

**TITLE 5. Bureau for Private Postsecondary Education**  
**DEPARTMENT OF CONSUMER AFFAIRS**

**INITIAL STATEMENT OF REASONS**

**Hearing Date:** No Hearing Scheduled

**Subject Matter of Proposed Regulations:** Unapproved Activity

**Section(s) Affected:** Title 5, Division 7.5, Sections 75020 and 75030

**Background and Statement of the Problem:**

**Background:** The Bureau for Private Postsecondary Education (Bureau) protects students and consumers through the regulatory oversight of California's private postsecondary educational institutions ("institutions") pursuant to the California Private Postsecondary Education Act of 2009 ("Act" – Ed. Code, §§ 94800-94950), including conducting qualitative reviews of educational programs and operating standards.

Existing law requires the Bureau to proactively identify and take appropriate action against schools without proper approval by the Bureau, in accordance with the statutory mandate found in California Education Code (CEC) Section 94877. CEC Section 94944 grants the Bureau authority to issue citations, not to exceed \$100,000, to persons operating an institution without proper approval to operate issued by the Bureau. In 2022, the Legislature passed Senate Bill (SB) 1433 (Chapter 544, Statutes of 2022), which expanded the authority of CEC Section 94944 to establish that administrative citations issued pursuant to this section are separate and not inclusive of fines for other violations, or refunds ordered.

**Statement of the Problem:** The Bureau currently does not have clear regulatory standards to implement the provisions found in Section 94944. Existing regulations found in Title 5, Division 7.5, section 75020(b) of the California Code of Regulations (CCR)<sup>1</sup> refer to CEC Section 94944 but do not establish specific, transparent, and identifiable factors the Bureau considers when issuing administrative citations stemming from unlicensed activity. In assessing administrative fines, the Bureau has relied on past practices and procedures to set fines based on the circumstances of each specific case, but these standards are not outlined explicitly in regulations.

When institutions under the jurisdiction of the Act do not operate with an approval to operate or within a valid exemption, it creates an unfair environment for compliant institutions, undermines the standards of California's private postsecondary education system, and most importantly, exposes students and Californians to the potential for

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<sup>1</sup> Unless otherwise specified, all regulatory section references are to Title 5, Division 7.5.

significant harm. Some instances the Bureau has seen with unapproved institutions that posed potential for student harm include, but are not limited to<sup>2</sup>:

1. An institution that received multiple citations for unapproved activity and has since closed, potentially impacting students' access to their records.
2. Institutions that offered programs that are over \$2,500.00 in total charges in their advertisements or social media.
3. Programs offered in areas of licensure, such as Commercial Driving (CDL) training, barbering or cosmetology, dental assisting, or flight training, but are not approved by the Bureau.
4. Reducing the cost of programs on the website to fall within an exemption threshold after receiving notification from the Bureau, then later found to have added institutional charges that increased the cost of the program for students.

Over the last four fiscal years, the Bureau has issued citations to more than 80 institutions for unlicensed activity. These institutions range from those without any knowledge of the Bureau or its regulatory requirements, to institutions that held prior approval with the Bureau and have since flagrantly disregarded the Bureau's authority, seeing the fine as merely "the cost of doing business."

The Bureau has drafted the following proposal that would specify all of the following requirements in regulation to better align the language to existing law, such as the CEC and Bureau disciplinary guidelines. The changes are as follows:

- Re-organize section 75020 by removing language concerning the maximum fine amount (\$100,000) and placing it into the next section.
- Re-organize section 75030 by re-lettering Class A, B, C, and D violations into (a)(1)-(4).
- Add 75030(b)(1) to address citations issued for unapproved activity.
- Add subsection (b)(2)(A)-(F) to establish the various aggravating and mitigating factors the Bureau will consider when determining an administrative fine amount for an unapproved institution.
- Add subsection (b)(3) to specify that "refunds ordered" apply to students enrolled during the period of unapproved activity.

#### **Anticipated benefits from this regulatory action:**

Institutions, students, and the Bureau will benefit from the proposed regulations which aim to promote fairness in education and provide for openness and transparency in government.

Institutions, the Bureau, the Office of the California Attorney General (AG) and Administrative Law Judges (ALJs) benefit from clearer enforcement standards because the regulations will specify the aggravating and mitigating factors that may affect the fine amount. Institutions will be incentivized to comply with Bureau laws and regulations

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<sup>2</sup> All disciplinary actions taken by the Bureau, including Office of Administrative Hearings (OAH) Decisions, are posted and publicly available online at [https://bppe.ca.gov/enforcement/disciplinary\\_actions.shtml](https://bppe.ca.gov/enforcement/disciplinary_actions.shtml).

and conduct business legally rather than face administrative costs and a fine for unapproved activity. The Bureau, which issues the citation, benefits from clearly listing the factors to consider when issuing a fine for unapproved activity. The updated factors will also serve as an educational and guidance tool for the AG, and for the ALJs who administer hearings for the Bureau. ALJs will benefit from a greater understanding of the various nuances of the Bureau's enforcement provisions, which will help improve the consistency of penalties for violations of state law.

Students benefit from the regulations because more students will attend Bureau-approved or Bureau-exempt schools as a result of the regulations. When a student attends an unapproved institution, they are not granted the same rights and protections as students who attend an approved institution. These rights and protections include, but are not limited to, the disclosure of student rights, clear itemization of all charges on enrollment agreements, and access to the Student Tuition Recovery Fund (STRF) in the event of a school closure.

Students benefit from the regulations by including language that the administrative fine is separate from refunds ordered to students enrolled during the period of unapproved activity, to ensure that students receive appropriate restitution. Finally, should the institution come into compliance with the laws and regulations by obtaining approval, students benefit from knowing that their institution is one with state oversight, complies with the laws and regulations, is subject to inspection, and upholds student rights.

**Specific purpose of, and rationale for, each adoption, amendment, or repeal:**

**1. Amend section 75020 of Article 2 of Chapter 5 of Title 5 of Division 7.5 of the California Code of Regulations**

**75020. Issuance of Citations**

**Proposed Change:** Insert a comma after the words "or both" in subsection 75020(b).

**Purpose:** Ensure clarity with the regulations by adding a comma for grammatical understanding of the regulations.

**Rationale:** A comma ensures that the regulations remain clear for the public by emphasizing that citations issued to persons without proper approval to operate may contain orders of abatement, administrative fines, or both.

**Proposed Change:** In section 75020(b) strike the language "not to exceed \$100,000 pursuant to section 94944 of the Code."

**Purpose:** The addition of language in 75030 which further specifies the reference to Section 94944 of the Code makes the clause in 75020 redundant.

**Rationale:** To ensure clarity in the regulations and reduce redundancy in referring to both

the maximum fine amount and the statutory Section 94944 of the Act by number twice, the Bureau is removing the language from section 75020 since it will be included in the new language in section 75030 of the CCR. The reference to the statutory section in the Notes for 75020 remains due to the regulatory language still stating that the Bureau has the authority “to issue citations containing orders of abatement or administrative fines, or both, against persons who are without proper approval to operate as required under the Act,” which necessitates a reference to Section 94944 in the Notes. Only the maximum citation amount and explicit mention of Section 94944 in the regulatory text is being moved, so the reference to 94944 is still necessary to include in the “Notes” of section 75020.

**Proposed Change:** In the References, add a comma after 94949.8 and before the words “Education Code”

**Purpose:** Add a comma to ensure that the regulatory references remain clear and part of a series of references to the Education Code.

**Rationale:** The addition of a comma makes it clear that Section 94949.8 is the last in a series of references, which all pertain to the Education Code. This structure mirrors the other references to the Business and Professions Code in the same section and is a non-substantive change to ensure that the public understands that all references delineated by a comma before “Education Code” are references to that particular Code.

**2. Amend section 75030 of Article 2 of Chapter 5 Title 5 of Division 7.5 of the California Code of Regulations**

**75030. Assessment of Administrative Fines.**

**Proposed Change:** Add subsection (a) to the hanging paragraph at the beginning of the section. Re-letter existing subsections from (a), (b), (c), and (d) into (1), (2), (3), and (4).

**Purpose:** The changes maintain clarity and consistency in the regulatory section by ensuring that administrative fines for “class” violations are in distinct subsections from administrative fines for unlicensed activity. The changes create two distinct subsections for fines for class violations and unlicensed activity because the statutory language in Section 94944 of the Act makes it clear that fines for unlicensed activity are separate and not inclusive of other administrative fines ordered.

**Rationale:** The existing regulations contain a “hanging” paragraph at the beginning of the regulatory section. Without a change to the regulations, if a reference to section 75030 was made, it would be unclear whether that reference was to the entire section, or just the hanging paragraph. Furthermore, it is necessary to have separate subsections for fines for class violations and fines for unlicensed activity because the language in statute makes it clear that the fine for unlicensed activity is separate and not inclusive of other administrative fines. Therefore, two separate and distinct subsections in 75030 are necessary to implement the statutory language.

**Proposed Change:** Add subsection (b)(1) to section 75030 to state, “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.”

**Purpose:** The addition of the text above maintains the reference to the fine amount stated in Section 94944 of the Act, which is being moved from section 75020 of the CCR to section 75030.

**Rationale:** The reference to Section 94944 of the Act is necessary because the Bureau has moved the reference to the statutory section number in section 75020 to 75030. The Bureau is proposing regulatory language to implement the statute’s fine amount “not to exceed \$100,000,” which has been reorganized from the previous section. The reference to section 75020(b) is necessary because that section still refers to the administrative citations the Bureau may issue against institutions without proper approval to operate, and section 75020 lists the various factors to be considered when issuing those citations.

**Proposed Change:** Add subsection (2) to the proposed text in section 75030(b) to state, “(2) In determining the administrative fine amount, the Bureau shall consider the following:”

**Purpose:** Subsection 75030(b)(2) is intended to begin a series of additional subsections, specifying the various aggravating and mitigating factors the Bureau considers when assessing an administrative fine pursuant to Section 94944 of the Act.

**Rationale:** It is necessary to have a standalone subsection (b)(2) as the next subsections (b)(2)(A) through (2)(F) list the various aggravating and mitigating factors the Bureau considers. Since the aggravating and mitigating factors are included as parts of a list of factors the Bureau shall consider when determining an administrative fine amount for unapproved activity, including all factors in one subsection would make it more difficult to understand the regulations, and would not be consistent with the same structure as other sections used, such as in Education Code Section 94936 or CCR section 71397, which contain lists of factors. Therefore, a standalone subsection is needed to clarify that the “following” factors will be considered by the Bureau when determining the administrative fine amount.

The Bureau has seen numerous instances where its administrative citation issued to an institution for operating without approval has been reduced because there are no regulatory standards set forth for this type of violation. While the Bureau attempts to consistently apply fines based on past practices and consider the circumstances of each case, in past enforcement cases involving the Bureau and unapproved institutions, administrative law judges have noted that there are no criteria governing the amount of the administrative fine amount for unapproved activity. One judge noted in their decision that, “Education Code section 94944 states no criteria governing the amount of the administrative penalty it authorizes. For administrative citations relating to violations other than operating an unapproved institution, Education Code section 94936,

subdivision (b)(2), identifies factors the Bureau should consider in setting the amount of any fine.<sup>3</sup> Another judge noted that “The statutory factors for consideration in section 94936 do not expressly apply to fines under section 94944. However, consideration of the factors in section 94936 is reasonable.”<sup>4</sup> Due to confusion stemming from which factors are considered and how applicable they are to cases of unapproved activity, it is necessary to specify in Bureau regulations how the factors that are normally considered in section 94936 apply to citations issued to unlicensed schools under section 94944. As explained further below, each factor reflects existing statutory language, disciplinary guidelines, or conditional registration requirements for out-of-state institutions, but makes it clear that the factors will be considered for unapproved activity citations by including them in section 75030. In taking this approach, the Bureau aims to have clear, identifiable factors that can apply to unapproved activity citations, providing clear enforcement standards for institutions and better guidance and tools for judges.

**Proposed Change:** Add subsection (B) to subsection (2) of the proposed text in section 75030(b) that states “(A) Actual or potential harm to any consumer, student, or the general public.”

**Purpose:** This section lists the first aggravating and mitigating factors necessary to assess in cases of unapproved activity. This factor is necessary to uphold the Bureau’s mission of consumer protection for Californians, ensuring they have access to quality education and approved schools, or schools that are operating in a way that makes them exempt from the oversight of the Bureau. The regulatory language aligns these considerations with other Bureau regulatory language used to assess conditional registration of out-of-state institutions.

**Rationale:** When an institution operates in a manner that requires Bureau approval, but the institution does not have such approval, students and the public face severe harm to their education, employment, and lives. Students may be unaware of the Bureau’s authority and oversight, and may not be informed of their student rights, itemized enrollment charges, the availability to file a complaint, graduate statistical data, or a school catalog, all of which are requirements the Bureau has prior to a student enrolling in an educational program. Actual harm to students, consumers, or members of the public, such as loans taken out for their unapproved education, out-of-pocket payments collected for an unapproved institution, the inability to find consistent employment in their field of study, or advertising that a program allows students to obtain licensure, when in fact, it does not, are all examples of actual student, consumer, or public harm. Potential harm can include instances in which there may not have been actual student harm, but the potential still exists. For example, an institution may advertise that its programs prepare students for a licensure exam, but students from the school are not eligible to sit for a licensure exam. Other cases may be where the institution is operating without approval but has not yet enrolled students or charged them tuition and fees for enrollment.

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<sup>3</sup> OAH Decision and Order, Case No. 2022040491. 2022.

<sup>4</sup> OAH Decision and Order, Case No. 2022120724. 2024.

“Actual or potential harm to any consumer, student, or the general public” is also a factor in assessing a conditional registration of an out-of-state institution (section 71397) and implementing the disciplinary guidelines for determining whether revocation, suspension or probation is to be imposed in a given case (section 75500). The proposed language in (B)(1) is taken verbatim from sections 71397 and the disciplinary guidelines in section 75500. By utilizing similar factors in assessing administrative citations for unapproved activity, the Bureau ensures that its citations are clear, reasonable, and necessary for consumer protection.

**Proposed Change:** Add subsection (B) to subsection (2) of the proposed text in section 75030(b) that states: “(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.”

**Purpose:** The proposed text in subsection (B) addresses instances in which flagrant disregard of the Bureau’s regulatory authority may be present, as demonstrated by the issuance of prior approvals, citations, or communications from the Bureau.

**Rationale:** Prior knowledge of approval requirements is a necessary factor to consider because it demonstrates a high likelihood to re-committing serious harm. The Bureau has experienced citations for unapproved activity in which the institution formerly held approval to operate, had that approval revoked, and continued operating nonetheless. This extreme disregard for the Bureau’s regulatory authority impacts students the institution has enrolled and places other institutions in California that remain in compliance with the laws and regulations in an unfair situation, as the formerly approved institution continues to operate, without the Bureau’s approval or within a valid exemption. Therefore, it is necessary to consider prior knowledge of the Bureau, especially prior approvals to operate or past citations for unapproved activity, when fairly assessing an administrative fine against an institution. These institutions present the largest risk to students and the public as there is no oversight or guaranteed compliance with state laws and regulations. Furthermore, some institutions have been contacted by the Bureau in the past, such as after a licensing application workshop, or other forms of contact by the Bureau, demonstrating their knowledge of the Bureau’s authority and subsequently disregarding that authority.

Additionally, the proposed language in subsection (B) is similar to Section II, item three in the Bureau’s disciplinary guidelines for enforcement actions (section 75500), which states “Prior record of discipline, citations, or notices to comply.” By utilizing similar factors in assessing administrative citations for unapproved activity, the Bureau ensures that its citations are clear, reasonable, and necessary for consumer protection. However, the nature of unapproved activity violations and corresponding administrative citations warrants additional specificity to address those persons who had prior approval or knowledge of the Bureau. These institutions may have formerly held an approval to operate or an exemption, or been aware of the Bureau’s regulatory authority, such as

from a notification from the Bureau informing them of the Bureau's requirements, documented attendance at Bureau workshops, or communications with the Bureau's staff about its requirements. These institutions may or may not have a prior record of discipline from the Bureau, but demonstrate knowledge of the Bureau's requirements for approval.

Therefore, it is necessary to consider the language in proposed subsection (B) when determining an administrative fine amount for unapproved activity.

**Proposed Change:** Add subsection (C) to subsection (2) of the proposed text in section 75030(b) that states: "(C) Recognition by the institution of its wrongdoing and demonstration of corrective action to prevent recurrence."

**Purpose:** This proposed subsection establishes a factor that addresses when an institution may either have not had knowledge of the Bureau, or demonstrated corrective action to address their unapproved activity, such as submitting an application for exemption and restructuring their academic structure once they become aware of the Bureau, or submitting an application for approval to operate when they become aware of the requirements to do so.

**Rationale:** "Recognition by the institution of its wrongdoing and demonstration of corrective action to prevent recurrence" is a necessary factor to consider because corrective action indicates a higher likelihood of compliance with Bureau regulations and can mean a potentially lower administrative fine amount.

There are instances in which a business is conducting operations as a private postsecondary educational institution, but has no knowledge of the Bureau's existence, its authority, or the requirements to comply with applicable laws and regulations. Even if the institution did have some prior knowledge of the Bureau, there is the opportunity for that institution to demonstrate corrective action and prevent recurrence. Demonstrated corrective action, such as submitting an application for approval to operate, restructuring into an exemption, or attendance at various Bureau workshops demonstrate an effort to come into compliance with applicable laws and regulations.

Additionally, the proposed language in (B)(3) is taken verbatim from sections 71397 and the disciplinary guidelines in section 75500, with the exception of the word "institution" which replaces the words "applicant" and "respondent" in the two aforementioned regulatory sections, as "institution" is the more applicable term. By utilizing similar factors in assessing administrative citations for unapproved activity, the Bureau ensures that its citations are clear, reasonable, and necessary for consumer protection.

**Proposed Change:** Add subsection (D) to subsection (2) of the proposed text in section 75030(b) that states: "(D) Any explanation of the facts and circumstances surrounding the unapproved activity and any remediation efforts the institution took to correct the violation."

**Purpose:** Address institutions that may have a reasonable explanation for operating without approval and ensure that the Bureau considers those facts and circumstances.

**Rationale:** It is necessary to address circumstances that may exist when an institution operates without approval. For example, an institution may believe that it is operating within an exemption, but in reality it is operating in a way that it would need Bureau approval to offer its educational programs. An institution may have changes in staff, ownership, or other circumstances at their institution which cause their term of approval to lapse and therefore the institution to be operating without required approval. Since unapproved institutions may present a wide variety of facts and circumstances that the Bureau must address adequately and fairly, all explanations of the facts and circumstances of the case be considered.

“Any explanation of the facts and circumstances surrounding the unapproved activity and any remediation efforts the institution undertook to correct the violation” is a combination of two of the criteria in the disciplinary guidelines, “Mitigation evidence” and “Rehabilitation evidence.” The phrasing here encompasses the disciplinary guideline concepts that there would be consideration of mitigating circumstances to explain the institution’s actions, or that the institution has taken steps to correct any damage that was caused by its actions as an expression of remorse or rehabilitation, such as refunding students who were enrolled at the institution when it did not hold a valid approval to operate.

**Proposed Change:** Add subsection (E) to subsection (2) of the proposed text in section 75030(b) that states: “(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.”

**Purpose:** This subsection addresses factors concerning investigatory efforts or injured parties, based on similar language found elsewhere in Bureau regulation and disciplinary guidelines.

**Rationale:** In some cases of unapproved activity, law enforcement, co-regulating agencies, the Bureau, and injured parties (students) may all be involved during the enforcement action and administrative fine. It is necessary for the institution that has been operating without approval to cooperate with these entities, or a combination of them if more than one is present. Some examples of cooperation with investigatory efforts include providing records when requested, maintaining availability and responsiveness to investigatory communications, addressing noted violations, resolving harm done to the injured parties, and truthfully answering questions asked of or about the institution or its practices.

“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” is a factor in assessing a conditional registration of an out-of-state institution (section 71397) and implementing the disciplinary guidelines for the Bureau’s

enforcement actions (section 75500). The criterion, “Whether or not the institution cooperated with the Bureau’s investigation, other law enforcement or regulatory agencies, or the injured parties...” is taken verbatim from sections 71397 and the disciplinary guidelines in section 75500, with the exception of the word “institution” which replaces the words “applicant” and “respondent” in the two aforementioned regulatory sections, as “institution” is the more applicable term, and the words “or a combination of these” replaces the forward-slash in “and/or” for clarity. By utilizing similar factors in assessing administrative citations for unapproved activity, the Bureau ensures that its citations are clear, reasonable, and necessary for consumer protection.

**Proposed Change:** Add subsection (F) to subsection (2) of the proposed text in section 75030(b) that states: “(F) The purposes and goals of this chapter and other matters as may be appropriate.”

**Purpose:** This subsection allows the Bureau to consider a factor that may not be explicitly listed.

**Rationale:** It is necessary to consider the Bureau’s mission of consumer protection and not limit the various aggravating and mitigating factors that the Bureau considers when assessing the fine amount, should an unlisted factor arise. This language is also in line with other citation regulatory language in the CCR.

**Proposed Change:** Add subsection (3) to the proposed text in section 75030(b) to state, “(3) The administrative fine is separate and not inclusive of 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.”

**Purpose:** This subsection adds needed specificity to implement the statutory language of 94944, which was updated with SB 1433 to specify that the fine for unapproved activity is separate and not inclusive of refunds ordered.

**Rationale:** It is necessary to include subsection (b)(3) in the proposed regulations to implement the statutory authority granted to the Bureau as a result of SB 1433. This bill added to CEC Section 94944, stating that “The maximum fine for unlicensed activity is separate and not inclusive of fines for other violations or refunds ordered.” The Bureau already has language to address other fines for Class A, B, C, and D violations in section 75030 of the CCR. However, the Bureau does not currently have regulatory language to make specific how “refunds ordered” apply in this case. Addition of the proposed regulatory language to specify that “refunds ordered” mean refunds ordered to students enrolled at the institution during a period in which the institution did not hold approval to operate is necessary for student protection and for the institution cited for unapproved activity know that if refunds are ordered, they are for students enrolled during the period in which they were operating unapproved. Furthermore, since students from unapproved institutions are unable to seek relief from Bureau services, such as the STRF, it is necessary to include refunds to students, so that in the event a refund is ordered, students know that the refunds ordered apply to them, can seek resolution with

their school, or pursue other relief efforts.

**Proposed Change:** Update the Authority Cited to reflect updated citations. Add a comma after the citation to Section 94877. Remove the word “and” before the citation to Section 94936. Add “and 94944,” after the citation to 94936.

**Purpose:** Adds Section 94944 to the Authority Cited for the regulatory section, and maintains grammatical correctness with the previously listed Sections cited.

**Rationale:** It is necessary to amend the Note after section 75030 to include the reference to Education Code Section 94944, which is being incorporated into the proposed regulations at section 75030.

### **Underlying Data**

Technical, theoretical, or empirical studies, reports, or documents relied upon:

1. The provisions of this proposed regulation were discussed at the Bureau’s Advisory Committee meeting on February 26, 2025. The text of what was presented is on pages 84 to 86 of the meeting materials located at: [https://bppe.ca.gov/about\\_us/meetings/materials/20250226\\_acm.pdf](https://bppe.ca.gov/about_us/meetings/materials/20250226_acm.pdf).
2. The summary of the discussion of the proposal from the Bureau’s February 26, 2025 Advisory Committee meeting can be found in the meeting minutes, on page 6, located at: [https://bppe.ca.gov/about\\_us/meetings/minutes\\_20250226.pdf](https://bppe.ca.gov/about_us/meetings/minutes_20250226.pdf).
3. Bureau’s Disciplinary Guidelines, located on the Bureau’s website at: [https://www.bppe.ca.gov/lawsregs/disguide\\_20110324.pdf](https://www.bppe.ca.gov/lawsregs/disguide_20110324.pdf)

### **Business Impact:**

The Bureau has made the initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

The proposed regulatory action only impacts licensees and applicants who are disciplined by the Bureau for violations of the laws and regulations within its jurisdiction. The proposed regulatory action only affects licensees and applicants who, through their conduct, subject themselves to disciplinary action for violations of the laws and regulations within the Bureau’s jurisdiction.

Any “adverse economic impact” would only occur as the result of a disciplinary order following a formal administrative proceeding and a finding of fact affirming a violation of the laws or regulations within the Bureau’s jurisdiction. Any potential “adverse economic impact” may be avoided simply by complying with the existing laws and regulations governing the professions regulated by the Bureau.

This initial determination is based on the fact that the proposed regulations are intended to better align the Bureau's regulatory language concerning unapproved activity with existing law and regulations.

### **Economic Impact Assessment:**

This Bureau has determined that this regulatory proposal will have the following effects:

This regulatory proposal will have the following effects:

It will not create or eliminate jobs within the State of California because the regulations provide guidance related to the issuance of citations for unapproved activity.

- It will not create new business or eliminate existing businesses within the State of California because the regulations provide guidance related to the issuance of citations for unapproved activity.
- It will not affect the expansion of businesses currently doing business within the State of California because the regulations provide guidance related to the issuance of citations for unapproved activity.
- This regulatory proposal does affect the health and welfare of California residents because it helps to ensure only Bureau approved or exempted schools are operating in the state.
- This regulatory proposal does not affect worker safety because it does not involve worker safety.
- This regulatory proposal does not affect the state's environment because it does not involve the environment.

### **Specific Technologies or Equipment:**

This regulation does not mandate the use of specific technologies or equipment.

### **Consideration of Alternatives:**

No reasonable alternative to the regulatory proposal would be either more effective in carrying out the purpose for which the action is proposed or would be as effective or less burdensome to affected private persons and equally effective in achieving the purposes of the regulation in a manner that ensures full compliance with the law being implemented or made specific.

**Description of reasonable alternatives to the regulation that would lessen any adverse impact on small business:**

No such alternatives have been proposed, however, the Bureau welcomes comments from the public.