

Bureau for Private Postsecondary Education

California Code of Regulations Division 7.5 Private Postsecondary Education

October 1, 2026

Table of Contents

Chapter 1. Bureau Administration 7
Article 1. General Provisions 7
70000. Definitions. 7
70010. Application of Division. 11
70020. Principal Office of the Bureau. 11
Article 2. Transition Provisions 11
70030. Pending Applications; Fees. 11
70040. Disclosures Regarding Prior Approvals and Pending Applications. 11
Chapter 2. Applications 12
Article 1. Application for Approval to Operate and Offer Education Programs for Non-Accredited Institutions. 12
71100. Application Form. 12
71105. Applications for Provisional Approval to Offer Degree Programs. 12
71105.5. Accreditation Plan Requirements for Degree-Granting Institutions. 13
71110. Institution's Name, Address, Telephone Number of Primary Administrative Office. 14
71120. Form of Business Organization. 14
71130. Institution Ownership and Control: Violations of Law. 14
71135. Agent for Service of Process. 15
71140. Organization and Management. 16
71150. Governing Board. 16
71160. Institution Representative. 16
71170. Mission and Objectives. 16
71180. Exemplars of Student Agreements. 16
71190. Financial Aid Policies, Practices and Disclosures. 17
71200. Advertising and Other Public Statements. 17
71210. Instruction and Degrees Offered. 17
71220. Description of Educational Program. 18
71230 Instruction in Languages Other Than English. 18
71240. Financial Resources and Statements. 19
71250. Faculty. 19
71260. Facilities and Equipment. 19
71270. Libraries and Other Learning Resources. 20

71280. Student Services -- Job Placement Assistance. 20
71290. Copy of Catalog. 20
71300. Graduation or Completion Documents. 20
71310. Recordkeeping; Custodian of Records. 20
71320. Self-Monitoring Procedures. 21
71340. Additional Information. 21
71380. Signatures and Certification. 21
Article 2. Application for Approval to Operate and Offer Educational Programs for Accredited Institutions. 22
71390. Application Form. 22
Article 3. Applications for Verification of Exempt Status. 23
71395. Application; Fees. 23
Article 3.5. Application for Registration or Re-Registration of Out-of-State Institutions. 25
71396. Application Form; Immediate STRF Compliance. 25
71397. Processing of Completed Applications; Appeal of Denials, Conditional Registration and Grounds for Revocation. 26
71398. Re-Registration. 28
71399. Student Tuition Recovery Fund Assessments and Disclosures. 28
Article 4. Processing of Applications. 29
71400. Processing of Completed Applications. 29
71400.5. Denial of an Application. 30
71401. Abandonment of Application. 30
71405. Change in Circumstance Affecting Application Information. 30
71410. Automatic Suspension of Approval or Provisional Approval to Operate. 31
Article 5. Visiting Committees. 31
71450. Empaneling of Visiting Committees; Reports. 31
71455. Challenge to the Visiting Committee. 32
71460. Duties of the Visiting Committee. 32
71465. Visiting Committee Report. 33
71470. Institution Cooperation with Visiting Committee. 33
71471. Visiting Committees; Unaccredited Degree-Granting Institutions. 33
Article 6. Renewals. 34
71475. Renewal of an Approval to Operate for a Non-Accredited Institution; Cancellation of an Approval to Operate. 34

71480. Renewal of an Approval to Operate for an Accredited Institution. 41
71485. Student Tuition Recovery Fund Assessments and Annual Fees as Condition of Renewal 43
Article 7. Applications for a Substantive Change to an Approval to Operate 43
71500. Application to Change Location. 43
71550. Application for Addition of Separate Branch. 45
71600. Application for Significant Change in Method of Instructional Delivery or Change in Distance Education Learning Management System 46
71630. Application for Change of Name 47
71640. Application for Ownership, Control, or Business Organization Form. 48
71650. Application for a Change in Educational Objectives or Clock or Credit Hours Required to Complete a Program (An Increase or Decrease by 25% or More). 49
71652. Application for a Change to Begin Participation in Federal Student Financial Aid Programs Authorized by Title IV of the Federal Higher Education Act of 1965, as Amended (20 U.S.C. Sec. 1070 et seq.) 51
71653. Application for Authorization for a Change in Academic Measurement of an Educational Program from Clock Hours to Credit Hours 51
71655. Time for Filing an Application for a Substantive Change; Processing of an Application for a Substantive Change; Denials 52
71660. Notifications of Non-Substantive Changes. 53
Chapter 3. Institutional Operating Standards 53
Article 1. Minimum Operating Standards 53
71700. Applicability of Standards. 53
71705. Mission and Objectives. 53
71710. Educational Program 53
71715. Instruction 54
71716. Distance Educational Programs – Specific Provisions for Instruction Not in Real Time. 55
71717. Satellite Locations. 56
71720. Faculty. 56
71730. Administration. 58
71735. Facilities and Equipment. 59
71740. Library and Other Learning Resources 59
71745. Financial Resources 60
71746. Collection of Tuition and Payment from Students. 61

71750. Cancellations and Refunds..... 61
71751. Withdrawals and Refunds..... 62
71760. Self-Monitoring Procedures. 64
Article 2. Admissions and Academic Achievement Standards 64
71770. Admissions Standards and Transferred Credits Policy. 64
71775. Pre-Enrollment Disclosure; Notice to Prospective Degree Program Students..... 66
71775.5 Pre-Enrollment Disclosure; Notice to Prospective Degree Program Students; Institutions with Existing Approvals to Operate..... 67
71800. Enrollment Agreement..... 68
71810. Catalog..... 69
71850. Minimum Educational Requirements in Order to Award an Undergraduate Degree. 71
71865. Minimum Educational Requirements in Order to Award a Graduate Degree. 72
Article 3. Maintenance and Production of Records. 73
71920. Student Records. 73
71930. Maintenance of Records. 75
Chapter 4. Institutions – General Provisions. 76
Article 1. Fees and Payment Schedule 76
74000. Fees and Penalties – General Provisions. 76
74002. Definitions. 77
74004. Request for Verification of Exemption. 77
74006. Annual Fee. 77
Article 2. Reports 78
74110. Annual Report..... 78
74112. Uniform Data -- Annual Report, Performance Fact Sheet. 80
74115. Financial Statements..... 91
74117. Websites Requirements. 92
Article 3. General Provisions 92
74140. Retention of Advertising. 92
74150. Use of Term “University.”..... 92
74190. Agents for Service of Process; Changes. 93
74200. Cessation of Educational Program. 93
74240. Unaccredited Degree-Granting Institutions That Elect to Stop Pursuing Accreditation. 93

74250. Unaccredited Degree-Granting Institutions That Are Automatically Suspended..... 94
Chapter 5. Enforcement and Discipline 95
Article 1. Notices to Comply 95
75010. Notice to Comply; Informal Appeal Process..... 95
Article 2. Citations and Fines..... 96
75020. Issuance of Citations..... 96
75030. Assessment of Administrative Fines..... 97
75040. Appeal of Citations; Informal Conference. 98
75050. Compliance with Citations. 99
Article 3. Standards Related to Denial, Discipline, and Reinstatement of Approvals to Operate 100
75060. Substantial Relationship Criteria. 100
75070. Criteria for Rehabilitation. 100
75080. Surrender of Approval. 101
75090. Stipulations. 101
75100. Suspension, Revocation, or Probation of Approval to Operate. 101
75140. Actions Against a Provisional Approval to Operate. 102
75150. Emergency Decisions. 102
Article 4. Compliance Inspections and Complaint Processing 103
75200. Compliance Inspections. 103
75210. Notice to Students of Results of Inspection. 103
75300. Complaint Prioritization 104
75500. Disciplinary Guidelines. 105
Chapter 6. Student Tuition Recovery Fund..... 105
Article 1. General Provisions 105
76000. Definitions. 105
76020. Student Tuition Recovery Fund (STRF). 106
Article 2. STRF Assessments..... 106
76120. Amount of STRF Assessment..... 106
76130. Collection and Submission of Assessments. 107
76140. Record-Keeping Requirements..... 108
Article 3. Payment from the Fund 109
76200 Application for Payment. 109

76210. Claims Amount, Payment and Denial 109
76212. Claims by Government Agency on Behalf of Students. 111
76215. Student Tuition Recovery Fund Disclosures 111
Article 4. Orderly Closure and Teach-Outs 113
76240. Required Notices and Closure Plan. 113
76245. Closure Date Selection and Automatic Termination of Approval to Operate. 115

Chapter 1. Bureau Administration

Article 1. General Provisions

70000. Definitions.

(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) “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, purposes and objectives.

(f) “Chief executive officer” means the person primarily responsible for the overall administration of an institution, including the supervision of the chief academic officer and the chief operating officer. The chief executive officer is often, but need not be, called the “president.”

(g) “Chief operating officer” means the person primarily responsible for the administration of an institution's business operation, including finances, management, personnel, and contracting for goods, services, or property.

(h) “Code” means the California Education Code.

(i) “Credential” means publicly demonstrated skills and experiences whose achievement has been recognized by an official credential or award given by a professional association. This recognition can also be achieved if there is a general acceptance and recognition of those credentials by members of the profession or industry in the field in which the person will teach.

(j) “Credit” means a measure of college or university level instruction that is evaluated by duly qualified faculty; it is also the same as “unit” or “unit of credit.”

(k) “Degree program” means an educational program leading to the award of an academic degree as defined in section 94830 of the Code.

(*l*) “Digital signature” means a signature made pursuant to Government Code section 16.5.

(m) “Duly qualified faculty” or “faculty member” means a person or people who satisfy the requirements of section 71720.

(n)(1) “Education offered for the purpose of personal entertainment, pleasure or enjoyment” means education offered for purposes of play, amusement or relaxation, including education offered for the purpose of teaching the fundamentals, skills or techniques of a hobby or activity. It does not include education that in any manner does or is any of the following:

(A) Assists a student to prepare for a test administered in conjunction with, or for admission to, any undergraduate or graduate educational program, including the TOEFL® brand test, however, “education offered for the purpose of personal entertainment, pleasure, or enjoyment” does include education that assists a student to prepare for a test designed to measure English language proficiency for placing a student within an Intensive English Program, which is a program where English as a second language is the main subject being taught.

(B) Is an educational service offered to lead to any employment in any occupation or job title.

(C) Is represented to enable a student to use already existing knowledge, training, or skills, other than language skills, in pursuit of an occupation or to develop new or enhance existing knowledge, training, or skills, other than language skills, in connection with any occupation or job title.

(2) Notwithstanding subparagraph (1) of this subsection, “Education offered for the purpose of personal entertainment, pleasure or enjoyment” includes education which facilitates the development of learning skills or language proficiency to assist a student to learn English as a second language, if the institution complies with all of the following requirements:

(A) Obtains and maintains compliance with mandatory accreditation with an accreditor recognized by the United States Department of Education;

(B) Maintains a refund policy, which at minimum, is consistent with the mandates of the institution's United States Department of Education-recognized accrediting body;

(C) Is certified by the federal Student and Exchange Visitor Program (SEVP);

(D) Provides only English language instruction and/or other education offered for the purpose of personal entertainment, pleasure or enjoyment;

(E) Does not receive any state or federal student financial aid;

(F) Does not provide any financial aid to students;

(G) Does not provide any institutional loans to students;

(H) Does not facilitate or broker any private loans with third parties for students;

(I) Does not offer any degree-granting programs;

(J) Does not make any promises or representations that courses lead to employment; and

(K) Does not represent that the institution is approved by the Bureau.

(o) “Financial aid officer” means any person involved in administering the participation of the institution or any of its students in any federal or state student loan or grant program, including

any person who assists students to apply for, disburses the proceeds of, or regularly explains student rights and obligations under, loans or grants subject to any federal or state program.

(p) “Full-time study” means the equivalent of, if measured in credit hours, 24 semester or trimester, or 36 quarter hours, or if measured in clock hours, 900 hours, to be completed within 30 weeks of instruction.

(q) “Innovative method of instruction” or “unique method of instruction” means a new method of instruction, not previously generally recognized by accredited and approved degree granting institutions, as a reasonable approach to teaching a specific curriculum.

(r) “Institution director” means the person who is responsible for administering the daily operations of the institution and has supervisorial authority over all other administrators and instructors.

(s) “Instructor” means a person who is responsible to conduct one or more classes or components of an institution's educational program.

(t) “Mission” means an institution's stated educational reasons to exist. A mission statement contains all of the following characteristics:

(1) The mission includes the institution's broad expectations concerning the education that students will receive, including the acquisition of the body of knowledge presented in the educational program, the development of intellectual, analytical, and critical abilities, and the fostering of values such as a commitment to pursue lifelong learning; and

(2) The mission relates to the educational expectations of the institution's students, faculty and community that the institution serves.

(u) “Objectives” are the goals and methods by which the institution fulfills its mission and transforms it into measurable student learning outcomes for each educational program.

(v) “Pre-accreditation” or “candidacy” as used in sections 94885.1 and 94885.5 of the Code means that an institution has submitted a completed application for initial accreditation with the required fee, which was accepted by the accreditor.

(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 period of attendance.

(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.

(z) “Quarter” means at least 10 weeks of instruction or its equivalent as described in subdivision (aa)(2) of this section.

(aa) “Quarter unit” means either of the following:

(1) At least ten (10) hours of college or university level instruction during a quarter 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) “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.

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

(ae) “Semester unit” or “Semester Credit Hour” means either of the following:

(1) At least fifteen (15) hours of college or university 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.

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

(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.

(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, 94923, and 94927, Education Code.

70010. Application of Division.

This division applies to all institutions and persons subject to the provisions of the Act.

Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94801, 94875 and 94877, Education Code.

70020. Principal Office of the Bureau.

The principal office of the Bureau is located at 1747 North Market Blvd., Suite 225, Sacramento, California, 95834; and the mailing address is P.O. Box 980818, West Sacramento, CA 95798-0818.

Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94875 and 94877, Education Code

Article 2. Transition Provisions

70030. Pending Applications; Fees.

An institution that had an application for an approval to operate pending on June 30, 2007, and is applying for an approval to operate pursuant to section 94809 of the Code may only satisfy the requirements of that section if, in addition to the submission of the previous application being deemed by the Bureau to satisfy any new requirements, or the submission of information that the Bureau requires to correct deficiencies or omissions, it submits the appropriate fee pursuant to section 94930.5(a) of the Code. An application fee that was remitted with a previous application and not returned by the Bureau can be applied toward payment of the appropriate fee.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94809 and 94930.5, Education Code.

70040. Disclosures Regarding Prior Approvals and Pending Applications.

(a) Pursuant to section 94802(b) of the Code, an institution with an application to renew an approval to operate pending with the former Bureau for Private Postsecondary and Vocational Education on June 30, 2007, shall, until the application is approved, include in its catalog and its enrollment agreement in at least the same size font as the majority of the information, and outlined with a bold line, the following statement:

	What You Should Know About Our State Re-Approval
	Although this institution was approved to operate by the former Bureau for Private Postsecondary and Vocational Education, our pending application for re-approval to operate has not yet been reviewed by the Bureau for Private Postsecondary Education. For more information, call the Bureau for Private Postsecondary Education at (916) 574-7720, or toll-free at (888) 370-7589, or visit its website at www.bppe.ca.gov.

(b) Pursuant to section 94809 of the Code, an institution that did not have an approval to operate issued by the former Bureau for Private Postsecondary and Vocational Education on or before June 30, 2007, shall, until an application for approval to operate is approved, include in its catalog and its enrollment agreement in at least the same size font as the majority of the information, and outlined with a bold line, the following statement:

What You Should Know About Our Pending Application for State Approval
This institution's application for approval to operate has not yet been reviewed by the Bureau for Private Postsecondary Education. For more information, call the Bureau for Private Postsecondary Education at (916) 574-7720, or toll-free at (888) 370-7589, or visit its website at www.bppe.ca.gov.

An institution that has not filed an application for approval to operate may not state or imply that such an application has been filed with the Bureau.

Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94802 and 94809, Education Code.

Chapter 2. Applications

Article 1. Application for Approval to Operate and Offer Education Programs for Non-Accredited Institutions.

71100. Application Form.

(a) An applicant seeking approval to operate pursuant to Section 94886 of the Code, other than Approval to Operate by Accreditation pursuant to Section 94890(a)(1) of the Code, shall complete the “Application for Approval to Operate for an Institution Not Accredited,” Form Application 94886 (rev. 8/24), which is hereby incorporated by reference. An applicant seeking approval to operate by accreditation pursuant to Section 94890(a)(1) of the Code shall comply with section 71390.

(b) An applicant shall submit the completed form, the information or documentation required by this Article, the appropriate application fee as provided in Section 94930.5(a)(1) of the Code, and any appropriate annual fee as required by Article 1 of Chapter 5 of this Division, to the Bureau.

(c) An application that fails to contain all of the information required by this article shall render it incomplete.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94886, 94887, 94888, 94890 and 94930.5, Education Code.

71105. Applications for Provisional Approval to Offer Degree Programs.

(a) For an application for approval to operate or a substantive change, the owner of an unaccredited institution also requesting provisional approval to offer a degree program shall submit to the Bureau, for its approval, a plan for achieving institutional accreditation by an accrediting agency recognized by the United States Department of Education, with the scope of that accreditation covering the offering of at least one degree program.

(b) The plan shall include:

(1) Identification of the accrediting agency from which the institution will seek accreditation;

(2) Identification of the accrediting agency's eligibility requirements;

(3) Identification of the accrediting agency's minimum requirements for institutional accreditation covering at least one degree program offered by the institution with an outline of the process and timeline for complying within two years of provisional approval with the accrediting agency's requirements for submission of a completed application for initial accreditation with the required fee; and

(4) An outline of the process and timeline whereby the institution will achieve full accreditation within five years of provisional approval, including all of the following, if applicable:

(A) Attendance at the accrediting agency's required accreditation applicant workshop;

(B) Submission of financial statements as required by the accrediting agency;

(C) Submission of a self-evaluation report; and

(D) Hosting of a site visit by the accrediting agency.

Note: Authority cited: Sections 94877, 94885.5 and 94888, Education Code. Reference: Sections 94885, 94885.5, 94886, 94887 and 94888, Education Code.

71105.5. Accreditation Plan Requirements for Degree-Granting Institutions.

(a) The owner of an unaccredited institution that was approved to offer a degree program on or before January 1, 2015, shall by July 1, 2015, submit to the Bureau a plan for achieving institutional accreditation by an accrediting agency recognized by the United States Department of Education, with the scope of that accreditation covering the offering of at least one degree program.

(b) The plan shall include:

(1) Identification of the accrediting agency from which the institution will seek accreditation;

(2) Identification of the accrediting agency's eligibility requirements;

(3) Identification of the accrediting agency's minimum requirements for institutional accreditation covering at least one degree program offered by the institution with an outline of the process and timeline for complying, by July 1, 2017, with the accrediting agency's requirements for submission of a completed application for initial accreditation with the required fee; and

(4) An outline of the process and timeline whereby the institution will achieve full accreditation by July 1, 2020 including all of the following, if applicable:

(A) Attendance at the accrediting agency's required accreditation applicant workshop;

(B) Submission of financial statements as required by the accrediting agency;

(C) Submission of a self-evaluation report; and

(D) Hosting of a site visit by the accrediting agency.

Note: Authority cited: Sections 94877 and 94885.1, Education Code. Reference: Sections 94885 and 94885.1, Education Code.

71110. Institution's Name, Address, Telephone Number of Primary Administrative Office.

An institution shall provide the following information on the Form Application 94886:

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

(b) The address of the institution's primary administrative location in California identified by street address. The institution's primary administrative location in California shall be deemed the institution's principal place of business.

(c) The mailing address of the institution, identified either by street address or by post office box number.

(d) The street address of each campus and branch at which the educational programs will be offered, including the identification of the institution's main location and branch locations. If an institution is applying for a branch in conjunction with the main location, all required information must be provided for each location.

(e) The name, address, email address, fax number and phone number of an individual who will function as the institution's contact person for the purposes of the Form Application 94886.

(f) The social security number for individuals or federal employer identification number for each partnership who is identified in the Form Application 94886 pursuant to section 71130(a)(1).

Note: Authority cited: Section 30, Business and Professions Code; and Sections 94803, 94877 and 94888, Education Code. Reference: Section 30, Business and Professions Code; and Sections 94887 and 94888, Education Code.

71120. Form of Business Organization.

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.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94851, 94887 and 94888, Education Code.

71130. Institution Ownership and Control: Violations of Law.

(a)(1) The institution shall identify the name, address, email address, and telephone number of each person, as defined in section 94855 of the Code, who owns or controls 25% or more of the stock or an interest in the institution and, to the extent applicable, each general partner, officer, corporate director, member of the board of directors and any other person who exercises substantial control over the institution's management or policies. For the purpose of this paragraph, a person exercises "substantial control over the institution's management or policies"

if the person has the authority to cause the institution to expend money or incur debt in the amount of five thousand dollars ($5,000) or more in any year.

(2) For each address required, the institution shall provide a physical home address, and may request that the address, email address, and telephone number, of each person described in paragraph (1) be maintained as personal information.

(b) The institution shall describe the nature and percentage of the ownership interest and any other financial involvement in the institution of any person identified in subdivision (a) of this section.

(c) The institution shall provide a statement from any person identified in subdivision (a) of this section who --

(1) Was found in any judicial or administrative proceeding to have violated the Act or the law of any other state related to untrue or misleading advertising, the solicitation of prospective students for enrollment in an educational service, or the operation of a postsecondary school;

(2) Was denied any type of license on grounds set forth in Section 480.2 of the Business and Professions Code;

(3) Was adjudicated as responsible for the closure of an institution in which there were unpaid liabilities to the state or federal government or any uncompensated pecuniary losses suffered by students;

(4) Has stipulated to a judgment or administrative order or entered a consent decree involving any of the matters described in this section.

(5) Was convicted of any misdemeanor or felony as provided in Section 480.2(a)(1) of the Business and Professions Code;

(d) The institution shall furnish an explanation of any legal action pending against the institution or ownership or any of the institution's owners, officers, corporate directors, administrators, or instructors by any federal, state, or local law enforcement agency involving alleged acts of fraud, dishonesty, financial mismanagement, unpaid liabilities to any governmental agency or claims for pecuniary loss suffered by any student.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94885, 94887 and 94888, Education Code; and Sections 30 and 480.2, Business and Professions Code.

71135. Agent for Service of Process.

The institution shall include in its Form Application 94886 the name, physical address, telephone number, fax number, and e-mail address for the agent for service of process in California as required by section 94943.5 of the Code. The agent shall be at an address other than the address of the institution or any branch. The agent must confirm the information and acknowledge in writing that he or she is the designated agent for service of process. The information shall be kept current pursuant to section 74190.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94887, 94888 and 94943.5, Education Code.

71140. Organization and Management.

(a) The institution shall include in its Form Application 94886 an organization chart that shows the governance and administrative structure of the institution and the relationship between faculty and administrative positions.

(b) The institution shall provide a description of the job duties and responsibilities of each administrative and faculty position.

(c) The institution shall identify the chief executive officer, chief operating officer, and chief academic officer and describe their education, experience, and qualifications to perform their duties and responsibilities.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94885, 94887 and 94888, Education Code.

71150. Governing Board.

If the institution has a governing board, the Form Application 94886 shall include the name, work address, email address, and telephone number of each member of the governing board.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94885, 94887 and 94888, Education Code.

71160. Institution Representative.

The Form Application 94886 shall contain the name, work address, email address, fax number and telephone number of the person with whom the Bureau will correspond and conduct legal transactions on behalf of the institution.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94887 and 94888, Education Code.

71170. Mission and Objectives.

The institution shall describe in detail its mission and objectives.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94887 and 94888, Education Code.

71180. Exemplars of Student Agreements.

The institution shall include, with its Form Application 94886, exemplars of all student enrollment agreements and instruments of indebtedness.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94885, 94887, 94888 and 94902, Education Code.

71190. Financial Aid Policies, Practices and Disclosures.

If an institution receives financial aid because its students qualify for it under any state or federal financial aid program, the Form Application 94886 shall include a statement of its policies, practices, and disclosures regarding financial aid.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94885, 94887, 94888, 94909, 94911, 94919, 94920 and 94926, Education Code.

71200. Advertising and Other Public Statements.

(a) The institution shall include in its Form Application 94886 copies of advertising and other statements disseminated to the public in any manner by the institution or its representatives that concern, describe, or represent each of the following:

(1) The institution.

(2) Each educational program offered by the institution.

(b) If advertising is broadcast by television or radio, the Form Application 94886 shall also include a copy of the script.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94887, 94888 and 94897, Education Code.

71210. Instruction and Degrees Offered.

(a) The institution shall identify and describe the educational program it offers, or proposes to offer. If the educational program is a degree program, the institution shall identify the full title which it will place on each degree awarded.

(b) In addition to the general title, such as “Bachelor of Arts” or “Master of Science,” each degree title shall include the name of a specific major field of learning involved.

(c) In addition, the institution shall list the following for each educational program offered:

(1) The admissions requirements, including minimum levels of prior education, preparation, skills, or training;

(2) If applicable, information regarding the ability-to-benefit examination as required by the institution. For the purposes of this section an “ability-to-benefit examination” means an independently administered examination from the list of examinations prescribed by the United States Department of Education pursuant to Section 484(d) of the federal Higher Education Act of 1965 (20 U.S.C. Sec. 1070a et seq.) as it is, from time to time, amended, that is designed to help identify students who possess the basic skills necessary to succeed in a post-secondary education program, but who lack a high school diploma;

(3) The types and amount of general education required;

(4) The title of the educational programs and other components of instruction offered, including a description of the level of the courses (e.g., below college level, undergraduate level, graduate level);

(5) The method of instruction;

(6) The graduation requirements; and

(7) Whether the educational program is designed to fit or prepare students for employment in any occupation. If so, the Form Application 94886 shall identify each occupation and job title to which the institution represents the educational program will lead.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94885, 94887, 94888, 94909 and 94910, Education Code.

71220. Description of Educational Program.

For each educational program that the institution offers or proposes to offer, the Form Application 94886 shall contain a statement that the educational program meets the requirements of section 71710, as well as the following:

(a) A description of the educational program.

(b) A description of the equipment to be used during the educational program.

(c) A description of the number and qualifications of the faculty needed to teach the educational program.

(d) A projection, and the bases for the projection, of the number of students that the institution plans to enroll in the educational program during each of the three years following the date the Form Application 94886 was submitted.

(e) A description of the learning, skills, and other competencies to be acquired by students who complete the educational program.

(f) If licensure is a goal of an educational program, a copy of the approval from the appropriate licensing agency if required. A copy of the intent to approve conditioned solely upon institutional approval from the Bureau will also meet this requirement.
Upon request, the institution shall provide to the Bureau copies of the curriculum or syllabi required pursuant to section 71710.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94875, 94887, 94888, 94899, 94905 and 94909, Education Code.

71230 Instruction in Languages Other Than English.

If the institution offers an educational program, or a portion of it, in a language other than English, the Form Application 94886 shall contain a description of all of the following for each educational program or portion thereof.

(a) The language in which each educational program will be offered.

(b) A statement that the institution has contracted with sufficient duly qualified faculty who will teach each language group of students.

(c) The language of the textbooks and other written materials to be used by each language group of students.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94885, 94887 and 94888, Education Code.

71240. Financial Resources and Statements.

(a) The Form Application 94886 shall contain a statement that the institution has and can maintain the financial resources required pursuant to section 71745.

(b) The institution shall submit current, reviewed financial statements at the time it applies for approval to operate. Each set of financial statements shall comply with Section 74115 of this chapter.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94885, 94887, 94888 and 94897, Education Code.

71250. Faculty.

The Form Application 94886 shall include a statement that the institution has contracted with sufficient duly qualified faculty members who meet the qualifications of section 71720.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94885, 94887 and 94888, Education Code.

71260. Facilities and Equipment.

(a) For each program offered, the Form Application 94886 shall contain a description of the facilities and the equipment which is available for use by students at the main, branch, and satellite locations of the institution.

(b) For facilities that are leased or rented, the Form Application 94886 shall contain the name and address of the lessor or landlord, together with a copy of any use, lease, or rental agreements for the facilities.

(c) The description of the physical facilities shall include building diagrams or campus maps to assist the Bureau in locating these facilities. The diagrams or maps shall identify the location of classrooms, laboratories, workshops, and libraries.

(d) The description shall include specifications of significant equipment that demonstrate that the equipment meets the standards prescribed by the Code and this chapter and is sufficient to enable students to achieve the educational objectives of each education program.

(e) For each item of significant equipment, the description shall indicate whether the equipment is owned, leased, rented, or licensed for short- or long-term, or owned by another and loaned to be used without charge.

(f) The Form Application 94886 shall contain a list of all permits, certifications, or other evidence of inspections or authorizations to operate required by the jurisdictions within which the institution operates that the institution has obtained, and/or an explanation as to why those permits, certifications, or inspections have not yet been obtained.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94885, 94887 and 94888, Education Code.

71270. Libraries and Other Learning Resources.

The Form Application 94886 shall include a description of library holdings, services, and other learning resources, including policies and procedures for supplying them to students who do not receive classroom instruction. The description need not consist of a list of each holding. The description shall include an explanation of how the library and other learning resources are sufficient to support the instructional needs of students and, if no facilities exist at the institution, how and when students may obtain access to a library and other learning resources as required by the curriculum.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94885, 94887 and 94888, Education Code.

71280. Student Services -- Job Placement Assistance.

If an institution represents to the public, in any manner, that it offers job placement assistance, the Form Application 94886 shall include a description of the job placement assistance that it provides.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94887 and 94888, Education Code.

71290. Copy of Catalog.

The Form Application 94886 shall include a copy of the institution's catalog, in published or proposed-to-be-published form. The catalog shall meet the requirements of the Act and of section 71810.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94887, 94888, 94902, 94908, 94909 and 94911, Education Code.

71300. Graduation or Completion Documents.

The institution shall submit a copy of the document that is awarded to a graduating student upon successful completion of each educational program.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94885, 94887 and 94888, Education Code.

71310. Recordkeeping; Custodian of Records.

(a) The Form Application 94886 shall contain a description of how records required by Article 9 of the Act or this chapter are or will be organized and maintained, the types of documents contained in student files, how the records are stored, and whether academic and financial records are maintained in separate files. The description shall include a statement of the institution's procedures for security and safekeeping of records.

(b) The description shall include the name, physical address, email address, and telephone number of the custodian of records, and the physical addresses and telephone numbers of the offices or buildings where the records will be maintained.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94887, 94888, 94900 and 94900.5, Education Code.

71320. Self-Monitoring Procedures.

The Form Application 94886 shall contain a description of the procedures used by the institution to assure that it is maintained and operated in compliance with the Act and this Division.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94885, 94887 and 94888, Education Code

71340. Additional Information.

(a) The institution shall include in the Form Application 94886 any material facts, which have not otherwise been disclosed in the Form Application 94886 that without inclusion would cause the information in the Form Application 94866 to be false, misleading or incomplete or that might reasonably affect the Bureau's decision to grant an approval to operate. In this context, a fact would be “material” if it would alter the Bureau's determination concerning the institution's ability to comply with any applicable provisions of the Act.

(b) The institution may also include in the Form Application 94886 any other facts which the institution would like the Bureau to consider in deciding whether to grant an approval to operate.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94887 and 94888, Education Code.

71380. Signatures and Certification.

(a) The Form Application 94886 shall be signed with original or digital signature and dated, and each fact stated therein and each attachment thereto shall be declared to be true under penalty of perjury, as follows:

(1) By each owner of the institution, or each partner in a partnership, or

(2) If the institution is incorporated, by the chief executive officer or president of the corporation and each person who owns or controls 25 percent or more of the stock or interest in the institution, or

(3) If the institution is a nonprofit corporation or a public institution, by the chief executive officer or president.

(b) The declaration shall be in the following form:

“I declare under penalty of perjury under the laws of the State of California that the foregoing and all attachments are true and correct.

_____ _____

(Date) (Signature)

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Section 2015.5, Code of Civil Procedure; and Section 94888, Education Code.

Article 2. Application for Approval to Operate and Offer Educational Programs for Accredited Institutions.

71390. Application Form.

(a) An applicant seeking approval to operate by means of its accreditation pursuant to Section 94890(a)(1) of the Code shall complete an application with the requirements of this section.

(b) An applicant shall submit to the Bureau the form required by subdivision (a) of this section, a certified copy of its current verification of accreditation granted by its accrediting agency, and the appropriate application fee, as provided in Section 94930.5(a)(3) of the Code.

(c) The application for Approval to Operate for an Accredited Institution shall include the following:

(1) The name, mailing address, telephone and fax numbers, website address and institution or school code of the institution.

(2) The name, mailing address, e-mail address, telephone and fax numbers of the institution contact person for the purposes of this application.

(3) The name, title and address of each person, as defined in section 94855 of the Code, who owns or controls 25% or more of the stock or an interest in the institution. The name, title and address of each general partner, officer, corporate director, member of the board of directors, and any other person who exercises substantial control over the institution's management or policies. For the purpose of this paragraph, a person exercises “substantial control over the institution's management or policies” if the person has the authority to cause the institution to expend money or incur debt in the amount of five thousand dollars ($5,000) or more in any year.

(A) For each address required, the institution shall provide a physical home address, and may request that the address, email address, and telephone number, of each person described in paragraph (3) be maintained as personal information.

(B) The federal employer identification number for partnerships or the social security number for individual owners identified in the application pursuant to section 71130(a)(1).

(d) The application shall be signed with original or digital signature and dated, and each fact stated therein and each attachment thereto shall be declared to be true under penalty of perjury, as follows:

(1) Signatories:

(A) Each owner of the institution, or each partner in a partnership, or

(B) If the institution is incorporated, the chief executive officer or president of the corporation and each person who owns or controls 25 percent or more of the stock or interest in the institution, or

(C) If the institution is a nonprofit corporation or a public institution, by the chief executive officer or president.

(2) The declaration shall be in the following form:

“I declare under penalty of perjury under the laws of the State of California that the foregoing and all attachments are true and correct.

_____ _____

(Date) (Signature)

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Section 94890, Education Code.

Article 3. Applications for Verification of Exempt Status

71395. Application; Fees.

(a) In order to obtain verification from the Bureau that it is exempt pursuant to Section 94874 of the Code, an institution must complete an application with the requirements of this section.

(b) The application for verification of exemption shall include all of the following:

(1) The name, telephone number of the institution, and its website address;

(2) The physical address of the institution's primary administrative location in California;

(3) The mailing address of the institution;

(4) The name, address, email address, and telephone number of an individual who will function as the institution's contact person for the purposes of the application;

(5) Identification of the type of exemption or exemptions for which the institution believes it qualifies;

(6) If an institution is claiming an exemption under section 94874(b), 94874(e), 94874(h) and 94874(j) of the Code, identify the form of business organization of the institution (i.e., sole proprietorship, general or limited partnership, for-profit corporation or nonprofit corporation, or nonprofit religious corporation) and provide documentation verifying the form of business organization. If the institution is incorporated, the institution shall also identify the state within which the institution is incorporated and the date of incorporation;

(7) If an institution is claiming an exemption under section 94874(d)(2), 94874(g), 94874(h), 94874(i), or 94874(j) of the Code, a letter from that entity indicating the validity of the accreditation or approval, and the name and contact information for a representative of that entity;

(8) If an institution is claiming an exemption under section 94874(a), 94874(b), 94874(d)(1), 94874(d)(2), 94874(e), 94874(g), for each educational program offered or proposed to be offered by the institution, the following information:

(A) The title and description of the educational program;

(B) The full title and description of any diploma, certificate, degree or other similar title awarded to students who complete the program; and

(9) The total institutional charges for the educational program, and whether or not the institution is approved to offer federal financial assistance if applying for an exemption under Section 94874(f) of the Code; and

(10) Admission criteria if applying for an exemption under section 94874(b) of the Code.

(11) In addition to other requirements of this section, institutions claiming exemption under section 94874(e) of the Code shall provide verification of operation as a nonprofit religious corporation pursuant to Part 4 (commencing with Section 9110) of Division 2 of Title 1 of the Corporations Code.

(12) In addition to other requirements of this section, institutions claiming exemption under section 94874(h) shall provide verification of operation under section 501(c)(3) of the United States Internal Revenue Code and verification that the organization exclusively provides workforce development or rehabilitation services.

(13) In addition to other requirements of this section, institutions claiming exemption under section 94874(j) shall provide documentation of:

(A) operation in California for a minimum of 25 years; and

(B) a statement that the institution has never filed for bankruptcy; and

(C) the cohort default rate on guaranteed student loans for the most recent three years; and

(D) cancellation and refund policies; and

(E) copies of the most recent composite scores of equity, primary reserve, and net income ratios as submitted to the United Stated Department of Education; and

(F) the most recent IRS Form 990.

(14) A statement that the applicant understands that a verification of exemption obtained from the Bureau is not an Approval to Operate issued pursuant to section 94886 or 94890 of the Code, and that the institution is prohibited from advertising, claiming, or implying that it has been approved to operate by the Bureau, unless it has been issued such an approval; and

(15) Any material facts as defined by section 71340(a) of this Chapter.

(c) The application shall be signed and dated, and each fact stated therein and each attachment thereto shall be declared to be true under penalty of perjury, as follows:

(1) Signatories to sign with original or digital signature:

(A) Each owner of the institution, or each partner in a partnership, or

(B) If the institution is incorporated, the chief executive officer or president of the corporation and each person who owns or controls 25 percent or more of the stock or interest in the institution, or

(C) If the institution is a nonprofit corporation or a public institution, by the chief executive officer or president.

(2) The declaration shall be in the following form:

"I declare under penalty of perjury under the laws of the State of California that the foregoing and all attachments are true and correct.

_____ _____

(Date) (Signature)

(d) Each signatory to the application shall provide his or her name, title, ownership interest, and address.

(e) An applicant shall submit to the Bureau the completed form required by subdivision (a) of this section, and a fee provided in section 74004.

Note: Authority cited: Sections 94874 and 94877, Education Code. Reference: Sections 94874 and 94874.7, of the Education Code.

Article 3.5. Application for Registration or Re-Registration of Out-of-State Institutions

71396. Application Form; Immediate STRF Compliance.

(a) An applicant seeking to operate an out-of-state private postsecondary institution, as defined in Section 94850.5 of the Code, that is required to register with the Bureau pursuant to Section 94801.5 of the Code, shall complete the Bureau's Application for Registration or Re-Registration of Out-of-State Institution [Form Application 94801.5 (rev. 8/24)], which is hereby incorporated by reference. An applicant shall submit to the Bureau the completed form, the information and documentation required by Section 94801.5 of the Code, and the registration fee as provided in Section 94930.5 of the Code.

(b) An application that does not contain all the information required by this section or as applicable, section 71398, shall render it incomplete, and the applicant will not be eligible for registration or re-registration.

(c) Effective July 1, 2017, even if the out-of-state institution's application for registration is pending with the Bureau, the institution shall immediately comply with the requirements of the Student Tuition Recovery Fund established in the Code (commencing with Section 94923) and

regulations adopted by the Bureau related to the fund for its California students. These requirements include the collection and submission of assessments and related record-keeping as required by sections 76120, 76130, and 76140, and providing student disclosures in the school catalog and enrollment agreement as required by sections 76215 and 71800(e)(11) and prior to closing as required by section 76240(b)(2).

Note: Authority cited Sections 94801.5 and 94877, Education Code. Reference: Sections 94801.5, 94850.5, 94909(a)(14), 94911(b), 94923, 94924, 94930.5, Education Code.

71397. Processing of Completed Applications; Appeal of Denials, Conditional Registration and Grounds for Revocation

(a) Pursuant to the requirements of section 94801.5 of the Code and this Article, the Bureau will either approve, condition registration upon meeting specified conditions or restrictions ("conditional registration"), or deny an application for registration approval to any applicant.

(1) Conditional registration shall be issued to those institutions which answer "yes" to any question in sections 7 or 9 of the Form Application 94801.5 referenced in section 71396 and for whom the Bureau determines that an unconditional registration is not in the public interest based on the criteria set forth in this section. For the purposes of this section, "action" shall include enforcement actions by state or federal authorities, civil actions, adverse action by an accreditor, borrower defense claim, or any other action as specified or disclosed in section 9 of Form Application 94801.5 referenced in section 71396. In determining if an unconditional registration is not in the public interest, the Bureau shall consider the following:

(A) Nature and severity of the act(s), demonstrated in the action under consideration.

(B) Actual or potential harm to any consumer, student or the general public.

(C) Prior record of any actions.

(D) Number and/or variety of current actions.

(E) Any explanation of the facts and circumstances surrounding the action(s) and any remediation efforts the institution undertook as a result of the action.

(F) In the case of any action involving a criminal conviction, compliance with terms of sentence and/or court ordered probation.

(G) Overall criminal record disclosed to the Bureau, if any.

(H) Time passed since the action(s) or offense(s) occurred.

(I) Whether or not the applicant cooperated with the Bureau's investigation, other law enforcement or regulatory agencies, and/or the injured parties.

(J) Recognition by the applicant of its wrongdoing and demonstration of corrective action to prevent recurrence.

(2) Conditions placed upon the approval of an application include increased or more frequent reporting requirements on a regular basis or as requested by the Bureau, and limitations on enrollment of Californians in some or all programs.

(3) A denial shall be issued if the Bureau determines there is a substantial risk of harm posed to California residents by the institution if it were permitted to enroll California residents based on the criteria enumerated in subdivision (a)(1) or on the applicant's failure to comply with any requirements set forth in this Article or Section 94801.5 of the Code.

(4) An institution shall be registered in accordance with Section 94801.5 of the Code if it:

(A) meets all requirements of this Article and Section 94801.5 of the Code, and

(B) there are no grounds for denial as set forth in this section.

(5) Any registration subject to this section shall be made effective by the Bureau upon the applicant's meeting the requirements specified in subdivision (a)(4).

(b) (1) An applicant denied a registration or re-registration under this Article or issued a conditional registration shall be given written notice of the Bureau's decision to deny or condition registration, the reasons for the decision and the right to request an informal conference in accordance with this section.

(2) If a conditional registration is issued, the written notice shall also specify the restrictions or conditions placed on the institution's registration, and the factual basis for the restrictions or conditions.

(3) Failure to comply with any restriction or condition placed on a registration by the Bureau is grounds for revocation of the registration. Any institution determined to be in noncompliance with any restriction or condition of a conditional registration shall receive written notice of the Bureau's decision to revoke the registration, the reasons for the decision and the right to request an informal conference in accordance with this section. The written notice shall also contain a written finding that there is a substantial risk of harm posed to California residents by the institution continuing to enroll California residents and the reasons for that finding using the criteria set forth in subdivision (a)(1).

(c) The applicant may reapply if denied or may, within 30 days of service of the denial decision to deny, revoke or issue conditional registration, submit a written request to the Bureau for an informal conference with the Bureau Chief or his or her designee. Failure to request an informal conference within 30 days from service of the denial, revocation or conditional registration waives the right to the informal conference.

(d) The Bureau Chief, or his or her designee, shall within 30 days from the Bureau's receipt of a written request for an informal conference, hold an informal conference with the applicant or out-of-state registered institution. The Bureau Chief, for good cause such as scheduling conflicts or medical emergencies, may extend the 30-day period. The informal conference may be by telephone.

(e) Prior to or at the informal conference, the applicant or out-of-state registered institution may submit to the Bureau Chief, or his or her designee, declarations or documents pertinent to the

application for registration or re-registration, which shall be duly considered along with any other relevant documentation.

(f) Following the informal conference, the Bureau Chief, or his or her designee, will affirm, modify, or reverse the denial, revocation, or issuance of a conditional registration. A written order affirming, modifying, or reversing the denial, revocation or conditional registration decision shall be served on the applicant within 30 days from the informal conference, unless extended for good cause, including allowing the applicant or out-of-state registered institution to submit, and the Bureau to consider, additional documentation.

Note: Authority cited Sections 94801.5 and 94877, Education Code. Reference: Sections 94801.5, 94850.5, and 94930.5, Education Code; 480.2, Business and Professions Code.

71398. Re-Registration

(a) Unless re-registered, a registration shall expire at 12:00a.m. on the day immediately following the last day of the out-of-state private postsecondary institution's registration as granted pursuant to section 94801.5 of the Code and this Article.

(b) An out-of-state institution seeking to renew its registration pursuant to section 94801.5 of the Code shall complete and submit to the Bureau a new "Application for Registration or Re-Registration of Out-of-State Institution" [Form Application 94801.5 (rev. 8/22)], which is hereby incorporated by reference. An applicant shall submit to the Bureau the completed form, the information and documentation required by Section 94801.5 of the Code, and the registration fee as provided in Section 94930.5 of the Code.

(c) If the Bureau receives a complete re-registration application prior to the expiration of the registration, which consists of the completed form, the information and documentation required by Section 94801.5 of the Code, and the registration fee as provided in Section 94930.5 of the Code, and the out-of-state institution has complied with the Student Tuition Recovery Fund requirements of the Code and this Division, the out-of-state institution shall be deemed re-registered, pending the granting or denial of the application for re-registration by the Bureau pursuant to section 71397 of this Division. Upon the Bureau's granting of the re-registration application, the effective date of the re-registration shall be the date the Bureau received the complete re-registration application.

(d) Failure of an out-of-state institution to make the required payments of the assessments to the Student Tuition Recovery Fund as required by section 76130 shall render the institution ineligible for a re-registration.

Note: Authority cited Sections 94801.5 and 94877, Education Code. Reference: Sections 94801.5, 94850.5, and 94930.5, Education Code.

71399. Student Tuition Recovery Fund Assessments and Disclosures.

(a) For its California students, an out-of-state institution shall collect and submit Student Tuition Recovery Fund assessments per section 76120 according to the process and schedule set forth in section 76130, and shall keep related records as required by section 76140.

(b) Prior to enrollment, an out-of-state institution shall provide to a prospective student, either in writing or electronically, a school catalog and an enrollment agreement that contain the Student Tuition Recovery Fund disclosure statements required in section 76215.

(c) The enrollment agreement shall contain a statement that the Student Tuition Recovery Fund fee is non-refundable.

(d) At least 30 days prior to closing, an out-of-state institution shall notify its California students that will not be provided complete education services or the educational program, information regarding the Student Tuition Recovery Fund and the Bureau's physical and Internet addresses, as provided in section 76240(b)(2).

Note: Authority cited Sections 94801.5 and 94877, Education Code. Reference: Sections 94801.5, 94850.5, 94930.5, 94923, 94924, 94909(a)(14), and 94911(b), Education Code.

Article 4. Processing of Applications

71400. Processing of Completed Applications.

(a) Action by the Bureau shall not commence until a completed Form Application 94886 for approval to operate, or for verification of exemption, has been submitted to the Bureau for its review.

(b) Within 30 days after receipt of a Form Application 94886 for approval to operate as required by Article 1, or for verification of exemption, the Bureau shall notify the institution in writing that the application is complete and has been accepted for filing or that the application is not complete. If the application is not complete, the Bureau shall specify in the notice what additional information or documents are needed from the institution in order for the application to be deemed complete.

(c) The Bureau shall consider an application to be complete if it appears that the institution has submitted all of the information, documents, and fees required by the Act and by Article 2 of this chapter. This includes any additional documents the Bureau may request to determine if the institution's proposed implementation meets the minimum operating standards of section 94885 of the Code.

(d) Pursuant to section 94887 of the Code, the Bureau will either grant or deny an application.

(1) When specific minor deficiencies are identified during processing but the institution is substantially in compliance with the requirements of the Code and this Division, a conditional authorization to operate may be granted for a period not to exceed six (6) months, to permit the institution to correct those deficiencies identified. If those deficiencies are not corrected after the first period of conditional approval, or the condition upon which an approval may be granted is not satisfied, the conditional authorization to operate may be extended for a period not to exceed six (6) months if the program demonstrates to the Bureau a good faith effort and ability to correct the deficiencies. A conditional authorization to operate shall expire at the end of its stated period and the application shall be deemed denied, unless the deficiencies are removed prior to its expiration and an approval to operate has been granted before that date.

(2) For an applicant that seeks to offer degree programs only, the Bureau will grant a provisional approval to operate the institution if the application demonstrates, in addition to all other requirements for approval to operate, that the institution meets the requirements of section 94885.5 of the Code, and the plan is approved pursuant to section 71105.

(3) For an applicant that seeks to offer both degree and non-degree programs, in addition to any action taken by the Bureau pursuant to this section in granting an approval to operate an institution and any non-degree programs, the Bureau may grant a provisional approval to offer no more than two degree programs if the application demonstrates that the institution meets the requirements of section 94885.5 of the Code, and the plan is approved pursuant to section 71105, in addition to all other requirements for approval to operate.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94885, 94885.5, 94887 and 94888, Education Code.

71400.5. Denial of an Application.

(a) The inclusion of false or misleading information, or the intentional or negligent omission of pertinent information on any application may result in the denial of the application or a delay in processing, and may be grounds for action pursuant to Article 18 of the Act.

(b) In addition to denying an application pursuant to section 94887 of the Code, the Bureau may deny any application based on any act that constitutes grounds for the denial of a license under Section 480.2 of the Business and Professions Code, incorporated herein by reference.

(c) The proceedings under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Section 480.2, Business & Professions Code; and Sections 94887, 94888 and 94932, Education Code.

71401. Abandonment of Application.

An application shall be deemed abandoned and the fee forfeited when the application has not been completed by the applicant in accordance with the Act and this chapter within one year after the date that the application was initially received by the Bureau, or the date that the Bureau notified the applicant that it was incomplete, whichever is later. If an application has been abandoned, the applicant shall submit a new application and fee in order to seek an approval to operate.

Note: Authority cited: Sections 94877, 94888 and 94930, Education Code. Reference: Section 94888, Education Code.

71405. Change in Circumstance Affecting Application Information.

(a) If, after the submission of an application but prior to the Bureau's decision to approve or deny an approval to operate, there is any material change in circumstances affecting any information contained in the application or submitted by the institution in support of the application, the institution shall immediately inform the Bureau in writing.

(b) For the purposes of this section, a change in circumstance is “material” if, without the inclusion of the new or different information into the application, the information contained in or the supporting documentation to the application would be false, misleading, or incomplete.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94887 and 94888, Education Code.

71410. Automatic Suspension of Approval or Provisional Approval to Operate.

(a) Pursuant to sections 94885.1 and 94885.5 of the Code, and in addition to any other actions allowed, the Bureau Chief, or his or her designee, may issue a written order automatically suspending the approval to operate or the provisional approval to operate to an institution that fails to meet the requirements of either section 94885.1 or 94885.5 of the Code, or section 71105 or 71105.5. Notice of such order may be given personally, by telephone, email, fax, or mail, and shall inform the person approved to operate of the automatic suspension and its effective date, and the manner in which the person may request an opportunity to be heard before the Director, or his or her designee.

(b) Within 30 days of the effective date of the automatic suspension, the person approved or provisionally approved to operate the institution may request an opportunity to be heard before the Director, or his or her designee. Within 30 days from the timely receipt of a written request for an opportunity to be heard, the Director, or his or her designee, shall hear the appeal by holding an informal office conference with the person approved or provisionally approved to operate the institution or an authorized representative. Upon request and approval by the Director, or his or her designee, the person approved or provisionally approved to operate the institution or representative may participate in the office conference by telephone. The 30-day period for hearing the appeal may be extended by the Director, or his or her designee, at the request of the institution or the Bureau for good cause.

Note: Authority cited: Sections 94877, 94885.1 and 94885.5, Education Code. Reference: Sections 94885, 94885.1 and 94885.5, Education Code.

Article 5. Visiting Committees

71450. Empaneling of Visiting Committees; Reports.

(a) An institution shall be required to undergo an onsite review by a visiting committee in order to evaluate its Form Application 94886 for an approval to operate if and when the Director determines that such evaluation is necessary to assist in a qualitative review of the institution or any of its programs.

(b) If a visiting committee is empaneled for the purpose of evaluating a Form Application 94886 for an approval to operate, the following shall apply:

(1) The visiting committee shall be appointed by the Director; and

(2) The visiting committee shall include educators or instructors trained in the subject matter of educational programs offered by the institution, and any other person with expertise in the standards listed in Section 94885 of the Code. The Director shall appoint a chair of the visiting committee. In addition, the Director may empanel a special committee consisting of one or more technically qualified people to assist the visiting committee in the evaluation of the application and the institution.

(c) The Director shall select a member of the Bureau's staff to serve as the visiting committee's liaison. The staff member shall prepare, with the cooperation of the visiting committee's members, the visiting committee's evaluation report and recommendations.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94882, 94887 and 94888, Education Code.

71455. Challenge to the Visiting Committee.

(a) The institution being evaluated shall be notified of the identity of the members of the visiting committee at least 30 days before the visit. The notice shall also include a description of the institution's right to object to a committee member and the procedure for objection as provided in this section.

(b) If the institution objects to the inclusion of any person in the visiting committee, the institution may file a written objection with the Director at least 14 days before the visiting committee is originally scheduled to conduct its onsite inspection.

(c) An institution has a right to seek the disqualification of a visiting committee member before the occurrence of the onsite inspection on any of the following grounds:

(1) The committee member has inadequate academic or experiential qualification.

(2) The committee member or his or her family has a financial interest in, or is employed by, a competing institution which offers or proposes to offer any of the educational programs offered or proposed to be offered by the applicant institution.

(3) The committee member is biased. In order to establish that a committee member is biased, the institution must document in writing that the member is predisposed to give an unfavorable recommendation.

(d) An institution seeking to disqualify a visiting committee member shall submit copies of all evidence and argument on which it relies when the written objection is filed.

(e) All evidence and argument shall be considered by the Director. The Director shall make the final decision on the composition of the visiting committee before the onsite inspection occurs. There shall be no oral hearing or review of this decision.

(f) If an institution has grounds under subdivision (c) to object to the empaneling of a committee member before the occurrence of the onsite inspection and fails to timely object, the institution permanently waives the right to challenge the visiting committee's composition or report on those grounds.

Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Section 94882, Education Code.

71460. Duties of the Visiting Committee.

(a) The visiting committee shall conduct a comprehensive, qualitative onsite inspection and review of all aspects of the institution's operations to evaluate the institution's efforts to implement its mission and objectives and to determine whether the institution complies with the applicable requirements of the Act and this Division.

(b) The visiting committee's inspection and review may include the examination of documents and records, the inspection of facilities and equipment, the auditing of classes, and the interview of current or former owners, directors, officers, administrators, faculty, and students.

(c) The visiting committee shall cooperate with the Bureau staff liaison in the preparation of a written evaluation report as described in Section 71450(c).

Note: Authority cited: Sections 94803, 94887 and 94888, Education Code. Reference: Section 94882, Education Code.

71465. Visiting Committee Report.

(a) The visiting committee report shall contain all of the following:

(1) The committee's findings regarding the institution's compliance with the Act and this Division, and facts supporting those findings;

(2) The committee's assessment of the institution's ability to meet the stated objectives of each educational program offered by the institution, including deficiencies, and facts supporting the assessment;

(3) The committee's assessment of the institution's ability, as a whole, to implement its mission, and facts supporting the assessment; and

(4) The committee's recommendations for action on the application.

(b) The institution shall have an opportunity to review the visiting committee report and respond to the Bureau within fifteen (15) days of the institution's receipt of such report as to errors of fact or erroneous findings based on errors of fact. The Bureau will review the visiting committee's report, and, along with the entire application, will consider the report and recommendations, and the institution's response, if any, before taking action.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Section 94882, Education Code.

71470. Institution Cooperation with Visiting Committee.

(a) The institution shall make available for inspection by the visiting committee all records which the visiting committee reasonably deems necessary or appropriate to inspect to determine whether the institution meets the standards of the Act and this Division.

(b) The institution shall facilitate the visiting committee's onsite inspection including the inspection of records, inspection of facilities and equipment, observation of class sessions, or interviews with officers, administrators, faculty, or students.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Section 94882, Education Code.

71471. Visiting Committees; Unaccredited Degree-Granting Institutions.

(a) The Bureau shall empanel a visiting committee to assess an unaccredited degree-granting institution's progress toward successfully achieving its accreditation plan submitted in accordance with either section 71105 or 71105.5.

(b) Upon notification of a visiting committee review pursuant to this section, an institution may challenge the committee by following the procedures in section 71455.

(c) The visiting committee shall review the institution's plan and initial documentation.

(d) The committee may request an update of the documentation submitted with the initial accreditation plan. The committee may, in its discretion, schedule a site visit.

(e) The Bureau's visiting committee shall prepare a report upon conclusion of the committee's work that shall include the following:

(1) The committee's findings regarding the institution's progress toward accreditation;

(2) The committee's assessment of the institution's ability to meet its stated accreditation goals in the time allotted;

(3) Suggested corrections for the institution to achieve accreditation; and

(4) The committee's recommendations on any action the Bureau should take.

Note: Authority cited: Sections 94877, 94885.1, 94885.5 and 94888, Education Code. Reference: Sections 94882, 94885, 94885.1 and 94885.5, Education Code.

Article 6. Renewals

71475. Renewal of an Approval to Operate for a Non-Accredited Institution; Cancellation of an Approval to Operate

(a) Unless renewed, an approval to operate shall expire at 12 midnight on the last day of the institution's term of approval to operate as granted pursuant to section 94802 or section 94889 of the Code.

(b) An institution seeking to renew its Approval to Operate pursuant to section 94891 of the Code shall, prior to its expiration, complete and submit to the Bureau an application with the requirements of this section.

(c) The application for renewal of approval to operate and offer educational programs for non-accredited institutions shall include all of the following:

(1) The name, institution/school code and website address of the institution.

(2) The physical address of the institution's primary administrative location in California.

(3) The mailing address, identified either by physical address or by post office box number, telephone number and fax number of the institution.

(4) The physical address, phone number and fax number of each campus and branch at which the educational programs will be offered, including the identification of the institution's main location and branch locations.

(5) The name, address, email address, telephone number, and fax number of an individual who will function as the institution's contact person for the purposes of the application.

(6) 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.

(7) The name, title, address, email address, telephone number, nature of interest and percentage of ownership of each person, as defined in section 94855 of the Code, who owns or controls 25% or more of the stock or an interest in the institution and, to the extent applicable, each general partner, officer, corporate director, member of the board of directors, and any other person who exercises substantial control over the institution's management or policies. For the purpose of this paragraph, a person exercises “substantial control over the institution's management or policies” if the person has the authority to cause the institution to expend money or incur debt in the amount of five thousand dollars ($5,000) or more in any year.

(A) For each address required, the institution shall provide a physical home address, and may request that the address, email address, and telephone number, of each person described in paragraph (7) be maintained as personal information.

(B) The federal employer identification number for partnerships or the social security number for individual owners identified in the application pursuant to section 71130(a)(1).

(d) In addition to the form required in (b), the institution shall submit all information required by section 71100(b), and the appropriate renewal fee as provided in Sections 94930.5(b)(1) and 94930.5(b)(2) of the Code, as applicable, to the Bureau. Except for the financial statements required by subdivision (e) of this section and the statement required in subdivision (f) of this section, if the information required in order to renew its approval to operate is substantially similar to the information submitted by the institution in its last renewal application, or initial application if it is the first renewal, the institution may state that there are no substantial changes.

(e) The institution shall submit at the time it applies for renewal current financial statements that meet the requirements of section 74115 as follows: (1) for an institution with annual gross revenues of $500,000 and over, statements shall be audited; (2) for an institution with annual gross revenues less than $500,000, statements shall be reviewed.

(f) The renewal application shall include a statement from any person identified in subdivision (h)(1) of this section who --

(1) Was found in any judicial or administrative proceeding to have violated the Act or the law of any other state related to untrue or misleading advertising, the solicitation of prospective students for enrollment in an educational service, or the operation of a postsecondary school;

(2) Was denied any type of license on grounds set forth in Section 480.2 of the Business and Professions Code;

(3) Was adjudicated as responsible for the closure of an institution in which there were unpaid liabilities to the state or federal government or any uncompensated pecuniary losses suffered by students;

(4) Has stipulated to a judgment or administrative order or entered a consent decree involving any of the matters described in this section.

(5) Was convicted of any misdemeanor or felony as provided in Section 480.2(a)(1) of the Business and Professions Code;

(g) The institution shall furnish in the application an explanation of any legal action pending against the institution or ownership or any of the institution's owners, officers, corporate directors, administrators, or instructors by any federal, state, or local law enforcement agency involving alleged acts of fraud, dishonesty, financial mismanagement, unpaid liabilities to any governmental agency or claims for pecuniary loss suffered by any student.

(h) The institution shall include in its application the name, title, physical address, telephone number, fax number, and e-mail address for the agent for service of process in California as required by section 94943.5 of the Code. The agent shall be at an address other than the address of the institution or any branch. The agent must confirm the information and acknowledge in writing that he or she is the designated agent for service of process. The information shall be kept current pursuant to section 74190.

(i) The institution shall include in its application an organization chart that shows the governance and administrative structure of the institution and the relationship between faculty and administrative positions. If there have been no substantive changes since the last submission of an organizational chart, the institution may so state and is not required to submit documentation.

(j) The institution shall provide in the application a description of the job duties and responsibilities of each administrative and faculty position. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

(k) The institution shall identify in the application the chief executive officer, chief operating officer, and chief academic officer and describe their education, experience, and qualifications to perform their duties and responsibilities. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

(l) If the institution has a governing board, the application shall include the name, work address, email address, and telephone number of each member of the governing board. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

(m) The application shall contain the name, work address, email address, fax number and telephone number of the person with whom the Bureau will correspond and conduct legal transactions on behalf of the institution. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

(n) The institution shall describe in the application, in detail its mission and objectives. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

(o) The institution shall include, with its application, exemplars of all student enrollment agreements and instruments of indebtedness.

(p) If an institution receives financial aid because its students qualify for it under any state or federal financial aid program, the application shall include a statement of its policies, practices, and disclosures regarding financial aid. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

(q) The institution shall include in its application copies of advertising and other statements disseminated to the public in any manner by the institution or its representatives that concern, describe, or represent each of the following:

(1) The institution.

(2) Each educational program offered by the institution.

(3) If advertising is broadcast by television or radio, the application shall also include a copy of the script.

(r) The institution shall identify and describe, in the application, the educational program it offers, or proposes to offer. If the educational program is a degree program, the institution shall identify the full title which it will place on each degree awarded. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

(s) The application shall include, in addition to the general title, such as “Bachelor of Arts” or “Master of Science”, the name of a specific major field of learning involved. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

(t) In addition, the institution shall list in the application, the following for each educational program offered unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(1) The admissions requirements, including minimum levels of prior education, preparation, or training;

(2) If applicable, information regarding any ability-to-benefit examination required by the institution. For the purposes of this section an “ability-to-benefit examination” means an independently administered examination from the list of examinations prescribed by the United States Department of Education pursuant to Section 484(d) of the federal Higher Education Act of 1965 (20 U.S.C. Sec. 1070a et seq.) as it is, from time to time, amended, that is designed to help identify students who possess the basic skills necessary to succeed in a post-secondary education program, but who lack a high school diploma;

(3) The types and amount of general education required;

(4) The title of the educational programs and other components of instruction offered, including a description of the level of the courses (e.g., below college level, undergraduate level, graduate level);

(5) The mode of instruction;

(6) The graduation requirements.

(7) Whether the educational program is designed to fit or prepare students for employment in any occupation. If so, the application shall identify each occupation and job title to which the institution represents the educational program will lead.

(u) For each educational program that the institution offers or proposes to offer, the application shall contain a statement that the educational program meets the requirements of section 71710, as well as the following unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation:

(1) A description of the educational program.

(2) A description of the equipment to be used during the educational program.

(3) A description of the number and qualifications of the faculty needed to teach the educational program.

(4) A projection, and the bases for the projection, of the number of students that the institution plans to enroll in the educational program during each of the three years following the date the application was submitted.

(5) A description of the learning, skills, and other competencies to be acquired by students who complete the educational program.

(6) If licensure is a goal of an educational program, a copy of the approval from the appropriate licensing agency. A copy of the intent to approve conditioned solely upon institutional approval from the Bureau will also meet this requirement.

(7) Upon request, the institution shall provide to the Bureau copies of the curriculum or syllabi required pursuant to section 71710.

(v) If the institution offers an educational program, or a portion of it, in a language other than English, the application shall contain a description of all of the following for each educational program or portion thereof unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(1) The language in which each educational program will be offered.

(2) A statement that the institution has contracted with sufficient duly qualified faculty who will teach each language group of students.

(3) The language of the textbooks and other written materials to be used by each language group of students.

(w)(1) The application shall contain a statement that the institution has and can maintain the financial resources required pursuant to section 71745.

(2) The institution shall submit current, audited financial statements at the time it applies for approval to operate. Each set of financial statements shall comply with Section 74115 of this chapter.

(x) The application shall include a statement that the institution has contracted with sufficient duly qualified faculty members who meet the qualifications of section 71720 unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(y)(1) For each program offered, the application shall contain a description of the facilities and the equipment which is available for use by students at the main, branch, and satellite locations of the institution unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(2) For facilities that are leased or rented, the application shall contain the name and address of the lessor or landlord, together with a copy of any use, lease, or rental agreements for the facilities unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(3) The application shall include, in addition to the description of the physical facilities, building diagrams or campus maps to assist the Bureau in locating these facilities. The diagrams or maps shall identify the location of classrooms, laboratories, workshops, and libraries unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(4) The description in the application shall include specifications of significant equipment that demonstrate that the equipment meets the standards prescribed by the Code and this chapter and is sufficient to enable students to achieve the educational objectives of each education program unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(5) For each item of significant equipment, the description in the application shall indicate whether the equipment is owned, leased, rented, or licensed for short- or long-term, or owned by another and loaned to be used without charge unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(6) The application shall contain a list of all permits, certifications, or other evidence of inspections or authorizations to operate required by the jurisdictions within which the institution operates that the institution has obtained, and/or an explanation as to why those permits, certifications, or inspections have not yet been obtained unless there have been no substantive

changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(z) The application shall include a description of library holdings, services, and other learning resources, including policies and procedures for supplying them to students who do not receive classroom instruction. The description need not consist of a list of each holding. The description shall include an explanation of how the library and other learning resources are sufficient to support the instructional needs of students and, if no facilities exist at the institution, how and when students may obtain access to a library and other learning resources as required by the curriculum unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(aa) If an institution represents to the public, in any manner, that it offers job placement assistance, the application shall include a description of the job placement assistance that it provides unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(bb) The application shall include a copy of the institution's catalog, in published or proposed-to-be-published form. The catalog shall meet the requirements of the Act and of section 71810.

(cc) The institution shall submit with the application, a copy of the document that is awarded to a graduating student upon successful completion of each educational program unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(dd)(1) The application shall contain a description of how records required by Article 9 of the Act or this chapter are or will be organized and maintained, the types of documents contained in student files, how the records are stored, and whether academic and financial records are maintained in separate files. The description shall include a statement of the institution's procedures for security and safekeeping of records unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(2) The description in the application shall include the name, physical address, email address, and telephone number of the custodian of records, and the physical addresses and telephone numbers of the offices or buildings where the records will be maintained unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(ee) The application shall contain a description of the procedures used by the institution to assure that it is maintained and operated in compliance with the Act and this Division.

(ff)(1) The institution shall include in the application any material facts as defined by section 71340, which have not otherwise been disclosed in the application that might reasonably affect the Bureau's decision to grant an approval to operate. In this context, a fact would be “material” if it would change the Bureau's decision concerning the institution's ability to comply with any applicable provisions of the Act.

(2) The institution may also include in the application any other facts which the institution would like the Bureau to consider in deciding whether to grant an approval to operate.

(3) For the purposes of this section, a fact is “material” if, without its inclusion into the application, the information contained in the application would be false, misleading, or incomplete.

(gg) The institution demonstrates its continued capacity to meet the minimum operating standards by submitting the renewal application signed and dated, and each fact stated therein and each attachment thereto declared to be true under penalty of perjury, as follows:

(1) Signatories shall sign with original or digital signatures:

(A) Each owner of the institution, or each partner in a partnership, or

(B) If the institution is incorporated, by the chief executive officer or president of the corporation and each person who owns or controls 25 percent or more of the stock or interest in the institution, or

(C) If the institution is a nonprofit corporation or a public institution, by the chief executive officer or president.

(2) The declaration shall be in the following form:

“I declare under penalty of perjury under the laws of the State of California that the foregoing and all attachments are true and correct.

_____ _____

(Date) (Signature)”

(hh) Provided that a complete renewal application under CCR section 71475 is received by the Bureau on or before 30 calendar days after the expiration of the approval, a valid approval to operate shall continue until the Bureau has acted upon the renewal application. If a complete renewal application under CCR section 71475 is not received by the Bureau on or before 30 calendar days after expiration of the approval to operate, the institution's approval to operate shall terminate by operation of law on the 31st calendar day after the expiration of the approval to operate. An institution continuing to operate more than 30 calendar days beyond expiration will be subject to citation for operating without approval.

(ii) An incomplete application filed under this section will render the institution ineligible for renewal.

Note: Authority cited: Sections 94803 and 94891, Education Code. Reference: Section 480.2, Business & Professions Code; and Sections 94802 and 94889, Education Code.

71480. Renewal of an Approval to Operate for an Accredited Institution.

(a) Unless renewed, an approval to operate shall expire at 12 midnight on the last day of the institution's term of approval as granted pursuant to section 94890(b) of the Code.

(b) An institution seeking to renew its Approval to Operate pursuant to section 94890 of the Code shall complete and submit to the Bureau an application with the requirements of this section.

(c) The application for renewal of an approval to operate for an accredited institution shall include all of the following:

(1) The name, institution/school code and website address of the institution.

(2) The mailing address, identified either by physical address or by post office box number, telephone number and fax number of the institution.

(3) The name, address, email address, telephone number and fax number of an individual who will function as the institution's contact person for the purposes of the application.

(4) The name, title and address of each person, as defined in section 94855 of the Code, who owns or controls 25% or more of the stock or an interest in the institution and, to the extent applicable, each general partner, officer, corporate director, member of the board of directors, and any other person who exercises substantial control over the institution's management or policies. For the purpose of this paragraph, a person exercises “substantial control over the institution's management or policies: if the person has the authority to cause the institution to expend money or incur debt in the amount of five thousand dollars ($5,000) or more in any year.

(A) For each address required, the institution shall provide a physical home address, and may request that the address, email address, and telephone number, of each person described in paragraph (4) be maintained as personal information.

(B) The federal employer identification number for partnerships or the social security number for individual owners identified in the application.

(d) In addition to the form required in (b), the institution shall submit the appropriate renewal fee as provided in Section 94930.5(b)(3) of the Code to the Bureau, and verification that its accreditation has been renewed by its accreditation agency.

(e) The institution demonstrates its continued capacity to meet the minimum operating standards by submitting the application signed and dated, and each fact stated therein and each attachment thereto declared to be true under penalty of perjury, as follows:

(1) Signatories shall sign with original or digital signatures:

(A) Each owner of the institution, or each partner in a partnership, or

(B) If the institution is incorporated, the chief executive officer or president of the corporation and each person who owns or controls 25 percent or more of the stock or interest in the institution, or

(C) If the institution is a nonprofit corporation or a public institution, by the chief executive officer or president.

(2) The declaration shall be in the following form:

"I declare under penalty of perjury under the laws of the State of California that the foregoing and all attachments are true and correct.

_____ _____

(Date) (Signature)"

(3) The application will include the date signed, the name and title of each signor of the application.

(f) Provided that a complete renewal application under CCR section 71480 is received by the Bureau on or before 30 calendar days after the expiration of the approval, a valid approval to operate shall continue until the Bureau has acted upon the renewal application. If a complete renewal application under CCR section 71480 is not received by the Bureau on or before 30 calendar days after expiration of the approval to operate, the institution's approval to operate shall terminate by operation of law on the 31st calendar day after the expiration of the approval to operate. An institution continuing to operate more than 30 calendar days beyond expiration will be subject to citation for operating without approval.

(g) An incomplete application filed under this section will render the institution ineligible for renewal.

Note: Authority cited: Sections 94803, 94890 and 94891, Education Code. Reference: Sections 94802, 94889, 94890, and 94930.5, Education Code.

71485. Student Tuition Recovery Fund Assessments and Annual Fees as Condition of Renewal

Failure of an institution to have made current payments of the assessments to the Student Tuition Recovery Fund as required by chapter 7 of this Division, and annual fees as required by chapter 5 of this Division shall render the institution ineligible for renewal.

Note: Authority cited: Sections 94803, 94890 and 94891, Education Code. Reference: Sections 94802, 94889, 94890, 94891 and 94930.5, Education Code

Article 7. Applications for a Substantive Change to an Approval to Operate

71500. Application to Change Location.

(a) An institution seeking a change of location as defined in Section 94823.5 of the Code shall complete a form with the requirements of this section to obtain prior authorization. The form shall be submitted at least 60 calendar days prior to the proposed date of the change in location unless an unforeseen and unavoidable circumstance outside the control of the institution requires an earlier change; in which case it shall be submitted no later than 30 calendar days following the change in location. The form shall be submitted to the Bureau along with the appropriate fee as provided in Section 94930.5(c) of the Code. It shall be signed with original or digital signature and dated, and each fact stated therein, and each attachment thereto shall be declared to be true under penalty of perjury, as follows:

(1) By each owner of the institution or each partner in a partnership, or

(2) If the institution is incorporated by the chief executive officer or president of the corporation and each person who owns or controls 25 percent or more of the stock or interest in the institution, or

(3) If the institution is a nonprofit corporation or a public institution, by the chief executive officer or president.

(b) The application shall establish that the institution can meet the minimum operating standards contained in Chapter 3, and shall include:

(1) The name, school code, current and proposed addresses, and telephone and fax numbers of the institution;

(2) A description of the proposed physical facilities, including building diagrams or campus maps. The diagram or maps shall identify at a minimum, the locations of classrooms, laboratories, workshops and libraries;

(3) A description of any equipment to be used at the proposed facilities that is different from the equipment used at the present facility;

(4) The date on which the institution intends to offer instruction at the new location;

(5) The distance between the approved location and the proposed new location;

(6) The reason for the move;

(7) A description of the actions taken to notify students, if any, pursuant to section 94898(d)(1) of the Code, and whether the institution has offered a full refund to students pursuant to section 94898(d)(3) of the Code; and

(8) The name, address, email address, telephone and fax numbers for the institution's contact person for the purpose of this application.

(c) The Bureau may deem the actions that the institution takes to notify students of the proposed change of location to be sufficient notice for purposes of section 94898(d)(2).

(d) An institution that has been granted an approval to operate by means of accreditation shall notify the Bureau of the substantive change within 30 days of that change on the Change of Location form, by providing the information required in sections (b)(1), (b)(8) of this section and shall attach certification from the institution's accreditation agency demonstrating that the substantive change was made in accordance with the institution's accreditation standards, and complies with the Act and this Division. The application for change of location for an institution approved by means of accreditation shall be signed with original or digital signature and dated and each attachment thereto shall be declared to be true under penalty of perjury, as follows:

(1) By each owner of the institution or each partner in a partnership, or

(2) If the institution is incorporated by the chief executive officer or president of the corporation and each person who owns or controls 25 percent or more of the stock or interest in the institution, or

(3) If the institution is a nonprofit corporation or a public institution, by the chief executive officer or president.

Note: Authority cited: Sections 94803 and 94895, Education Code. Reference: Sections 94823.5, 94893, 94894, 94895, 94896, 94898(d) and 94930.5, Education Code.

71550. Application for Addition of Separate Branch.

(a) An institution seeking to add a separate branch pursuant to section 94894(h) shall complete an application with the requirements of this section to obtain prior authorization. The form shall be submitted to the Bureau along with the appropriate fee as provided in Section 94930.5(a)(2) of the Code. It shall be signed with original or digital signature and dated, and each fact stated therein, and each attachment thereto, shall be declared to be true under penalty of perjury, as follows:

(1) By each owner of the institution or each partner in a partnership, or

(2) If the institution is incorporated by the chief executive officer or president of the corporation and each person who owns or controls 25 percent or more of the stock or interest in the institution, or

(3) If the institution is a nonprofit corporation or a public institution, by the chief executive officer or president.

(b) For an institution approved under section 94885 of the code, the application shall establish that the institution, including the separate branch, can meet the minimum operating standards contained in Chapter 3, and shall include:

(1) The name, school code, telephone and fax numbers, and address of the institution;

(2) The address of the proposed separate branch;

(3) The reasons for establishing a separate branch, and how the proposed branch helps to further the institution's mission and objectives;

(4) When the institution proposes to open the branch;

(5) The projected number of students that the proposed branch will serve, and the basis for that projection;

(6) The impact of the branch on the financial resources of the institution, including the institution's ability to comply with section 71745;

(7) A description of the proposed branch's educational programs;

(8) A description of the facility and equipment as provided in Section 71260;

(9) A description of the differences between the programs that the institution offers at the main location and the programs the institution proposes to offer at the branch location, including admissions standards, degree requirements, curricula, and standards for student achievement or a statement that an application for a Change in Educational Objective under section 71950 accompanies the application;

(10) A statement that the institution has contracted with duly qualified faculty who meet the qualifications of section 71720 at the proposed branch, including whether faculty will teach only at the proposed branch or will be shared among the institution's locations;

(11) A description of library and other learning resources, as provided in Section 71270, that will be available to students attending the proposed branch;

(12) A description of the planned administrative relationship between the main location and the proposed branch, including the nature and extent of the supervision by the chief academic officer, chief operating officer, chief executive officer, and administrators at the main location over the activities of the proposed branch; and

(13) The name, address, email address, and telephone and fax numbers of the institution's contact person for the purpose of this application; and

(14) Any additional information required by the Bureau pursuant to section 71340.

(c) An institution that has been granted an approval to operate under section 94890 of the code shall notify the Bureau of the substantive change within 30 days of that change on the Separate Branch form, shall provide the information required by section (b)(1), (b)(2) and (b)(13) of this section, and shall attach certification from the institution's accreditation agency demonstrating that the substantive change was made in accordance with the institution's accreditation standards, and complies with the Act and this Division.

(d) Any approval of the addition of a new branch pursuant to this section shall run co-existent with the approval of the main campus in this state and shall be renewed at the same time.

Note: Authority cited: Sections 94803 and 94895, Education Code. Reference: Sections 94823.5, 94893, 94894, 94895, 94896 and 94930.5, Education Code.

71600. Application for Significant Change in Method of Instructional Delivery or Change in Distance Education Learning Management System

(a) An institution seeking to make a significant change in its method of instructional delivery or a change of its distance education learning management system shall complete the “Significant Change in Method of Instructional Delivery or Change in Distance Education Learning Management System” form (INS rev. 8/23, hereby incorporated by reference) to obtain prior authorization. For the purposes of this section a “significant change in instructional delivery” is any change that alters the way students interact with faculty or access significant equipment, and a “change of its distance education learning management system” is a change in the distance education learning management system, other than either an upgrade or a renaming of the existing system. The form shall be submitted to the Bureau along with the appropriate fee as provided in Section 94930.5(c) of the Code.

(b) An institution that has been granted an approval to operate by means of accreditation shall notify the Bureau of the substantive change within 30 days of that change on the Application for Significant Change in Method of Instructional Delivery or Change in Distance Education Learning Management System form by providing the information required in sections (1) and (2) of the form, and shall attach certification from the institution's accreditation agency demonstrating that the substantive change was made in accordance with the institution's accreditation standards, and complies with the Act and this Division.

(c) “Distance education learning management system” is defined as an online system designed or used for the facilitation of distance education to create, distribute, and manage the delivery of educational content.

Note: Authority cited: Sections 94803 and 94895, Education Code. Reference: Sections 94893, 94894, 94895, 94896 and 94930.5, Education Code.

71630. Application for Change of Name

(a) An institution seeking to change its name shall complete a form with the requirements of this section to obtain prior authorization. The form shall be submitted to the Bureau along with the appropriate fee as provided in Section 94930.5(c) of the Code. It shall be signed with original or digital signature and dated, and each fact stated therein, and each attachment thereto shall be declared to be true under penalty of perjury, as follows:

(1) By each owner of the institution or each partner in a partnership, or

(2) If the institution is incorporated by the chief executive officer or president of the corporation and each person who owns or controls 25 percent or more of the stock or interest in the institution, or

(3) If the institution is a nonprofit corporation or a public institution, by the chief executive officer or president.

(b) The application shall include:

(1) The name, school code, address, and telephone and fax numbers of the institution;

(2) The proposed new name;

(3) A detailed explanation of the reasons for the proposed change in name;

(4) Copies of advertising and other statements to be disseminated to the public in any manner by the institution or its representatives that announce or use the proposed name;

(5) The name, address, email address, and telephone and fax numbers of the institution's contact person for the purpose of this application; and

(6) Any additional information required by the Bureau pursuant to section 71340.

(c) An institution that has been granted an approval to operate by means of accreditation shall notify the Bureau of the substantive change within 30 days of that change on the Change of Name form by completing section (b)(1) and (b)(5) of this section, and shall attach certification

from the institution's accreditation agency demonstrating that the substantive change was made in accordance with the institution's accreditation standards, and complies with the Act and this Division.

Note: Authority cited: Sections 94803 and 94895, Education Code. Reference: Sections 94893, 94894, 94895, 94896 and 94930.5, Education Code.

71640. Application for Ownership, Control, or Business Organization Form.

(a) An institution seeking to change the business organization form, control, or ownership as defined in sections 94821, 94822, or 94823, respectively shall complete a form with the requirements of this section to obtain prior authorization. The form shall be submitted to the Bureau along with the appropriate fee as provided in Section 94930.5(c) of the Code. It shall be signed with original or digital signature and dated, and each fact stated therein, and each attachment thereto, shall be declared to be true under penalty of perjury, as follows:

(1) By each owner of the institution or each partner in a partnership, or

(2) If the institution is incorporated by the chief executive officer or president of the corporation and each person who owns or controls 25 percent or more of the stock or interest in the institution, or

(3) If the institution is a nonprofit corporation or a public institution, by the chief executive officer or president.

(b) An application for a change in ownership or control shall identify the name, title, address, e-mail address and telephone number of each new person required to be listed pursuant to section 71130 in an application, as well as the persons previously listed pursuant to section 71130 that will no longer have ownership or control. For each proposed person listed, the application shall include the information required pursuant to section 71130(b), (c), and (d).

(c) An application for a change in the form of business organization of the institution shall identify the approved organization as well as the proposed organization. If the proposed organization is incorporated, the application shall also identify the state within which the proposed organization is incorporated and the date of incorporation, along with copies of the articles of incorporation and bylaws. To the extent that a change in the form of business organization represents a change in ownership or control, the application shall include the information required by subdivision (b) of this section.

(d) In addition to the above required information, each application under this section shall include:

(1) The name, address, telephone number, fax number, and school code of the institution;

(2) The reason for the proposed change;

(3) The impact of the change on the financial resources of the institution, including the institution's ability to comply with section 71745;

(4) A description of the planned administrative relationship between the persons previously approved and the proposed owners or persons in control, including the nature and extent of the

supervision by the chief academic officer, chief operating officer, chief executive officer, and administrators; and

(5) Any additional information required by the Bureau pursuant to section 71340 of this Chapter; and

(6) The name, address, email address, telephone number and fax number of the contact person for this application.

(e) An institution that has been granted an approval to operate by means of accreditation shall notify the Bureau of the substantive change within 30 days of that change on the Change of Business Organization/Control/ Ownership form, by completing section (d)(1) and (d)(6) and shall attach certification from the institution's accreditation agency demonstrating that the substantive change was made in accordance with the institution's accreditation standards, and complies with the Act and this Division.

Note: Authority cited: Sections 94803 and 94895, Education Code. Reference: Sections 94821, 94822, 94823, 94893, 94894, 94895, 94896 and 94930.5, Education Code.

71650. Application for a Change in Educational Objectives or Clock or Credit Hours Required to Complete a Program (An Increase or Decrease by 25% or More).

(a) An institution seeking to change its educational objectives, or increase or decrease by 25 percent or more the number of clock hours or credit hours required for successful completion of a program under section 94894(i) of the Code, shall complete the “Application for Change in Educational Objectives or Clock or Credit Hours Required to Complete a Program (An Increase or decrease by 25% or More)” form (OBJ rev. 8/24), which is hereby incorporated by reference, to obtain prior authorization from the Bureau in accordance with 94894 of the Code. The form shall be submitted to the Bureau along with the appropriate fee as provided in Section 94930.5(c) of the Code.

(b) For an application to add a degree program:

(1) “Unrelated to the approved educational programs” as used in section 94894(a) of the Code includes the addition of a degree program where no degree at that level was previously approved, whether or not the proposed program would offer a degree in the same subject area as a previously approved non-degree program or lower level degree; and a program leading to licensure whether or not the proposed program is in the same subject area as a previously approved program that did not lead to licensure.

(2) The owner of an institution approved pursuant to section 94886 of the Code seeking to add a degree-granting program must complete an accreditation plan under section 71105, or provide proof of accreditation with the scope of that accreditation covering the institution and at least one degree program.

(3) If an application is granted pursuant to this subdivision, the Bureau shall issue a provisional approval of no more than two degree programs for which approval is sought. Such approval of the program shall run in conjunction with any existing approval to operate the institution.

(c) The application shall establish that the institution, including any branch, can meet the minimum operating standards contained in Chapter 3, and shall include:

(1) The name, school code, address, website address, and telephone and fax numbers of the institution;

(2) The reasons for changing the educational objectives or for an increase or decrease of 25 percent or more in the number of clock hours or credit hours required for successful completion of an educational program as defined in Education Code section 94837, and how the proposed change helps to further the institution's mission and objectives;

(3) When the institution proposes to change the educational objectives, or the amount of Clock or Credit Hours required for successful completion of the program;

(4) The impact of the change on the financial resources of the institution, including the institution's ability to comply with section 71745;

(5) A description of the facility and equipment, as required by section 71260, required for the change;

(6) For addition of a new program, all information required by section71220 and section 71210 except for 71210(c)(2);

(7) If the application is for a change to an existing program, a description of the differences between any programs approved and the proposed programs, including differences in admissions standards, degree requirements, curricula, and standards for student achievement;

(8) A statement that the institution has contracted with duly qualified faculty that meet the requirements of section 71720;

(9) A description of library and other learning resources, as required by Section 71270, required for the proposed change;

(10) The name, address, email address, and telephone and fax numbers of the institution's contact person for the purpose of this application; and

(11) Any additional information required by the Bureau pursuant to section 71340.

(d) An institution that has been granted an approval to operate by means of accreditation shall notify the Bureau of the substantive change within 30 days of that change on the Application for Change in Educational Objectives or Clock or Credit Hours Required to Complete a Program (An Increase or Decrease by 25% or More) form, by providing the information required by (c)(1) and (c)(10) and the fee required by Section 94930.5(c) of the Code, and shall attach certification from the institution's accreditation agency demonstrating that the substantive change was made in accordance with the institution's accreditation standards, and complies with the Act and this Division.

(e) If no grounds for denial exist as provided in section 71655, the Bureau shall provide written notice of approval of the substantive changes requested on any application submitted in compliance with this section, or for institutions approved by means of accreditation, the Bureau shall send a written acknowledgement of receipt of the application specified in subsection (d).

The Bureau's authorization to make the changes requested by an institution on any application required by this section shall be deemed effective as of the date of the written notice of approval provided by the Bureau.

Note: Authority cited: Sections 94803, 94877, 94885, 94885.5 and 94895, Education Code. Reference: Sections 94823.5, 94885, 94885.5, 94893, 94894, 94895, 94896 and 94930.5, Education Code.

71652. Application for a Change to Begin Participation in Federal Student Financial Aid Programs Authorized by Title IV of the Federal Higher Education Act of 1965, as Amended (20 U.S.C. Sec. 1070 et seq.)

(a) An institution seeking to begin participation in federal Student Financial Aid Programs authorized by Title IV of the federal Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1070 et seq. – federal Higher Education Act of 1965) shall complete the "Application for Authorization for Institution to Begin Participation in Student Financial Aid Programs (Title IV of the Higher Education Act of 1965)" form (AID New. 8/24) which is hereby incorporated by reference, to obtain prior authorization from the Bureau in accordance with Section 94894 of the Code. The form shall be submitted to the Bureau along with the appropriate fee for authorization of a substantive change as provided in Section 94930.5(c) of the Code.

(b) An institution that has been granted an approval to operate by means of accreditation shall notify the Bureau of their participation in federal student financial aid programs authorized by the federal Higher Education Act of 1965 ("substantive change") within 30 days of that substantive change by completing the Application for Authorization for Institution to Begin Participation in Student Financial Aid Programs (Title IV of the Higher Education Act of 1965) form referenced in subdivision (a) and submitting the fee required by Section 94930.5(c) of the Code.

(c) If no grounds for denial exist as provided in section 71655, the Bureau shall provide written notice of approval of the substantive changes requested on any application submitted in compliance with this section, or for institutions approved by means of accreditation, the Bureau shall send a written acknowledgement of receipt of the application specified in subsection (b). The Bureau's authorization to make the changes requested by an institution on any application required by this section shall be deemed effective as of the date of the written notice of approval provided by the Bureau.

Note: Authority cited: Sections 94877 and 94895, Education Code. Reference: Sections 94893, 94894(j), 94895, 94896, and 94930.5, Education Code.

71653. Application for Authorization for a Change in Academic Measurement of an Educational Program from Clock Hours to Credit Hours

(a) An institution seeking to change the academic measurement of an educational program from clock hours to credit hours shall complete the "Application for Authorization to Change from Clock Hours to Credit Hours" form (CREDIT New. 8/24) which is hereby incorporated by reference, to obtain prior authorization from the Bureau in accordance with 94894 of the Code. The form shall be submitted to the Bureau along with the appropriate fee for authorization of a substantive change as provided in Section 94930.5(c) of the Code.

(b) An institution that has been granted an approval to operate by means of accreditation shall notify the Bureau of the change in their academic measurement of an educational program from

use of clock hours or credit hours within 30 days of that change by submitting the Application for Authorization to Change from Clock Hours to Credit Hours form and submitting the fee required by Section 94930.5(c) of the Code, and shall attach written certification from the institution's accreditation agency approving of or acknowledging the change.

(c) If no grounds for denial exist as provided in section 71655, the Bureau shall provide written notice of approval of the substantive changes requested on any application submitted in compliance with this section, or for institutions approved by means of accreditation, the Bureau shall send a written acknowledgement of receipt of the application specified in subsection (b). The Bureau's authorization to make the changes requested by an institution on any application required by this section shall be deemed effective as of the date of the written notice of approval provided by the Bureau.

Note: Authority cited: Sections 94877 and 94895, Education Code. Reference: Sections 94893, 94894(k), 94895, 94896, and 94930.5, Education Code.

71655. Time for Filing an Application for a Substantive Change; Processing of an Application for a Substantive Change; Denials.

(a) An institution that made a substantive change as defined in section 94894 of the Code between July 1, 2007, and December 31, 2009, may continue to operate, but shall comply with, and is subject to, the Code and this Division, and shall submit an application for a substantive change to an approval to operate to the Bureau pursuant to this article within six months of that application becoming available.

(b) An incomplete application filed under this Article will render it ineligible for processing, or subject to denial.

(c) The inclusion of false or misleading information, or the intentional or negligent omission of pertinent information, on any application may result in a denial of the application or a delay in processing, and may be grounds for action pursuant to Article 18 of the Act.

(d) In addition to the grounds stated in subdivisions (a) and (b) of this section, the Bureau may deny an application on the following grounds:

(1) Failure to establish that the proposed change will meet the institutional operating standards set forth in Chapter 3 of this Division; or

(2) Any act or failure to act that would constitute grounds for revocation.

(e) An applicant denied an approval for a substantive change to its approval to operate under this Article, may reapply or may request an informal hearing before the Director.

Note: Authority cited: Sections 94803 and 94895, Education Code. Reference: Sections 94821, 94822, 94823, 94893, 94894, 94895, 94896 and 94930.5, Education Code; Section 11445.20, Government Code.

71660. Notifications of Non-Substantive Changes.

An institution shall notify the Bureau of a non-substantive change including: change of location of less than 10 miles; addition of a program related to the approved programs offered by the institution; addition of a new branch five miles or less from the main or branch campus; addition of a satellite; and change of mailing address. All such notifications shall be made within 30 days of the change and sent to the Bureau, in writing, to the address listed in section 70020.

Note: Authority cited: Sections 94803 and 94885, Education Code. Reference: Sections 94823.5, 94893, 94894, 94895 and 94896, Education Code.

Chapter 3. Institutional Operating Standards

Article 1. Minimum Operating Standards

71700. Applicability of Standards.

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.

Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Sections 94885, 94887, 94888 and 94932, Education Code.

71705. Mission and Objectives.

An institution shall have a written statement of its mission and the objectives for each educational program. The mission and the objectives shall indicate the kind of education offered, for whom the instruction is intended and the expected outcomes for graduates.

Note: Authority cited: Sections 94803, 94885 and 94877, Education Code. Reference: Section 94885, Education Code.

71710. Educational Program.

(a) 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:

(1) Those subject areas that are necessary for a student to achieve the educational objectives of the educational program in which the student is enrolled;

(2) Subject areas and courses or modules that are presented in a logically organized manner or sequence to students;

(3) 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:

(A) A short, descriptive title of the educational program;

(B) A statement of educational objectives;

(C) Length of the educational program;

(D) Sequence and frequency of lessons or class sessions;

(E) Complete citations of textbooks and other required written materials;

(F) 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;

(G) Instructional mode or methods.

(4) If degree granting, require research of an appropriate degree that utilizes a library and other learning resources;

(5) Specific learning outcomes tied to the sequence of the presentation of the material to measure the students' learning of the material; and

(6) Evaluation by duly qualified faculty of those learning outcomes.

(b) An educational program of 32 hours or less as described in Section 94837 of the Code shall be presumed to be “designed to lead to employment” if any of the following apply:

(1) It is on the Eligible Training Provider List the Employment Development Department published on its website at www.edd.ca.gov pursuant to the Workforce Innovation and Opportunity Act (Public Law 113-128) section 122 (29 U.S. Code section 3152) and Code of Federal Regulations, Title 20, section 680.500;

(2) The institution represents that the course or module, either separately or as part of a set of related courses or modules, leads to employment or a career, either as stated by the institution to the Bureau on any application submitted to the Bureau for approval of any institution or educational program, including sections 71100, 71105, 71210, 71220, and 71390, or in any other written correspondence provided to the Bureau, or in any advertising or publication used to solicit or recruit prospective students. “Advertising” shall have the meaning set forth in section 74140;

(3) The institution represents in its course or module materials, syllabus, or course outline that the educational objectives of the course or module includes preparing or fitting students with the skills and knowledge necessary to satisfy the qualifications for licensure in a specified career, occupation, vocation, job, or job title.

Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Sections 94837 and 94885, Education Code.

71715. Instruction.

(a) Instruction shall be the central focus of the resources and services of the institution.

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

(c) Direct instruction requires the physical presence of one or more students and one or more faculty members at the same location. Direct instruction includes instruction presented in a classroom, seminar, workshop, lecture, colloquium, laboratory, tutorial, or other physical learning settings consistent with the mission, purposes, and objectives of the institution.

(d) Distance education as defined in section 94834 of the Code, does not require the physical presence of students and faculty at the same location but provides for interaction between students and faculty by such means as telecommunication, correspondence, electronic and computer augmented educational services, postal service, and facsimile transmission. In addition to the other requirements of this chapter and the Act, an institution offering distance education shall:

(1) Ensure that the educational program offered through distance education is appropriate for delivery through distance education methods;

(2) Assess each student, prior to admission, in order to determine whether each student has the skills and competencies to succeed in a distance education environment;

(3) Ensure that the materials and programs are current, well organized, designed by faculty competent in distance education techniques and delivered using readily available, reliable technology;

(4) Provide for meaningful interaction with faculty who are qualified to teach using distance education methods;

(5) Maintain clear standards for satisfactory academic progress;

(6) Timely complete student evaluations of learning outcomes by duly qualified faculty, which are appropriate for use with the distance education methods used, and evaluated by duly qualified faculty.

(7) Employ a sufficient number of faculty to assure that (A) the institution's response to, or evaluation of, each student lesson is returned to the student within 10 days after the lesson is received by the institution; and (B) the institution's response to, or evaluation of, each student project or dissertation is returned to the student within the time disclosed in the catalog; and

(8) Shall maintain a record of the dates on which lessons, projects, and dissertations were received and responses were returned to each student.

Authority cited: Sections 94803, 94885 and 94887, Education Code. Reference: Sections 94834 and 94885, Education Code.

71716. Distance Educational Programs – Specific Provisions for Instruction Not in Real Time.

(a) An institution offering a distance educational program where the instruction is not offered in real time shall transmit the first lesson and any materials to any student within seven days after the institution accepts the student for admission.

(b) The student shall have the right to cancel the agreement and receive a full refund pursuant to section 71750 before the first lesson and materials are received. Cancellation is effective on

the date written notice of cancellation is sent. The institution shall make the refund pursuant to section 71750. If the institution sent the first lesson and materials before an effective cancellation notice was received, the institution shall make a refund within 45 days after the student's return of the materials.

(c)(1) An institution shall transmit all of the lessons and other materials to the student if the student: (A) has fully paid for the educational program; and (B) after having received the first lesson and initial materials, requests in writing that all of the material be sent.

(2) If an institution transmits the balance of the material as the student requests, the institution shall remain obligated to provide the other educational services it agreed to provide, such as responses to student inquiries, student and faculty interaction, and evaluation and comment on lessons submitted by the student, but shall not be obligated to pay any refund after all of the lessons and material are transmitted.

(d) The enrollment agreement shall disclose the institution's and student's rights and duties under this section.

Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Section 94885, Education Code.

71717. Satellite Locations.

(a) An institution offering instruction at a satellite location as defined by section 94862 of the Code shall only offer instruction for educational programs that are approved for the main campus or a branch.

(b) The institution shall not maintain any permanent student records there.

(c) No solicitation or enrollment of students shall occur at a satellite.

(d) Advertising indicating the location of a satellite shall indicate the nature of the classroom.

Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Sections 94862 and 94885, Education Code.

71720. Faculty.

(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 480.2 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.

(b) Instructors in an Educational Program Not Leading to a Degree.

(1) An institution shall employ instructors who possess the academic, experiential and professional qualifications to teach, including a minimum of three years of experience, education and training in current practices of the subject area they are teaching. If an instructor does not possess the required three years of experience, education and training in the subject area they are teaching, the institution shall document the qualifications the instructor possesses that are equivalent to the minimum qualifications.

(2) Each instructor shall maintain their knowledge by completing continuing education courses in his or her subject area, classroom management or other courses related to teaching.

(3) The institution shall not employ or continue to employ an instructor who was 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 480.2 of the Business and Professions Code.

Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Section 94885, Education Code; and Section 480.2, Business and Professions Code.

71730. Administration.

(a) Each institution shall have a chief executive officer, a chief operating officer and chief academic officer. One person may serve more than one function.

(b) The duties, responsibilities, and performance evaluation criteria for each administrator shall be set forth in a personnel manual or other writing maintained by the institution.

(c) An institution with one or more branch locations shall establish written institutional policies, consistent with subdivision (d), regarding the division and sharing of administrative responsibilities between the central administration at the main location and the administration at the branch locations.

(d) The administrative staffing at each branch location shall reflect the purposes, size, and educational operations at that location and at any satellite location for which the branch has administrative responsibilities.

(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.

(g) The institution shall not employ or continue to employ any administrative personnel 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 480.2 of the Business and Professions Code.

Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Section 94885, Education Code; and Section 480.2, Business and Professions Code.

71735. Facilities and Equipment.

(a) An institution shall have sufficient facilities and necessary equipment to support the achievement of the educational objectives of all of the courses and educational programs in which students are enrolled. If an institution represents that the educational service will fit or prepare a student for employment in a particular occupation or as described in particular job titles, either of the following conditions shall be met:

(1) The equipment used for instruction or provided to the student shall be comparable in model type or features to equipment generally used in those occupations or job titles at the time the instruction is offered.

(2) The institution shall establish that the equipment used for instruction or provided to a student is not obsolete and is sufficient for instructional purposes to reasonably assure that a student acquires the necessary level of education, training, skill, and experience to obtain employment in the field of training and to perform the tasks associated with the occupation or job title to which the educational program was represented to lead.

(b) An institution's facilities, including heating and cooling, ventilation, lighting, classrooms, laboratories, and campus environs, shall be well-maintained. The institution shall maintain all valid permits required by any public agencies relating to the health and safety of the institution's facilities and equipment on file, and such permits shall be available to the Bureau upon request.

Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Section 94885, Education Code.

71740. Library and Other Learning Resources.

(a) A degree granting institution shall make available for student use a library and other learning resources.

(b) An institution shall provide or make provisions for the library and other learning resources needed to support each educational program it offers, including resources such as reference

works, periodicals, monographs, and media and equipment specific to the educational programs offered.

(c) An institution shall describe onsite library and other learning resources, if any, that enable students to pursue inquiries, searches for information and documentation, and assignments connected with their study programs.

(d) An institution that depends for library and other learning resources primarily on other institutions' collections and resources not in its possession shall do all of the following:

(1) Describe those library and other learning resources, in the application and catalog.

(2) Provide students and faculty with access to the regular services of a professional librarian or information specialist experienced in the electronic retrieval of information, who shall provide support for faculty in curriculum matters and actively serve as a resource guide for both graduate and undergraduate students.

(3) Assure that students have access to the library collections and resources of another institution, organization, or library.

(4) Document compliance with paragraphs (1), (2), and (3).

Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Section 94885, Education Code.

71745. Financial Resources.

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

(1) Provide all of the educational programs that the institution represented it would provide.

(2) Ensure that all students admitted to its educational programs have a reasonable opportunity to complete the programs and obtain their degrees or diplomas.

(3) Maintain the minimum standards required by the Act and this chapter.

(4) Pay timely refunds as required by Article 13 of the Act.

(5) Pay all operating expenses due within 30 days.

(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.

(b) At an institution's request, the Bureau may consider the financial resources of a parent company if the parent company, as defined by section 94853 of the Code, meets and maintains all of the following provisions:

(1) Consents in writing to be sued in California;

(2) Consents in writing to be subject to the jurisdiction of the Bureau with respect to the institution's regulation under the Act and this Chapter;

(3) Designates and maintains an agent for service of process, consistent with section 74190;

(4) Agrees in writing to pay any refund, claim, penalty, or judgment that the institution is obligated to pay; and

(5) Files financial reports, maintains financial records, and consents in writing to permit the inspection and copying of financial records to the same extent as is required of the institution.

(c) An institution shall provide to the Bureau its most current financial statements upon request.

Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Section 94885, Education Code.

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 shall provide students a receipt or updated student ledger, in hard copy or electronic format, for any 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). 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.

71750. Cancellations and Refunds.

(a) Upon cancellation of enrollment in an educational program, the 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) 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, 94885 and 94927, Education Code. Reference: Sections 94885, 94919, 94920 and 94924, Education Code.

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, 94920 and 94927, Education Code.

71760. Self-Monitoring Procedures.

Each institution shall develop and maintain adequate procedures used by the institution to assure that it is maintained and operated in compliance with the Act and this Division.

Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Sections 94885, 94887 and 94888, Education Code.

Article 2. Admissions and Academic Achievement Standards

71770. Admissions Standards and Transferred Credits Policy.

(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 and shall describe in its admissions policy the criteria used by the institution to determine whether each student is qualified for admission to the educational program (“qualified candidate for admission”). 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 meet the institution’s criteria for a qualified candidate for admission, including minimum levels of prior education, preparation, skills, or training.

(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.

Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Sections 94885 and 94909, Education Code.

71775. Pre-Enrollment Disclosure; Notice to Prospective Degree Program Students.

(a) An unaccredited institution enrolling a student in a degree program that has received provisional approval 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 provisionally approved by the Bureau for Private Postsecondary Education to offer degree programs. To continue to offer this degree program, 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 (date two years from date of provisional approval), and full accreditation by (date five years from date of provisional approval).

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.

Note: Authority cited: Sections 94877 and 94885.5, Education Code. Reference: Sections 94885, 94885.5, 94897, 94900, 94900.5, 94909, 94927.5 and 94932, Education Code.

71775.5 Pre-Enrollment Disclosure; Notice to Prospective Degree Program Students; Institutions with Existing Approvals to Operate.

(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.

Note: Authority cited: Sections 94877 and 94885.1, Education Code. Reference: Sections 94885, 94885.1, 94897, 94900, 94900.5, 94909, 94927.5 and 94932, Education Code.

71800. Enrollment Agreement.

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:

(a) The name and address of the institution and the addresses where instruction will be provided.

(b) Period covered by the enrollment agreement.

(c) Program start date and scheduled completion date.

(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.

(f) Charges paid to an entity other than an institution that is specifically required for participation in the educational program.

Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Sections 94885, 94902, 94906, 94911 and 94927, Education Code.

71810. Catalog.

(a) Each institution shall provide a catalog pursuant to Section 94909 of the Code, which shall be updated annually. Annual updates may be made by the use of supplements or inserts accompanying the catalog. If changes in educational programs, educational services, procedures, or policies required to be included in the catalog by statute or regulation are implemented before the issuance of the annually updated catalog, those changes shall be reflected at the time they are made in supplements or inserts accompanying the catalog.

(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;

(2) A statement of the institution's missions and purposes and the objectives underlying each of its educational programs;

(3) If the institution admits students from other countries, whether visa services are provided or whether the institution will vouch for student status, and any associated charges;

(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;

(8) The institution's standards for student achievement;

(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;

(11) If the institution offers distance education, the approximate number of days that will elapse between the institution's receipt of student lessons, projects, or dissertations and the institution's mailing of its response or evaluation.

(12) A description of all student services;

(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.

(c) Institutions that include one or more courses in its catalog that do not meet the definition of educational program in Section 94837 of the Code and are not designed to lead to employment as defined in section 71710(b) must include a list of the programs to which the provisions of the Act apply, to be provided after the following disclosure:

> "This catalog includes programs that are approved by the California Bureau for Private Postsecondary Education and subject to the California Private Postsecondary Education Act of 2009 and others that are not. Certain rights and protections outlined in this catalog, including but not limited to student refund rights, cancellation rights, and Student Tuition Recovery Fund (STRF) eligibility, apply only to the following state approved programs:".

Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Sections 94837, 94885 and 94909, Education Code.

71850. Minimum Educational Requirements in Order to Award an Undergraduate Degree.

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.

(b) An Associate degree may be awarded only to a student whom the institution can document has achieved sequential learning equivalent to that acquired in two years of study beyond high school, as measured by a minimum of 60 semester credits or its equivalent. Except as provided in subdivision (c) of this section, at least 25 percent of the credit requirements for an Associate degree shall be in general education.

(c) The Specialized Associate degree (Occupational) or the Associate of Applied Science degree may be awarded only to a student who completes at least the learning outcomes equivalent to a minimum of 60 semester credits or the equivalent. A minimum of seventy-five percent of the credits shall be in the occupational area for which training is offered. The general education offered as part of a Specialized Associate degree (Occupational) or an Associate of Applied Science degree program shall be such as is necessary for a student to achieve the educational objectives of the program in which the student is enrolled. General education shall be at the same level of quality as that taught in approved Bachelor's or Associate degree programs.

Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Section 94885, Education Code.

71865. Minimum Educational Requirements in Order to Award a Graduate Degree.

(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, thesis 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.

Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Section 94885, Education Code.

Article 3. Maintenance and Production of Records.

71920. Student Records.

(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 if required by the institution. For the purposes of this section an “ability-to-benefit test” means an independently administered examination from the list of examinations prescribed by the United States Department of Education pursuant to Section 484(d) of the federal Higher Education Act of 1965 (20 U.S.C. Sec. 1070a et seq.) as it is, from time to time, amended, that is designed to help identify students who possess the basic skills necessary to succeed in a post-secondary education program, but who lack a high school diploma;

(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.

Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94885, 94900 and 94927.5, Education Code.

71930. Maintenance of Records.

(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.

Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94885, 94900 and 94900.5, Education Code.

Chapter 4. Institutions – General Provisions.

Article 1. Fees and Payment Schedule

74000. Fees and Penalties – General Provisions.

(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.

Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94930.5, 94931.5, 94932 and 94933, Education Code.

74002. Definitions.

(a) “Annual fee” or “annual institutional fee” is the fee required by subdivision (d) of section 94930.5 of the Code.

(b) “Annual gross revenue” means all revenue such as tuition, fees, and other charges derived by an institution, during its last fiscal year ending before the due date of an annual fee payment, from any source for any education, instruction, training, or any services incident thereto. “Annual gross revenue” does not include unearned tuition and refunds. An institution shall account for “annual gross revenue” in accordance with generally accepted accounting principles.

Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Section 94930.5, Education Code.

74004. Request for Verification of Exemption.

The fee to request verification that the institution is exempt pursuant to Section 94874 is $250.00.

Note: Authority cited: Sections 94803, 94874.7 and 94877, Education Code. Reference: Section 94874.7, Education Code.

74006. Annual Fee.

(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.

Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94930.5 and 94931.5, Education Code.

Article 2. Reports

74110. Annual Report.

(a) The annual report required by Section 94934 of the Code shall include the information required by this section, subsections (f) through (j) of section 74112, and sections 94929.5 and 94934 of the Code 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;

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

(7) A blank copy of the institution's enrollment agreement and the catalog for the reporting year.

(b) In addition to the information required by section 94934 of the Code 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) As part of its annual report to the Bureau, every institution shall provide graduate identification data for each student who graduated from the institution's educational program(s), which shall include:

(1) The graduate's name and federal taxpayer identification number, which is either the graduate's social security number (SSN) or individual taxpayer identification number (ITIN). If

the graduate does not have an SSN or ITIN, the graduate's information shall be reported as “not available”;

(2) The date of graduation;

(3) The following information regarding the educational program in which the graduate was enrolled:

(A) The federal Bureau of Labor Statistic's Standard Occupation Classification (SOC) codes for which the institution has identified that the program prepares its graduates when required for the reporting of job placement rates under subdivision (i)(3) of section 74112 of this Division;

(B) Educational program's name;

(C) Program length, as measured in clock hours or credit hours; and

(D) Type or title of degree, diploma or certificate awarded.

(4) The amount of federal student loan debt for the graduate, if any, as reported by the institution under subdivision (g) of section 74112 of this Division.

(d) Specific Timeframes for Reporting Graduate Identification Data:

(1) The written notice required by Section 94892.6(b)(5) of the Code shall inform the institution that the Director has certified that the Bureau's information technology system has been updated and is capable of processing the data required by that Section and that the institution has 120 days from receipt of the notice to comply with this section.

(2) The first annual report submitted by an institution that contains the graduate identification data required to be reported in subsection (c) shall include information collected on all students who graduated from January 1, 2020 through the end of the prior calendar year. Subsequent annual reports containing graduate identification data filed by an institution shall include information about students who graduated in the prior calendar year only.

(e) An institution shall file its annual report by December 1st of each year. 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.

(f) The annual report shall be electronically filed by submitting the information required by section 94934 of the Code and this section via the Bureau's online annual reports portal designated on the Bureau's website at: www.bppe.ca.gov, and electronically uploading, as directed, the School Performance Fact Sheet, the enrollment agreement, the school catalog and the graduate identification data required by this section. The following conditions relate to such electronic filings:

(1) Institutions submitting their annual report submission shall first have a responsible institution representative register the institution for a user account by creating a user name, password, email address, and the institution representative's first and last name, primary phone number, and address.

(2) As part of the annual report, the institution shall provide standard reporting and contact information through the online portal, including:

(A) the report year;

(B) institution's approval code;

(C) institution's name;

(D) institution's physical address;

(E) the form of business organization of the institution (sole proprietorship, for-profit corporation, non-profit corporation, or limited liability company (LLC));

(F) a statement whether the institution is current on its annual fees; and

(G) the institution's website address, or notice that it does not maintain an internet website if it does not do so.

(3) The graduate identification data reported by the institution shall be provided in the following application and file format: in an Excel spreadsheet (.xls or .xlsx file format), or a text file with a semi-colon, comma, or pipe delimiter (.csv or .txt file format).

(4) Electronic Signature: When a signature is required by the particular instructions of any filing to be made through the online portal, including any attestation under penalty of perjury as required by Section 94934 of the Code, a responsible institutional representative of the institution shall affix their electronic signature to the filing by typing their name in the appropriate field and submitting the filing via the Bureau's online portal. Submission of a filing in this manner shall constitute evidence of legal signature by any individual whose name is typed on the filing.

(5) When considered filed with the Bureau: Solely for purposes of a filing made through the online portal an annual report is considered filed when all information required by this section has been submitted by the institution and the institution has received an email to the email address associated with their filing that their submission has been received by the Bureau. Receipt of this email does not constitute confirmation that the information submitted complies with the requirements of this section.

(6) The financial statements referenced in subsection (b), which are not permitted to be filed via the Bureau's online portal, shall be filed by providing or mailing hard copies directly to the Bureau's Annual Report Unit at the mailing address of the principal office of the Bureau as provided in section 70020.

Note: Authority cited: Sections 94877, 94929.5, 94929.7, 94934 and 94941, Education Code. Reference: Sections 94892.6, 94929.5, 94929.7, 94932, 94934 and 94941, Education Code; and Sections 1633.2, 1633.7, and 1633.9, Civil Code.

74112. Uniform Data -- Annual Report, Performance Fact Sheet.

(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.

(b) An institution offering educational programs that are too new to provide the required two years of data shall include the date the program began as well as the statement required by section 94910(e) of the Code. The Performance Fact Sheet shall also disclose the estimated date of availability for two full years of data for those programs.

(c) Institutions approved under section 94874.8 of the Code, which do not include all required information per section 94874.8(a)(4), shall include on the Performance Fact Sheet the date of approval to operate and when the required data will be available.

(d) In addition to the definitions contained in section 94928 of the Code:

(1) “Number of Students Who Began the Program” means the number of students who began a program who were scheduled to complete the program within 100% of the published program length within the reporting calendar year, and excludes all students who cancelled during the cancellation period.

(2) “Number of On-time Graduates” means the number of students who completed the program within 100% of the published program length within the reporting calendar year.

(3) “Gainfully Employed” means:

(A)(i) The graduate is employed in a job classification under the United States Department of Labor's Standard Occupational Classification codes, using the Detailed Occupation (six-digit) level, for which the institution has identified in its catalog and in its employment positions list required by section 94910(f)(2) of the Code that the program prepares its graduates; and

(ii) The graduate is employed in a single position or concurrent aggregated positions totaling at least 30 hours per week for 5 weeks (35 calendar days), or totaling at least 20 hours per week for 5 weeks (35 calendar days) with a statement signed by the graduate stating that he or she chose to seek part-time employment rather than fulltime employment after graduation; or

(B) The graduate is employed by the same employer that employed the graduate before enrollment, and any of the following conditions are met:

(i) the graduate is employed in an occupation with a different Detailed Occupation (six-digit) level Standard Occupational Classification code than applies to the position in which the graduate was employed before enrollment; or

(ii) the employer or the graduate provides a statement to the effect that the employment after graduation was the result of a promotion with increased pay, due at least in part to graduation from the program; or

(iii) the employer or the graduate provides a statement to the effect that the degree or the completed program was required as a condition of continued employment; or

(C) The graduate is self-employed or working freelance as reasonably evidenced by, but not limited to, a business license, fictitious business name statement, advertising (other than

business cards), website, or business receipts or other evidence of income from business; or an attestation signed by the graduate of self-employment or freelance work and dated after graduation.

(e) Reporting periods:

(1) An Annual Report shall include data for all educational programs as defined in section 94837 of the Code for the previous one calendar year.

(2) A Performance Fact Sheet shall be current and available not later than December 1st, and shall report data for the previous two calendar years based upon the "number of students who began the program," as defined in subdivision (d)(1) of this section and were scheduled to graduate in the reported year(s).

(f) Total Charges. The institution's Annual Report and Performance Fact Sheet shall include the total charges for a student to complete the program within 100% of the program length. The institution must include the disclosure that there may be additional charges if the program is not completed on-time.

Total charges shall be disclosed in the Performance Fact Sheet in a format substantially similar to the format listed below (dates and numbers are for example only):

Cost of Educational Program:

Total Charges for the program for students completing on-time in 20XX: $50,000.

Total Charges may be higher for students that do not complete on-time.

Student's Initials: _____ Date: _____

Initial only after you have had sufficient time to read and understand the information.

(g) Student Loan/Debt Information.

(1) If the institution participates in federal financial aid programs, the institution shall include loan information in the institution's Annual Report and on the Performance Fact Sheet. The loan information shall include:

(A) The most recent three year cohort default rate, as reported by the United States Department of Education;

(B) The percentage of enrolled students receiving federal student loans;

(C) The average amount of federal student loan debt of those graduates who have federal student loan debt in the reporting year; and

(D) The percentage of graduates with federal student loans, as calculated by the institution. Loan information shall be included in the Performance Fact Sheet in a format substantially similar to the format listed below (dates and numbers are for example only):

Federal Student Loan Debt at (Name of Institution)

Percentage of students who defaulted on their federal student loans at this school:	28%[1]
Percentage of students enrolled in 20XX who took out federal student loans to pay for this program:	43%
Percentage of graduates in 20XX who took out federal student loans to pay for this program:	65%
Average federal student loan debt of 20XX graduates who took out federal student loans at this institution:	$26,000

[1]The percentage of students who defaulted on their federal student loans is called the Cohort Default Rate (CDR). It shows the percentage of this school's students who were more than 270 days (about 9 months) behind on their federal student loans within three years of when the first payment was due. This is the most recent CDR reported by the U.S. Department of Education.

Student's Initials: _____ Date: _____

Initial only after you have had sufficient time to read and understand the information.

(2) Institutions that do not participate in federal financial aid programs shall include one of two statements in the Performance Fact Sheet in a format substantially similar to the following:

Students at (name of institution) are not eligible for federal student loans. The U.S. Department of Education has determined that this institution does not meet the criteria that would allow its students to participate in federal student aid programs.

or

(Name of Institution) is eligible, but chooses not to participate in federal student aid programs. So students here do not have federal student loans.

Student's Initials: _____ Date: _____

Initial only after you have had sufficient time to read and understand the information.

(h) Completion Rates. Reporting of completion rates for an institution's Annual Report and Performance Fact Sheet shall include, for each educational program, the number of students who began the program as defined in subdivision (d)(1) of this section, the number of students available for graduation, number of on-time graduates, and completion rate(s). An optional table may be added to include completion rate data for students completing within 150% of the published program length. For an institution reporting completion data pursuant to section 94929(b) of the Code, completion data shall be separately reported for each program and the Performance Fact Sheet shall disclose, if true, that the completion data is being reported for students completing within 150% of the published program length, and that data is not being

separately reported for students completing the program within 100% of the published program length. Programs that are more than one year in length which are reporting 150% Completion Rate will provide four calendar years of data.

Completion rates shall be included in the Performance Fact Sheet in a format substantially similar to the chart below (dates, numbers, and other data shown are for example only):

On-time Completion Rates (Graduation Rates) (includes data for the two calendar years prior to reporting)

Name of Educational Program (Program Length)

Calendar Year	Number of Students Who Began the Program	Students Available for Graduation	Number of On-time Graduates	On-time Completion Rate
20XX	100	98	70	71%
20XY	80	80	55	69%

Students Completing Within 150% of the Published Program Length
Name of Educational Program (Program Length)

Calendar Year	Number of Students Who Began the Program	Students Available for Graduation	150% Graduates	150% Completion Rate
20XX	100	98	95	97%
20XY	80	80	78	98%
*20XZ	90	90	87	97%
*20YA	87	85	74	87%

*Included only if program is more than one year in length

Student's Initials: _____ Date: _____

Initial only after you have had sufficient time to read and understand the information.

(i) Job Placement Rates.

(1) Any placement data required by sections 94910(b) and 94929.5(a) of the Code shall be reported for the number of students who began the program as defined in subdivision (d)(1) of this section for each reported calendar year.

(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 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).

(3) If the institution makes any claim related to preparing students for a job or regarding job placement, the list required by section 94910(f)(2) of the Code shall identify the employment positions by using the Detailed Occupation or six-digit level of the Standard Occupational Classification codes.

(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):

Job Placement Rates (includes data for the two calendar years prior to reporting)
Name of Educational Program (Program Length)

Calendar Year	**Number of Students Who Began the Program**	**Number of Graduates**	**Graduates Available for Employment**	**Graduates Employed in the Field**	**Placement Rate % Employed in the Field**
20XX	100	70	70	55	79%
20XY	80	55	55	20	36%

Gainful Employment Categories (includes data for the two calendar years prior to reporting)

Name of Educational Program (Program Length)

Part Time vs. Full Time Employment

	Graduates Employed in the field 20 to 29 hours per week	Graduates Employed in the field at least 30 hours per week	Total Graduates Employed in the Field
20XX	15	40	55
20XY	5	15	20

Single Position vs. Concurrent Aggregated Positions

	Graduates Employed in the field in a single position	Graduates Employed in the field in concurrent aggregated positions	Total Graduates Employed in the Field
20XX	52	3	55
20XY	19	1	20

Self-Employed/Freelance Positions

	Graduates Employed who are self-employed or working freelance	Total Graduates Employed in the Field
20XX	3	55
20XY	5	20

Institutional Employment

	Graduates Employed in the field who are employed by the institution, an employer owned by the institution, or an employer who shares ownership with the institution	Total Graduates Employed in the Field
20XX	15	55
20XY	5	20

Student's Initials: _____ Date: _____

Initial only after you have had sufficient time to read and understand the information.

(5) The following self-employment/freelance worker disclosure shall be initialed by students entering any programs in which the majority of graduates who obtain jobs obtain in this type of work:

This program may result in freelance or self-employment.

- The work available to graduates of this program is usually for freelance or self-employment.
- This type of work may not be consistent.
- The period of employment can range from one day to weeks to several months.

- Hours worked in a day or week may be more or less than the traditional 8 hour work day or 40 hour work week.

- You can expect to spend unpaid time expanding your networks, advertising, promoting your services, or honing your skills.

- Once graduates begin to work freelance or are self-employed, they will be asked to provide documentation that they are employed as such so that they may be counted as placed for our job placement records.

- Students initialing this disclosure understand that either a majority or all of this school's graduates are employed in this manner and understand what comprises this work style.

Student's Initials:_____ Date:_____

Only initial after you have had sufficient time to read and understand the information.

(j) License Examination Passage Rates. If license examination passage rates are not available from the appropriate state agency, an institution shall collect the information directly from its graduates. If an institution demonstrates that, after reasonable efforts, it is unable to obtain the examination passage information from its graduates, the institution shall report the number of students it could not contact and note in a font the same size as the majority of the data on the Performance Fact Sheet, "License examination passage data is not available from the state agency administering the examination. We were unable to collect data from [enter the number] graduates."

Reporting of license examination passage rates for the Annual Report and the Performance Fact Sheet shall include, for each educational program: the number of graduates in the reported year, the number of documented graduates who passed the first available examination, number of documented graduates who failed the first available examination, the number of graduates for whom data is not available. An optional column may be added to separately report licensing examination data for graduates who take and pass the exam after failing initially. The Annual Report shall also include a description of the processes for attempting to contact those students.

For licensing examinations that are not continuously administered, license examination passage rates shall be included in the Performance Fact Sheet in a format substantially similar to the chart below, (dates, numbers, and other data shown are for example only):

License Examination Passage Rates (includes data for the two calendar years prior to reporting)

Name of Educational Program (Program Length)

First Available Exam Date	Date Exam Results Announced	Number of Graduates in Calendar Year	Number of Graduates Taking Exam	Number Who Passed Exam	Number Who Failed Exam	Passage Rate[3]
2/1/20XX	3/15/20XX	277	80	40	40	50%
6/1/20XX	7/15/20XX	277	100	75	25	75%

First Available Exam Date	Date Exam Results Announced	Number of Graduates in Calendar Year	Number of Graduates Taking Exam	Number Who Passed Exam	Number Who Failed Exam	Passage Rate[3]
10/1/20XX	11/15/20XX	277	82	68	14	76%
2/1/20XY	3/20/20XX	304	80	40	40	50%
6/1/20XY	7/19/20XX	304	100	70	30	70%
10/1/20XY	11/19/20XX	304	92	62	30	67%

License examination passage data is not available from the state agency administering the examination. We were unable to collect data from 32 graduates.

Student's Initials: _____ Date: _____

Initial only after you have had sufficient time to read and understand the information.

For licensing examinations that are continuously administered, license examination passage rates shall be included in the Performance Fact Sheet in a format substantially similar to the chart below (dates, numbers, and other data shown are for example only):

License Examination Passage Rates (includes data for the two calendar years prior to reporting)

Name of Educational Program (Program Length)

Calendar Year	Number of Graduates in Calendar Year	Number of Graduates Taking Exam	Number Who Passed First Available Exam	Number Who Failed First Available Exam	Passage Rate
20XX	95	80	40	40	50%
20XY	109	100	75	25	75%

License examination passage data is not available from the state agency administering the examination. We were unable to collect data from 10 graduates.

Student's Initials: _____ Date: _____

Initial only after you have had sufficient time to read and understand the information.

(k) Salary and Wage Information.

All Salary and Wage Information shall be reported to the Bureau pursuant to sections 94910(d) and 94929.5(a)(3) of the Code and shall be included in the Performance Fact Sheet, for each educational program, in a format substantially similar to the chart below (dates, numbers, salaries, and other data shown are for example only).
Salary and Wage Information (includes data for the two calendar years prior to reporting)

Name of Educational Program (Program Length)

Annual Salary and Wages Reported for Graduates Employed in the Field

Calendar Year	Graduates Available for Employment	Graduates Employed in the Field	$15,000 - $20,000	$20,001 - $25,000	$25,001 - $30,000	$30,001 - $35,000	No Salary Information Reported
20XX	100	70	5	40	6	3	16
20XY	80	55	5	7	3	5	35

A list of sources used to substantiate salary disclosures is available from the school. (Insert how student can obtain this information.)

Student's Initials: _____ Date: _____

Initial only after you have had sufficient time to read and understand the information.

(*l*) Definitions. Definitions for all terms contained on the Performance Fact Sheet shall be included as part of the Performance Fact Sheet, in the same format as required in subdivision (a).

The following are the definitions for the Performance Fact Sheet:

"Number of Students Who Began the Program" means the number of students who began a program who were scheduled to complete the program within 100% of the published program length within the reporting calendar year and excludes all students who cancelled during the cancellation period.

"Students Available for Graduation" is the number of students who began the program minus the number of students who have died, been incarcerated, or been called to active military duty.

"Number of On-time Graduates" is the number of students who completed the program within 100% of the published program length within the reporting calendar year.

"On-time Completion Rate" is the number of on-time graduates divided by the number of students available for graduation.

"150% Graduates" is the number of students who completed the program within 150% of the program length (includes on-time graduates).

"150% Completion Rate" is the number of students who completed the program in the reported calendar year within 150% of the published program length, including on-time graduates, divided by the number of students available for graduation.

"Graduates Available for Employment" means the number of graduates minus the number of graduates unavailable for employment.

"Graduates Unavailable for Employment" means the graduates who, after graduation, die, become incarcerated, are called to active military duty, are international students that leave the

United States or do not have a visa allowing employment in the United States, or are continuing their education in an accredited or bureau-approved postsecondary institution.

“Graduates Employed in the Field” means graduates who beginning within six months after a student completes the applicable educational program are gainfully employed, whose employment has been reported, and for whom the institution has documented verification of employment. For occupations for which the state requires passing an examination, the six months period begins after the announcement of the examination results for the first examination available after a student completes an applicable educational program.

“Placement Rate Employed in the Field” is calculated by dividing the number of graduates gainfully employed in the field by the number of graduates available for employment.

“Number of Graduates Taking Exam” is the number of graduates who took the first available exam in the reported calendar year.

“First Available Exam Date” is the date for the first available exam after a student completed a program.

“Passage Rate” is calculated by dividing the number of graduates who passed the exam by the number of graduates who took the reported licensing exam.

“Number Who Passed First Available Exam” is the number of graduates who took and passed the first available licensing exam after completing the program.

“Salary” is as reported by graduate or graduate’s employer.

“No Salary Information Reported” is the number of graduates for whom, after making reasonable attempts, the school was not able to obtain salary information.

(m) Documentation supporting all data reported shall be maintained electronically by the institution for at least five years from the last time the data was included in either an Annual Report or a Performance Fact Sheet, and shall be provided to the Bureau upon request; and the data for each program shall include at a minimum:

(1) the list of job classifications determined to be considered gainful employment for the educational program;

(2) student name(s), address, phone number, email address, program completed, program start date, scheduled completion date, and actual completion dates;

(3) graduate’s place of employment and position, date employment began, date employment ended, if applicable, actual salary, hours per week, and the date employment was verified;

(4) for each employer from which employment or salary information was obtained, the employer name(s) address and general phone number, the contact person at the employer and the contact’s phone number and email address, and all written communication with employer verifying student’s employment or salary;

(5) for students who become self-employed, all documentation necessary to demonstrate self-employment;

(6) a description of all attempts to contact each student. or employer;

(7) any and all documentation used to provide data regarding license examinations and examination results**;**

(8) for each student determined to be unavailable for graduation or unavailable for employment, the identity of the student, the type of unavailability, the dates of unavailability, and the documentation of the unavailability; and

(9) the name, email address, phone number, and position or title of the institution's representative who was primarily responsible for obtaining the students' completion, placement, licensing, and salary and wage data, the date that the information was gathered, and copies of notes, letters or emails through which the information was requested and gathered.

(n) The institution shall provide on a separate document along with the Performance Fact Sheet the same cancellation disclosure as that which is required to be included with the enrollment agreement by Section 94911(e)(1) of the Code. The separate document shall be substantially the same size as the Performance Fact Sheet and shall be captioned “STUDENT’S RIGHT TO CANCEL” using bold 14 pt. type.

Note: Authority cited: Sections 94877, 94910, 94928, 94929.5, 94929.7, and 94929.8, Education Code. Reference: Sections 94874.8, 94902, 94910, 94911, 94928, 94929, 94929.5, 94929.7, 94929.8, 94934, and 94941, Education Code.

74115. Financial Statements.

(a) This section applies to every set of financial statements required to be prepared or filed by the Act or by this chapter.

(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:

(1) Audited and reviewed financial statements shall be conducted and prepared in accordance with the generally accepted accounting principles established by the American Institute of Certified Public Accountants by an independent certified public accountant who is not an employee, officer, or corporate director or member of the governing board of the institution.

(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.

(3) The financial statements shall establish that the institution meets the requirements for financial resources required by Section 71745.

(4) If an audit performed to determine compliance with any federal or state student financial aid program reveals any failure to comply with the requirements of the program and the

noncompliance creates any liability or potential liability for the institution, the financial statements shall reflect the liability or potential liability.

(5) Any audits shall demonstrate that the accountant obtained an understanding of the institution's internal financial control structure, assessed any risks, and has reported any material deficiencies in the internal controls.

(c) Work papers for the financial statements shall be retained for five years from the date of the statements and shall be made available to the Bureau upon request.

(d) “Current” with respect to financial statements means completed no sooner than 120 days prior to the time it is submitted to the Bureau, and covering no less than the most recent complete fiscal year. If more than 8 months will have elapsed between the close of the most recent complete fiscal year and the time it is submitted, the fiscal statements shall also cover no less than five months of that current fiscal year.

Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94885 and 94934, Education Code.

74117. Websites Requirements.

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.

Note: Authority cited: Section 94877, Education Code. Reference Section 94913, Education Code.

Article 3. General Provisions

74140. Retention of Advertising.

Every institution shall retain, for a minimum of five years, copies of all advertising, including (a) flyers, brochures, newspaper, and other print advertisements, (b) scripts for, and audio and video recordings of, broadcast advertisements, and (c) internet content, and (d) scripts for telephone solicitations. The institution shall make these records immediately available for inspection and copying during normal business hours to site visit teams and the Bureau.

Note: Authority cited: Sections 94803, 94877 and 94932, Education Code. Reference: Sections 94897 and 94932, Education Code.

74150. Use of Term “University.”

(a) For the purpose of this section, “university” means an institution of higher education that confers a master's or a doctor's degree upon the completion of programs of graduate or professional study and that may also confer a bachelor's degree upon the completion of programs of undergraduate study.

(b) Unless previously approved by the Bureau, no institution shall use the word “university” in its name or in connection with a description of itself or its educational programs unless (1) the institution is a university as defined in subdivision (a) of this section or (2) the institution uses

other words in conjunction with “university” to prevent the use of “university” from being deceptive or misleading in any manner.

Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94897 and 94932, Education Code.

74190. Agents for Service of Process; Changes.

Each institution shall maintain the name, physical address, telephone number, and e-mail address for the agent for service of process in California as required by 94943.5 of the Code. The agent shall be at an address other than the address of the institution or any branch. The agent must confirm the information and acknowledge in writing that he or she is the designated agent for service of process. The institution shall inform the Bureau in writing of any change in the information for the agent for service of process, signed by the agent, within 7 days. Until the Bureau actually receives written notice of any change in the agent's name and/or address, service on the prior agent shall be valid. This information is considered public information.

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94887, 94888 and 94943.5, Education Code.

74200. Cessation of Educational Program.

Every institution shall notify the Bureau in writing at least 30 days before the institution ceases to offer to the public any educational program.

Note: Authority cited: Sections 94803, 94887 and 94895, Education Code. Reference: Sections 94868, 94894 and 94898, Education Code.

74240. Unaccredited Degree-Granting Institutions That Elect to Stop Pursuing Accreditation.

(a) If an unaccredited institution that has a provisional approval to offer degree programs from the Bureau or an unaccredited degree-granting institution that has an approved accreditation plan pursuant to section 71105.5 elects to stop offering all degree programs, the institution must immediately notify the Bureau in writing of the institution's intent to stop offering degree programs and provide a degree program closure plan. Upon the Bureau’s receipt of the notification, the institution immediately surrenders its provisional approval to offer a degree-granting program. The degree program closure plan shall include:

(1) The exact date the institution stopped enrolling new students in its degree programs, which cannot be more than five business days before or after the post-mark date of the notification to the Bureau.

(2) A list of contact information for all students currently enrolled in each degree program.

(3) A teach-out plan that includes a plan for the disposition of student records and is compliant with the provisions of section 94927 of the Code.

(4) A copy of the notification to be provided to students pursuant to subdivision (b) of this section.

(b) Within five business days of notifying the Bureau, the institution must notify, in writing, all currently enrolled students of the following:

(1) That the institution will no longer pursue accreditation and is immediately surrendering its provisional approval or approval to offer a degree program.

(2) A teach-out plan, which shall provide, at minimum, the following information:

(A) The name and location of the institution(s) that is (are) providing the teach-out.

(B) The last date of instruction for each educational service or program at the current institution and the date upon which instruction at the teach-out institution(s) will begin.

(C) Whom to contact at the teach-out institution(s).

(3) That the student has a right to choose not to participate in the teach-out, and instead seek a refund for any classes the student is currently enrolled in or has not yet completed.

(c) Any student may seek a refund from the institution rather than participate in a proposed teach-out program. A refund must be made within 45 days of such a request by a student.

(d) Failure of any institution to comply with the requirements of this section will be considered a violation and subject to action by the Bureau.

Note: Authority cited: Sections 94877, 94885.1, 94885.5 and 94933, Education Code. Reference: Sections 94885, 94885.1, 94885.5, 94927 and 94933, Education Code.

74250. Unaccredited Degree-Granting Institutions That Are Automatically Suspended.

(a) If an unaccredited institution that has a provisional approval from the Bureau to offer degree programs or an unaccredited degree-granting institution that has an approved accreditation plan pursuant to section 71105.5 fails to meet the requirements of either section 94885.1 or 94885.5 of the Code or section 71105 or 71105.5 and is notified by the Bureau that their approval to operate or their approval to offer degree programs has been automatically suspended, the institution must immediately cease enrolling students and within 30 days provide to the Bureau a degree program closure plan. The degree program closure plan shall include:

(1) The exact date the institution stopped enrolling new students in its degree programs.

(2) A list of contact information for all students currently enrolled in each degree program.

(3) A teach-out plan that includes a plan for the disposition of student records and is compliant with the provisions of section 94927 of the Code.

(4) A copy of the notification to be provided to students pursuant to subdivision (b) of this section.

(b) The institution must notify, in writing, all currently enrolled students within five business days of the following:

(1) That the institution has received a notice of suspension from the Bureau and may no longer offer degree programs.

(2) A teach-out plan, which shall provide, at minimum, the following information:

(A) The name and location of the institution(s) that is (are) providing the teach-out.

(B) The date upon which instruction at the teach-out institution(s) will begin.

(C) How and when payments will be made to the new institution and any relevant financial information.

(D) Whom to contact at the new institution(s).

(3) That the student has a right to choose not to participate in the teach-out, and instead seek a refund for any classes the student is currently enrolled in or has not yet completed.

(c) Any student may seek a refund from the institution rather than participate in a proposed teach-out program. A refund must be made within 45 days of such a request by a student.

(d) Failure of any institution to comply with the requirements of this section will be considered a violation and subject to action by the Bureau.

Note: Authority cited: Sections 94877, 94885.1, 94885.5 and 94933, Education Code. Reference: Sections 94885, 94885.1, 94885.5, 94927 and 94933, Education Code.

Chapter 5. Enforcement and Discipline

Article 1. Notices to Comply

75010. Notice to Comply; Informal Appeal Process.

(a) Pursuant to section 94935 of the Code, bureau staff may issue a notice to comply to a person approved to operate an institution for minor violations of the Act or this Chapter detected during an inspection.

(b) The notice to comply shall be in writing and shall describe the nature and facts of the violation, including a reference to the statute or regulation violated, and may indicate the manner in which the institution must correct the violation to achieve compliance.

(c) The notice to comply shall be given prior to leaving the institution after the inspection to any owner, person in control, chief academic officer, chief executive officer, chief operating officer, institution director, or any person delegated by any of the aforementioned persons to facilitate the inspection or accept such notice.

(d) The notice to comply shall inform the person approved to operate the institution that he or she may do either of the following:

(1) Within 30 days from the date of the inspection, sign and return the notice to comply, declaring under penalty of perjury that the violation was corrected and describing how compliance was achieved; or

(2) Within 30 days from the date of the inspection, file with the Bureau a written notice of disagreement, specifying the minor violations described in the notice to comply with which the person approved to operate the institution disagrees, and appealing it by requesting an informal office conference. If a written notice of disagreement is not timely filed with the Bureau, the right to appeal is deemed to have been waived.

(e) Within 30 days from the timely receipt of a written notice of disagreement, the Director or his or her designee, shall hear the appeal by holding an informal office conference with the person approved to operate the institution or an authorized representative. Upon request and approval by the Director or his or her designee, the person approved to operate the institution or representative may participate in the office conference by telephone. The 30-day period may be extended by the Director or his or her designee for good cause.

(f) Prior to or at the office conference, the person approved to operate the institution or authorized representative may submit to the Director or his or her designee declarations or documents pertinent to the subject matter of the notice to comply, which shall be duly considered along with the notice to comply and any supporting documentation.

(g) Following the informal office conference to appeal the notice to comply, the Director, or his or her designee, may affirm, modify, or withdraw the notice. A written order affirming, modifying, or withdrawing the original notice to comply shall be served on the person approved to operate the institution within 30 days from the informal office conference. If the order affirms or modifies the original notice to comply, said order shall fix a reasonable period of time up to 30 days for correction of the violation. This order shall be deemed the final administrative decision concerning the notice to comply prior to any enforcement action.

(h) Within the time set for correcting the violation, the person approved to operate the institution shall comply with the order affirming or modifying the notice to comply, and shall submit to the Bureau a declaration under penalty of perjury that the violation(s) was (or were) corrected, containing facts sufficient to document compliance with the order, and incorporating attached documentation to that effect.

Note: Authority cited: Sections 94877 and 94935, Education Code. Reference: Sections 94933, 94933.5 and 94935, Education Code.

Article 2. Citations and Fines

75020. Issuance of Citations.

(a) The Bureau Chief, or their designee, or the Director's designee, is authorized to issue citations containing orders of abatement or administrative fines or both, pursuant to section 94936 of the Code against institutions approved under the Act that have committed any acts or omissions that are in violation of the Act or any regulation adopted pursuant thereto.

(b) The Bureau Chief, or their designee, or the Director's designee, is authorized to issue citations containing orders of abatement or administrative fines or both, pursuant to section

94944 of the Code against persons who are without proper approval to operate as required under the Act. In addition, the citation may contain an order of abatement pursuant to section 149 of the Business and Professions Code that requires the unapproved person to cease any unlawful advertising and to notify the telephone company furnishing services to the cited person: (1) to disconnect the telephone services furnished to any telephone number contained in the unlawful advertising, and (2) that subsequent calls to that number shall not be referred by the telephone company to any new number obtained by that person. The provisions of section 75040 shall apply to this subsection.

(c) In addition to the requirements of section 94936 of the Code, each citation shall inform the cited institution or person that:

(1) if a hearing pursuant to the Administrative Procedure Act (APA) is not requested, payment of the administrative fine is due 30 calendar days from the date of service, and shall not constitute an admission of the violation charged.

(2) if a hearing pursuant to the APA is conducted and payment of an administrative fine is ordered, the administrative fine is due 30 calendar days from when the order is effective;

(3) if the cited institution or person desires an informal conference to contest the finding of a violation prior to an APA hearing, the informal conference shall be requested by written notice to the Bureau within 30 calendar days from service of the citation;

(4) failure to comply with any order of abatement within the time set forth in the citation, unless the citation is being appealed, may result in disciplinary action being taken by the Bureau; and

(5) the Bureau may enforce the administrative fine as if it were a money judgment pursuant to the California Code of Civil Procedure (beginning with section 680.010).

(d) Each citation shall be served on the cited institution or person, in person, or by certified and regular mail at the address of record on file with the Bureau. Citations served by certified and regular mail shall be deemed “served” on the date of mailing.

(e) The sanction authorized under this section shall be separate from, and in addition to, any civil, criminal, or other administrative remedies.

Note: Authority cited: Sections 94877 and 94936, Education Code. Reference: Section 149, Business and Professions Code; and Sections 94936, 94944, and 94949.8 Education Code.

75030. Assessment of Administrative Fines.

(a) Where citations pursuant to section 94936 of the Code and section 75020, subsection (a), include an assessment of an administrative fine, the fine shall be not less than $50 or exceed $5,000 for each violation. Each violation shall be classified according to the nature of the violation and shall indicate the classification on the face thereof as follows:

(1) A “Class A” violation shall not be less than $2,501 nor more than $5,000. A Class A violation is one that the Bureau has, in its discretion, determined to be more serious in nature, deserving the maximum fine. A Class A violation may, in the Bureau's discretion, be issued to an institution that has committed one or more prior, separate Class B violations.

(2) A “Class B” violation shall not be less than $1,001 nor more than $2,500. A Class B violation is one that the Bureau has, in its discretion, determined to be less serious in nature and may include, but is not limited to, a violation that could have resulted in student harm. Typically some degree of mitigation will exist. A Class B violation may be issued to an institution that has committed one or more prior, separate Class C violations.

(3) A “Class C” violation shall not be less than $501 nor more than $1,000. A Class C violation is one that the Bureau has, in its discretion, determined to be a minor or technical violation, which may be directly or potentially detrimental to students or potentially impacts their education.

(4) A “Class D” violation shall not be less than $50 nor more than $500. A Class D violation is one that the Bureau has, in its discretion, determined to be a minor or technical violation, which is neither directly or potentially detrimental to students nor potentially impacts their education.

(b)(1) Where citations pursuant to section 94944 of the Code and section 75020, subsection (b), include an assessment of an administrative fine, the fine shall not exceed $100,000.

(2) In determining the administrative fine amount, the Bureau shall consider the following:

(A) Actual or potential harm to any consumer, student, or the general public.

(B) Prior knowledge of Bureau approval requirements, as demonstrated through the issuance of prior citations for unapproved activity, the granting of approvals to operate to the institution or any of its owners or managers or issuance of written notification from the Bureau about its regulatory authority.

(C) Recognition by the institution of its wrongdoing and demonstration of corrective action to prevent recurrence.

(D) Any explanation of the facts and circumstances surrounding the unapproved activity and any remediation efforts the institution took to correct the violation.

(E) Whether or not the institution cooperated with the Bureau's investigation, other law enforcement, regulatory agencies, or the injured parties, or any combination of these entities.

(F) The purposes and goals of this chapter and other matters as may be appropriate.

(3) The administrative fine is separate and not inclusive of fines for other violations or refunds, including any amounts an institution is ordered to refund students who enrolled in the institution during a period in which the institution did not hold approval to operate.

Note: Authority cited: Sections 94877, 94936 and 94944, Education Code. Reference: Sections 94936 and 94944, Education Code.

75040. Appeal of Citations; Informal Conference.

(a) Pursuant to section 94936(c)(2) of the Code, a cited institution or person may, within 30 days of service of the citation, request a hearing in writing to the Bureau, or it is waived. In addition to contesting a citation by requesting a hearing, the cited institution or person may, within the same 30 days, submit a written request to the Bureau for an informal conference.

(b) The Bureau Chief, or his or her designee, or the Director, or his or her designee, shall within 30 days from the Bureau's receipt of a written request for an informal conference, hold an informal conference with the cited institution or person. The 30-day period may be extended by the Bureau Chief or the Director for good cause. The informal conference may be by telephone.

(c) Following the informal conference, the Bureau Chief, or his or her designee, or the Director, or his or her designee, will affirm, modify, or dismiss the citation, including any fine assessed and/or order of abatement issued. A written order affirming, modifying, or dismissing the original citation shall be served on the cited institution or person within 30 days from the informal conference. If the order affirms or modifies the original citation, said order shall fix a reasonable period of time for abatement of the violation and/or payment of the fine of not more than 30 days.

(d) If the informal conference results in the modification of the findings of violation(s), the amount of the fine and/or the order of abatement, the citation shall be considered modified, but not withdrawn. Unless waived, a cited institution or person is entitled to a hearing to contest the modified citation if the institution or person filed a timely request, but is not entitled to an informal conference to contest an affirmed or modified citation. If a timely request for a hearing was not filed, the decision on the affirmed or modified citation shall be considered final.

(e) If the citation is dismissed after the informal conference, the request for a hearing, if any, shall be deemed withdrawn.

(f) Submission of a written request for a hearing pursuant to section 94936(c)(2) of the Code, or an informal conference as provided in subsection (a), or both, stays the time period in which to pay the fine.

(g) If a written request for a hearing pursuant to section 94936(c)(2) of the Code, or for an informal conference as provided in subsection (a), or both, is not submitted to the Bureau within 30 days from service of the citation, the cited institution or person is deemed to have waived the right to an informal conference and/or administrative hearing.

Note: Authority cited: Sections 94877 and 94936, Education Code. Reference: Sections 94936 and 94944, Education Code.

75050. Compliance with Citations.

(a) If a cited institution or person that or who has been issued an order of abatement is unable to complete the correction within the time set forth in the citation because of conditions beyond the institution's or person's control after the exercise of reasonable diligence, the institution or person may request an extension of time within which to complete the correction. Such a request shall be in writing and shall be made within the time set forth for abatement.

(b) Failure of an applicant or institution issued an approval to operate to abate the violation or to pay the fine within the time allowed is a ground for denial or discipline of an approval to operate.

(c) If an informal conference or hearing is not requested, payment of the fine and/or compliance with any order of abatement shall not constitute an admission of the violation charged and shall be represented as satisfactory resolution of the matter for purposes of public disclosure.

Note: Authority cited: Sections 94877 and 94936, Education Code. Reference: Sections 94936 and 94944, Education Code.

Article 3. Standards Related to Denial, Discipline, and Reinstatement of Approvals to Operate

75060. Substantial Relationship Criteria.

In determining whether any of the grounds for denial set forth in Section 480.2 of the Business and Professions Code exist, a crime or act shall be considered substantially related to the qualifications, functions, or duties of any owner, corporate director or member of the governing board, officer, or administrator under any of the following circumstances:

(a) The crime or act involves any violation of the Act or this chapter, Title IV of the federal Higher Education Act of 1965 (20 U.S.C. § 1070, et seq.), the closure of an institution, fraud or misrepresentation, breach of fiduciary duty, any type of forgery or theft, or any type of dishonesty causing any financial loss.

(b) The crime, to a substantial degree, evidences present or potential unfitness to perform the functions and duties authorized or required by the Act or this chapter in a manner consistent with the public health, safety, or welfare, including a crime prohibited by Title 8 (commencing with Section 187) or Title 9 (commencing with Section 261) of the Penal Code.

Note: Authority cited: Sections 94877, 94885 and 94932, Education Code. Reference: Section 480.2, Business and Professions Code; and Sections 94885, 94887, 94932 and 94937, Education Code.

75070. Criteria for Rehabilitation.

In determining whether any of the grounds for denial set forth in Section 480.2 of the Business and Professions Code exist, the Bureau shall consider evidence of rehabilitation and present eligibility for any approval issued by the Bureau, including all of the following factors:

(a) The nature and severity of the acts or crimes under consideration as grounds for denial;

(b) Evidence of any acts committed after the acts or crimes under consideration as grounds for denial that also could be considered grounds for denial;

(c) The time that has elapsed since commission of the acts or crimes described in subdivisions (a) and (b);

(d) The extent to which the person has complied with any terms of parole, probation, restitution, or any other sanctions lawfully imposed against the applicant;

(e) Evidence of any rehabilitation submitted by the applicant;

(f) Total criminal record;

(g) Evidence, if any, of expungement proceedings pursuant to Section 1203.4 of the Penal Code.

Note: Authority cited: Sections 94877, 94885 and 94932, Education Code. Reference: Section 480.2, Business and Professions Code; and Sections 94885, 94887, 94932 and 94937, Education Code.

75080. Surrender of Approval.

Any institution may at any time voluntarily surrender an approval to operate by providing written notice to the Bureau. The surrender shall be deemed irrevocable, and if the institution surrendering the approval desires to regain approval, the person or institution shall submit a new application.

Note: Authority cited: Sections 94877 and 94932, Education Code. Reference: Section 118, Business and Professions Code; and Sections 94932 and 94937, Education Code.

75090. Stipulations.

(a) The Director, on behalf of the Bureau, may enter into a written stipulation with any institution for an order to do any of the following:

(1) Impose probation;

(2) Impose a condition or restriction on, or the suspension or revocation of, an approval to operate;

(3) Require the payment of fees, penalties, costs and expenses incurred by the Bureau, reimbursements to the Student Tuition Recovery Fund, or refunds or other amounts to or on behalf of students.

(b) The written stipulation shall disclose that the institution entering into the stipulation has waived the right to notice, hearing, and appeal concerning the subject matter of the stipulation.

Note: Authority cited: Sections 94877 and 94932, Education Code. Reference: Sections 94932 and 94937, Education Code.

75100. Suspension, Revocation, or Probation of Approval to Operate.

(a) The Bureau may suspend, revoke or place on probation with terms and conditions an approval to operate.

(b) “Material violation” as used in section 94937 of the Code includes committing any act that would be grounds for denial, suspension, or revocation under sections 480.2 or 490 of the Business and Professions Code.

(c) 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 94937, Education Code. Reference: Sections 480.2 and 490, Business and Professions Code; and Sections 94933, 94935, 94936, 94937 and 94940, Education Code.

75140. Actions Against a Provisional Approval to Operate.

In addition to any action permitted by the Bureau against an approval to operate pursuant to Article 3 of Chapter 5 of this Division, the Bureau may also take an action against a provisional approval to operate or a provisional approval to offer a degree program.

Note: Authority cited: Sections 94877, 94885.1 and 94885.5, Education Code. Reference: Sections 94885.1, 94885.5, 94887, 94888 and 94932, Education Code.

75150. Emergency Decisions.

(a) The Bureau may make an emergency decision for temporary, interim relief pursuant to article 13 (commencing with section 11460.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code.

(b) The Bureau may make an emergency decision pursuant to subdivision (a) where there is an immediate danger to the public health, safety, or welfare that requires immediate action to protect students, prevent misrepresentations to the public, or prevent the loss of public funds or monies paid by students, including but not limited to fraud; a substantial misrepresentation in the institution's Performance Fact Sheet, school catalog, or enrollment agreement; a substantial failure to meet institutional minimum operating standards; failure to meet statutory and regulatory requirements for accreditation; or a substantial failure to obtain a necessary approval or permit from another agency or regulatory body, affecting public health, safety or welfare.

(c) The Bureau may order temporary, interim relief in the form of some or all of the following measures:

(1) cease or limit enrollment of new students;

(2) cease part or all instruction for some or all programs;

(3) cease collection of tuition or fees for some or all programs.

(4) suspend approval or provisional approval to operate or offer any degree programs.

(d) To the extent practicable and to the extent that prior notice will not increase the likelihood of immediate danger to the public health, safety, or welfare, the Bureau shall, not less than 48-hours prior to the effective date of the emergency decision, give notice of an emergency decision to a person listed in section 71130(a) or 71135. Such notice may be given personally, by telephone, email, fax, or mail, and shall inform the person of the emergency decision and its effective date; the manner in which the person may request an opportunity to be heard before the Director, or his or her designee, prior to the effective date of the emergency decision; the right to judicial review of the decision; and the process by which the decision may be resolved pursuant to section 75100(c) and section 11460.60 of the Government Code.

(e) Where notice has been by telephone, unless waived by the person to whom the notice is given, the Bureau shall also provide written copies of the emergency decision and the information required by subdivision (d) prior to the effective date of the decision.

(f) Where the Bureau has given notice pursuant to subdivision (d), unless waived by the person to whom notice is given, the institution shall be provided an opportunity to be heard before the

Director, or his or her designee, at least 24 hours prior to the emergency decision becoming effective.

(g) This authority may be used in addition to any civil, criminal, or administrative remedies available to the Bureau.

Note: Authority cited: Sections 94877 and 94938, Education Code; and Section 11460.20, Government Code. Reference: Sections 94885.1, 94885.5 and 94938, Education Code; and Sections 11460.20, 11460.30, 11460.40, 11460.50, 11460.60 and 11460.80, Government Code.

Article 4. Compliance Inspections and Complaint Processing

75200. Compliance Inspections.

(a) The Bureau shall provide not less than seven (7) days notice from the time of service of the notice of any announced inspection. Notice shall be given in writing by email or mail to a person listed in section 71130(a) or 71135.

(b) The Bureau shall determine the priority and number of total announced and unannounced compliance inspections and, as necessary, immediate inspections for any institution by evaluating relevant factors including: the risk factors listed in section 94941(c) of the Code, priority of complaints based on section 75300, size of the institution, number and types of programs offered, time elapsed since last inspection, history of the owner's approval(s) to operate any and all institutions, and enforcement history.

(c) The Bureau is not precluded from conducting an investigation of an institution whether or not it has conducted some or all of its compliance inspections in the five-year period referenced in Section 94932.5 of the Code.

Note: Authority cited: Sections 94877, 94932.5 and 94941, Education Code. Reference: Sections 94932.5 and 94941, Education Code.

75210. Notice to Students of Results of Inspection.

(a) The institution shall, at least five (5) business days prior to any announced compliance inspection, cause to be posted in a conspicuous place or places at the institution, and cause to be delivered to students via email or in the same way the students generally receive information from their institution, the following notice:

Notice to Students

This institution is subject to announced compliance inspections by the Bureau for Private Postsecondary Education.

An announced compliance inspection has been scheduled for this institution on [date] at [time].

Information regarding the results of the announced inspection can be found at the

Bureau's website at www.bppe.ca.gov/enforcement/inspection_results, after the inspection. Students who have questions or comments can contact the Bureau directly by telephone at 888-370-7589 or via the website at www.bppe.ca.gov.

The notice shall contain the date and time scheduled for the announced compliance inspection. The institution shall maintain and keep unobstructed the posted notice(s) required in this subsection until the announced compliance inspection is completed.

(b) In addition to requiring the notice for impending announced compliance inspections, , the institution shall, at the time of any inspection, allow the Bureau to post in a conspicuous place or places at the institution and the institution shall deliver to students via email or in the same way the students generally receive information from their institution, the following notice:

Notice to Students

This institution is subject to regular compliance inspections by the Bureau for Private Postsecondary Education. Information regarding the dates of inspections conducted and the results of those inspections can be found at the Bureau's website at www.bppe.ca.gov/enforcement/inspection_results.

This institution was last inspected on [date].

Students who have questions or comments can contact the Bureau directly by telephone at 888-370-7589 or via the website at www.bppe.ca.gov.

The notice(s) shall contain the date of the most recent compliance inspection. The institution shall maintain and keep unobstructed the posted notice(s) for not less than 90 days from the date of posting.

(c) All notices regarding compliance inspections provided by the Bureau in each language in which the institution is approved to teach courses shall be posted and delivered to students pursuant to subsections (a) and (b).

Note: Authority cited: Sections 94877 and 94932.5, Education Code. Reference: Section 94932.5, Education Code.

75300. Complaint Prioritization

(a) In addition to the priorities set in section 94941(e) of the Code, the Bureau determines the following complaint categories will also be of high priority when processing complaints:

(1) Financial harm to students;

(2) Financial instability of institution;

(3) Breach of enrollment agreement;

(4) Maintenance or condition of facilities and equipment that could lead to harm to the public;

(5) Operation of an institution outside the scope of its approval status.

Note: Authority cited: Sections 94877 and 94941, Education Code. Reference: Section 94941, Education Code.

75500. Disciplinary Guidelines.

In reaching a decision on a disciplinary action under the administrative adjudication provisions of the Administrative Procedure Act (Government Code section 11400 et seq.), the Bureau shall comply with the “Disciplinary Guidelines” [August 2010], which are hereby incorporated by reference. Deviation from these disciplinary guidelines and orders, including the standard terms of probation, is appropriate where the Bureau in its sole discretion determines that the facts of the particular case warrant such deviation, e.g., the presence of aggravating or mitigating factors; age of the case; discipline history; evidentiary issues.

Note: Authority cited: Sections 94877 and 94937, Education Code. Reference: Section 480, Business and Professions Code; Sections 94933, 94935, 94936, 94937 and 94940, Education Code; and Section 11425.50(e), Government Code.

Chapter 6. Student Tuition Recovery Fund

Article 1. General Provisions

76000. Definitions.

For purposes of this chapter, the following definitions apply:

(a) "California resident" means a person who resides in California at the time the enrollment agreement is signed or a person who receives lessons at a California mailing address from a qualifying institution offering distance education.

(b) "Closed institution" means an institution at which a closure has occurred.

(c) "Economic loss" means pecuniary loss, as defined in section 94923 of the Code. Economic loss also includes any “educational opportunity loss”.

(d) “Educational opportunity loss” means a loss of eligibility for third-party payer benefits that is suffered by a California resident or a person enrolled in a California residency program because they are unable to complete an educational program due to the institution’s closure or due to the institution losing its eligibility to receive third-party payer benefits and no replacement of that benefit is available from the third-party payer.

(e) "Fund" means the Student Tuition Recovery Fund.

(f) "Prepaid" describes any amount of money that an institution accepts in advance of rendering educational services.

(g) "Qualifying institution" is an approved institution that is subject to the provisions of Article 14,

commencing with section 94923 of the Code, including out-of-state institutions registered with the Bureau pursuant to section 94801.5 of the Code.

(h) "Residency Program" means an educational program as defined in section 94837 of the Code at qualifying institution of which some portion of the instruction occurs as direct instruction as defined in section 71715(c).

(i) "STRF" means Student Tuition Recovery Fund.

(j) "Student Tuition Recovery Fund assessment" or "STRF assessment" means a state-imposed charge to fund this chapter that is required to be paid by a California resident student or a student enrolled in a residency program, who pays tuition to an institution.

(k) "Teach-out institution" means the institution offering a teach-out to a former student of an institution that has ceased to operate.

(l) “Third-party payer” means an employer, government program, or other entity that pays a student’s charges when no separate agreement for the repayment of the charges exists between the third-party payer and the student.

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

76020. Student Tuition Recovery Fund (STRF).

(a) The fund exists to relieve or mitigate economic losses suffered by a student while enrolled at a qualifying institution, who at the time of enrollment is or was a California resident or was enrolled in a California residency program, if the student enrolled in the institution and the student or a third-party payer , prepaid tuition, paid or is deemed to have paid the assessment and suffered economic loss as a result of any of the conditions specified in section 94923 of the Code or due to an institution losing its eligibility to receive a third-party payer benefit such as Cal Grant, Pell Grant, or veterans’ financial aid programs under Title 38 of the Code of Federal Regulations.

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

Article 2. STRF Assessments

76120. Amount of STRF Assessment.

(a) Each qualifying institution shall collect an assessment of zero dollars ($0.00) 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).

Note: Authority cited: Sections 94803, 94877, 94923 and 94924, Education Code. Reference: Sections 94843, 94911(b), 94923, and 94924, Education Code.

76130. Collection and Submission of Assessments.

(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.

Note: Authority cited: Sections 94803, 94877 and 94923, Education Code. Reference: Section 94923, Education Code.

76140. Record-Keeping Requirements.

(a) A qualifying institution shall collect and maintain records of student information to substantiate the data reported on the STRF Assessment Reporting Form and records of the students' eligibility under the Fund. Such records shall include the following for each student:

(1) Student identification number,

(2) First and last names,

(3) Email address,

(4) Local or mailing address,

(5) Address at the time of enrollment,

(6) Home address,

(7) Date enrollment agreement signed,

(8) Courses and course costs,

(9) Amount of STRF assessment collected,

(10) Quarter in which the STRF assessment was remitted to the Bureau,

(11) Third-party payer identifying information,

(12) Total institutional charges charged, and

(13) Total institutional charges paid.

(b) The qualifying institution shall maintain the data required under this section in an electronic format that is readily available and open to inspection by the Bureau upon request. The institution shall make the records immediately available to a Bureau representative conducting a site inspection or, upon written request, shall provide a copy within 14 calendar days of the request. All records shall be provided to the Bureau in an intelligible and orderly manner and in an electronic format.

Note: Authority cited: Sections 94803, 94877 and 94923, Education Code. Reference: Section 94923, Education Code.

Article 3. Payment from the Fund

76200 Application for Payment.

(a) A student seeking reimbursement under the Fund shall submit an application to the Bureau, either in English or Spanish, using the Application for Student Tuition Recovery Fund (STRF App Rev. 11/20) or the Solicitud al Fondo de Recuperación de Matrículas para Estudiantes (STRF App Rev. 11/20), which are hereby incorporated by reference. The application is signed under penalty of perjury that the statements the applicant makes in the application are true and correct and all submitted supporting documents are true and correct copies of originals.

(b) The application must be completed and received by the Bureau, with sufficient supporting documents reasonably necessary to the Bureau's evaluation of the application.

(1) 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, unless the student was either enrolled at a California campus of a Corinthian Colleges, Inc., institution or was a California student enrolled in an online program offered by an out-of-state campus of a Corinthian Colleges, Inc., institution, if (a) the student would otherwise meet one of the eligibility requirements for a STRF payment, and they were residing in California and attending a campus of Corinthian Colleges, Inc., institution on or after January 1, 2010; or (b) the student was enrolled as of June 20, 2014, or withdrew within 120 days of that date, and did not complete the student’s program at the institution.

(2) 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.

(c) The Bureau may conduct an investigation to verify whether to grant or deny a claim, and may request any additional information or supporting documentation.

Note: Authority cited: Sections 94803, 94877 and 94923, Education Code. Reference: Sections 94870 and 94923, Education Code.

76210. Claims Amount, Payment and Denial

(a) A student seeking reimbursement under the Fund that includes student loans as part of the claim shall make reasonable attempts to obtain a loan discharge directly from the loan holder before the Bureau will complete the processing of the student’s application for payment under section 76200.

(b) The Bureau may negotiate with a lender, holder, guarantee agency, or the U.S. Department of Education for the full compromise or write-off of student loan obligations to relieve students of economic loss and, if possible, to reduce the liability of the Fund for the payment of claims.

(c) The Bureau may pay a student's claim directly to the lender, holder, guarantee agency, or U.S. Department of Education as permitted by law.

(d) If the Bureau grants the claim, the amount of the payment is measured by the total amount of the student's economic loss, as defined in Section 76000, less the amount of any refund, reimbursement, indemnification, restitution, compensatory damages, settlement, debt forgiveness, discharge, cancellation, compromise or any other benefit received by, or on behalf of, the student that is related to the economic loss. The amount of the payment is not dependent on, or necessarily limited to, the amount of refund the student would have received from the institution if the student had voluntarily withdrawn. The Bureau cannot pay any claim to or for a student without a social security number or a taxpayer identification number.

(e) In addition to the reductions in (d) above, the Bureau may reduce the amount of the payment by the value of the benefit, if any, of the education obtained by the student before the closure of the institution.

(f) For a student who suffers educational opportunity loss whose charges were paid by a third-party payer, the Bureau will pay the student’s charges at a subsequent institution up to the original third-party payer benefit once the student has exhausted his or her eligibility with the original third party-payer benefit. The subsequent institution must be eligible to receive the same third-party payer benefit as the original institution or program, and the Bureau must have evidence of the student’s enrollment at the subsequent institution.

(g) If a student participated in a teach-out, the following conditions also apply:

(1) If the student withdraws from the teach-out institution within the first two weeks of enrollment, the student's economic loss is calculated as though the student never received the teach-out.

(2) If the student withdraws from the teach-out institution after the first two weeks of enrollment, the student's economic loss includes only a pro rata portion of charges for the hours of the education service paid for, but not received from, either institution.

(3) If the teach-out institution provides all of the remaining instruction that the closed institution had represented it would provide, the student's economic loss shall not include any amount the student paid to the closed institution specifically for instruction.

(4) Regardless of participation in a teach-out, a student may recover economic losses other than those specifically related to the instruction.

(h) Upon payment of the claim, all of the student's rights against the institution for that amount of payment shall be deemed assigned to the Bureau.

(i) If the Bureau denies the claim, or reduces the amount of the claim, the Bureau may informally consider a written appeal and modify its decision.

(j) If a written appeal is not received by the Bureau within 60 calendar days from the date of the decision, the Bureau's decision shall be final.

Note: Authority cited: Sections 94803, 94877 and 94923, Education Code. Reference: Section 94923, 92924 and 94925, Education Code.

76212. Claims by Government Agency on Behalf of Students.

If the Bureau, the Attorney General, or any other law enforcement agency obtains a judgment or administrative order against an institution on behalf of one or more students pursuant to Section 17200 of the Business and Professions Code or similar authority, the student(s) for which the judgment was obtained may be entitled to payment from the Fund under the following conditions:

(a) The institution was a qualifying institution and is now closed;

(b) A remedy cannot be obtained despite diligent efforts to prosecute, prove, and collect a judgment or administrative order;

(c) The Bureau, the Attorney General, or other law enforcement agency filed a claim within two years after the judgment or administrative order became final;

(d) The claim indicates the amount of the judgment allocable to each student;

(e) The total amount paid to each student does not exceed the total amount of the student's economic loss, as defined in Section 76000, less the amount of any prior payment from the STRF for related economic loss; and

(f) The claim is subject to the additional limitations and rights set forth in Section 76210.

Note: Authority cited: Sections 94803, 94877 and 94923, Education Code. Reference: Section 94923, Education Code.

76215. Student Tuition Recovery Fund Disclosures

(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, 1747 North Market Blvd., Suite 225, Sacramento, California, 95834, (916) 574-8900 or (888) 370-7589.

To be eligible for STRF, you must be a California resident or are 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.”

Note: Authority cited: Sections 94803, 94877 and 94923, Education Code. Reference: Section 94923, 94924 and 94925, Education Code.

Article 4. Orderly Closure and Teach-Outs

76240. Required Notices and Closure 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 specified in section 70020 of its intention to close and also provide a closure plan. For purposes of this article, “authorized representative” shall mean any owner who owns or controls 25 percent 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.

(b) The closure plan shall include:

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

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

(3) 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 purposes of the closure process.

(5) A list of students who were enrolled at any time during the time period prior to closure as provided in section 94923(b)(2)(B) and (C) of the Code, 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) Mailing address;

(E) Address at the time of enrollment;

(F) Home address;

(G) Telephone number;

(H) Date enrollment agreement signed by the student;

(I) Name of the educational program enrolled in as specified in the student's enrollment agreement, and enrolled program cost;

(J) Third-party payer identifying information;

(K) Total institutional charges charged;

(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 section 94927 of the Code; and

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

(6) A written description of how the institution will maintain the student records as required by section 94900 of the Code and section 76140, including the name, physical 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 subsection (b)(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 subsection (c).

(c) The institution shall provide written notice to all students identified in subsection (b)(5), either by mail to their current address or to their current email address, that shall include:

(1) Notice of the closure and the date of closure provided to the Bureau pursuant to subsection (b)(2);

(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 section 94909(a)(3)(D) of the Code; and

(4) If the institution is a participant in federal student financial aid programs, it shall provide students information pursuant to section 94926(c) of the Code.

(d) In addition to the requirements of subsection (b), if as a result of the closure any student will not complete their educational program, the institution shall provide to the Bureau at the email address or mailing address prescribed in subsection (a):

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

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

(3) A copy of the institution's arrangements, as required by section 94926 of the Code, 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 student financial aid programs authorized by Title IV of the Higher Education Act of 1965, a copy of the institution's arrangements, as required by section 94926 of the Code, to return federal student financial aid program funds.

(e) In addition to the requirements of subsection (c), for all students who will not complete their educational program as a result of the closure, the notice of closure provided to those students shall state whether there have been teach-out or transfer arrangements made, and if so, the name(s) of the institution(s) providing the teach-out or accepting transfers, and those institutions' physical address, email address, and phone number. The notice shall also include 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.

(f) Within 5 calendar days after an institution provides notice of closure to affected students in subsections (b)(5) and (e), the institution shall provide an exemplar copy or copies of the notice or notices described in subsection (c) and, if applicable, subsection (e), to the Bureau at the email address or mailing address prescribed in subsection (a).

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

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

(a) 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 physical address of the institution's agent for service of process.

(b) The notice referenced in subsection (a) shall:

(1) Request a response from an authorized representative, signed under penalty of perjury and sent to the Bureau at the email address or mailing address prescribed in section 76240(a), to be received 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

(2) 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 date the notice was sent as the institution's closure date and that the institution's approval to operate will automatically terminate on that date; and

(3) Notify the institution that the institution may appeal the Bureau's selection of a date of closure by sending a written request to the Bureau for a hearing, at the email address or mailing address prescribed in section 76240(a), no later than 60 calendar days after the date on the Bureau's notice.

(A) The proceedings under this subsection 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.