

DEPARTMENT OF CONSUMER AFFAIRS  
TITLE 5. BUREAU OF PRIVATE POSTSECONDARY EDUCATION

California Code of Regulations  
Division 7.5. Private Postsecondary Education  
Chapter 6. Student Tuition Recovery Fund  
Article 4. Orderly Closure and Teach-Outs

PROPOSED REGULATORY LANGUAGE  
DATE OF CLOSURE SELECTION

<b>Legend:</b>	Added text is indicated with an <u>underline</u> . Omitted text is indicated by (* * * *) Deleted text is indicated by <del>strikeout</del> .
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1. Amend Section 76240 of Article 4 of Chapter 6 of Division 7.5 of Title 5 of the California Code of Regulations

**76240. Required Notices and Teach-Out Plan.**

All institutions, including those exempt from Bureau regulation pursuant to the Code, shall do the following prior to closing:

(a) At least 30 calendar days prior to closing, an authorized representative of the institution shall notify the Bureau in writing at the email address BPPE.closedschools@dca.ca.gov or by mail to the mailing address per CCR section 70020 of its intention to close and also provide a closure plan. For purposes of this section, "authorized representative" shall mean any owner who owns or controls 25% or more of the stock or interest in the institution, or any chief academic officer, chief executive officer, chief operating officer, institution director, or compliance officer.

The closure plan shall include:

(1) The institution's name, its identification code assigned by the Bureau, physical address, mailing address, phone number, website address (if any), and whether the site is a main, branch, or satellite location. If more than one location is closing, a separate closure plan is required for each location.

(42) The exact date of the closure and the reason for the closure.

(23) The last date of instruction for each educational service or program.

(4) The name, title, mailing address, email address, and telephone number of the individual who will function as the institution's contact person for the purposes of the closure process.

(35) A list of students who were enrolled at any time during the time period prior to closure as provided in Education Code section 94923(b)(2)(B) and (C), 60 days prior to closure which shall include the following student-level information, when applicable, for each student:

(A) Student identification number;

(B) First and last names;

(C) Email address;

(D) Local or mailing address;

(E) Address at the time of enrollment;

(F) Home address;

(G) Telephone number;

(H) Date enrollment agreement signed;

(I) Courses and course costs;

(J) Third-party payer identifying information;

(K) Total institutional charges charged, and;

(L) Total institutional charges paid;

(M) Whether or not the student is entitled to an institution-provided refund as a result of the closure, as required by Education Code section 94927;

(N) Graduation date, for students who completed their programs prior to closure.

~~(4) If any student will not be provided complete educational services or the educational program, the institution shall provide:~~

~~(A) A plan for providing teach-outs or transfers, including the details of any agreements with other institutions.~~

~~(B) If no teach-out is contemplated, or for students who do not wish to participate in a teach-out, arrangements for making refunds within 45 days from the date of closure, or for institutions that participate in federal student financial aid programs arrangements for making refunds and returning federal student financial aid program funds.~~

~~(5) A plan for the disposition of student records.~~

~~(6) A plan to notify students of their rights and options under the Act and this chapter.~~

(6) A written description of how the institution will maintain the student records as required by Education Code section 94900 and section 76140 of the California Code of Regulations, including providing the Bureau with the name, mailing address, email address, and telephone number of the custodian of records.

(7) A written description of how the institution will notify the students identified in section 76240(a)(5), in writing, either by mail to their current address or to their current email address, of the information required to be sent to students in section 76240(b).

~~(b) The institution shall notify students of the following:~~

~~(1) If the institution is a participant in federal student financial aid programs, it shall provide students information concerning those programs and institutional closures.~~

~~(2) If any student will not be provided complete educational services or the educational program, information regarding the Student Tuition Recovery Fund and the Bureau's physical and Internet addresses.~~

(b) The institution shall provide to all students identified in section 76240(a)(5) written notice, either by mail to their address or to their email address of record, that shall include:

(1) Notice of the closure and the anticipated date of closure identified to the Bureau;

(2) The name, physical address, email address, and phone number for the custodian of records and instructions on how students can access their institution records;

(3) The statement regarding the Office of Student Assistance and Relief required to be included in the institution's catalog by Education Code section 94909(a)(3)(D); and

(4) If the institution is a participant in federal student financial aid programs, it shall provide students information concerning those programs and institutional closures.

(c) In addition to the requirements of 76240(a), if as a result of the closure any student will not complete their educational program, the institution shall provide to the Bureau at the same email address as in 76240(a):

(1) A copy of written agreements with other institutions for providing teach-outs, if applicable.

(2) A copy of written agreements with other institutions for accepting transfers, if applicable.

(3) A copy of the institution's arrangements, as required by Education Code section 94926, for making refunds within 45 calendar days from the date of closure to all students who will not complete their educational program, and who also choose not to participate in any teach-out arranged.

(4) If the institution participates in federal financial aid programs authorized by Title IV of the Higher Education Act of 1965, a copy of the institution's arrangements to return federal student financial aid program funds.

(d) In addition to the requirements of section 76240(b), for all students who will not complete their educational program as a result of the closure, the notice of the closure provided to those students shall state whether there have been teachout or transfer arrangements made, and if so, the name(s) of the institution(s) providing the teachout or accepting transfers, and those institutions' physical address, email address, and phone number, the student's right to refuse to participate in a teach-out and to instead obtain a refund from the institution, and the web address for the Student Tuition Recovery Fund (STRF) page on the Bureau's internet website.

(e) Within 5 calendar days after an institution provides notice of closure to affected students in subsections 76240(b) and (d), the institution shall provide an exemplar copy or copies of the notice or notices described in 76420(b) and, if applicable, 76240(d), to the Bureau.

Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94874.5, 94909, 94911, 94923, 94926, 94927 and 94927.5, Education Code.

**2. Add Section 76245 to Article 4, of Chapter 6, of Division 7.5 of Title 5 of the California Code of Regulations**

**76245. Closure Date Selection and Automatic Termination of Approval to Operate.**

If the Bureau believes an institution has closed without notifying the Bureau of a date of closure, the Bureau shall send a notice to the mailing address of the institution, and to the mailing address of the institution's agent for service of process. The notice shall:

(a) request a response from an authorized representative, signed under penalty of perjury and sent to the Bureau within 30 calendar days of the date indicated on the notice, to either confirm that the institution has not closed and is operating as a private postsecondary educational institution, or confirm that the institution has closed and provide a closure date; and

(b) inform the institution that if the Bureau does not receive a response to the notice within 30 calendar days of the date of the notice, the Bureau will select the date 31 calendar days after the notice was sent as the institution's closure date and that the institution will no longer hold approval to operate after that date; and

(c) notify the institution that the institution may appeal the Bureau's selection of a date of closure by sending, no later than 60 calendar days after the date on the Bureau's notice, a request to the Bureau for a hearing. The proceedings under this section shall be conducted in accordance with Article 10 (commencing with Section 11445.10) of Chapter 4.5 or Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, as requested by the institution.

Note: Authority cited: Sections 94877 and 94885, Education Code. Reference: Sections 94874.5, 94926, 94926.5, 94927, 94927.5 and 94940, Education Code.