

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

**California Code of Regulations**  
**Division 7.5. Private Postsecondary Education**  
**Chapter 3. Institutional Operating Standards**  
**Article 1. Minimum Operating Standards**

**PROPOSED MODIFIED REGULATORY LANGUAGE**  
**Minimum Operating Standards: Refund Policies**

**Legend:** Added text is indicated with an underline.  
Omitted text is indicated by (\* \* \* \*)  
Deleted text is indicated by ~~strikeout~~.

Modifications to the originally proposed regulatory language are shown double underline for new text and ~~double-strikethrough~~ for deleted text.

**1. Amend Section 70000 of Article 1 of Chapter 1 of Division 7.5 of Title 5 of the California Code of Regulations to read as follows:**

**70000. Provisions.**

(a) "Academic Freedom" means the degree to which faculty at an institution are allowed latitude with respect to their discussions with students and the positions they take. Under such a policy, a faculty member can articulate or even advocate positions or concepts which may be controversial in nature without fear of retribution or reprisal.

(b) "Act" means The California Private Postsecondary Education Act of 2009.

(c) "Cancellation," as related to a student's enrollment, means the ending of a student's enrollment in an educational program before the completion of the cancellation period specified in sections 94919(d), 94920(b), or 94927 of the Code.

(d) "Cancellation Period" means the period from the signing of the enrollment agreement either through the student's attendance at the first class session, or the seventh business day after enrollment, whichever is later.

~~(e)~~ (e) "Chief academic officer" means the person primarily responsible for the administration of an institution's academic affairs including the supervision of faculty,

development of educational programs and curricula, and implementation of the institution's mission, purpose and objectives.

**( \* \* \* ) [(f) through (u) in between to be renumbered]**

~~(u)~~ (w) "Prior experiential learning" or "college level learning experience" means learning of a postsecondary nature as documented learning from a related profession, college level equivalent tests, military training or other college level equivalent experience.

(x) "Pro Rata Refund" means a partial repayment of amounts paid by a student or third-party payer to an institution for an educational program, based on the completed proportion of the educational program period of attendance completed.

~~(v)~~ (y) "Provisional approval" means approval of a degree program or the institution for no more than a five-year period while the owner of a Bureau-approved institution seeks to satisfy the requirement for institutional accreditation by an accrediting agency recognized by the United States Department of Education pursuant to section 94885(b) of the Code.

~~(w)~~ (z) "Quarter" means at least 10 weeks of instruction or its equivalent as described in subdivision ~~(x)~~ (aa) (2) of this section.

~~(x)~~ (aa) "Quarter unit" means either of the following:

( \* \* \* ) ~~(y)~~ (ab) "Recreational Education" means education offered for the purpose of teaching the fundamentals, skills or techniques of sports or games.

(ac) "Refund" means a repayment of money owed to a student or third-party payer after the closure of the institution, or a student's cancellation, withdrawal, completion of either the period of attendance or educational program, or the discontinuation or cancellation of the educational program, ~~or closure of the institution.~~

~~(z)~~ (ad) "Semester" means at least 15 weeks of instruction or its equivalent as described in subdivision ~~(z)~~ (ae) (2) of this section.

~~(aa)~~ (ae) "Semester unit" or "Semester Credit Hour" means either of the following:

(1) At least fifteen (15) hours of postsecondary level instruction during a semester plus a reasonable period of time outside of instruction which an institution requires a student to devote to preparation for planned learning experiences, such as preparation for instruction, study of course material, or completion of educational projects; or

(2) Planned learning experiences equivalent to the learning and preparation described in paragraph (1) as determined by duly qualified faculty responsible for evaluating learning outcomes for the award of unit credits.

~~(ab)~~ (af) “Significant equipment” means equipment that is necessary for achieving the stated educational objectives.

~~(ae)~~ (ag) “Tuition” means the cost for instruction normally charged on a per unit or per hour basis. It does not include itemized fees paid to the Bureau or the cost of textbooks, supplies, transportation, or equipment.

~~(ad)~~ (ah) “Unit” or “unit of credit” means a measure of college or university level instruction that is evaluated by duly qualified faculty.

(ai) “Withdrawal” means the ending of a student’s enrollment in an educational program after the completion of the cancellation period but prior to their completion of the program.

Note: Authority cited: Sections 94803, 94877, 94885, and 94885.5, Education Code.  
Reference: Sections 94818, 94919, 94920, 94830, 94844, 94885, 94885.5, ~~and 94923,~~  
and 94927 Education Code.

## **2. Add Section 71746 to Article 1 of Chapter 3 of Division 7.5 of Title 5 of the California Code of Regulations to read as follows:**

### **71746. Collection of Tuition and Payment from Students.**

(a) Institutions shall not charge or collect from, or on behalf of, students an amount for total charges that exceeds the amount listed in the institution’s catalog and the executed enrollment agreement, regardless of the payment source.

(1) If an institution collects an amount greater than the total charges listed in the institution’s catalog and the executed enrollment agreement, then the account balance shall be refunded within 45 calendar days of the completion of the educational program, and the institution shall provide the student with a copy of the document described by section 71920(b)(10).

(b) Within five (5) business days of receiving payment ~~institutions collecting total charges,~~ shall provide students a receipt or updated student ledger, in hard copy or electronic format, for ~~any all~~ payments received from the student or on behalf of the student, including the date of the payment(s), amount of the payment(s), description of

the payment(s), and the payor(s), and a A copy of the receipt(s) or ledger shall be kept in the student's records required under CCR section 71920.

Note: Authority cited: Sections 94877 and 94885, Education Code. Reference: Sections 94844, 94850, 94885 and 94899.5, Education Code.

**3. Amend Section 71750 of Article 1 of Chapter 3 of Division 7.5 of Title 5 of the California Code of Regulations to read as follows:**

**71750. ~~Withdrawals~~ Cancellations and Refunds.**

(a) Upon cancellation of enrollment in an educational program, the Every institution shall make refunds that are no less than the refunds required under the Act and this Division and shall not enforce any refund policy that is not specified in the catalog as required pursuant to section 94909(a)(8)(B) of the Code.

(1) Student cancellations shall be noticed in writing as required by sections 94919(b) and 94920(a) of the Code.

(A) 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 calendar day after enrollment, whichever is later.

(B) If the institution provides a 100 percent refund pursuant to sections 94919(d) or 94920(b), any Student Tuition Recovery Fund assessment paid pursuant to section 94924 of the Code shall be refunded.

(2) If an institution's educational program is discontinued or canceled or the institution closes prior to completion of the educational program, the institution shall provide refunds to students pursuant to Section 94927 of the Code.

~~(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.~~

(b) If an institution has collected money from, or on behalf of, 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 or has not yet been billed or invoiced by the third party at the time of the student's cancellation, the institution shall refund the money to the student within 45 calendar days of the student's cancellation.

(c) An institution shall provide a refund within 45 calendar days after the date of cancellation of a student's enrollment from the educational program in which the student was enrolled, and shall provide the student with documentation specifying the amount of a refund, 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, as described in section 71920(b)(10).

(1) If a refund is made to a third party on behalf of a student who has cancelled their enrollment in an educational program, the institution shall provide the student, within 45 calendar days after the date of cancellation, a written notice, as described in section 71920(b)(10), in hard-copy or electronic format, itemizing the amount refunded to each third party, the name of the third party, and the date of each refund, as applicable.

(d) The institution shall maintain a log, kept current on a monthly basis, in an electronic version or hardcopy of all student cancellations. The log shall include the names, addresses, telephone numbers, personal email addresses, dates of cancellations, and refund amounts of all students who have cancelled the enrollment agreement with the institution during the calendar year.

Note: Authority cited: Sections 94803, 94877, ~~and 94885~~ and 94927, Education Code.  
Reference: Sections 94885, 94919, ~~and 94920~~ and 94924, Education Code.

**4. Add Section 71751 to Article 1 of Chapter 3 of Division 7.5 of Title 5 of the California Code of Regulations to read as follows:**

**71751. Withdrawals and Refunds.**

(a) For purposes of determining a refund under the Act and this Division, the following shall apply to any student who has either submitted a written statement of withdrawal to an institution or has received a written statement of withdrawal from the institution in accordance with the withdrawal policy stated in the institution's catalog pursuant to section 94909(a)(8)(B) of the Code.

(1) The institution's withdrawal and refund policies and procedures for withdrawals effectuated by a student shall include, at a minimum:

(A) A statement that withdrawal may be effectuated by the student's written notice;

(B) The acceptable method(s) of delivery of a student's notice to withdraw;

(C) The office(s) or person(s) to whom the notice to withdraw must be delivered;

(D) The date that the notice to withdraw is considered effective, which shall be no later than the date received by the institution.

(2) The institution's withdrawal and refund policy and procedures for student withdrawals effectuated by an institution shall include, at a minimum:

(A) A statement that withdrawal shall be effectuated by the institution's written notice regarding the student's conduct, including, but not necessarily limited to, a student's lack of attendance;

(B) The conditions under which a student may be withdrawn for conduct reasons;

(C) The maximum number of consecutive class days a student may be absent before being deemed withdrawn by the institution;

(D) The date that the notice to withdraw is considered effective. If an institution withdraws a student for lack of attendance, the date of notice to withdraw shall be the student's last date of attendance.

(3) 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:

(A) The amount of the refund owed to the student equals the total charges paid by the student, minus the daily or hourly tuition charge for the program (total institutional charge minus any non-refundable charges, divided by the number of days or hours in the program), multiplied by the number of days or hours the student attended prior to withdrawal, and minus any non-refundable charges. Any hours or days prior to the student's last day of attendance for which the student was scheduled to attend but was absent shall be included in the calculation of days or hours attended.

(B) All amounts that the student has paid shall be subject to pro rata refund unless the enrollment agreement and the refund policy outlined in the catalog specify a non-refundable deposit or application fee, not to exceed two hundred fifty dollars (\$250), or non-refundable amounts paid for educational materials, or both. The enrollment agreement and catalog shall specify whether and under what circumstances the amounts paid for educational materials are non-refundable.



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

(D) If the institution provides a pro rata refund pursuant to sections 94919(c) or 94920(d) of the Code, any Student Tuition Recovery Fund assessments paid shall be non-refundable.

(b) If an institution has collected money from, or on behalf of, 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 or has not yet been billed or invoiced by the third party at the time of the student's or institution's withdrawal, the institution shall refund the money to the student or third party payer within 45 calendar days of the student or institution withdrawal.

(c) An institution shall refund any credit balance on the student's account within 45 calendar days after the date of the student or institution withdrawal, and shall provide the student with a copy of the document described by section 71920(b)(10).

(1) If a refund is made to a third party on behalf of a student who has withdrawn or been withdrawn from an educational program, the institution shall provide the student, within 45 calendar days after the date of the student or institution withdrawal, a written notice as described in section 71920(b)(10), in hard-copy or electronic format, itemizing the amount refunded to each third party, the name of the third party, and the date of each refund, as applicable.

(d) The institution shall maintain a log, kept current on a monthly basis in electronic version or hard copy, of all student and institution withdrawals. The log shall include the names, addresses, telephone numbers, personal email addresses, dates of withdrawal, and refund amounts of all students withdrawn from the institution during the previous calendar year.

Note: Authority cited: Sections 94877 and 94885, Education Code. Reference: Sections 94885, 94919, and 94920, and 94927 Education Code.