



Bureau for Private Postsecondary Education
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APPEAL OF CITATION INFORMAL CONFERENCE
DECISION: CITATION AFFIRMED

January 28, 2021

The Permanente Medical Group, Owner
Kaiser Permanente School of Allied Health Sciences (KPSAHS)
938 Marina Way South
Richmond, CA 94804

Date of Issuance	Citation Number	Institution Code
January 28, 2021	2021140	0703211

On January 7, 2021, an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 2021140 (Citation) against The Permanente Medical Group, Owner of Kaiser Permanente School of Allied Health Sciences (KPSAHS) (Institution). In attendance were Beth Danielson, Enforcement Chief, Michael Kanotz, Department of Consumer Affairs Legal Counsel, James Fitzgibbon, Regional School Admin, Pam Pressley, Associate Director of Finance, John Roth, Dean of Academic Affairs, Megan Lawrence, Director of Accreditation and Compliance, and Christopher X. Lai, Attorney for Institution.

Pursuant to Business and Professions Code, section 125.9; California Education Code, section 94936; and Title 5 of the California Code of Regulations, section 75020 and section 75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 2021140.

It is the decision of the Enforcement Chief that on January 12, 2021, Citation No. 2021140 is affirmed for the following reason(s):

- No new substantive facts were presented at the conference.

VIOLATION CODE SECTIONS

#	Below you will find the California Education Code (CEC) and/or Title 5 of the California Code of Regulations (5, CCR code) section(s) of law you are charged with violating.
1.	AFFIRMED <u>Violation:</u> 5, CCR Section 74112 (i)(2)(4) – Uniform Data – Annual Report, Performance Fact Sheet <i>“(i) Job Placement Rates.</i> <i>2) Placement is measured six months from the graduation date of each student. For programs that require passage of a licensing examination, placement shall be measured six months after the</i>

announcement of the examination results for the first examination available after a student completes an applicable educational program. Reporting of placement rates shall include for each educational program: the number of students who began the program, the number of graduates as defined in subdivision (b) section 94842 of the Code, the graduates available for employment, graduates employed in the field and job placement rate(s).

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

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

Violation: 5, CCR Section 74112 (i)(2): The institution’s supporting documentation did not substantiate the data reported in the 2016-2017 SPFS’s for the Bachelor of Science in Diagnostic Medical Sonography and Bachelor of Science in Radiologic Technology programs.

The SPFS’s stated the Bachelor of Science in Diagnostic Medical Sonography program had 12 graduates employed in the field, however the supporting documentation listed 14 graduates employed in the field.

The SPFS’s stated the Bachelor of Science in Radiologic Technology program had 13 graduates employed in the field, however the supporting documentation listed 17 graduates employed in the field.

Violation: 5, CCR Section 74112 (i)(4): The Institution’s supporting documentation did not substantiate the data reported in the 2016-2017 SPFS’s for the Institutional Employment gainful employment category for the Bachelor of Science in Diagnostic Medical Sonography and Bachelor of Science in Radiologic Technology programs.

The SPFS’s stated that the Bachelor of Science in Diagnostic Medical Sonography program had six graduates employed in the field employed by the Institution, an employer owned by the Institution, or an employer who shares ownership with the Institution, however the supporting documentation listed seven graduates.

The SPFS’s stated the Bachelor of Science in Radiologic Technology program had nine graduates employed in the field employed by the Institution, an employer owned by the Institution, or an employer who shares ownership with the Institution, however the supporting documentation listed 12.

Order of Abatement:

The Bureau orders the Institution to submit a written policy, or procedure, of how future compliance with 5, CCR Section 74112 will be maintained.

Assessment of Fine

The fine for this violation is \$5,000.00

2. **AFFIRMED**

Violation:

5, CCR Section 74115 (b)(2) – Financial Statements

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

(2) Financial statements prepared on an annual basis as required by section 74110(b) shall be prepared in accordance with the generally accepted accounting principles established by the American Institute of Certified Public Accountants. Nonprofit institutions shall provide annual financial statements as required under generally accepted accounting principles for nonprofit organizations” 5, CCR Section 71745 (a)(6) – Financial Resources

“(a) The institution shall document that it has at all times sufficient assets and financial resources to do all of the following: [...]

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

For the reasons stated above, the institution is in violation of these sections of law.

Order of Abatement:

The Bureau orders the institution to:

1. Submit a detailed plan to address its financial shortfalls and to meet the ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year in accordance with 5, CCR section 71745(a)(6)
2. In addition, please provide an explanation of all measures to be taken by the Institution to ensure it meets future financial responsibilities.
3. Please provide the Bureau with, in electronic format:
 - a) a roster of all currently enrolled students that includes the student (1) names, (2) addresses, (3) telephone numbers, (4) email addresses, (5) program in which they are enrolled, (6) date of enrollment, (7) total cost of the program and (8) the total amount the student has paid.

Assessment of Fine

The fine for this violation is \$00.00

TOTAL MODIFIED ADMINISTRATIVE FINE DUE: \$5,000.00

ORDER OF ABATEMENT

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

PENALTY – ASSESSMENT OF A FINE

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

Nicole Mitchell, Discipline Citation Program
Bureau for Private Postsecondary Education
1747 N. Market Blvd., Suite 225
Sacramento, CA 95834

APPEAL OF CITATION

You *do not* have the right to request another Informal Conference to appeal this affirmed Citation. You *do*, however, have the right to appeal this affirmed Citation through an Administrative Hearing. A hearing before an Administrative Law Judge will be scheduled and you will be notified of the hearing date. The hearing will be held pursuant to Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

If you do not wish to appeal this affirmed Citation you must withdraw your initial request for an Administrative Hearing, if one was made. Please complete and mail the enclosed Withdrawal – Request for Administrative Hearing within **30 Days** of the date of this decision.

EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

This affirmed Citation is effective on **January 28, 2021**. The order of abatement and payment are due by **February 27, 2021**.

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

CONTACT INFORMATION

If you have any questions regarding this decision or desire further information, please contact Nicole Mitchell, Citation Analyst, at Nicole.Mitchell@dca.ca.gov.

“Original Signature on File”

“1/28/2021”

Christina Villanueva
Discipline Manager

Date

Enclosures

- Payment of Fine – Waiver of Appeal Rights
- Withdrawal- Request for Administrative Hearing
- Declaration of Service by Certified and First-Class Mail