead, the July 17, 2014, SPFS electronically submitted by Respondent includes a consolidated list of data tables reported for all of its educational programs.

94. Respondent's application is subject to denial under section 94910, subdivisions (a) and (b) and section 94929.5, subdivision (a)(1) of the Code in that Respondent provided inconsistent Completion and Placement Rates data on the SPFS. Specifically, on page 5 of the July 17, 2014, SPFS, the number of graduates reported for 2013 is inconsistent with the number on page 2 of the SPFS for completion rates.

95. Respondent's application is subject to denial under section 94910, subdivision (d) and section 94929.5, subdivision (a)(3) of the Code in that Respondent provided inconsistent Salary and Wage Information on the SPFS. Specifically, on page 9 of the SPFS, the graduates available for employment for the Master of Divinity Program is inconsistent with the number reported on page 5 of the SPFS, and Respondent failed to provide the salary for the 2011 graduates.

96. Respondent's application is subject to denial under section 94910, subdivision (f) of the Code in that the July 17, 2014, SPFS did not include required verbatim statements regarding the SPFS.

NINTH CAUSE FOR DENIAL OF APPLICATION

(Annual Reports)

97. Respondent's application is subject to denial under section 94934, subdivision (a) of the Code and California Code of Regulations, title 5, section 74110 in that Respondent failed to submit the following:

a) 2011 Annual Report: SPFS, catalog, and financial statements;

b) 2012 Annual Report: Sections 2 and 3 of Annual Report and Financial Statements;

c) 2013 Annual Report: SPFS, catalog, and financial statements;

d) 2014 Annual Report: SPFS, catalog, and financial statements; and

e) 2015 Annual Report: SPFS, catalog, and financial statements.

TENTH CAUSE FOR DENIAL OF APPLICATION

(Student Tuition Recovery Fund Assessments)

98. Respondent's application is subject to denial under California Code of Regulations, title 5, section 76120, subdivision (a) and 76130 in that Respondent failed to remit STRF assessments for all 4 quarters in 2010, 2011, and 2012.

ELEVENTH CAUSE FOR DENIAL OF APPLICATION

(Annual Fee)

99. Respondent's application is subject to denial under section 94930.5, subdivision (d) of the Code and California Code of Regulations, title 5, section 74000 and section 74006 in that Respondent failed to remit the 2013 Annual Fee and its associated delinquent penalty fee within the required time period.

TWELFTH CAUSE FOR DENIAL OF APPLICATION

(Secretary of State - Form of Business Organization)

100. Respondent's application is subject to denial under California Code of Regulations, title 5, section 71220 and section 71700 in that Respondent did not provide evidence of its form

of business organization in the State of California, whether or not it is incorporated, and compliance with institutional operating standards.

PRAYER

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

1. Denying the application of California International Theological Seminary for an Approval to Operate an Institution Non-Accredited;

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

DATED: 9/28/18

DR. MICHAEL MARION, JR.
Chief
Bureau for Private Postsecondary Education
Department of Consumer Affairs
State of California
Complainant

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