



State and Consumer Services Agency – Governor Edmund G. Brown Jr.
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NOTICE TO LICENSEES OF CHANGES TO STATUTE GOVERNING PRIVATE POSTSECONDARY EDUCATIONAL INSTITUTIONS

Dear School Administrators:

On September 26, 2012, Governor Brown signed into law Assembly Bill 2296, Chapter 585, Statutes of 2012. As a result of the passage of this legislation, institutions governed by the California Private Postsecondary Education Act of 2009 (Act) will be required to make several changes to the information disclosed to prospective students and the data provided to the Bureau. This courtesy notice is intended to provide a summary of the statutory changes that become effective January 1, 2013, and the actions your institution should take in order to achieve compliance with the law.

Accreditation: Prospective Student Disclosures (Catalog)

Pursuant to existing law, institutions offering unaccredited doctoral degrees are required to make specified disclosures to prospective students prior to enrollment. Effective January 1, 2013, California Education Code (CEC) §94897(p) will require institutions offering associate, baccalaureate, masters and doctoral degrees to disclose to prospective students prior to enrollment whether the institution or degree program is unaccredited, and any known limitations of the degree, including all of the following:

- 1) Whether a graduate of the degree program will be eligible to sit for 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.

Additionally, beginning January 1, 2013, CEC §94909(a)(16) will require all institutions to include a statement in the school catalog specifying whether the institution, or any of the institution’s degree programs, is accredited by an accrediting agency recognized by the United States Department of Education (USDE). Unaccredited institutions, or institutions offering unaccredited degree programs, must include the three disclosures itemized above in the school catalog. Pursuant to existing law (CEC §94909(a)(10)), which is not changing, all institutions are required to disclose whether the institution participates in financial aid programs in their school catalog.

Institutional Websites: Required Disclosures and Documents

Effective January 1, 2013, CEC §94913 will require institutions that maintain an internet website to include all of the following documents on the institution’s internet website:

- 1) The school catalog.

- 2) The School Performance Fact Sheet (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 website (www.bppe.ca.gov).
- 5) The institution's most recent annual report submitted to the Bureau. Note that institutions are not required to post the financial statements that are required to be submitted to the Bureau along with Annual Report (Title 5, California Code of Regulations (5 CCR) §74110(b)) on the institution's website.

In addition, the institution's website must include, in any area of the website where the institution identifies itself as being approved or licensed by the Bureau, information regarding where students may access the Bureau's website.

Fact Sheet and Enrollment Agreement

Pursuant to CEC §94910, institutions must provide a prospective student with a Fact Sheet prior to enrollment. AB 2296 made several changes to the information required to be disclosed on the Fact Sheet. As outlined below, several of these changes become effective January 1, 2013, and institutions should update their Fact Sheet accordingly. Additional changes will occur upon the Bureau's promulgation of regulations, required by CEC §94928(e)(2).

- 1) Placement rates.
 - a) The definition of "graduates employed in the field" will change effective January 1, 2013. As of that date, institutions will be authorized to count "graduates employed in the field" as only those "graduates who are gainfully employed in a single position for which the institution represents the program prepares graduates within six months after a student completes the applicable educational program" (AB 2296, Section 6; CEC 94928(e)(1) as amended). Please note that existing law (CEC §94910(f)(2) and §94929.7(b)), which continues unchanged, requires institutions to maintain and make available lists of the employment positions considered to be "in the field" for each educational program, for purposes of Fact Sheet reporting. Institutions should review these lists to determine if they contain the same positions that the institution represents the approved educational program prepares graduates. The Bureau plans to promulgate regulations by July 1, 2014, to conform applicable regulations (5 CCR §74112(e)(4)) with the changes to the statute.
 - b) For occupations requiring passage of a licensing examination prior to employment, institutions may begin counting graduates on and after January 1, 2013, as employed in the field if the graduate begins employment "in a single position for which the institution represents its program prepares its graduates" within six months of the announcement of the first licensure examination results (AB 2296, Section 6, CEC 94928(e)(1)). The Bureau will promulgate regulations by July 1, 2014, to conform applicable regulations (5 CCR §74112(e)(4)) with these changes.
 - c) Except where inconsistent with the aforementioned changes to the calculation of placement rates, institutions should continue to follow the requirements outlined in regulation (5 CCR

§74112(e)) until such time as the Bureau promulgates additional specific measures and standards for determining whether a student is gainfully employed (AB 2296, Section 6, CEC §94928(e)(2)).

2) Salary and wage information.

- a) Effective January 1, 2013, **all** institutions must include salary and wage information on the Fact Sheet (AB 2296, Section 3; CEC §94910(d) as amended). Because existing regulations (5 CCR §74112(g)) require all institutions to include this information in the Annual Report provided to the Bureau, this information should be readily available. Institutions should begin including this information on the Fact Sheet on January 1, 2013.
- b) Effective January 1, 2013, institutions must remove from their Fact Sheet the Employment Development Department Occupational Employment Statistic wage and salary data (AB 2296, Section 3; CEC §94910(d) as amended; and 5 CCR §74112).

3) Loan default rates, percentage of students receiving federal student loans.

- a) Effective January 1, 2013, institutions that participate in federal financial aid programs must include on their Fact Sheets the most recent three-year cohort default rate reported by the USDE for the institution and the percentage of currently enrolled students receiving federal student loans (AB 2296, Section 3; CEC §94910(h) as amended).
- b) Effective January 1, 2013, all institutions must make conforming changes to the statements required to be contained in the institution's enrollment agreement (AB 2296, Section 4; CEC §94911(i)(1), §94911 (i)(2) as amended). Please refer to the specific language contained in the legislation for the language required in this disclosure.

4) Documentation of Fact Sheet data.

- a) Pursuant to existing law (CEC §94929.7 and 5 CCR §74112(h)), institutions are required to maintain specific documentation to substantiate Fact Sheet information for a period of five years from the date of publication of Fact Sheet rates. Effective January 1, 2013, in addition to the aforementioned requirements, institutions will also be required to maintain the information in electronic format made available to the Bureau upon request (AB 2296, Section 8, CEC §94929.7).

As previously indicated, the Bureau plans to promulgate conforming regulations by July 1, 2014. To receive notification of regulatory changes and public notices and hearings, please subscribe to the Bureau's Email Update Alerts. On our website, www.bppe.ca.gov, under the "Quick Hits" section, select the link "Subscribe for E-mail Updates on the Bureau," then select the check box for "Regulation Changes and Public Notices" and enter your email address.

The Bureau encourages institutions to read Assembly Bill 2296 in its entirety at www.leginfo.ca.gov to ensure compliance by the effective date, January 1, 2013.

Sincerely,

Laura Metune, Bureau Chief
California Bureau for Private Postsecondary Education