

## BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY • GAVIN NEWSOM, GOVERNOR DEPARTMENT OF CONSUMER AFFAIRS • BUREAU FOR PRIVATE POSTSECONDARY EDUCATION 1747 N. Market Blvd., Suite 225, Sacramento, CA 95834 P (916) 574-8900 | Toll-Free (888) 370-7589 | www.bppe.ca.gov



## Bureau for Private Postsecondary Education Notice of Advisory Committee WebEx Meeting Agenda

Thursday, February 16, 2023, 9:30 a.m.

**NOTE**: Pursuant to the provisions of Government Code section 11133, neither a public location nor teleconference locations are provided.

#### INSTRUCTIONS FOR OBSERVATION:

WEBCAST: Webcast of the meeting will be available at 9:30 a.m. on February 16, 2023 and viewable at <a href="https://thedcapage.blog/webcasts">https://thedcapage.blog/webcasts</a>.

#### FOR PUBLIC COMMENT, PLEASE LOG ON TO THIS WEBSITE

https://dca-meetings.webex.com/dca-meetings/j.php?MTID=mea7ab38adfd3cecd807ef9a9c04ae912

Event Number: 2492 971 9376 Event Password: BPPE02162023

The preferred audio connection is via phone bridge. The phone number and access code will be provided as part of your connection to the meeting. General instructions for using WebEx can be found at the end of the agenda.

**Important Notices to the Public**: The Bureau for Private Postsecondary Education will hold a meeting via WebEx. Access information is provided above. General instructions for using WebEx are attached at the bottom of the agenda.

The Advisory Committee Meeting is open to the public. Members of the public may, but are not obligated to, provide their names or personal information as a condition of observing or participating in the meeting. When signing into the WebEx platform, participants may be asked for their name and email address. Participants who choose not to provide their names will need to provide a unique identifier such as their initials or another alternative, so that the meeting moderator can identify individuals who wish to make public comment; participants who choose not to provide their email address may utilize a fictitious email address like in the following sample format: XXXXX@mailinator.com.

The Advisory Committee Meeting is accessible to the physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Richie Barnard at (279) 666-5875, by emailing <a href="mailto:richie.barnard@dca.ca.gov">richie.barnard@dca.ca.gov</a> or sending a written request to the Bureau for Private Postsecondary Education, P.O. Box 980818, West Sacramento, CA 95798-0818. Providing your request at least five business days before the meeting will help ensure availability of the requested accommodation.

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<u>Discussion and action may be taken on any item on the agenda.</u> The time and order of agenda items are subject to change at the discretion of the Chair. In the event a quorum of the committee is unable to attend the meeting, or the committee is unable to maintain a quorum once the meeting is called to order, the members present may, at the chair's discretion, continue to discuss items from the agenda and make recommendations to the full committee at a future meeting.

Government Code section 11125.7 provides the opportunity for the public to address each agenda item during discussion or consideration by the committee or prior to the committee taking any action on said item. Members of the public will be provided appropriate opportunities to comment on any issues before the Advisory Committee, but the chair may, at her discretion, apportion available time among those who wish to speak. If public comment is not specifically requested, members of the public should feel free to request an opportunity to comment. Individuals may present to the Advisory Committee on items not on the agenda, however, the committee can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)). The Advisory Committee plans to webcast this meeting at <a href="https://thedcapage.blog/webcasts">https://thedcapage.blog/webcasts</a>. Webcast availability cannot, however, be guaranteed due to limited resources or technical difficulties. The meeting will not be cancelled if webcast is not available. Using the WebEx link will allow for participation and observation with closed captioning.

#### **Agenda**

The public may provide appropriate comment on any issue before the Advisory Committee at the time the item is discussed. If public comment is not specifically requested, members of the public should feel free to request an opportunity to comment.

- 1. Welcome, Introductions, and Establishment of a Quorum
- 2. Elections for Advisory Committee Chair and Vice Chair
- 3. Public Comment on Items not on the Agenda (Note: The Advisory Committee may not discuss or take action on any matter raised during this public comment section, except to decide whether to place the matter on the agenda of a future meeting (Government Code Sections 11125 and 11125.7(a))
- 4. Review and Approval of November 16, 2022, Advisory Committee Meeting Minutes
- 5. Remarks by a Representative of the Department of Consumer Affairs, which may include updates pertaining to the Bureau's Operations, Human Resources, Department's Administrative Services, Enforcement, Information Technology, Communications and Outreach, as well as Regulatory and Policy Matters
- 6. Bureau Operations Update and Discussion related to the following:
  - a. IT System Project
  - b. Licensing Report
  - c. Quality of Education Report
  - d. Annual Report Update
  - e. Compliance and Discipline Report
  - f. Complaint and Investigation Report
  - g. Office of Student Assistance and Relief (OSAR) Report
  - h. Student Tuition Recovery Fund (STRF) Report

- 7. Status Updates and Discussion on Regulatory Proposals
  - a. Status Updates:
    - i. Repeal of "Ability-to-Benefit" Language (5 California Code of Regulation (CCR) sections 71210, 71475, 71770, and 71920, California Education Code (CEC) sections 94811, 94904, and 94909(a)(8)(A), Senate Bill (SB) 607 (2021))
    - ii. Exemption of Programs Less than 32 Hours (5 CCR Sections 71710, 71810, (CEC) Section 94837, SB 802 (2021))
    - iii. Denial of Out-of-State Application (5 CCR Sections 71396 and 71397, CEC Section 94801.5, Assembly Bill (AB) 1344 (2019))
    - iv. Substantive Changes (Amend 5 CCR Section 71650, add sections 71652 and 71653, CEC Section 94894(i)-(k), SB 802 (2021))
    - v. Substantive Change Approval for Method of Instructional Delivery, (5 CCR section 71600, CEC Section 94894(I), SB 802 (2021))
  - b. Discussion on Regulatory Proposals
    - i. Proposed language for Date of Closure proposal (5 CCR Section 76245, CEC Section 94926.5, SB 1433 (2022))
- 8. Future Agenda Items
- 9. Adjournment

# 1. Welcome, Introductions, and Establishment of a Quorum

#### Members:

- Joseph Holt, Chair
- Margaret Reiter, Vice-Chair
- Robert Boykin
- Kansen Chu
- Melanie Delgado
- Tess Dubois-Carey
- Leigh Ferrin
- Senator Richard Roth
- Assemblymember Jose Medina



Elections for Advisory
 Committee Chair and Vice
 Chair



## 3. Public Comment on Items not on the Agenda

(Note: The Advisory Committee may not discuss or take action on any matter raised during this public comment section, except to decide whether to place the matter on the agenda of a future meeting (Government Code Sections 11125 and 11125.7(a))



4. Review and Approval of November 16, 2022, Advisory Committee Meeting Minutes





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## Advisory Committee Meeting Minutes Wednesday, November 16, 2022

#### **WebEx Meeting**

#### **Advisory Committee Members in Attendance**

- 1. Kansen Chu
- 2. Melanie Delgado
- 3. Tess Dubois-Carey
- 4. Leigh Ferrin
- 5. Joseph Holt
- 6. Assemblymember Jose Medina
- 7. Kevin Powers (on behalf of Assemblymember Jose Medina)
- 8. Margaret Reiter

#### **Committee Members Absent**

Senator Richard Roth

## <u>Bureau for Private Postsecondary Education (Bureau) and Department of Consumer Affairs</u> (DCA) Staff in Attendance

Deborah Cochrane, Bureau Chief
Leeza Rifredi, Bureau Deputy Chief
Linh Nguyen, DCA Legal Counsel
Daniel Rangel, Bureau Enforcement Chief
Elizabeth Elias, Bureau Enforcement Chief
Ebony Santee, Bureau Education Administrator
Scott Valverde, Office of Student Assistance and Relief Chief
Yvette Johnson, Bureau Administration Chief
David Dumble, Bureau Legislative/Regulation Specialist
Melissa Gear, DCA Board and Bureau Relations

#### Agenda #1 - Welcome, Introductions, and Establishment of a Quorum

Committee Chair, Joseph Hot called the meeting to order.

Deborah Cochrane, Bureau Chief, stated that Leeza Rifredi, Bureau Deputy Chief, is retiring. She thanked Ms. Rifredi for her 18 years of service to the Bureau.

Assemblymember Jose Medina thanked everyone on the Committee. He also thanked Kevin Powers for representing him on the Committee.

#### Agenda #2 - Public Comment on Items not on the Agenda

No public comment.

#### Agenda #3 - Review and Approval of August 18, 2022, Advisory Committee Meeting Minutes

Kansen Chu moved to approve the August 18, 2022, meeting minutes; Tess Dubois-Carey seconded the motion.

#### **Public Comment**

No public comment.

#### Vote

(Joseph Holt: Aye; Margaret Reiter: Aye; Kansen Chu: Aye; Melanie Delgado: Aye; Tess Dubois-Carey: Aye; Leigh Ferrin: Aye) The motion passed.

#### Agenda #4 - Remarks by Representative of the Department of Consumer Affairs

Melissa Gear, DCA Board and Bureau Relations Deputy Director, provided an update on the Department of Consumer Affairs (Department).

Ms. Gear reported that DCA established its first Diversity, Equity, and Inclusion Steering (DEI) Committee. She explained that the DEI Committee was created to guide the Department in its equity strategy initiatives and action plans. She noted that the first DEI Committee meeting was held on November 9, 2022.

Ms. Gear provided an update on the Department's Strategic Plan. She explained that, in accordance with Governor Newsom's executive order, strategic plans developed after July 2023 must effectively advance equity and increase opportunities for all. She stated that by March

2023 the Department will begin implementing revised processes and will work with Boards and Bureaus to update existing strategic plans or develop new plans.

Ms. Gear reported that the DCA is excited to take part in the Our Promise (California State Employees Giving at Work) campaign, which began on October 1, 2022, and will end on December 31, 2022. She explained that the campaign allows Californians to donate to non-profits of their choice. She added that the Department hopes to continue its tradition of generosity and caring for the community and encouraged all members and staff to make a one-time donation through Cal Employee Connect.

Ms. Gear provided an update on in-person meeting guidelines and Covid-19 safety measures. She stated that remote meetings will be allowed through June 2023. She stated that the Department is reminding Boards and Bureaus that choose to hold in-person meetings to continue implementing safety measures and best practices for holding public meetings, including following applicable state and local public health guidelines.

Ms. Gear stated that DCA will partner with the State Controller's Office to share information with consumers and certain licensees about the Unclaimed Property Program. She explained that state law requires banks, insurance companies, corporations, and other entities to report and submit customer property to SEO after a period of inactivity. She noted that certain DCA licensees will benefit from this partnership by understanding the responsibility to report unclaimed property and assist with compliance, and that the program is a great source for all consumers to locate their unclaimed property.

#### **Public Comment**

No public comment.

#### <u>Agenda #5 – Bureau Operations Update and Discussion</u>

#### <u>Update on the Bureau's IT System Project</u>

Sean O'Connor provided an update on the Bureau's IT system project.

Mr. O'Connor outlined the remaining tasks within the project scope including the remaining licensing applications, STRF claim functionality, annual fee and STRF fee invoice collection, and the back-office workflows associated with those functions.

Mr. O'Connor explained that DCA IT resources and Bureau project leadership have coordinated to determine opportunities to implement pieces of functionality more quickly. He added that over the next 4 to 5 months the online STRF claim submission function and associated back-office review will be targeted for development and production. He noted that this functionality is slated to roll out in the Spring of next year.

Mr. O'Connor reported that much of the new functionality will lay the foundation to positively impact the Bureau's overall website. He noted future improvements to institutional search features including ownership information and associated enforcement activity.

Ms. Reiter asked what all information will be linked to the result of a school search, and how soon would this function become available to students. Mr. O'Connor responded that students could search for specific programs and from schools in specific cities. He explained that there will be some limitations to what enforcement information can be included in search results due to certain policies regarding what can be disclosed. He stated that he is confident links to documents associated with administrative or disciplinary actions will be included in the school search results. He stated he will follow up to determine if the last date of inspection will be linked to the search. He continued that the new website search functionality would be released in conjunction with the remaining project functionality, which is planned to be released around Spring 2023. He noted that features that are rolled out initially can be modified in the future. Ms. Reiter stated that she looks forward to hearing back from the Bureau on what specifically will be accessible from the school search.

#### **Licensing Report**

Ebony Santee, Ebony Santee, Bureau Education Administrator, reported on the Licensing Unit. She outlined Attachment 5(b).

Ms. Santee noted a typo on page 24 of the meeting materials. She stated the total number of institutions during FY 2022/2023 Q1 was 1828, not 1823.

Ms. Reiter asked about the oldest full application under review. She asked if the school was operating while the application was under review. Ms. Santee stated that the institution should not be operating, but that staff would check its operating status and would submit an enforcement referral if necessary.

#### **Quality of Education Report**

Ebony Santee, Ebony Santee, Bureau Education Administrator, on the Quality of Education Unit. She referred to Attachment 5(c).

Ms. Santee commented on the status of ACICS accredited institutions. She referred to the Department of Education's decision to revoke the recognition of ACICS. She explained that a second letter will be provided to schools.

Ms. Reiter asked if it is known how much information is getting out to students who are being impacted by the loss of recognition. Ms. Santee responded that the Bureau's communications to ACICS schools have requested copies of all notifications sent to students regarding the institutions' accreditation situation. She also stated that the Department of Education is

requiring institutions that continue to receive federal financial aid for the 18-month period to notify students of the situation. Ms. Cochrane added that the Office of Student Assistance and Relief (OSAR) team is also very involved in the communication efforts. Ms. Reiter stated that at future meetings she would like any available feedback on how well students are getting the information and understanding the impact of the situation.

#### Annual Report (AR) Report

Elizabeth Elias, Bureau Enforcement Chief, reported on the Annual Report (AR) Unit. She outlined Attachment 5(d).

Mr. Holt asked for additional information on what steps are taken when an institution does not submit the required Annual Report. Ms. Elias responded that staff send the institution a letter with a soft date. She stated that if the institution still does provide the report, then they are subject to a citation or possible disciplinary action. She added that staff works with the inspection team to schedule an inspection to look for other violations from institutions that do not submit the report. Mr. Holt noted that it would be useful at the next meeting to include the number of institutions that have not submitted a 2021 Annual Report and how many of those institutions were issued a citation.

#### Compliance and Discipline Report

Ms. Elias reported on the Compliance and Discipline Unit. She outlined Attachment 5(e).

Ms. Reiter asked about the lower number of citations issued compared to previous years. Ms. Elias responded that upon reviewing the backlog she expects a potential increase in the number of cases that are transmitted for disciplinary action.

Ms. Dubois-Carey requested additional information on inspection results including how many citations are issued following an inspection along with information on common violations.

Ms. Reiter asked whether citation results will become searchable by date on the website. Ms. Elias responded that she is working with staff to create a monthly summary of all actions taken.

#### **Complaint and Investigation Report**

Daniel Rangel, Bureau Enforcement Chief over complaints and investigations, reported on the Complaint and Investigation Unit. He outlined Attachment 5(f).

Ms. Reiter asked what steps are taken to address instances when students have an open complaint and need to provide additional information for that complaint. Mr. Rangel stated that staff sees a student submitting an additional complaint, then staff will reach out to the student letting them know they can send additional information to the enforcement email.

Ms. Reiter suggested highlighting the enforcement email as a way for students to send additional information on the online complaint form or in the initial correspondence with the student.

Ms. Reiter asked about instances when a complaint is closed due to it being non-jurisdictional because the program costs less than \$2,500. She asked where or to who are those students referred. Mr. Rangel explained that staff makes every effort to connect students with an entity that may have oversight in the situation. Ms. Reiter noted that in this instance it might be helpful for staff to refer students to the nearest small claims court or legal aid organization.

#### Office of Student Assistance and Relief (OSAR) Report

Scott Valverde, OSAR Chief, reported on the OSAR Unit. He outlined Attachment 5(g).

Ms. Reiter asked if OSAR receives complaints regarding institutions. Mr. Valverde stated that most complaints involve closed schools or schools that are in the process of closing. He explained that staff ensures the student is referred to the appropriate entity or refer them to the Bureau complaint investigation unit.

#### Student Tuition Recovery Fund (STRF) Report

Yvette Johnson, Administration Chief, provided a report on STRF. She covered Attachment 5(h).

Mr. Holt asked if the 764 claims in the queue are mostly from Silicon Valley University. Ms. Johnson stated that the majority are students who attended that institution.

Ms. Reiter commented that the STRF report does not provide any information on how long claims have been in the queue. Ms. Johnson stated that staff would look into adding that information.

#### **Public Comment**

No public comment.

#### Agenda Item #6 - Status Update and Discussion related to the following Regulatory Matters

David Dumble, Legislative/Regulation Specialist, provided a status update on Bureau regulatory matters. He referred to the BPPE Regulatory Package Tracker in the meeting packet.

Ms. Reiter commented that she thinks the proposed disclosure language regarding programs under 32 hours is inadequate to prevent the catalog from being misleading to students. Mr. Dumble noted that comments are welcome during the open comment period.

## <u>Proposed Regulatory Language Concerning Substantive Change Approval for Method of Instructional Delivery</u>

Mr. Dumble outlined the proposed language on page 76 and the revised application on page 79 of the meeting packet.

Mr. Dumble pointed to page 78 of the meeting packet and commented on the proposed definition of a "distance education learning management system." He asked the Committee for any input on the proposed definition.

Mr. Holt stated that the definition of a "distance education learning management system" appears to be broad enough to cover legislative intent. He also stated that the addition of 71600(d) is particularly welcomed regarding the exclusion of modified or upgraded systems from being considered a substantive change.

Ms. Reiter pointed out at the bottom of page 77 in the meeting packet that the title for the form is listed incorrectly. She stated that it should not be listed as "Change of Instruction" but rather "Significant Change in Method of Instructional Delivery."

Ms. Reiter noted that the definition of "distance education learning management" does not specify that it is regarding software. She noted some clarity could be added to the language to make that distinction.

Ms. Reiter pointed to 71600(d) at the bottom of page 77 and suggested expanding on what is considered an "upgrade." She stated that an upgrade could include major changes. She added that it would be easier to enforce if parameters for what is considered an upgrade are included in the language.

#### Memo: SB 1433 regulatory impact

Mr. Dumble outlined the memo titled SB 1433 regulatory impact included in the meeting packet on page 85.

Mr. Holt commented on the bullet for Education Code section 94887. He stated that the regulatory language regarding this section will be very important because the statute is vague. He pointed out that it will be particularly difficult to define "institution manager." He suggested that "institution manager" should be considered a position that is higher up in an organizational chart. He also pointed out the difficulty in determining statutory intent in the phrase "should have known."

Ms. Reiter commented on the bullet for Education Code section 94887. She stated that directors should be included in the definition of "institution manager." She added that the definition of "institution manager" should not be defined too narrowly. She also suggested not defining in regulation the phrases "should have known," "had knowledge of," and "knowingly

participated" as those phrases are included often enough in statute, case law, and civil law that the phrases do not need to be defined in regulation. She noted that it would be helpful to expand on what "unmitigated" is referring to.

#### **Public Comment**

One member of the public provided a comment.

#### Agenda Item #7 - Memo: Application Timeline Analysis and Next Steps

Ms. Santee outlined the memo titled Application Timeline Analysis and Next Steps included in the meeting packet on page 88.

Ms. Reiter asked if multiple deficiency letters are sent out for the same issues or do subsequent letters only involve new deficiencies. Ms. Santee stated that most often additional deficiency letters include deficiencies already noted in prior letters. Ms. Reiter stated that five letters for the same deficiencies seem excessive. She added it would be helpful to include a breakdown of applications pending due to the Bureau waiting on deficiencies to be addressed by the institution.

Mr. Holt suggested tracking the number of times institutions request an application extension. He also suggested including outliers when reporting on application processing times.

#### **Public Comment**

No public comment.

#### Agenda Item #8 - Future Meeting Dates

The Committee discussed future meeting dates.

Ms. Cochrane asked for Committee input on holding virtual meetings. Ms. Reiter suggested having at least one meeting a year in-person.

Mr. Holt stated that the benefits of remote meetings probably outweigh the benefits of inperson meetings. He added that he agrees having at least one or maybe two in-person meetings in a year would be beneficial.

Ms. Cochrane stated an expectation for the February and May 2023 meetings to be held remotely and for the August 2023 meeting to be held in-person.

#### **Public Comment**

No public comment.

#### Agenda #9 - Suggestions for Future Agenda Items

Mr. Holt suggested scheduling elections for Committee leadership for the February 2023 meeting.

#### **Public Comment**

One public comment was received.

#### Agenda #10 - Adjournment

The meeting adjourned at 12:33 pm.

# 5. Remarks By A Representative Of The Department Of Consumer Affairs

(Note: May include updates pertaining to the Bureau's Operations, Human Resources, Department's Administrative Services, Fees, Enforcement, Information Technology and BreEZe, Communications and Outreach, as well as Regulatory and Policy Matters)



# 6. Bureau Operations Update and Discussion related to the following:



- b. Licensing Report
- c. Quality of Education Report
- d. Annual Report Update
- e. Compliance and Discipline Report
- f. Complaint and Investigation Report
- g. Office of Student Assistance and Relief (OSAR) Report
- h. Student Tuition Recovery Fund (STRF) Repor



## IT System Project



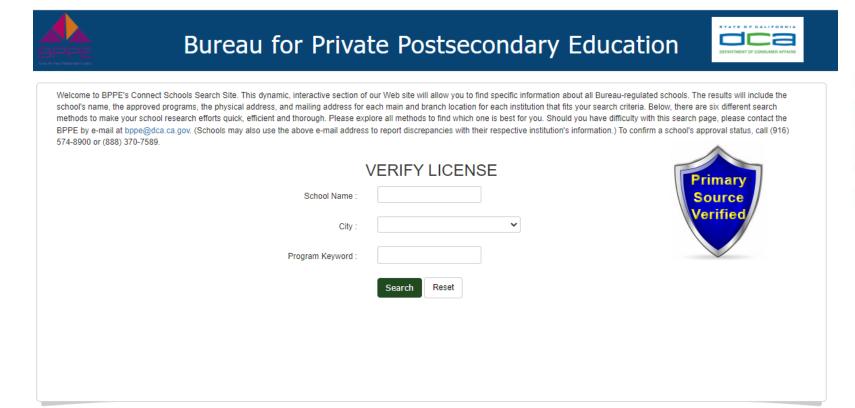




## BPPE's Connect School's Search Site

Advisory Committee Meeting – February 16, 2023

## Test Environment



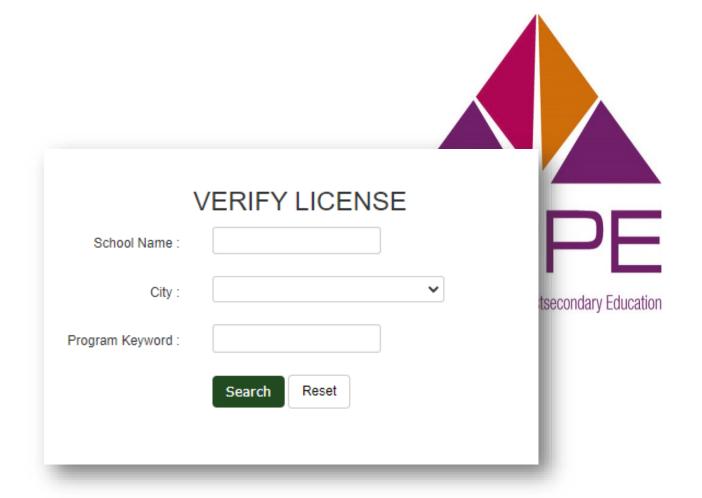
Copyright @ 2020 | California Department of Consumer Affairs Bureau for Private Postsecondary Education | All Rights Reserved



February 16, 2023

#### Parameters:

- School Name
- City
- Program Keyword



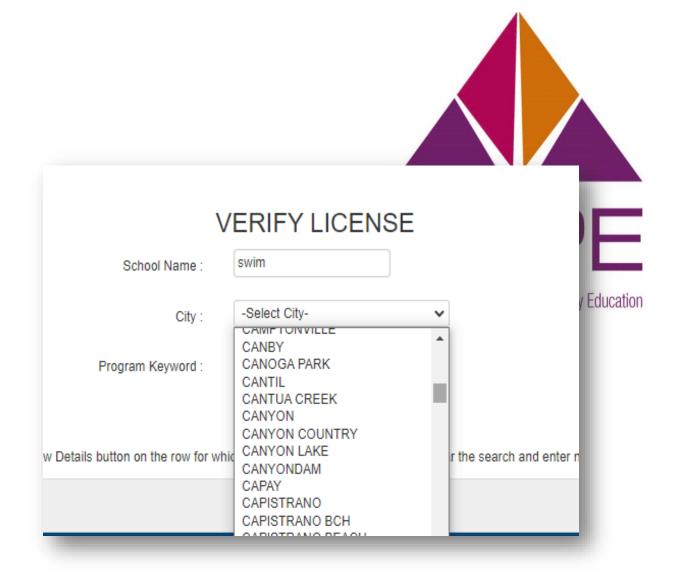
#### School Name:

- Entering the name of a school will show that school in the search results section
- Entering part of the name of a school will bring a list of schools that share that word or words in the search results section



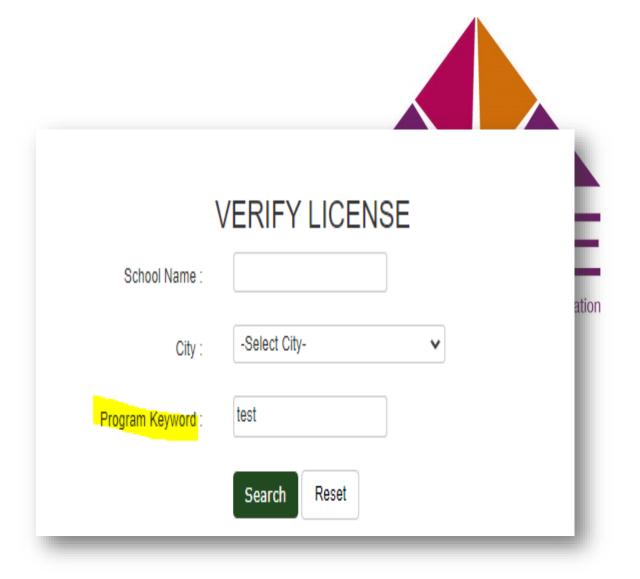
### City:

- The City field has a dropdown list of California cities that can further narrow down your search
- Selecting a City without values in any of the other fields will provide a list of all schools in that city in the search results section



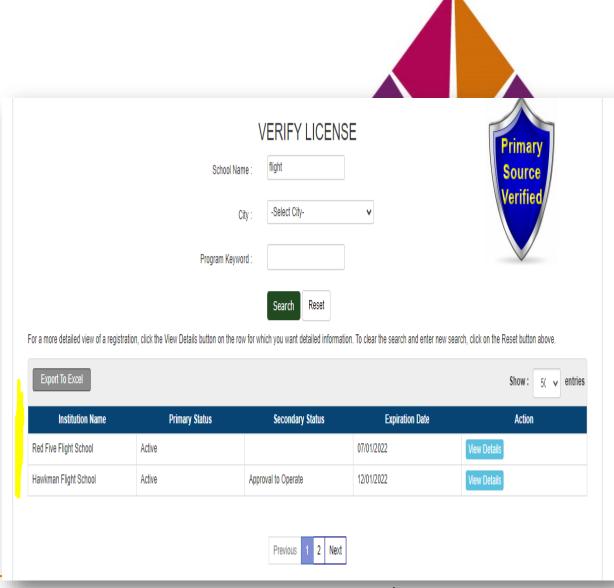
#### Program Keyword:

- Entering a word or words allows you to search or narrow down your search based on the Program a school offers
- The search field searches the Program Title field in the Approved Programs tab of the school



## Search Results

- After entering search
   parameters and clicking search,
   the outcome of your search will
   appear below the search
   parameters section
- The search results can show one school or a list of schools depending on the specificity of the search parameters
- An extract of the search results can be downloaded by clicking the Export to Excel button



## Search Results

Institution Name: The Name of the School

Primary Status: The Primary Status of the school

Secondary Status: The Secondary Status\* of the school

Expiration Date: The Expiration Date of the school

Action: View Details button: allows the user to see more information of the

school selected



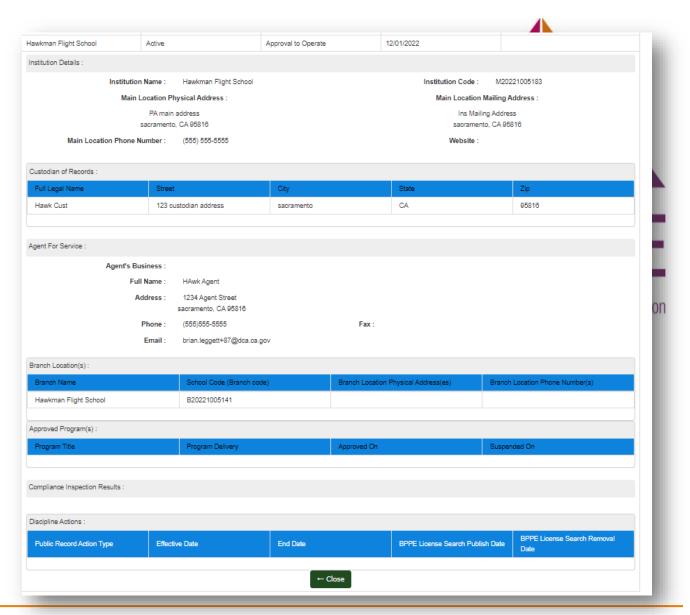
\*note Secondary Status might be missing for many schools in the test environment and will be resolved once in production.



Clicking the VIEW DETAILS button opens a more detailed view of the school

#### Sections include:

- Institution Details
- Custodian of Records
- Agent for Service
- Branch Location(s)
- Approved Program(s)
- Compliance Inspection Results
- Discipline Actions



#### Institution & Custodian of Records

Institution Details:

Institution Name: Hawkman Flight School

Main Location Physical Address:

PA main address sacramento, CA 95816

Main Location Phone Number: (555) 555-5555

Institution Code: M20221005183

Main Location Mailing Address:

Ins Mailing Address sacramento, CA 95816

Website:

	Custodian of Records :					
	Full Legal Name	Street	City	State	Zip	
	Hawk Cust	123 custodian address	sacramento	CA	95816	



#### Agency for Service & Branch Location(s)

Agent For Service :

Agent's Business:

Full Name: HAwk Agent

Address: 1234 Agent Street

sacramento, CA 95816

Phone: (555)555-5555

Email: brian.leggett+87@dca.ca.gov

	ranch Location(s):					
E	Branch Name	School Code (Branch code)	Branch Location Physical Address(es)	Branch Location Phone Number(s)		
ŀ	Hawkman Flight School	B20221005141				

Fax:

Approved Program(s) & Compliance and Discipline



Program Title	Program Delivery	Approved On	Sus	pended On
Flight class	Direct Instruction	01/13/2023		
				Durgau iui Frivale Fusiseculluary Luul
lianas Inspection Desults :				
ompliance inspection Results :				
ompliance inspection Results :				
ompliance Inspection Results : iscipline Actions :				BPPE License Search Removal

# Licensing Statistics Q2, FY 2022-23

Bureau for Private Postsecondary Education Advisory Committee Meeting February 16, 2022



## FY 2022/23 Q2 LICENSE APPLICATIONS - SUMMARY

License	Received FY 22/23	Pending Assignment (Queue)	Under Review	Total Pending	Approved	Withdrawn or Abandoned	Denied	Total Closed	Average Days to Approve <sup>a</sup>
New Full Approval	17	16	43	59	20	4	1	26	551
New Acc Approval	17	0	5	5	11	2	3	16	141
Renewal Full	31	0	111	111	27	2	6	37	345
Renewal Accredited	47	0	43*	43	34	2	2	38	186
Changes Full	79	0	47	47	48	31	5	84	118
Changes Accredited	105	0	29	29	93	7	4	104	65
Verification of Exemption	126	0	24	24	74	1	40	115	42
Out of State Registration	24	0	7	7	16	2	5	23	26
Totals	44	16	309	325	323	51	66	443	184

<sup>&</sup>lt;sup>a</sup> Average Days to Approve is calculated from time assigned to analyst.

<sup>\* 32</sup> applications pending new term of accreditation.

## FY 2022/23 Q2 LICENSE APPLICATIONS – SUMMARY (continued)

Oldest Pending Full Applications (as of 1/1/2023)						
Oldest Full Apps in Queue:	10/26/2021	#34878 App incomplete until October 25, 2022				
Oldest Full Apps Under Review:	10/24/2019	#32731 def response due 1/16/23				
Oldest Renewal Full Apps Under Review:	4/10/2017	#30098 Discipline issues				
Median Date of Full Apps in Queue:	10/31/2022					

## FY 2022/23 Q2 Statewide Population by Location Type & Approval Type

Location Type for Approval to	Main	Branch	Satellite	Total
Operate	969	360	511	1840

Types	ABMA (Accredited)	Full (Non- Accredited)	Conditionala	Provisional <sup>b</sup>	Out of State Registration
Population	417	529	1	21	91

<sup>&</sup>lt;sup>a</sup>Conditional Approvals are issued for a period up to six months when minor deficiencies exist but the institution is substantially in compliance with the requirements of the laws and regulations (California Code of Regulations section 71400(d)(1)).

<sup>b</sup>Provisional Approvals are issued to unaccredited institutions seeking approval to offer one or more degree programs and must satisfy the requirements under California Education Code section 94885.5.

Submit questions and/or comments to:

**Ebony Santee** 

Bureau for Private Postsecondary Education

1747 N. Market Blvd, Suite 225

Sacramento, CA 95834

(279)-895-6081

Ebony.Santee@dca.ca.gov

# Quality of Education Accreditation Tracking

(through January 30, 2022)

Bureau for Private Postsecondary Education Advisory Committee Meeting February 16, 2023



## Status of 1247 Institutions: CEC 94885.1 Schools

(Approved to Offer Degree Programs Prior to January 1, 2015)

Outcome	Institution Count
Accredited	
Closed or Approval Expired	49
Exempt	19
On Approved Extension	3
Surrendered Degrees	22
Total	143

## Status of 1247 Institutions: CEC 94885.5 Schools

(Provisionally Approved for Degree Programs Since January 1, 2015)

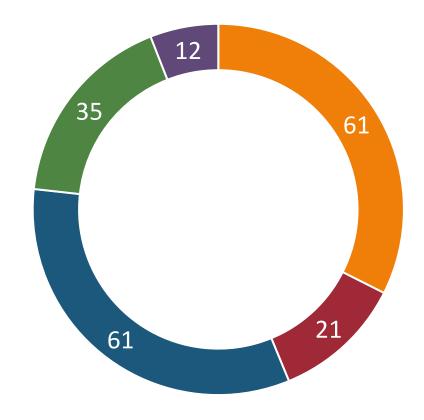
Outcome	Institution Count
Accredited	
Closed or Approval Expired	12
Exempt	2
Surrendered Degrees	13
Suspended Degrees	8
Total	84

### Outcomes of SB 1247 Institutions

Includes CEC 94885.1 and CEC 94885.5 institutions that have concluded their efforts to obtain accreditation; excludes institutions still pursuing accreditation.

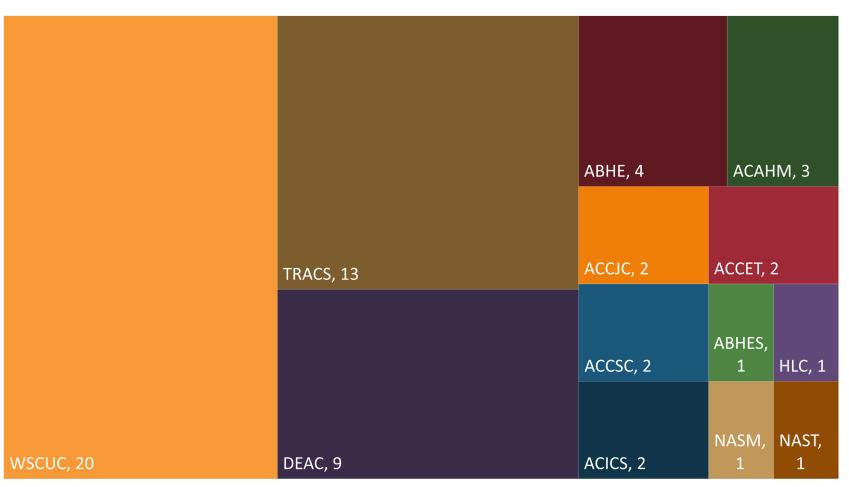
#### **Total Institution Count: 190**

- Obtained Accreditation
- Became Exempt
- Institution Closed
- Degree Programs Surrendered
- Degree Programs Suspended



### Accreditors of Successful SB 1247 Institutions

Includes CEC 94885.1 and CEC 94885.5 institutions that obtained accreditation (61 in total)



- ABHE: Association for Biblical Higher Education
- ABHES: Accrediting Bureau of Health Education Schools
- ACAOM: Accrediting Commission for Acupuncture & Oriental Medicine
- ACCJC: Accrediting Commission for Community and Junior Colleges
- ACCET: Accrediting Council for Continuing Education & Training
- ACCSC: Accrediting Commission of Career Schools and Colleges
- ACICS: Accrediting Commission for Independent Colleges and Schools
- HLC: Higher Learning Commission
- DEAC: Distance Education Accrediting Commission
- NASM: National Association of Schools of Music
- NAST: National Association of Schools of Theater
- TRACS: Transnational Association of Christian Colleges and Schools
- WSCUC: WASC Senior College and University Commission

Submit questions and/or comments to:

**Ebony Santee** 

Bureau for Private Postsecondary Education

1747 N. Market Blvd, Suite 225

Sacramento, CA 95834

(279)-895-6081

Ebony.Santee@dca.ca.gov

# Annual Report Update

Bureau for Private Postsecondary Education Advisory Committee Meeting February 16, 2023



# School Performance Fact Sheet Workshops

- The Bureau offers School Performance Fact Sheet Workshops for Institutions to help them understand the Bureau's laws and regulations.
- Workshops are conducted in an online and interactive format.
- Institutions are encouraged to register online at the Bureau's website: <a href="https://bppe.ca.gov/schools/school-perf">https://bppe.ca.gov/schools/school-perf</a> workshops.shtml
- Upcoming Workshops
  - Thursday, February 23, 2023
  - Thursday, March 23, 2023
  - Thursday, April 27, 2023

### Submit questions and/or comments to:

#### **Elizabeth Elias**

Enforcement Chief Compliance and Discipline Section Bureau for Private Postsecondary Education 1747 N. Market Blvd, Suite 225 Sacramento, CA 95834 (279) 212 - 1986

elizabeth.elias@dca.ca.gov

# Compliance Statistics Q1, FY 2022-23

Bureau for Private Postsecondary Education Advisory Committee Meeting February 16, 2023



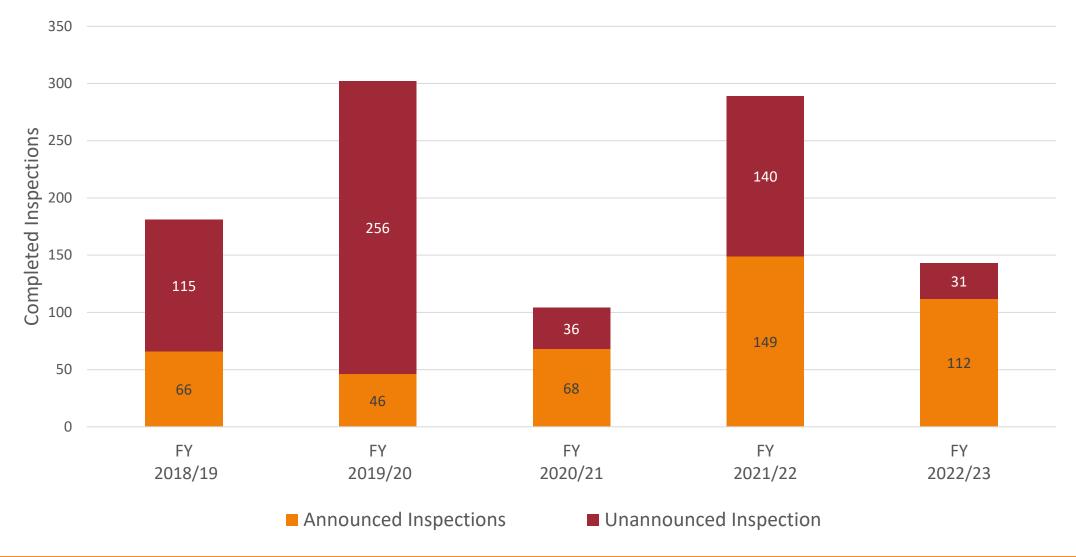
# Inspections

INSPECTIONS	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/2		2/23		
	YTD	YTD	YTD	YTD	Q1	Q2	Q3	Q4	YTD
Total Completed Inspections	181	302	104	289	72	71			143
Announced Inspections	66	46	68	149	56	56			112
Unannounced Inspection	115	256	36	140	16	15			31
Inspections Cancelled <sup>1</sup>	2	11	29	7	17	2			19

<sup>&</sup>lt;sup>1</sup>Reason for a Cancelled Inspection

- An institution closed during the inspection process.
- An institution surrender an approval to operate.
- An institution refused to allow an inspection resulting in further enforcement action.
- An institution was not at the physical location as recorded in the Bureau's database.
- An institution's renewal to operate was denied.

# Inspections by Type



# Inspection Results



# Compliance Workshops

- The Bureau offers Compliance Workshops for Institutions to help them understand the Bureau's laws and regulations.
- Workshops are held monthly and are conducted in an online and interactive format.
- Institutions are encouraged to register online at the Bureau's website: <a href="https://bppe.ca.gov/enforcement/compliance\_workshops.shtml">https://bppe.ca.gov/enforcement/compliance\_workshops.shtml</a>
- Upcoming Workshops
  - Wednesday, March 15, 2023

### Submit questions and/or comments to:

#### **Elizabeth Elias**

Enforcement Chief Compliance and Discipline Section Bureau for Private Postsecondary Education 1747 N. Market Blvd, Suite 225 Sacramento, CA 95834 (279) 212 - 1986

elizabeth.elias@dca.ca.gov

# Discipline Statistics Q2, FY 2022-23

Bureau for Private Postsecondary Education Advisory Committee Meeting February 16, 2023



# Enforcement Actions Resulting from an Accusation

Actions Taken	FY FY 2018/19 2019/2		FY FY 2019/20 2020/21		FY 2022 -2023					
Actions taken	YTD	YTD	YTD	YTD	Q1	Q2	Q3	Q4	YTD	
Default: Revocation	1	1	7	7	2	0			2	
PC 23	2	0	0	0	0	1			1	
Proposed Decision: Probation Granted	1	0	0	0	0	0			0	
Proposed Decision: Revocation	0	1	1	0	1	1			2	
Rejected by DAG	3	0	1	1	1	0			1	
Stipulated Settlement Probation	1	6	1	0	0	0			0	
Stipulated Surrender	4	3	4	2	0	0			0	
Stipulated Settlement Public Reproval	0	1	1	0	0	0			0	
Withdrawn By Bureau: Citation Issued	1	1	0	0	0	0			0	
Withdrawn by Bureau: Violations Resolved	0	0	0	1	0	0			0	
Withdrawn by Bureau: Renewal Granted	1	0	0	0	0	0			0	
Total Actions Taken:	14	13	15	11	4	2			6	

# Enforcement Actions Resulting from a Statement of Issues

Actions	FY 2018/19		FY 2020/21	FY 2021/22	FY 2022/23				
	YTD	YTD	YTD	YTD	Q1	Q2	Q3	Q4	YTD
In-House Default: Denial Upheld	3	1	0	0	0	0			0
Proposed Decision: Denial Upheld	3	3	0	2	0	1			1
Proposed Decision: Conditional Approval Granted	1	0	0	0	0	0			0
Stipulated Settlement: Denial Upheld (School Closure)	0	0	0	0	0	0			0
Stipulated Settlement: Conditional Approval Granted	0	0	0	0	0	0			0
Withdrawn: Approval Granted (Mitigation Satisfied Deficiencies)	9	13	3	1	0	1			1
Withdrawn: Denial Upheld (Appeal Withdrawn by Institution)	5	5	6	2	0	0			0
Withdrawn: Exempt Institution	1	1	2	0	0	0			0
Total Actions Taken:	22	23	11	5	0	2			2

# **Additional Enforcement Actions**

	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23				
	YTD	YTD	YTD	YTD	Q1	Q2	Q3	Q4	YTD
Emergency									
Decisions	3	2	1	0	1	1			2
Automatic									
Suspensions	5	4	10	4	0	1			1

# Open Cases at the Attorney General's Office Pending Disciplinary Action

As of 12/31/2022	Total Transmitted	Total Served of Transmitted
Accusations	10	8
Statement of Issues	4	3
Totals:	14	11

## Citations Issued

	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23				/23	
	YTD	YTD	YTD	YTD	Q1	Q2	Q3	Q4	YTD	
Citations <sup>1</sup> Issued	243	333	280	146	24	5			29	
Institutions Cited	241	325	273	144	24	5			29	

#### <sup>1</sup>Common Violations Cited

- Unlicensed Activity An institution without Bureau approval to operate.
- Failure to submit annual fees.
- Failure to submit student tuition recovery fund assessments.
- Failure to submit the annual report.
- Failure to submit school performance fact sheets.

### Submit questions and/or comments to:

#### **Elizabeth Elias**

Enforcement Chief Compliance and Discipline Section Bureau for Private Postsecondary Education 1747 N. Market Blvd, Suite 225 Sacramento, CA 95834 (279) 212 - 1986

elizabeth.elias@dca.ca.gov

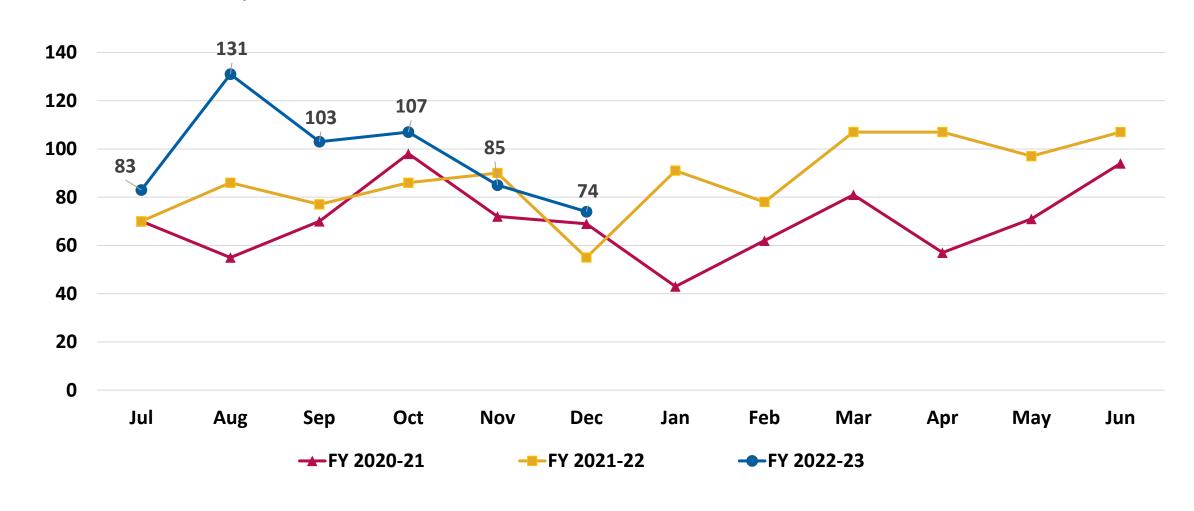
# Complaint Investigation Statistics Q1-Q2, FY 2022-23



Bureau for Private Postsecondary Education Advisory Committee Meeting February 16, 2023

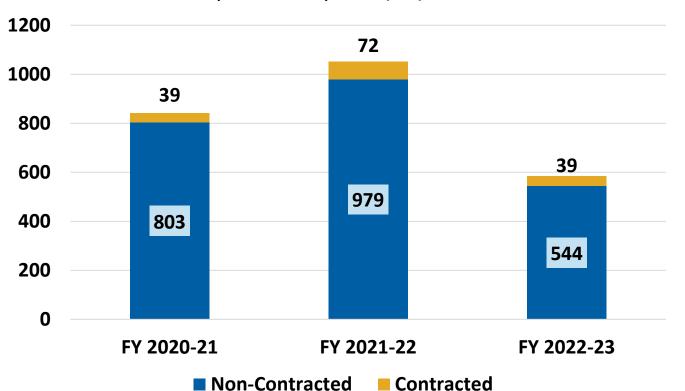
## COMPLAINTS RECEIVED

#### Complaints Received FY 2020-21, FY 2021-22, and Q1-Q2 FY 2022-23



# CONTRACTED VS. NON-CONTRACTED COMPLAINTS RECEIVED

Contracted Vs. Non-Contracted Complaints Received FY 2020-21, FY 2021-22, and Q1-Q2 FY 2022-23

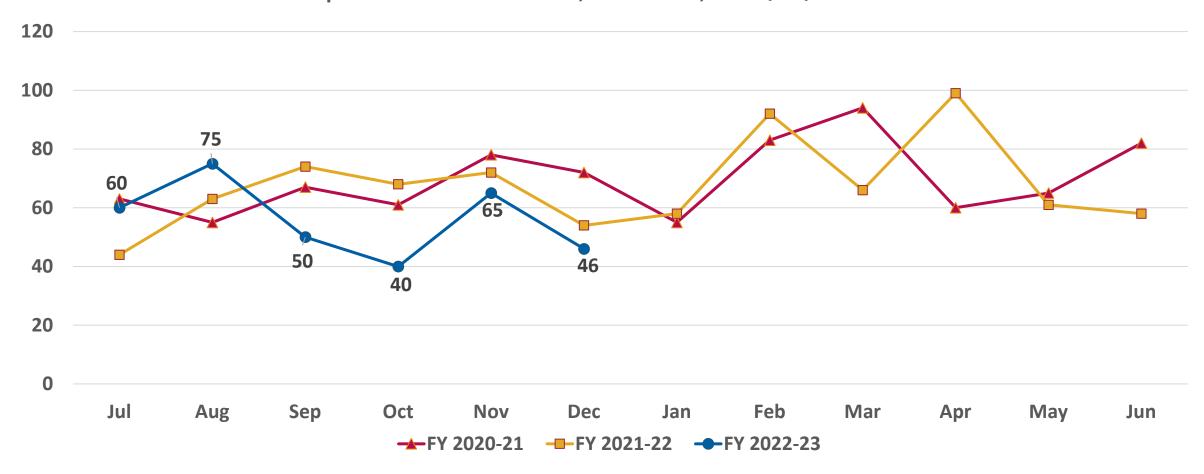


Q1-Q2 Complaints					
Total complaints received	583				
Total schools receiving complaints	416				

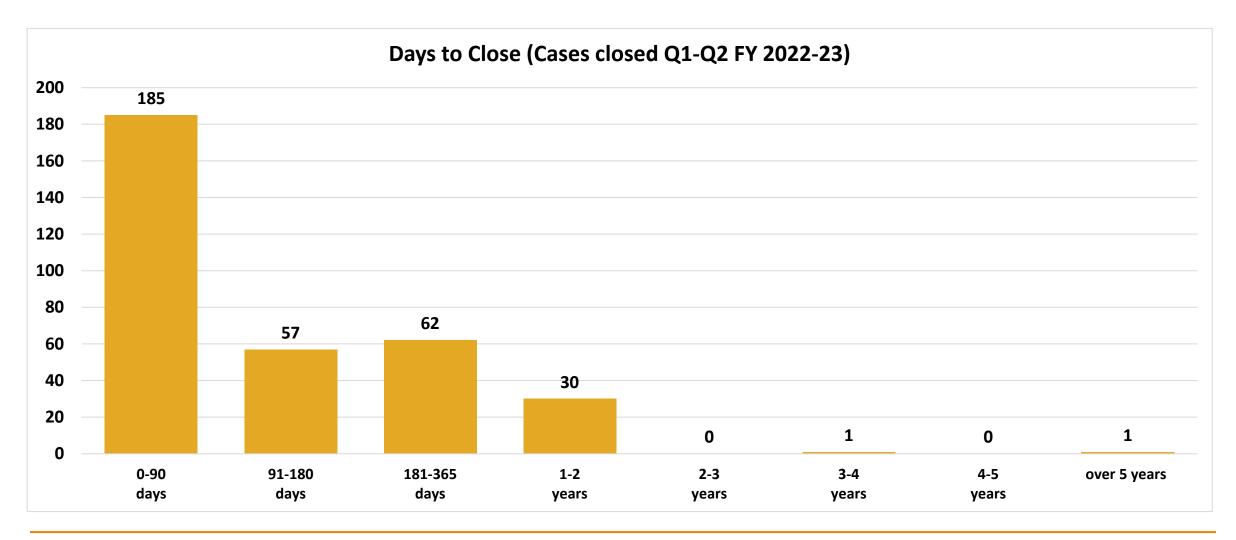
Q1-Q2 Contracted School Complaints					
Contracted complaints rec'd	39				
Contracted schools receiving complaints	26				

## CLOSED COMPLAINTS

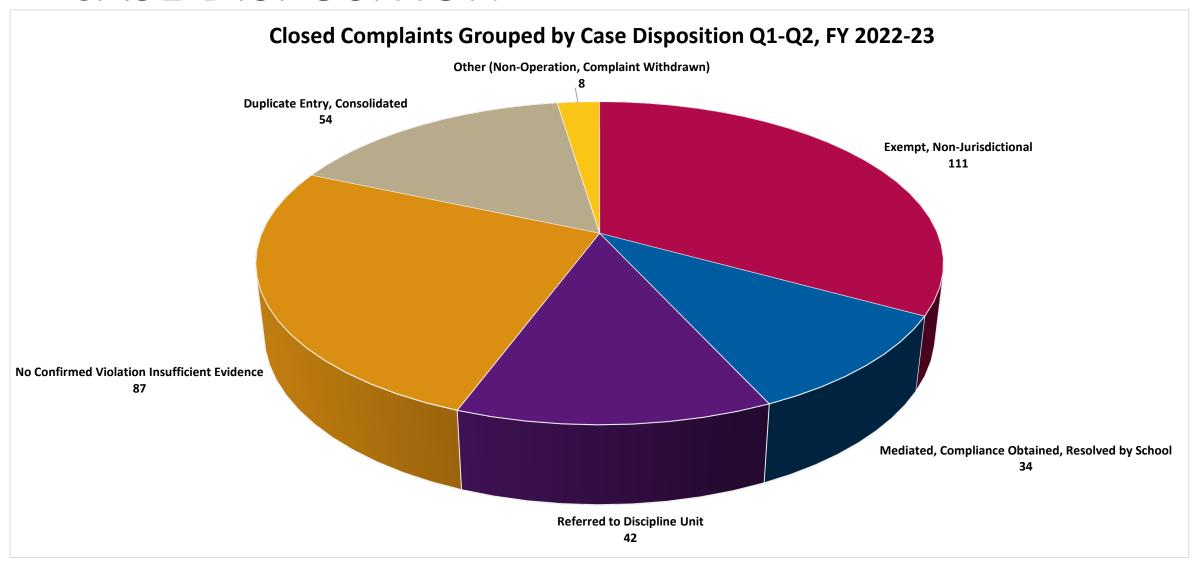
Complaints Closed FY 2020-21, FY 2021-22, and Q1-Q2 FY 2022-23



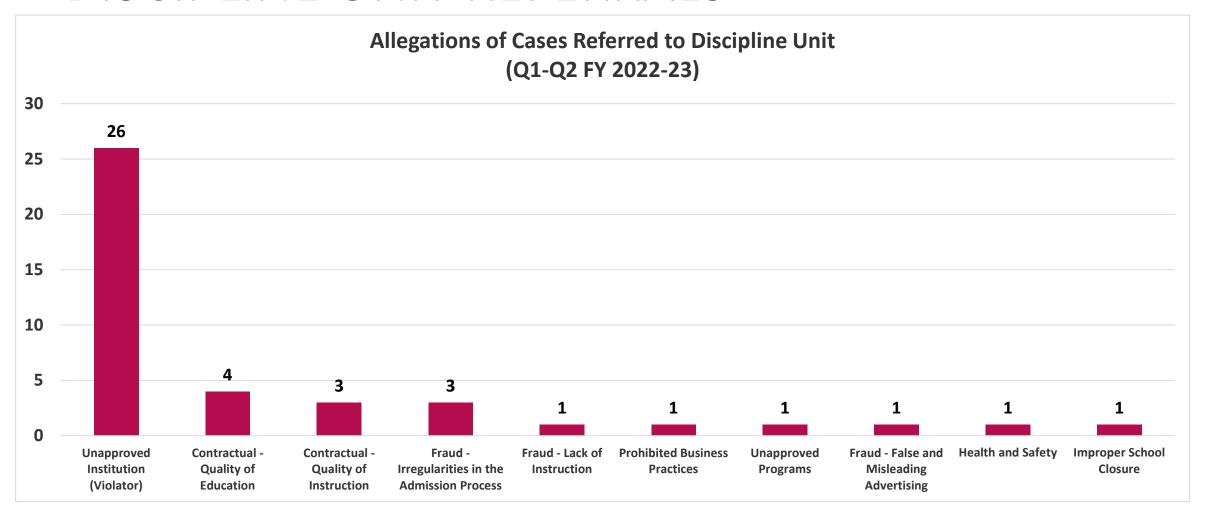
## **CLOSED COMPLAINTS**



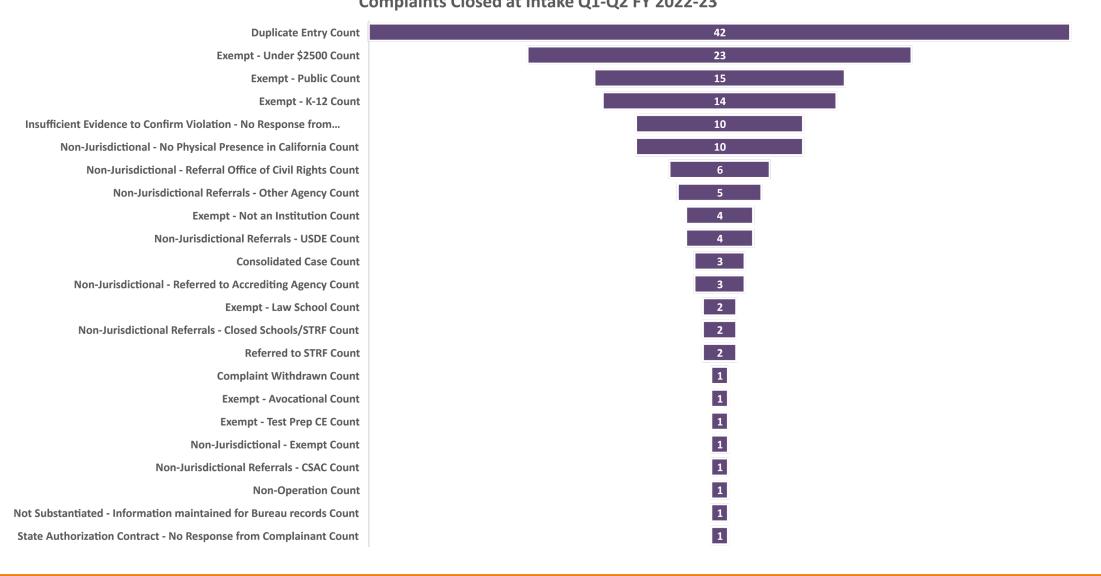
## CASE DISPOSITION



## DISCIPLINE UNIT REFERRALS

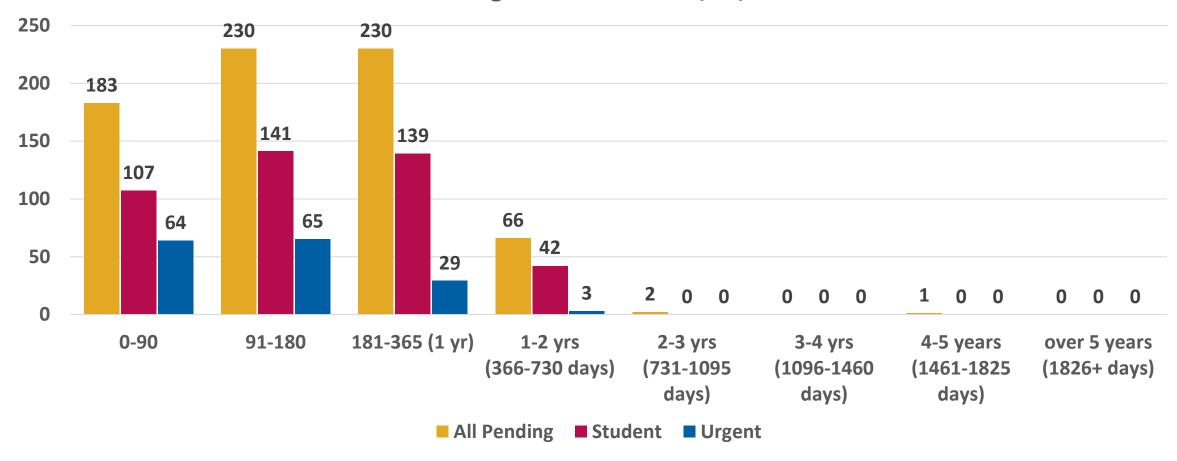


# COMPLAINTS CLOSED AT INTAKE Complaints Closed at Intake Q1-Q2 FY 2022-23

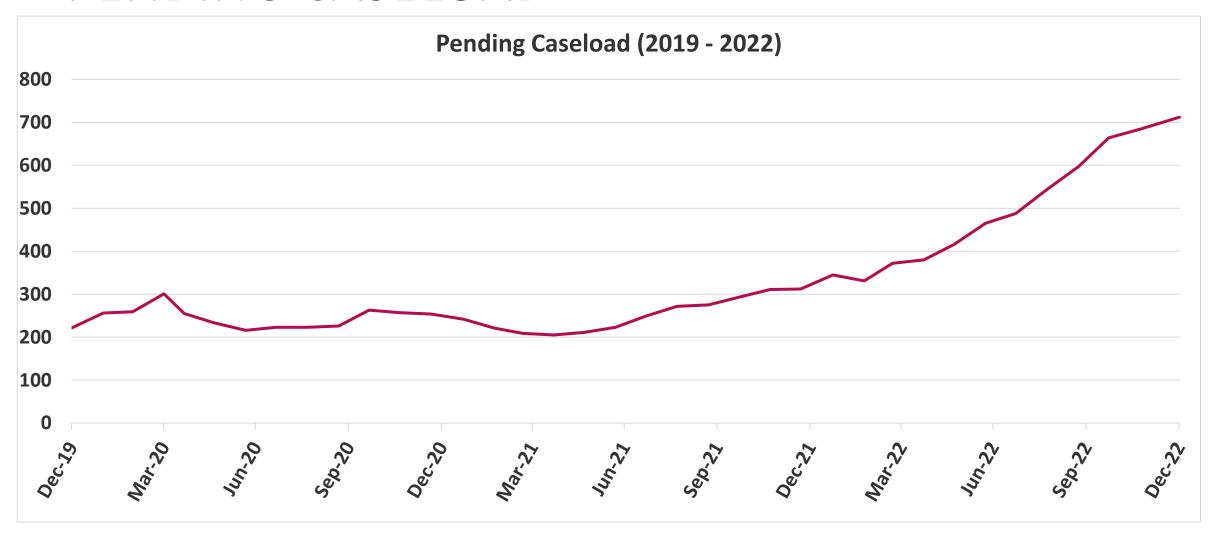


## PENDING CASELOAD





## PENDING CASELOAD



### STUDENT IMPACT

- > Total of \$6,431.20 in refunds to students or to their federal student aid account.
- > Students received degree, diploma, proofs-of-training, certificate, license, and transcripts.
- > Students re-enrolled in program.
- > Student able to participate in commencement.
- Student allowed to take externship.
- Students referred to Student Tuition Recovery Fund.
- Student Income Share Agreements cancelled.
- Schools revised its policies, disclosures, website.

### Submit questions and/or comments to:

### **Daniel Rangel**

**Enforcement Chief** 

Bureau for Private Postsecondary Education

1747 N. Market Blvd, Suite 225

Sacramento, CA 95834

916-879-1827

Daniel.Rangel@dca.ca.gov

# Office of Student Assistance and Relief Outreach Statistics

Q1-Q2: FY 2022-23

Bureau for Private Postsecondary Education

**Advisory Committee Meeting** 

February 16, 2023





# Office of Student Assistance and Relief: Student Outreach Report

CHART A: INFORMED CHOICE OUTREACH AND EDUCATIONAL ACTIVITIES								
Student Outreach Activity	Event Type	Event Date	<b>Event Location</b>	Total Students Reached				
California Transition Assistance Program Travis Air Force Base Workshop	Student Workshop / Presentation	7/8/2022	Travis Air Force Base, CA	15				
California Transition Assistance Program Beale Air Force Base Workshop	Student Workshop / Presentation	7/21/2022	Yuba County, CA	7				
California Transition Assistance Program Presidio of Monterey Virtual Workshop	Student Workshop / Presentation	8/12/2022	Monterey, CA	13				
Fresno Community Health Resource Fair	Community Fair	9/27/2022	Fresno, CA	45				
Cal-SOAP East Bay Solano County Consortium 45th Annual College Information Day	College Fair	10/15/2022	Berkeley, CA	70				

CHART A: INFORMED CHOICE OUTREACH AND EDUCATIONAL ACTIVITIES (CONTINUED)						
Student Outreach Activity	Student Outreach Activity Event Type Event Date Event Location Total Students Reac					
Sweet v. Cardona Student Assistance Campaign	Email Outreach	10/19/2022	Multiple Schools / Locations	1,302		
Natomas Unified School District Postsecondary College Information Virtual Workshop	Student Workshop / Presentation	10/27/2022	Sacramento, CA	16		
L.A Cash for College College and Career Fair	College Fair	11/5/2022	Los Angeles, CA	70		
			TOTAL	1,538		

CHART B: MISC. STUDENT OUTREACH EFFORTS						
Student Outreach Activity Event Type Event Date Event Location Total Students Reac						
San Francisco Cooking School	Email Outreach	9/2/2022	San Francisco, CA	15		
California University of Management and Sciences <sup>1</sup>	Email Outreach	9/29/2022	Anaheim, CA	53		
Silicon Valley University <sup>1</sup>	Email Outreach	9/29/2022	Fremont, CA	5		
Southwestern California University <sup>1</sup>	Email Outreach	9/29/2022	Fullerton, CA	15		
International House San Diego	Email Outreach	10/14/2022	San Diego, CA	24		
Future-Net	Phone Outreach	10/21/2022	Riverside, CA	4		

<sup>&</sup>lt;sup>1</sup> Schools that were formerly or provisionally accredited by the Accrediting Council for Independent Colleges and Schools (ACICS).

CHART B: MISC. STUDENT OUTREACH EFFORTS (CONTINUED)					
Student Outreach Activity Event Type Event Date Event Location Total Students Reach					
Nizhoni Institute of Midwifery	Email Outreach	11/8/2022	San Diego, CA	24	
Aveda Institute Los Angeles	Email Outreach	12/14/2022	Los Angeles, CA	43	
TONI & GUY Hairdressing Academy (Branch)	Email Outreach	12/23/2022	Costa Mesa, CA	31	
Charter College, LLC	Email Outreach	12/29/2022	Vancouver, WA	96	
			TOTAL	310	

CHART C: CLOSED SCHOOL OUTREACH WORKSHOPS						
Student Outreach Activity	Event Type	Event Type Event Date Event Location Total Students				
California Technical Academy	Virtual Student Workshop	7/29/2022 Riverside, CA		62		
School Closure Outreach Events	Student Workshop	8/26/2022				
Paul Mitchell The School Program Closure Outreach Event	Student Workshop	11/1/2022	Pleasant Hill, CA	28		
My Beauty and Barber College School Closure Outreach Event	Student Workshop	12/13/2022	Sacramento, CA	18		
Cosmo Beauty Academy School Closure Outreach Event	Student Workshop	12/22/2022	Sacramento, CA	139		
			TOTAL	247		

CHART D: PHONE CALLS RECEIVED							
Call Category	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	Total
Student Tuition Recovery Fund Application Assistance	113	98	54	58	55	36	414
Student Loan Relief Assistance	11	5	4	11	10	1	42
School / Program Closure Outreach	6	0	0	1	0	113	120
Informed Choice Consultation	1	4	3	48	9	1	66
Transcript Assistance	4	8	5	5	4	2	28
Other	7	9	14	24	7	5	66
TOTAL CALLS	142	124	80	147	85	158	736

CHART E: EMAILS RECEIVED							
Email Category	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	Total
Student Tuition Recovery Fund Application Assistance	64	54	39	52	26	35	270
Student Loan Relief Assistance	10	12	4	9	23	5	63
School / Program Closure Outreach	3	0	19	7	3	11	43
Informed Choice Consultation	1	3	2	2	1	0	9
Transcript Assistance	5	12	16	17	6	4	60
Other	22	22	28	24	13	6	115
TOTAL EMAILS	105	103	108	111	72	61	560

# Office of Student Assistance and Relief: 2021/22 State Fiscal Year Summary

CHART F: 2021/22 STATE FISCAL YEAR SUMMARY					
Type of Outreach Total Number of Activities Total Students Rea					
INFORMED CHOICE OUTREACH AND EDUCATIONAL ACTIVITIES	36	1,982			
California Transition Assistance Program Workshops	29	495			
College Fairs	5	664			
Misc. Outreach Events	2	823			
MISC. STUDENT OUTREACH EFFORTS	55	2,451			
CLOSED SCHOOL OUTREACH WORKSHOPS	4	338			
TOTAL	95	4,771			

Submit questions and/or comments to:

Office of Student Assistance and Relief
Bureau for Private Postsecondary Education
1747 N. Market Blvd, Suite 225
Sacramento, CA 95834
(888) 370-7589, Option #5
osar@dca.ca.gov

## STRF Statistics Fiscal Year (FY) 2022-23: Quarter Two

10/01/2022 to 12/31/2022

Bureau for Private Postsecondary Education Advisory Committee Meeting February 16, 2023

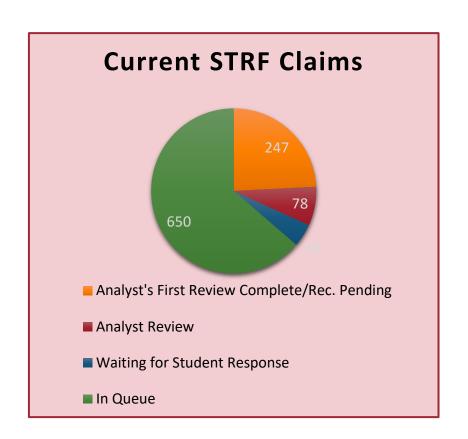


STRF Claims Received					
State Fiscal Year	FY 22-23 Quarter 1	FY 22-23 Quarter 2			
Claims Received	34	30			

STRF Claims Closed					
State Fiscal Year	FY 22-23 Quarter 1	FY 22-23 Quarter 2			
Claims Approved	48	29			
Claims Ineligible	35	13			
Claims Denied	4	10			
Unable to Contact	2	33			
TOTAL	89	85			

Current STRF Claims as of 12/31/2022

Current STRF Claims				
Analyst's First Review Complete/Rec. Pending	247			
Analyst Review	78			
Waiting for Student Response	76			
In Queue	650			
TOTAL	1051			



STRF Claims Pending Payment – State Controller's Office					
State Fiscal Year FY 22-23 Quarter 1 FY 22-23 Quarter 2					
Amount	\$59,543.27	\$440,105.00			
Claims	6	25			

STRF Claims Paid Amount					
State Fiscal Year	FY 22-23 Quarter 1	FY 22-23 Quarter 2			
Amount	\$361,552.99	\$220,002.27			
Claims	33	23			

### STRF Current Balance as of 12/31/2022

\$21,612,605.50

## Large Impact Closures (From School Closure to Current – Total Impact)

	STRF Claims Received	STRF Claims Pending	Ineligible / Denied	Unable to Contact	Number of STRF Claims Approved	Dollar Amount Paid to Student/Loan	Dollar Amount Paid - Ed Credit (To New School)	
Heald <sup>1</sup>	493	182	99	109	103	\$854,693.85	\$32,034.31	\$886,728.16
WyoTech <sup>1</sup>	171	24	49	36	62	\$315,006.78	\$0.00	\$315,006.78
Everest <sup>1</sup>	567	156	136	131	144	\$570,774.42	\$0.00	\$570,774.42
Silicon Valley	1277	859	56	24	337	\$6,180,504.91	\$0.00	\$6,180,504.91

<sup>&</sup>lt;sup>1</sup> Heald College, WyoTech, and Everest College were operated by Corinthian Colleges, Inc. - "STRF Claims Pending" includes claims that are awaiting a decision on their Federal Borrower Defense applications.

Submit questions and/or comments to:

Yvette Johnson

Bureau for Private Postsecondary Education

1747 N. Market Blvd, Suite 225

Sacramento, CA 95834

(279) 895-6099

Yvette.Johnson@dca.ca.gov

7. Status Updates and Discussion on Regulatory Proposals



## BPPE Regulatory Package Tracker

Title	Status Summary	ACM	DCA	Agency	Public Comment	OAL	Final
		(text only)		(	full package		
Out-of-State Institution Registration (Form and Determinations)	Decision by OAL by 2/10/2023	8/26/2021; 2/23/2022	10/19/22	10/24/2022	11/11/22- 12/27/22	12/28/2022	2/10/2023
Ability-to-Benefit Repeal	Approved by OAL	2/23/2022	8/8/2022	8/30/2022	9/16/22- 11/01/22	12/13/2022	1/27/2023
Exemption of Programs Under 32 Hours	Decision by OAL by 2/10/2023	2/23/2022	10/17/2022	10/24/2022	11/11/22- 12/27/22	12/28/2022	2/10/2023
Reporting of Substantive Changes: 3 Applications (Clock-to-Credit Hour, Title IV Participation, Increase/Decrease in Program Length)	Decision by OAL by 2/10/2023	5/17/2022	10/24/2022	10/31/2022	11/11/22- 12/27/22	12/28/2022	2/10/2023
Reporting of Substantive Change: Distance Education Learning Management System	Package being developed	11/15/2022					
Identifying Date of Closure	For Advisory Committee	2/16/2023					
Substantive Change-Change of Person In Control	In development	5/24/2023					
Signature Requirements	In development	5/24/2023					
Verification of Exempt Status Application	On hold temporarily	8/26/2021, 5/24/2023					
Public Institution Approval	In development	8/16/2023					
Definition of "physical presence"	In development	11/8/2023					
Past Bad Actions	In development	11/8/2023					

## 7a. Status Updates:

- Repeal of "Ability-to-Benefit" Language (5 California Code of Regulation (CCR) sections 71210, 71475, 71770, and 71920, California Education Code (CEC) sections 94811, 94904, and 94909(a)(8)(A), Senate Bill (SB) 607 (2021))
- ii. Exemption of Programs Less than 32 Hours (5 CCR Sections 71710, 71810, (CEC) Section 94837, SB 802 (2021))
- iii. Denial of Out-of-State Application (5 CCR Sections 71396 and 71397, CEC Section 94801.5, Assembly Bill (AB) 1344 (2019))
- iv. Substantive Changes, (Amend 5 CCR Section 71650, add sections 71652 and 71653, CEC Section 94894(i)-(k), SB 802 (2021))
- v. Substantive Change Approval for Method of Instructional Delivery, (5 CCR section 71600, CEC Section 94894(I), SB 802 (2021))

## 7b. Discussion on Regulatory Proposals

 Proposed language for Date of Closure proposal (5 CCR Section 76245, CEC Section 94926.5, SB 1433 (2022))



BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY • GAVIN NEWSOM, GOVERNOR

DEPARTMENT OF CONSUMER AFFAIRS • BUREAU FOR PRIVATE POSTSECONDARY EDUCATION

1747 N. Market Blvd., Suite 225, Sacramento, CA 95834

P (916) 574-8900 | Toll-Free (888) 370-7589 | www.bppe.ca.gov



### ISSUE MEMORANDUM

Advisory Committee Members Bureau for Private Postsecondary Education  Scott Valverde, Chief, Office of Studen David Dumble, Legislation/Regulation	1433 (California Education Code de of Regulations Sections 76240,
1()	
	tion (Bureau)
DATE February 10, 2023	

During its August 18, 2022 Advisory Committee meeting, the Bureau shared information on the variety of institutional closure scenarios with which it is faced and their associated challenges and costs. Senate Bill (SB) 1433 (Roth, Chapter 544, Statutes of 2022) provided new authority to the Bureau to efficiently handle institutional closures in which institutional representatives do not provide to the Bureau a closure date. At its November 16, 2022 meeting, Bureau staff highlighted these law changes as ones needing implementing regulations.

Specifically, effective January 1, 2023, California Education Code 94926.5 (as added by SB 1433) states as follows:

- (a) An institution's approval to operate is automatically terminated on the date of closure or when its exemption from this chapter has been verified by the bureau.
- (b) An institution that does not identify a date of closure shall have one selected by the bureau.
- (c) A terminated license shall not be reinstated.

The Bureau welcomes feedback from the Advisory Committee on the draft regulatory proposal included with this memo. Staff particularly welcome feedback in the following areas:

- Whether a more detailed definition of school closure is necessary and, if so, how it should treat situations where schools no longer meet the definition of a private postsecondary educational institution in California by moving out of state or otherwise reorganizing to fall outside the Bureau's jurisdiction.
- Defining who qualifies as an authorized school representative for the purpose of establishing who may notify the Bureau of school closures.
- Specifying what constitutes a closure date, such as the last date of instruction, and how to handle situations in which the specified date is unavailable.
- Determining which factors the Bureau should consider when selecting a closure date.
- Managing situations in which an institution's selected closure date is inconsistent with established facts and/or harmful to students' rights.

### California Code of Regulations Title 5. Education

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

### PROPOSED REGULATORY LANGUAGE CONCERNING SELECTING DATE OF CLOSURE

Legend—added text indicated by underline, deletion by strikethrough.

1. Amend Section 76240 of Article 4 of Chapter 6 of Division 7.5 of Title 5 of the California Code of Regulations

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

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

(a) At least 30 days prior to closing, an authorized school representative of the institution shall notify the Bureau in writing of its intention to close and provide a closure plan. For purposes of this section, "authorized school representative" shall mean 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.

The closure plan shall be signed under penalty of perjury and include:

- (1) The exact date <u>of the closure</u>. For the <u>purposes of this section</u>, "closure date" shall be the last date of instruction in any educational program unless the Bureau determines that there are extenuating circumstances which warrant selection of a different date, and
- (2) The reason for the closure.
- (2) The last date of instruction for each educational service or program.
- (3) A list of students who were enrolled at any time during the <u>period provided in CEC Section 94923</u>, 60120 days prior to closure to include the student-level information the institution is required to maintain pursuant to 5 CCR Section 76140.
- (4) If any student will not be provided complete educational services or the educational program, the institution shall provide:
- (A) A plan for providing teach-outs or transfers, including the details of any agreements with other institutions.

Bureau of Private Postsecondary Education 5 CCR 76245 Proposed Text Identifying Date of Closure Page **1** of **3** 

- (B) If no teach-out is contemplated, or for students who do not wish to participate in a teach-out, arrangements for making refunds within 45 days from the date of closure, or for institutions that participate in federal student financial aid programs arrangements for making refunds and returning federal student financial aid program funds.
- (5) A plan for the disposition of student records.
- (6) A plan to notify students of their rights and options under the Act and this chapter.
- (b) The institution shall notify the students of the following <u>in writing and shall provide a</u> copy of that notification to the Bureau:
- (1) If the institution is a participant in federal student financial aid programs, it shall provide students information concerning those programs and institutional closures.
- (2) If any student will not be provided complete educational services or the educational program, information regarding the Student Tuition Recovery Fund and the Bureau's physical and Internet addresses.

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

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

76245. Selecting Date of Closure.

a) If the Bureau has reason to believe that an approved institution that has not submitted notice of closure pursuant to 5 CCR Section 76240 has ceased operating as an institution of higher education, the Bureau shall make a determination of institution's operational status, based on the institution's response or failure to respond to Bureau communications and the institution's communications with its students, accreditor, or relevant government agencies. When the Bureau determines that an institution may be a "closed institution" as defined in 5 CCR 76000(b), it shall send a notice to the institution informing it of the Bureau's reasons for believing that the institution is a closed institution, and requesting a response from an authorized school representative, signed under penalty of perjury and sent within 30 days of the date of the notice, to either:

- 1) confirm that the school has not closed and is operating as a private postsecondary institution, or
- 2) confirm that the institution has closed and provide a closure date.
- b) Failure of the institution to respond to the notice sent under subdivision (a) within 30 days of the date of the notice shall result in the Bureau declaring the institution to be closed as of the last date of instruction or, if that date cannot be determined, the date 30 days after the notice.
- c) The Bureau may independently determine the institution is closed if the institution fails to submit a timely renewal application.

Note: Authority cited: Sections 94803, 94877, and 94885, Education Code. Reference: Sections 94874.5, 94909, 94911, 94926, 94926.5, 94927, and 94927.5, Education Code.

## 8. Future Agenda Items



## 9. Adjournment

