



Bureau for Private Postsecondary Education
Notice of Advisory Committee Meeting and Agenda

Wednesday, August 21, 2019, at 9:30 a.m.
Department of Consumer Affairs
Hearing Room, 1st Floor
1625 North Market Blvd.,
Sacramento, CA 95834

The Bureau plans to webcast this meeting on its website. Webcast availability cannot, however, be guaranteed due to limitations on resources or technical difficulties that may arise. If you wish to participate or to have a guaranteed opportunity to observe, please plan to attend at the physical location. To view the Advisory Committee meeting webcast, please visit the following link: <https://www.youtube.com/watch?v=sCV2qwulVv0> and <https://www.youtube.com/watch?v=sPvzjXuishl>.

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. Public Comment on Items not on the Agenda (Note: The 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))
3. Review and Approval of February 13, 2019, Advisory Committee Meeting Minutes
4. 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.
5. Bureau Operations Update and Discussion related to the following:
 - a. Bureau Budget Update
 - i. Bureau Fees and Expenses
 - ii. IT System Project Expense Projections
 - iii. STRF Funds and Use for Student Record Maintenance or Other Student Services
 - b. Compliance and Discipline Report
 - i. Disciplinary Highlights and Resulting Actions Statistics

- ii. Citation and Fines
 - iii. School Inspections by the Bureau
- c. Complaint and Investigation Report
 - i. Complaint and Investigation Statistics
 - ii. Task Force Update
 - iii. Discussion on Sampling of Redacted Consumer Complaints with Closure Letter
 - iv. General Complaint Handling Process
 - v. Examples of Triggers for Enforcement with Sample Enforcement Case
- d. Licensing Report
 - i. Licensing Applications Status Statistics
 - ii. Report on the Number of Institutions by Location Type (Main, Branch, and Satellite)
- e. Annual Reports (AR) Report
 - i. Status Update on the New AR Portal for Institutions to Submit Reports
- f. Quality of Education Report
 - i. Update on Degree-Granting Institutions Required to Become Accredited
- g. Bureau's IT System Project Report and Discussion
- h. Office of Student Assistance and Relief (OSAR) Report
 - i. Overview of OSAR Activities Summary Report
 - ii. School Closure Outreach Update
 - iii. Student Tuition Recovery Fund (STRF) Claims and Large Impact Closure Statistics
 - iv. Analysis of the Duties of OSAR and Bureau Implementation
- 6. Status Updates related to the following Regulations:
 - a. Registration for Out-of-State Private Postsecondary Educational Institutions [California Education Code (CEC) sections 94850.5 and 94801.5]
 - b. English as a Second Language Programs [Title 5, California Code of Regulations (CCR), Section 70000 (k)]
 - c. Application for Verification of Exempt Status (CEC Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5); Title 5, CCR Section 71395)
 - d. Compliance with Laws and Procedures (Title 5, CCR, Section 71755)
 - e. Student Records and the Maintenance of Records (Title 5, CCR Sections 71920, 71930, 71940 and 71950)
- 7. Discussion and Consideration of Draft Amendments to Current Regulations for "Substantial Relationship Criteria" and "Criteria for Rehabilitation" Related to License Denial, Suspension, and Revocation (Title 5, CCR, Sections 75060 and 75070)
- 8. Income Sharing Agreements – Any State or Federal Pending Legislation Updates
- 9. Future Agenda Items
- 10. Adjournment

Notice to the Public

All times are approximate and subject to change. The meeting may be cancelled without notice. A lunch break will be taken at a time determined by the Advisory Committee members. Action may be taken on any item on the agenda. Public comments will be taken on agenda items at the time the item is heard. Total time allocated for public comment may be limited. Agenda items may be taken out of order.

This meeting facility is accessible to the physically disabled. A person who needs a disability-related accommodation or modifications in order to participate in the meeting may make a request by contacting Richie Barnard at (916) 431-6930 or, for the hearing impaired, TDD (800) 326-2297; or by sending a written request to the Bureau at P.O. Box 980818, W. Sacramento, California 95798-0818, Attention: Richie Barnard. Providing at least five working days' notice before the meeting will help ensure the availability of accommodations or modifications.

Interested parties should call the Bureau at (916) 431-6959 to confirm the date and specific meeting site of any Advisory Committee meeting or access the Bureau's website at <http://www.bppe.ca.gov>. Requests for further information should be directed to Richie Barnard at (916) 431-6930.

WELCOME, INTRODUCTIONS AND ESTABLISHMENT OF A QUORUM

Committee Member Roster

Katherine Lee-Carey, Chair

- Institutional Representative (Appointed by DCA Director)

Margaret Reiter, Vice-Chair

- Consumer Advocate (Appointed by Senate Committee on Rules)

Diana Amaya

- Public Member (Appointed by Senate Committee on Rules)

Hanya Carbajal

- Past Student of an Institution (Appointed by DCA Director)

Joseph Holt

- Institutional Representative (Appointed by DCA Director)

David Vice

- Institutional Representative (Appointed by DCA Director)

Assemblymember Jose Medina (Kevin Powers)

- Non-Voting, Ex Officio Member (Appointed by Speaker of the Assembly)

Senator Steven Glazer (Sarah Mason)

- Non-Voting, Ex Officio Member (Appointed by the Senate Committee on Rules)

Agenda Item 2

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

(Note: The 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).)

Agenda Item 3

**REVIEW AND APPROVAL OF FEBRUARY 13, 2019, ADVISORY COMMITTEE
MEETING MINUTES**

ATTACHMENT:

Advisory Committee Draft Meeting Minutes from February 13, 2019



Business, Consumer Services and Housing Agency— Governor Gavin Newsom

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**Advisory Committee Meeting Minutes
Wednesday, February 13, 2019**

**Department of Consumer Affairs
Hearing Room, 1st Floor
1625 North Market Blvd.
Sacramento, CA 95834**

Advisory Committee Members in Attendance

1. Diana Amaya
2. Joseph Holt
3. Katherine Lee-Carey
4. Margaret Reiter
5. Kevin Powers (on behalf of Assemblymember Jose Medina)
6. Tamika Butler
7. David Vice
8. Megumi Tsutsui

Committee Members Absent

Sarah Mason (on behalf of Senator Jerry Hill)
Hanya Carbajal

Bureau for Private Postsecondary Education (Bureau) and Department of Consumer Affairs (DCA) Staff in Attendance

Dr. Michael Marion Jr., Bureau Chief
Leeza Rifredi, Deputy Bureau Chief
Beth Scott, Bureau Enforcement Chief
Marina O’Connor, Bureau Licensing Chief
Robert Bayles, Bureau Education Administrator
Scott Valverde, Office of Student Assistance and Relief (OSAR) Chief
Blessilda Canlas, Bureau Staff Services Manager I
Kent Gray, Bureau Legislative Analyst
Dean Grafilo, DCA Director
Mina Hamilton, DCA Legal Counsel
Kristy Schieldge, DCA Legal Counsel

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

Committee Chair Katherine Lee-Carey called the meeting to order at 9:36 AM.

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

No public comments.

Agenda #3 - Review and Approval of November 7, 2018, Advisory Committee Meeting Minutes

Joseph Holt moved to approve the minutes; Margaret Reiter seconded the motion. (Ms. Lee-Carey: Aye; Ms. Reiter: Aye; Mr. Holt: Aye; Diana Amaya: Aye; David Vice: Aye; Tamika Butler: Abstained; Megumi Tsutsui: Abstained) The motion passed.

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

Dean Grafilo, DCA Director, provided an update on DCA. He highlighted various meetings that were convened in 2018. He pointed out that the meetings fostered collaboration between DCA and various boards and bureaus, to further the mission of protecting California's consumers. He noted that DCA's 2018 Annual Report is available on the DCA website.

Mr. Grafilo reported on Governor Newsom's budget regarding DCA. He added that DCA staff met with the Governor's transition team that has been appointed within the Governor's office. He noted that individual program meetings have been scheduled to discuss individual budgets in greater detail. He stated that the Bureau met with DCA's budget unit on January 25, 2019.

Mr. Grafilo stated that the upcoming Director's Quarterly Meeting will be held on February 25, 2019. He noted that an update will be provided on DCA's regulation unit, the executive officer's salary study, and several division updates.

Mr. Grafilo reported that sexual harassment prevention training is mandatory in 2019. He added that all employees, board members, and advisory committee members are required to complete the training this year.

Mr. Grafilo outlined activities of the enforcement taskforce. He stated that on November 18, 2018, DCA staff, Bureau executive staff, and the Division of Investigation (DOI) met to develop an action plan to reduce and ultimately eliminate the complaint backlog. He added that the meeting resulted in the creation of a BPPE enforcement taskforce, led by the DOI staff, with the goal of significantly addressing the Bureau's enforcement activities. He noted that DCA has provided the following resources to the taskforce: one commander from DOI, three retired

annuitants from DOI, one part-time supervising investigator from DOI, support from DCA human resources in Bureau restructuring efforts, and office space at DCA headquarters for Bureau staff. He stated that the initial goal of the taskforce will be to eliminate the backlog of complaints that are 365 days or older, right sizing the Bureau's analyst caseloads, and recommending process improvements. He added that the taskforce team is projected to be in place until June 2019.

Ms. Reiter asked if the taskforce is analyzing the Bureau's inspection backlog. Dr. Marion answered yes, and clarified that inspections fall within the enforcement unit.

Mr. Holt asked what the role and responsibilities are for the DOI commander on the taskforce. Mr. Grafilo stated that the commander oversees the taskforce.

Ms. Tsutsui asked if the results from the taskforce will be released in a separate report. Dr. Marion stated that portions of the results will be reported within the Bureau's regular reporting. Mr. Grafilo added that a status report of the taskforce will be provided at the next committee meeting.

Public Comment:

No comment.

Agenda #5 - Bureau Operations Update and Discussion

Bureau Organization Structure/Chart and Staffing Updates and the Bureau Strategic Vision:

Dr. Marion reported on the Bureau's organizational structure and staffing updates. He introduced his new executive assistant, Freshta Rasoli. He noted Ms. Rasoli will be a direct contact for him and the Bureau.

Dr. Marion referred the Committee to Attachment 5E in the packet. He noted that the organizational chart provided outlines the staff restructuring that has been done at the Bureau. He noted the Bureau is in the process of implementing three phases of reorganization. He referenced the organizational chart and discussed phase one, which the Bureau began implementing in November 2018. He highlighted the creation of the unlicensed activities unit. He added that phase two will include more extensive collaboration with staff from DOI. He noted that additional updates will be provided at the next meeting regarding reorganization and process improvements resulting from phase two.

Dr. Marion provided additional information on the enforcement taskforce. He stated that compliant process timelines will be developed to better track the complaints. He added that policy and procedures will be another focus of the taskforce.

Dr. Marion stated that the Bureau's current strategic plan will expire in 2020. He added that the Bureau has begun working with DCA on the development of its new strategic plan. He noted that DCA staff will be reaching out to the Committee members for input. He stated that more information on the strategic plan will be provided at future meetings.

Ms. Reiter asked what the Bureau can do to identify issues with schools before they grow into much larger issues. She stated that she would like input from Bureau staff on why the Bureau has not identified issues before they balloon into areas of prosecution, litigation, and result in major school closures. She questioned how these issues continue and how these issues are going to be addressed by the changes occurring at the Bureau. Dr. Marion explained that when the Bureau came back into existence in 2010, it was immediately facing an uphill battle with an 800 plus complaint backlog. He added that efforts in restructuring and implanting the enforcement taskforce will help address some of the major issues. Ms. Reiter stated she is looking for more detail about the processes that occur at the Bureau. She mentioned the recent closure of Brightwood as an example. She questioned if the Bureau had any indication that the school was about to close. She questioned if there were any recent inspections of the school or citations issued. She clarified that she is questioning the general processes and not wanting information regarding a specific school. She added that she wants to know if the Bureau has a process for identifying issues with a school which then lead to disciplinary actions. Dr. Marion stated that he did not presently have specific information to provide regarding the question. He noted that the Bureau is going through changes and that the Bureau will continue to get better.

Mr. Vice commented that a major issue with schools that close is when its accrediting body revokes its accreditation. He added that another major issue is when the Department of Education (US Department) places the school on a status that effects its ability to disburse Title IV funds. He noted that it happens so quick due to dire financial circumstances. He continued that a school may be meeting Bureau standards but not meeting its accreditor's standards.

Ms. Schieldge stated that if an issue does not rise to the level of a disciplinary action, then typically there would not be any notice. She added that generally, all across DCA, investigations are complaint driven, and complaints have to meet a standard and burden of proof in order for the Bureau to take any enforcement action.

Ms. Reiter stated that accrediting agencies provide information, like a show cause status, to the Bureau. She added that an accrediting agency would not revoke accreditation without first going through a lengthy process at which point the Bureau would likely have knowledge of the accrediting agency's actions. She questioned what the Bureau does after receiving notices from accrediting agencies. She asked what process is followed and what steps are taken. She further questioned what the Bureau does upon receiving notices from the US Department regarding a school failing to meet financial standards. She noted that from her experience as a prosecutor, she understands disciplinary actions are often driven by complaints, but generally major issues do not develop over a very short period.

Mr. Holt commented that the superstructure in place is a regulatory triad including the US Department, accrediting agencies, and state approval agencies. He stated that he thinks it would be philosophically inappropriate to have any one agency be the lead agency because by design it is a regulatory triad. He noted that he agrees when there are smaller issues apparent there may also be larger issues. He continued that, in terms of the scope of a solution from the Bureau, the Bureau should focus on fulfilling its mandate more effectively and efficiently. He cautioned the Bureau from attempting to move outside of the triad, and he stressed the importance of recognizing each agency's role within the triad.

Ms. Lee-Carey questioned how the outcome of a school closure would be different if the Bureau was the first to identify issues leading up to the closure. She questioned that if the reason for closure was based on funding/financials, then how would the outcome be any different if the Bureau had previously issued a citation or a disciplinary action against the school. She questioned how the Bureau's role could change that outcome.

Ms. Reiter stated that she understands there are other agencies not necessarily fulfilling their mandate. She questioned how an accreditor can figure out there are issues with a school before the Bureau. She questioned how the Bureau addresses issues once they are identified by an accreditor. She continued that the Bureau has a variety of things it can do besides issue citations. She noted that the Bureau can ensure that the students are getting a quality education. She added that the Bureau could perform an unannounced inspection.

Mr. Powers commented that he would like to see a timeline of events leading up to a school closure. For example, reporting on if "x" happens then "y" process happens. He continued that if a school goes on "show cause" with the accreditor or has an issue with its accreditor, then what does that trigger and what are the Bureau's responsibilities? He added that it would be helpful if the Committee could see a hypothetical example of what occurs.

Ms. Butler agreed that seeing a hypothetical walkthrough would be beneficial for understanding the process. She noted that having a procedure that is initiated through tips is not necessarily beneficial to the most vulnerable students who may not be as likely to report a tip. She added that it would be helpful to understand what procedures are followed to address issues that are not brought to light by a tip.

Ms. Tsutsui stated that having more details about complaints could be beneficial because many indications do originate from tips and complaints. She added that it is difficult to understand how complaints are being addressed without having much detail about how specific complaints are handled. She explained that some students are unable to illuminate an issue they are having with a school and that it would be beneficial to better understand how the system works and how the Bureau is addressing these issues.

Dr. Marion stated that examples and scenarios can be provided to the Committee.

Public Comment:

Angela Perry with the Institute for College Access and Success (TICAS) provided public comment. Ms. Perry stated that she thinks the Bureau has a role within the regulatory triad to proactively work to identify issues before they lead to a school closure. She questioned what steps the Bureau takes when a school has issues with an accreditor or when the US Department begins to monitor or restrict funds to a school. Ms. Perry offered to assist the Bureau in addressing issues in any way necessary.

Robert Johnson with the California Association of Private Postsecondary Schools (CAPPS) provided public comment. He explained that most school closures are planned and taught-out. He stated that problem schools that close are outliers. He continued that the Bureau should not focus on outlier scenarios but focus more on standard issues. He added that putting effort into issues that are not based in facts is a waste of time and resources.

Mr. Johnson explained that finances are the main cause for school closures. He detailed how many large schools that closed had a letter of credit on file with the US Department. He stated that had the US Department released those letters of credit, then the school would have been able to shut down in an orderly fashion. He noted that advocates pushed the US Department to withhold the funds that could have gone to staff and to bills, because the advocates did not want the owners of the schools to have access to the funds.

Mr. Johnson detailed the idea of allowing the Student Tuition Recovery Fund (STRF) to be used to assist closing schools with financial issues to ensure students are not as heavily impacted by the closure. He added that many times schools that close have overcommitted to leases with high overhead. He noted that there is no public subsidy for these schools, and it is over for them when they make a bad business decision.

Mr. Johnson continued that if the US Department had let state approving agencies manage the disbursement of the letter of credit funds, then there could have been less impact after the abrupt closures. He noted that if a school is unable to pay staff, then the staff is not going to continue to work at the school. He added that there may be situations where the state could make an independent decision where it is appropriate to take over a closed school to ensure a proper teach-out occurs.

Mr. Johnson commented on the Bureau's inability to forecast which schools are going to close. He stated that CAPPS has better in-sources to predict when a school is going to close and still oftentimes the projections are inaccurate. He concluded that if there is a "special process" to identify when a school is going to close or not, then he is very eager to learn about that process.

Mr. Vice questioned how closely the Bureau works with the US Department regarding troubled schools. He commented that the US Department does not have to deal with the issues created when Title IV funding is pulled, but that the Bureau does have to deal with the issues that follow. He noted that school closures could occur more orderly if the US Department and the

Bureau worked together more closely. Dr. Marion stated that the Bureau works closely with the US Department. He noted that the cooperation could get better.

Ms. Lee-Carey pointed out that when an accreditor or the US Department acts against a school they do not notify the Bureau until the action has already been taken. She noted that there is no law requiring any pre-action notifications be sent to the Bureau. She added that, when a school is owned by a larger corporation and that corporation is facing financial issues, sometimes the school has no indication and shows no signs of the issues at the top. She suggested that there maybe should be a discussion at the national level about how the agencies within the regulatory triad could better communicate and work together.

Ms. Reiter clarified that she is suggesting the Bureau should work more proactively in addressing issues before a school closes. She added that there may be instances when the Bureau will not have any advance indication of an imminent school closure, but many of the schools that closed were prosecuted without the Bureau being on the forefront. She noted that if there are financial issues the Bureau is not aware of, then maybe the Bureau should require auditing on a more regular basis. She stated that regulations or statutes could be changed to require more reporting to the Bureau. She added that regulatory language could be changed to require schools to notify the Bureau of any actions taken by an accreditor, not just final actions.

Compliance and Discipline Report:

BPPE Enforcement Chief Beth Scott provided a report on the Bureau's Compliance and Discipline units. She discussed Attachment 5B in the meeting packet.

Mr. Holt asked what the driver is for a financial resource citation. Ms. Scott stated it could be due to the school's financial ratio or low composite score. She continued that staff reviews schools' financials to determine the ratio and reviews the heightened cash monitoring (HCM) list released quarterly by the US Department. Ms. Reiter asked if the HCM notices are sent to the Bureau by the schools or the US Department. Ms. Scott explained notifications may come in to the Bureau from the US Department and/or the school. Ms. Reiter asked if the HCM notifications are consistently sent to the Bureau. Ms. Scott explained that the Bureau has no method to determine if all HCM status change notifications are sent to the Bureau.

Ms. Amaya asked how much advance a school receives for an announced inspection. Ms. Scott stated that a notice is provided at least 7 days prior to an announced inspection.

Mr. Holt questioned how the Bureau incorporates student complaints within the scope of an inspection. Ms. Scott stated that inspectors collaborate with investigators. She elaborated that student complaints may provide insight that can point inspectors to areas of concern.

Ms. Reiter requested a timeline of events leading up to a school closure. She stated she would like to see what actions the Bureau takes prior to a large school closure. She noted a timeline would assist the Committee with understanding the Bureau's process.

Compliant and Investigation Report:

BPPE staff manager Blessilda Canlas provided a report on the complaint and investigation unit. Ms. Canlas outlined Attachment 5C in the meeting packet.

Mr. Vice asked if there was a specific type of complaint in regard to complaints that are over 3 years old. Ms. Canlas stated that the older complaints vary. She noted that some of the older complaints were internally generated by BPPE referrals.

Ms. Amaya asked how complaint priority levels are determined. Ms. Canlas explained that the level of priority is determined by a formula that considers various risk factors.

Public Comment:

Mr. Johnson provided a public comment. He stated that the 7-day notice for announced inspections is often delayed by mail. He noted that many times schools do not receive the notice until 48 hours prior to the scheduled inspection. He suggested that the Bureau could email the notice in addition to sending the notice through the mail.

Ms. Reiter made a motion that the Bureau provide the Committee with a random sampling of complaints at the next Committee meeting. Ms. Tsutsui seconded the motion. Dr. Marion noted that once reorganization of staff is completed and the new special investigator position is filled, then that request can be fulfilled.

Ms. Reiter clarified that her motion is that a random sampling of complaints and the steps that took place to resolve those complaints be provide to the Committee. Mr. Holt questioned what constitutes random. Mr. Reiter stated that by random she means a sample that is not selected to highlight certain scenarios. Dr. Marion clarified that his intent is to mail a random sample of complaints to Committee members for review. Ms. Reiter added to the motion that the sample be provided in advance to the next Committee meeting.

Mr. Powers asked for clarification on the notification process for announced inspections. Ms. Scott stated that staff contacts the school by phone prior to sending a notification letter through the mail. She added that the notification is also emailed to the school. She noted that the inspection does not actually occur until after the 7-day notification period has passed. She continued that it is roughly a three-week process before staff is able to get to the school to perform the announced inspection. Dr. Marion noted that it is not the Bureau's intent to catch a school off guard through an announced inspection.

Ms. Reiter stated there was a second needed for her amended motion. Ms. Tsutsui seconded the motion. Mr. Vice asked if by random the intent is to see random complaints that includes all the different scenarios possible. Ms. Reiter responded that she would like to see all possible scenarios included in the random sample. Ms. Hamilton noted that the motion includes the understanding that there would be redactions made to the sample to preserve the privacy of complainants and to prevent the release of any specific investigative techniques or tactics.

Ms. Lee-Carey called for a vote on Ms. Reiter's motion. (Ms. Reiter: Aye; Mr. Holt: Aye; Ms. Amaya: Aye; Mr. Vice: Aye; Ms. Butler: Aye; Ms. Tsutsui: Aye, Ms. Lee-Carey: Nay). The motion passed.

Licensing Report:

Bureau Licensing Chief Marina O'Connor provided a report on the licensing unit. She outlined Attachment 5D in the meeting packet.

Ms. Reiter questioned if the Bureau could provide the Committee with a breakdown of a schools' student population based on approval type. Ms. O'Connor stated that student population is not recorded in that regard.

Public Comment:

No comment.

Annual Report Unit Report:

Education Administrator Robert Bayles provided a report on the Annual Report Unit. He updated the Committee on the status of the new online annual report portal. He noted that the online portal opened to schools on January 14, 2019 and the due date for submission is May 16, 2019. He added that there are currently 404 registered users with 376 institutional reports in progress.

He pointed out that the new portal has received some positive feedback from schools. He noted that schools are pleased with the ability to save progress. He added that schools have commented on the improved efficiency including not having to enter the same information multiple times.

He stated that some of the challenges include: duplicate submissions, school performance fact sheet submissions, and the input of financial statements. He added that staff has been working with the Office of Information Services (OIS) to address these issues.

Quality of Education Report:

Mr. Bayles provided a status update on the Quality of Education Unit (QEU). He reported that the unit is currently accepting applications for an Education Specialist position. He explained that QEU has been reviewing applicant submissions, helping the Licensing unit review educational programs, and assisting the new Enforcement Task Force with matters concerning quality of education.

Mr. Bayles stated that there has been an increase in the number of provisional approvals for unaccredited schools that have degree programs. He noted that QEU is charged with tracking those schools and the schools' progress towards accreditation.

Mr. Bayles explained that QEU staff has been observing accreditor visits to schools. He noted that staff is able to interact with the accreditors to learn about what is reviewed during an accreditation visit and to better understand the accreditor's methods and procedures.

Mr. Bayles outlined Attachment 5E in the meeting packet.

Bureau's IT System Project Report:

Mr. Bayles provided a status update on the Bureau's IT system project. He reported that phase 2 of the project kicked off in September. He explained that a request for information was sent out in October 2019 and received responses from 13 vendors by the November 6, 2018 deadline. He added that, following a review of the vendor responses, a package containing the reviews and market research is currently pending final approval at the Department of Technology.

Mr. Bayles detailed the next step will be phase three. He explained that phase three will include collaboration with OIS to solicit vendors for software procurement, systems integration, consulting, and various other smaller contracts.

Ms. Reiter asked if there is cost estimate for the new IT system. Dr. Marion stated that a DCA Budget representative could provide an estimate at the next meeting. Ms. Reiter asked for the estimated timeframe for completion of the project. Mr. Bayles explained that the timeframe will depend on the vendor and how efficiently vendor staff and BPPE staff collaborate together. He stated that he should be able to provide additional information at the next meeting. Dr. Marion added that the goal date of completion is 2021.

Ms. Reiter asked if the Bureau's new system would have any integration with other Boards and Bureaus. Dr. Marion stated that the Bureau is communicating with other Boards and Bureaus to encourage them to adapt the new system.

Public Comment:

Mr. Johnson provided a public comment. He asked for clarification on how schools must submit financial statements for annual reporting. Mr. Bayles stated that financials cannot be uploaded through the online portal and must be mailed to the Bureau. Mr. Johnson stated that additional correspondence regarding that clarification would be helpful. Mr. Bayles replied that staff is working on sending out an additional letter. Leeza Rifredi, Bureau Deputy Chief, noted that financials must be sent to the Bureau by mail per statute or regulation.

Office of Student Assistance and Relief (OSAR) Report:

OSAR Chief, Scott Valverde, provided a report on OSAR. He covered OSAR's Cumulative Report within Attachment 5F of the meeting packet.

Ms. Tsutsui asked if staff working with a STRF claim try to determine all paths of eligibility. Mr. Valverde stated that staff actively seek any path a student may have to STRF eligibility.

Ms. Reiter asked if outreach and student workshops are conducted in collaboration with other agencies. Mr. Valverde stated that depending on the event there are often other agencies in attendance. He added there is generally a thorough overview of the different segments of higher education.

Mr. Valverde outlined OSAR's role and participation in activities following the closure of Brightwood College. He explained that OSAR attempted to contact, via email and phone, roughly 2800 students that were included on student rosters provided to OSAR. He explained that OSAR conducted 11 workshops for Brightwood students. He added that representatives from other agencies attended the workshops, including representatives from the Department of Education regarding loan discharges. He noted that Brightwood provided a student representative at the workshops. He stated that OSAR has met with around 750 Brightwood students in person. He added that OSAR has logged 201 STRF claims from Brightwood students.

Mr. Valverde stated that he and Dr. Marion attended the Education and Licensing Subcommittee of the Board of Registered Nursing and Board of Vocational Nursing. He explained that they spoke on the topic of teach-outs and the impacts of school closures on students.

Ms. Tsutsui asked if OSAR has considered adding live webinars to its outreach efforts. Mr. Valverde replied that OSAR definitely intends to start incorporating webinars to outreach efforts. He added that staff have done conference calls for students that have been unable to attend outreach events in person.

Ms. Rifredi outlined STRF Claims within Attachment 5F of the meeting packets.

Mr. Vice requested to see the dollar amount tied to pending STRF claims at the next meeting.

Ms. Reiter questioned the number of students claiming STRF. She stated that the number is really low compared to the number of students who are likely eligible. She asked that the Bureau share any insight it may have on the low numbers. Ms. Rifredi stated that Bureau and OSAR work diligently to ensure students are aware of STRF. She added that Bureau could look into the numbers for discussion at a future meeting. Mr. Vice stated that most of the STRF eligible loans are being discharged through the US Department. Ms. Reiter stated she would like to see the number of STRF claims that are pending awaiting a loan discharge decision from the US Department.

Ms. Schieldge indicated she would have an analysis on the duties of OSAR and Bureau implementation at the next Committee meeting.

Public Comment:

No comment.

Agenda Item #6 - Status Updates on Regulations

Dr. Marion provided a status update on regulations. He outlined Attachment 6A of the meeting packet.

Public Comment:

No comment.

Agenda Item #7 - Analysis of Income Sharing Agreements' Compliance with the Bureau's Current Laws and Regulations

Ms. Hamilton provided an overview of an analysis of Income Sharing Agreements (ISA) compliance in regard to current Bureau laws and regulations (to correspond to her written memorandum distributed at the meeting). She explained that Bureau laws and regulations do not specifically speak to ISAs. She stated, among other things, that following the legislative intent of the law, students are not to enroll or start an education program unless the total charges of the program are disclosed.

Ms. Lee-Carey questioned ambiguities of financing in enrollment agreements. She stated that total interest charges are not necessarily known to a student prior to enrolling. Ms. Hamilton responded that traditional financing usually includes a set interest rate percentage. She noted that ISAs are generally different in that the total cost of the program is usually based on an undetermined future income amount. She added that the Bureau has seen multiple ISAs, and each must be evaluated on a case by case basis.

Ms. Lee-Carey questioned if any proposed regulatory language addressing ISAs would need to include a requirement that the enrollment outlines how much an ISA “could” cost.

Ms. Tsutsui stated that some students do evaluate the costs when shopping around for a potential educational program. She added that the cost of an ISA is speculative which makes it difficult for the student to compare different programs. She noted that current laws were set up so that students could make informed decisions. She continued that students may not be protected enough under current law if ISA are allowed to happen.

Ms. Lee-Carey pointed out that the cost of financing is not required to be detailed in enrollment agreements. She added that the ISAs she has worked with have been very detailed in regard to minimum/maximum cost and time frames.

Public Comment:

Awet Kidane, representing Vemo Education, provided public comment. He stated that an ISA is an additional tool that gives institutions more options to offer students. He added that with an ISA an institution is taking on more risk and has higher expectations to provide students a quality education that will result in employment that pays a good wage.

Mr. Johnson provided public comment. He stated that CAPPs members have shown interest in ISAs. He noted that consumer advocates pushed for full disclosures of potential market wages based on particular educational outcomes. He added that he hopes during the next sunset review that ISAs are considered to prepare for the future.

Ms. Perry provided public comment. She stated that TICAS has been tracking the use of ISAs and would like to help the Bureau in any way possible.

Agenda #8 - Future Agenda Items

Mr. Vice suggested a discussion on using STRF funds for student record maintenance or in other areas.

Ms. Lee-Carey suggested additional discussions on ISAs.

Ms. Tsutsui suggested having a follow-up discussion on the random sampling of complaints that are to be mailed to Committee members. She also suggested having a discussion on how the Bureau can make the complaint process more transparent to encourage more students to come forward with complaints.

Ms. Reiter requested an analysis leading up to and following a school closure to include a timeline and the processes followed.

Mr. Holt requested a budget update to include fees and expenses. Ms. Reiter requested projections on the expense for the IT project.

Ms. Amaya requested a Bureau staffing update to include the special task force.

Agenda #9 - Adjournment

Ms. Lee-Carey adjourned the meeting with the consent of all Committee members present.

DRAFT

Agenda Item 4

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)



August 21, 2019

Dr. Michael Marion
Bureau Chief
Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833

Bureau Chief Marion:

Thank you for this opportunity to submit a written update from the Department of Consumer Affairs (DCA) to the Bureau for Private Postsecondary Education. You will find below an update on recent activities at the Department:

NEW DIRECTOR APPOINTMENTS TO COMMITTEE

Welcome to the two newly appointed BPPE Advisory Committee Members, Ms. Natalie Lyons and Dr. Robert "BJ" Snowden. Ms. Lyons is a Senior Attorney at Housing and Economic Rights Advocates (HERA), and Dr. Snowden currently serves as a Dean of Instruction at Folsom Lake College. Ms. Lyons and Dr. Snowden represent the consumer advocate and former student of an institution roles, respectively. We welcome them both to the Advisory Committee.

DIRECTOR'S QUARTERLY MEETING

Chief Deputy Director Chris Shultz hosted the DCA Director's Quarterly Meeting on June 3rd. During this meeting, he communicated his commitment to ensure a smooth transition as the Governor's Office continues to search for a new DCA director. During the interim period, he encouraged executive officers and bureau chiefs to send ideas regarding cross-cutting projects where new leadership and the Administration can focus.

MANDATORY SEXUAL HARASSMENT PREVENTION TRAINING

2019 is a mandatory Sexual Harassment Prevention Training year for the Department of Consumer Affairs. This means all employees and members are required to complete this training this year, even if it was completed last year. The Department would like to achieve 100 percent compliance for managers and supervisors, including board and committee members. This training is online and can be completed at your convenience.

FUTURE LEADERSHIP DEVELOPMENT PROGRAM

Application deadline for the third cohort was August 13, 2019. The cohort is scheduled to have its kick off meeting in September. We look forward to announcing program participants at the next committee meeting. We would like to acknowledge Dr. Marion for his participation in the program's steering committee this year.

If you have any questions about the Future Leadership Development Program, please feel free to contact our SOLID team.

Thank you again for your valued partnership. Please let us know if the Department can be of service to your bureau. If you have any questions, feel free to contact Christopher.Castrillo@DCA.ca.gov.

All the best,



Christopher Castrillo
Deputy Director, Board and Bureau Services
Department of Consumer Affairs

BUREAU OPERATIONS UPDATE RELATED TO THE FOLLOWING:

- a. Bureau Budget Update**
- b. Compliance and Discipline Report**
- c. Complaint and Investigation Report**
- d. Licensing Report**
- e. Annual Reports (AR) Report**
- f. Quality of Education Report**
- g. Bureau's IT System Project Report and Discussion**
- h. Office of Student Assistance and Relief (OSAR) Report**

ATTACHMENTS:

- A. BPPE Fund Condition**
- B. Compliance and Discipline Report**
- C. Complaint and Investigation Report**
- D. Licensing Report**
- E. Quality of Education Report**
- F. Office of Student Assistance and Relief (OSAR) Report**

0305 - Private Postsecondary Education - Support Analysis of Fund Condition

Prepared 7.17.2019

(Dollars in Thousands)

2019-20 Budget Act

	BUDGET			
	PY 2017-18	PY 2018-19	ACT CY 2019-20	BY 2020-21
BEGINNING BALANCE	\$ 8,578	\$ 8,164	\$ 7,806	\$ 5,051
Prior Year Adjustment	\$ -	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 8,578	\$ 8,164	\$ 7,806	\$ 5,051
REVENUES AND TRANSFERS				
Revenues:				
4121200 Delinquent Fees	\$ 492	\$ 328	\$ 492	\$ 492
4127400 Renewal Fees	\$ 13,516	\$ 13,683	\$ 15,216	\$ 15,216
4129200 Other Regulatory Fees	\$ 238	\$ 413	\$ 396	\$ 396
4129400 Other Regulatory Licenses and Permits	\$ 533	\$ 616	\$ 563	\$ 563
4143500 Miscellaneous Services to the Public	\$ 6	\$ 2	\$ -	\$ -
4163000 Investment Income - Surplus Money Investments	\$ 78	\$ 118	\$ 49	\$ 57
4171100 Cost Recoveries - Other	\$ 15	\$ 5	\$ -	\$ -
4171400 Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	\$ 1	\$ 6	\$ 2	\$ 2
4172500 Miscellaneous Revenues	\$ 2	\$ -	\$ 53	\$ 53
Totals, Revenues	\$ 14,881	\$ 15,171	\$ 16,771	\$ 16,779
Transfers from Other Funds				
Totals, Revenues and Transfers	\$ 14,881	\$ 15,171	\$ 16,771	\$ 16,779
Totals, Resources	\$ 23,459	\$ 23,335	\$ 24,577	\$ 21,830
EXPENDITURES				
Disbursements:				
1111 Program Expenditures (State Operations)	\$ 14,160	\$ 16,388	\$ 18,021	\$ 16,472
Estimated Savings		\$ -2,000		
8880 Financial Information System for California (State Operations)	\$ 20	\$ 2	\$ -1	\$ -1
9892 Supplemental Pension Payments	\$ -	\$ 175	\$ 382	\$ 382
9900 Statewide Pro Rata	\$ 1,115	\$ 964	\$ 1,124	\$ 1,124
Total Disbursements	\$ 15,295	\$ 15,529	\$ 19,526	\$ 17,977
FUND BALANCE				
Reserve for economic uncertainties	\$ 8,164	\$ 7,806	\$ 5,051	\$ 3,853
Months in Reserve	6.3	4.8	3.1	2.6

NOTES:

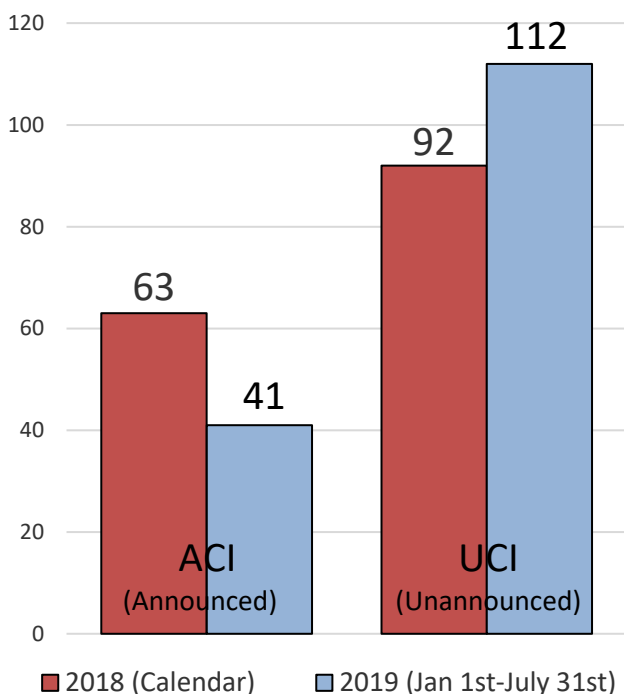
- A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED FOR BY+1 AND ON-GOING.
- B. ASSUMES APPROPRIATION GROWTH OF 3% PER YEAR IN BY+1 AND ON-GOING.
- C. ASSUMES INTEREST RATE OF 1.5%

BPPE COMPLIANCE STATS

REPORTING AS OF: July 31st 2019		
STATS Compliance Unit	2018 (Calendar)	2019 (Jan 1st-July 31st)
Total Completed Inspections	155	153
ACI - Announced Inspections	63	41
UCI - Unannounced Inspections	92	112
Notice To Comply Issued	65	35
Enforcement Referral Issued	56	57
Inspections Cancelled *	7	12

* Causes for Cancellations:

- (1) The school closed during inspection process.
- (2) The renewal to operate was denied.
- (3) The school refused to allow inspection resulting in further action.

Inspections by Type2018 (Calendar)PERCENTAGES:

ANNOUNCED: 40.6
UNANNOUNCED: 59.4

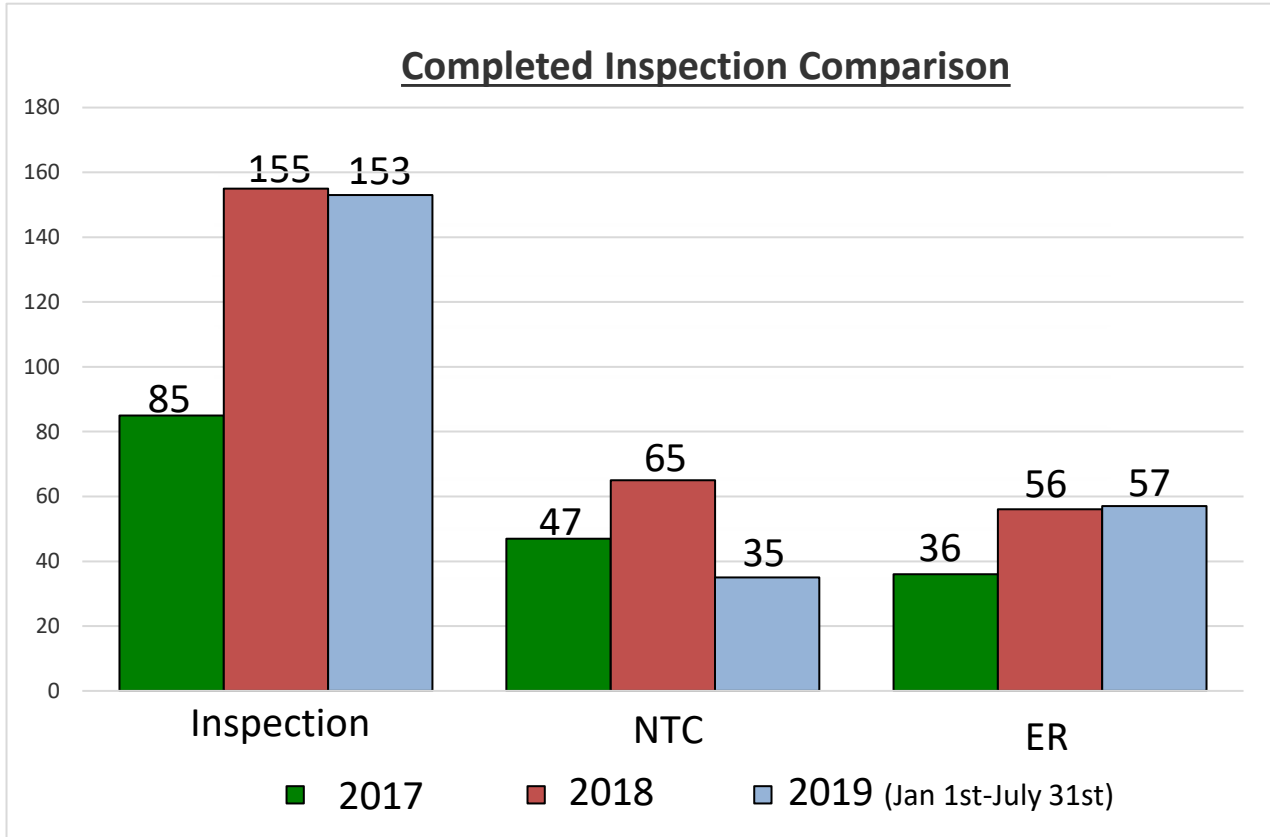
2019 (Jan 1st-July 31st)PERCENTAGES:

ANNOUNCED: 26.8
UNANNOUNCED: 73.2

2018 (Calendar) Total Inspections: 155

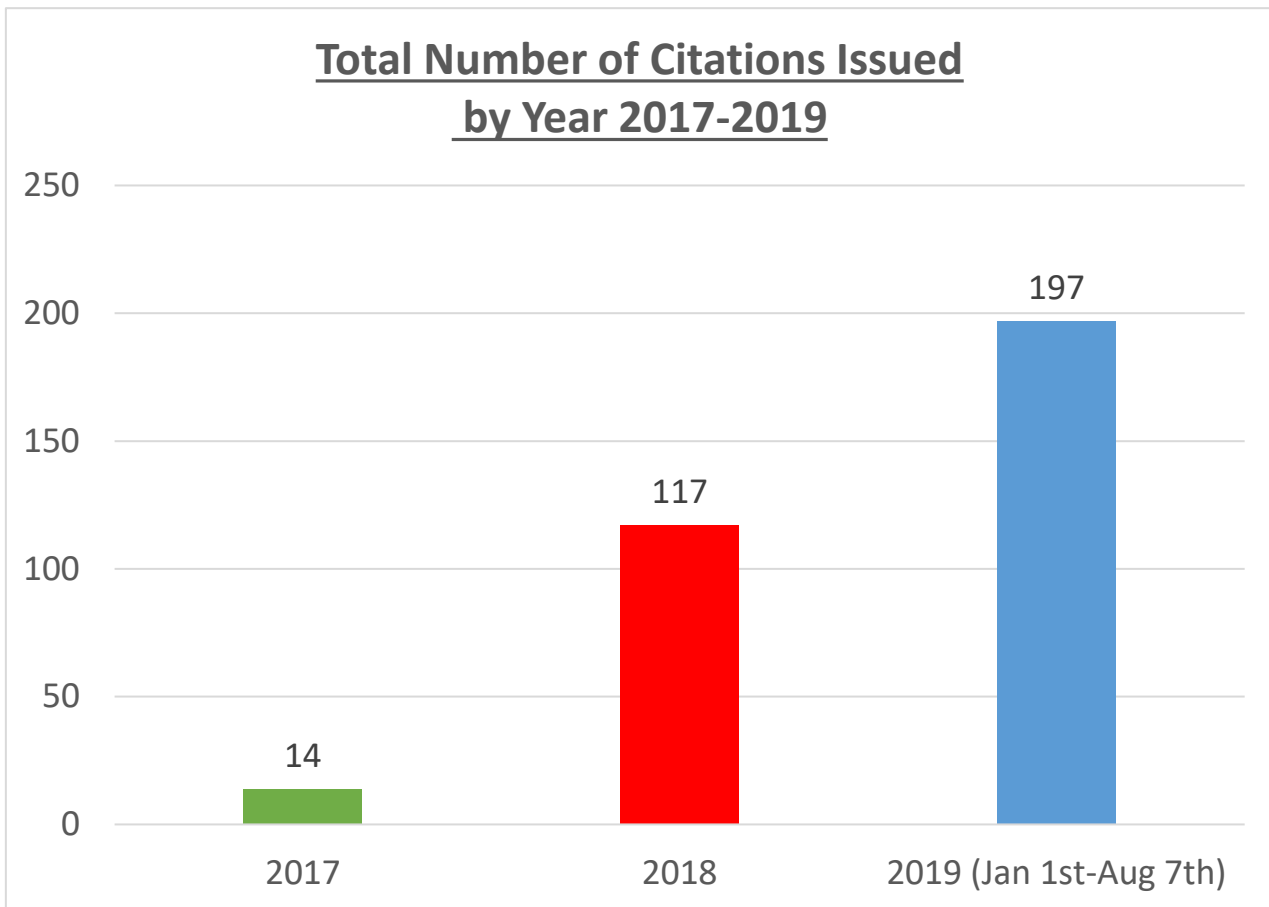
2019 (Jan 1st-July 31st) Total Inspections: 153

BPPE COMPLIANCE STATS



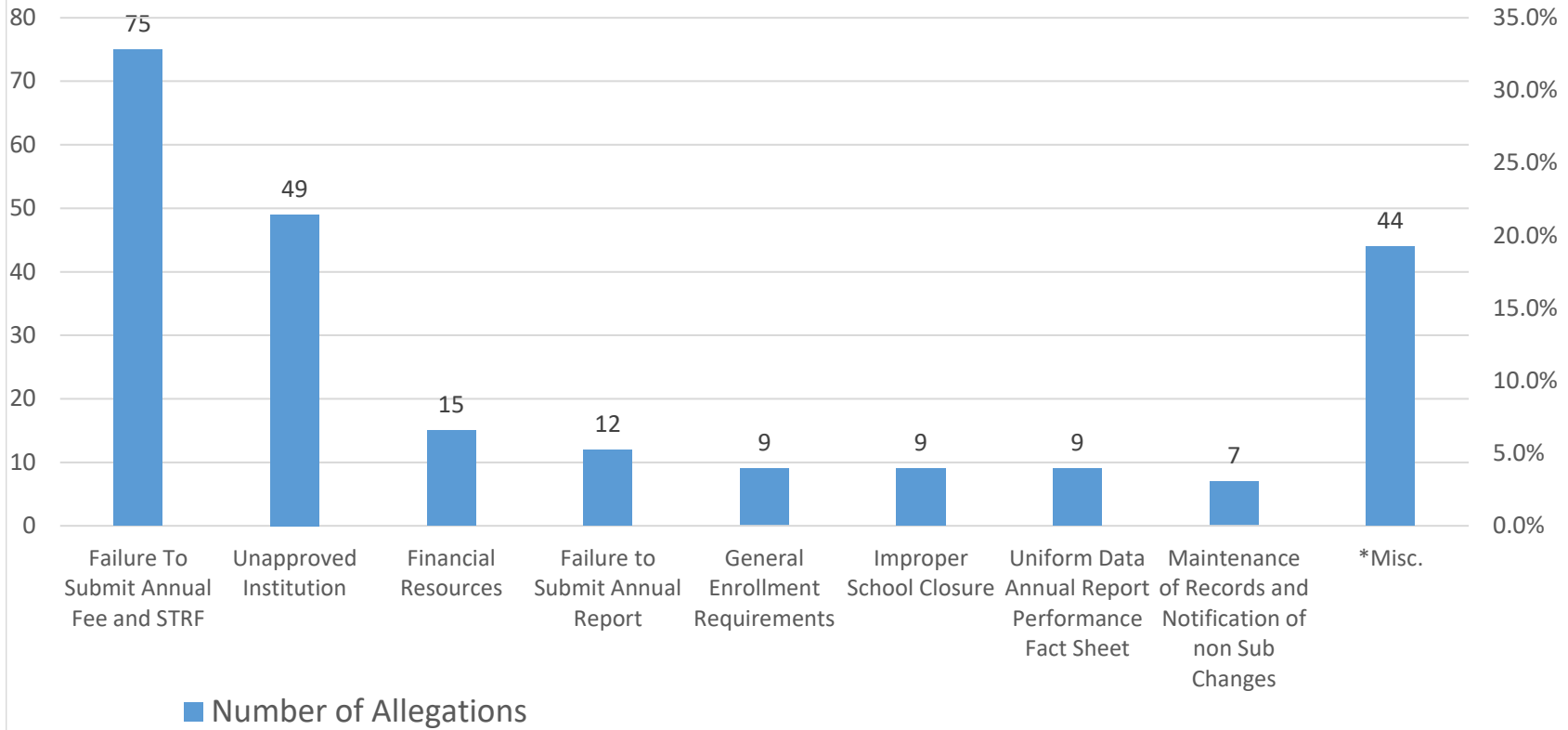
	2017 (Calendar)	2018 (Calendar)	2019 (Jan 1st-July 31st)
Announced Compliance Inspection (ACI)	51	63	41
Unannounced Compliance Inspection (UCI)	34	92	112
Total Compliance Inspections (ACI + UCI) Completed	85	155	153
Notice to Comply (NTC)	47	65	35
Enforcement Referral (ER)	36	56	57

BPPE CITATION STATS



Citations Issued	
2017	14
2018	117
2019 (Jan 1st-Aug 7th)	197

Allegations
January 1st-August 7th 2019

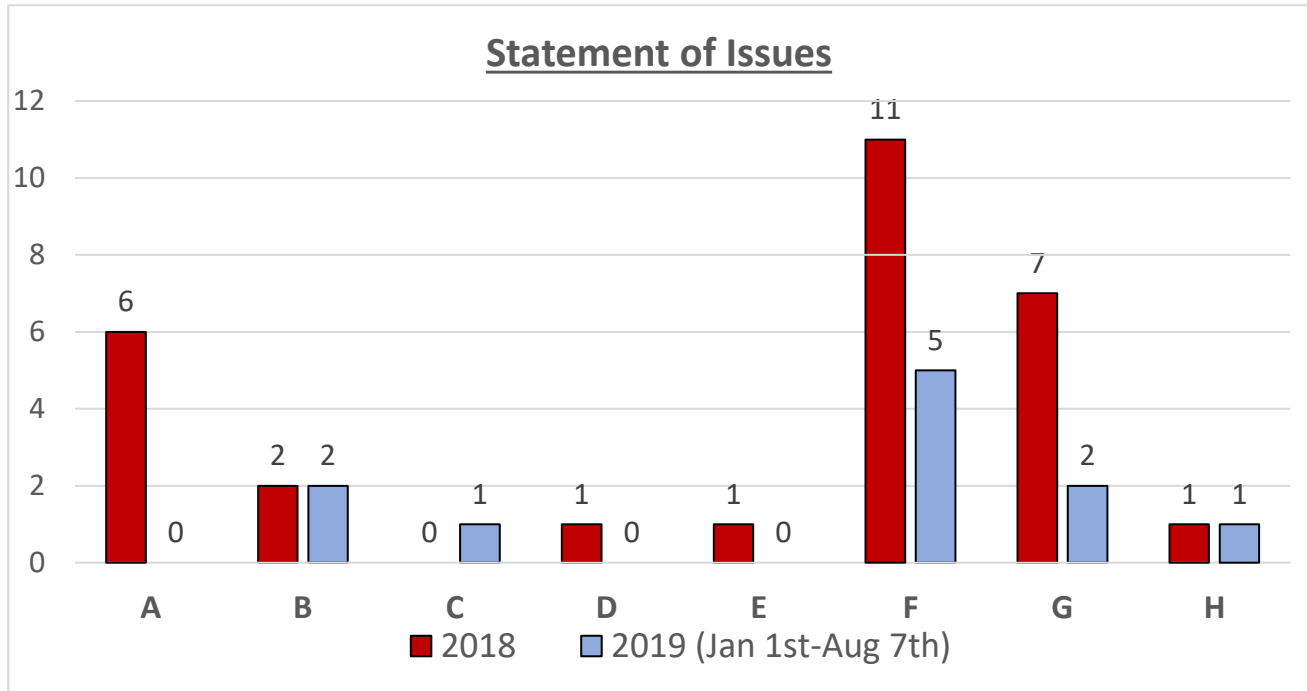


*Misc. on Allegations Chart	
Signature Initials Required	6
Ability-To-Benefits Students	4
Student Records	4
Website Requirements	4
Minimum Operating Standards	3
Minimum Requirements for SPFS	3
Prohibited Business Practice	3
Requirement for Substantive Change	3
Enrollment Agreement	3
Faculty	2
Notice to Comply	2
Admission Standards and Transferred Credits Policy	1
Announced and Unannounced Compliance Inspections	1
Application to Change Location	1
Approved by Means of Accreditation	1
Non-Substantive Change	1
Pre-Enrollment Disclosure	1
Professions Requiring Licensure Internships	1

2019 January 1st-August 7th Allegations Breakdown

Failure To Submit Annual Fee and STRF	75	32.8%
Unapproved Institution	49	21.4%
Financial Resources	15	6.6%
Failure to Submit Annual Report	12	5.2%
General Enrollment Requirements	9	3.9%
Improper School Closure	9	3.9%
Uniform Data Annual Report Performance Fact Sheet	9	3.9%
Maintenance of Records and Notification of Non-Sub Changes	7	3.1%
Signature Initials Required	6	2.6%
Ability-To-Benefits Students	4	1.7%
Student Records	4	1.7%
Website Requirements	4	1.7%
Minimum Operating Standards	3	1.3%
Minimum Requirements for SPFS	3	1.3%
Prohibited Business Practice	3	1.3%
Requirement for Substantive Change	3	1.3%
Enrollment Agreement	3	1.3%
Faculty	2	0.9%
Notice to Comply	2	0.9%
Admission Standards and Transferred Credits Policy	1	0.4%
Announced and Unannounced Compliance Inspections	1	0.4%
Application to Change Location	1	0.4%
Approved by Means of Accreditation	1	0.4%
Non-Substantive Change	1	0.4%
Pre-Enrollment Disclosure	1	0.4%
Professions Requiring Licensure Internships	1	0.4%
Total:	229	100.0%

BPPE DISCIPLINE STATS



ACTIONS:	2018	2019 (Jan 1st-Aug 7th)
A In-House Default: Denial Upheld	6	0
B Proposed Decision: Denial Upheld	2	2
C Proposed Decision: Conditional Approval Granted	0	1
D Stipulated Settlement: Denial Upheld (School Closure)	1	0
E Stipulated Settlement: Conditional Approval Granted	1	0
F Withdrawn: Approval Granted (mitigation cured deficiencies)	11	5
G Withdrawn: Denial Upheld (School withdrew appeal)	7	2
H Withdrawn: Exempt Institution	1	1
Totals:	29	11

BPPE DISCIPLINE STATS

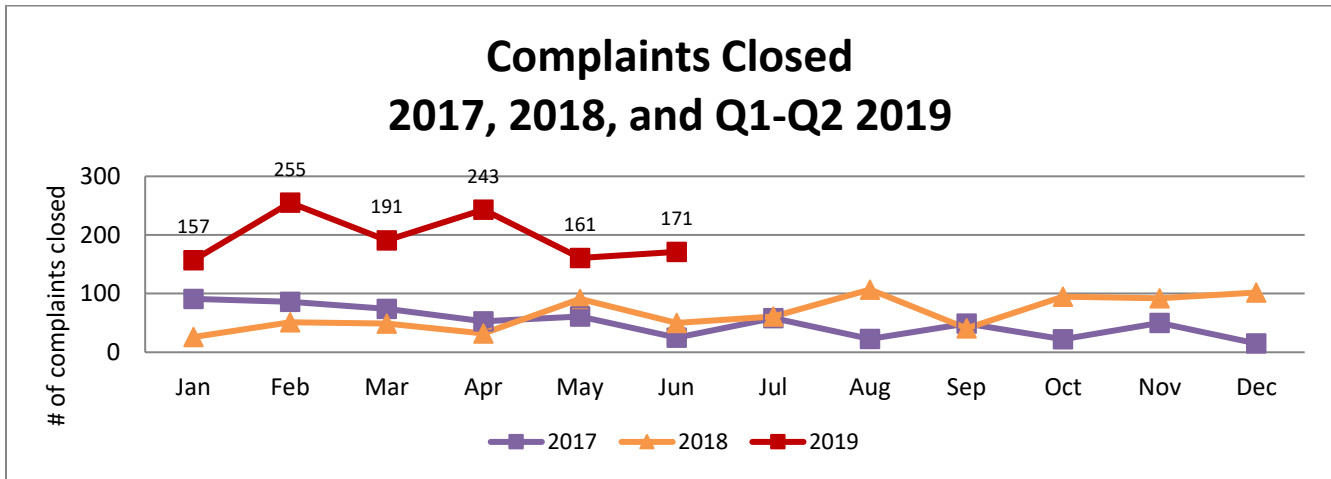
Accusation

ACTIONS:	2018	2019 (Jan 1st-Aug 7th)
Default: Revocation	1	0
PC 23	1	1
Proposed Decision: Revocation	1	0
Rejected by DAG	0	3
Stipulated Settlement Probation	0	1
Stipulated Surrender	2	3
Withdrawn By Bureau: Citation Issued	1	0
Withdrawn by Bureau: Renewal Granted	2	0
Totals:	8	8

Pending with AG as of 8/7/19	Total Transmitted	Total Served of Transmitted
Accusations	15	11
Statement of Issues	22	14
Totals:	37	25

Automatic Suspensions and Emergency Decisions	2018	2019 (Jan 1st-Aug 7th)
Automatic Suspensions	1	3
Emergency Decisions	4	1
Totals:	5	4

COMPLAINT INVESTIGATIONS STATISTICS
BPPE Advisory Committee Meeting
August 21, 2019



Source: CPEI Monthly Statistical Reports

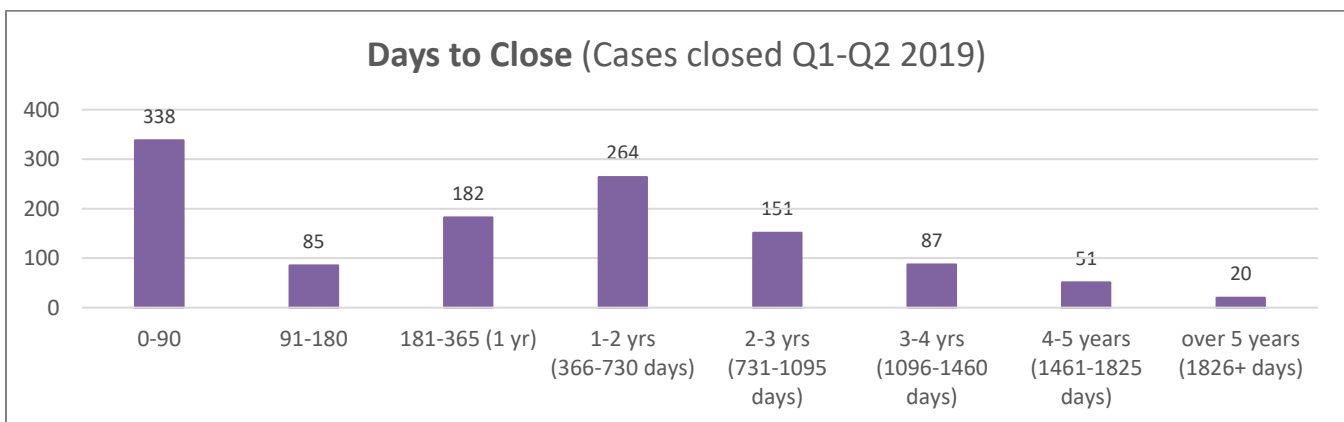
COMPLAINTS CLOSED Q1-Q2 2019

Month/Year	BPPE	DOI Task Force	Total
Jan-19	157	0	157
Feb-19	139	116	255
Mar-19	189	2	191
Apr-19	232	11	243
May-19	160	1	161
Jun-19	169	2	171
TOTAL	1046	132	1178
	89%	11%	

CASE DISPOSITION - Q1 & Q2

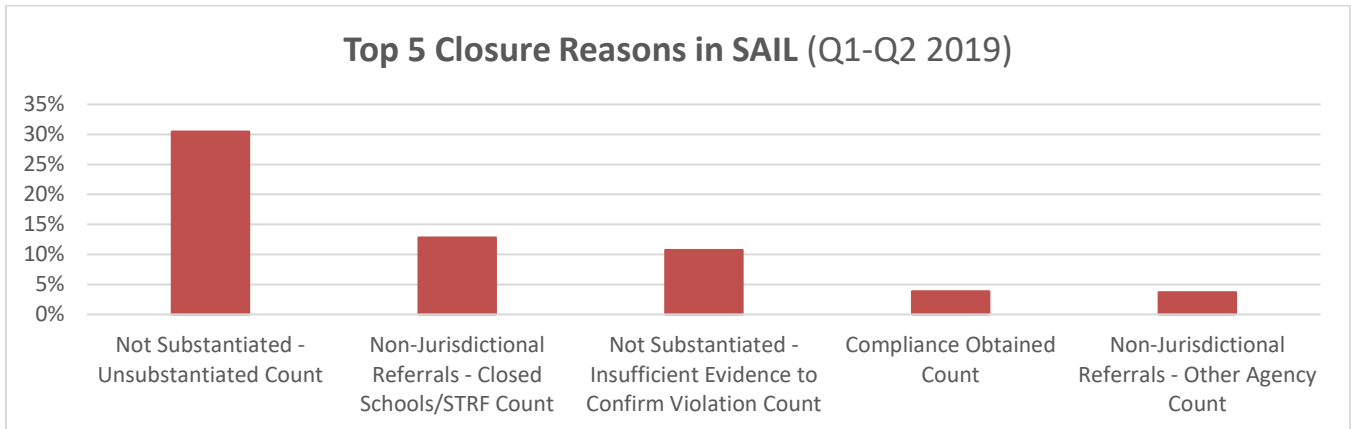
	%	#
Referral for Citation	11%	126
Referral for Disciplinary action	1%	7
Unsubstantiated, Compliance Obtained, Mediated Settlement, Non-jurisdictional	89%	1045
SUBTOTAL	100%	1178
Starting 6/21/19: Referrals to Discipline Unit for further action*		10

*Transferred to the Discipline Unit and closed only after the Discipline Unit approves case for further action. Discipline Unit determines whether further action is citation or disciplinary action.

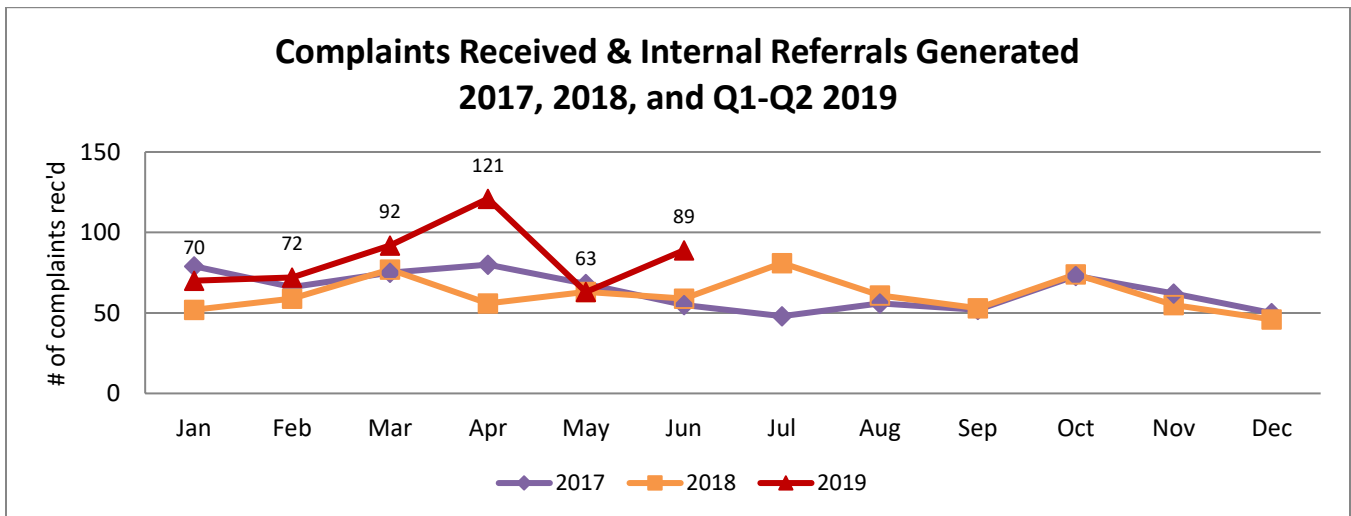


Source: BPPE Complaint Case Tracking Log

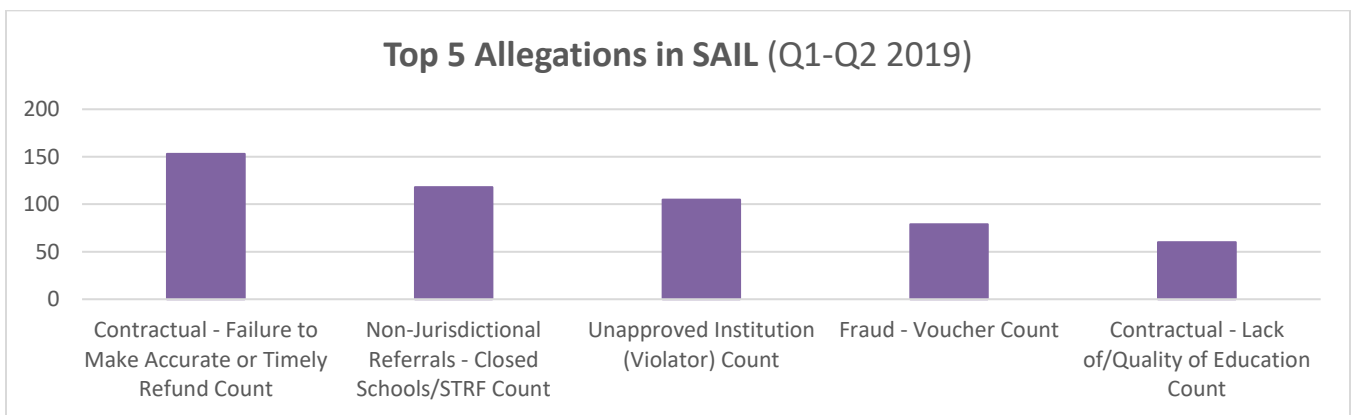
COMPLAINT INVESTIGATIONS STATISTICS BPPE Advisory Committee Meeting August 21, 2019



Source: Custom SAIL report provided by DCA Office of Information Services



Source: CPEI Monthly Statistical Reports



Source: Custom SAIL report provided by DCA Office of Information Services

COMPLAINT INVESTIGATIONS STATISTICS BPPE Advisory Committee Meeting August 21, 2019

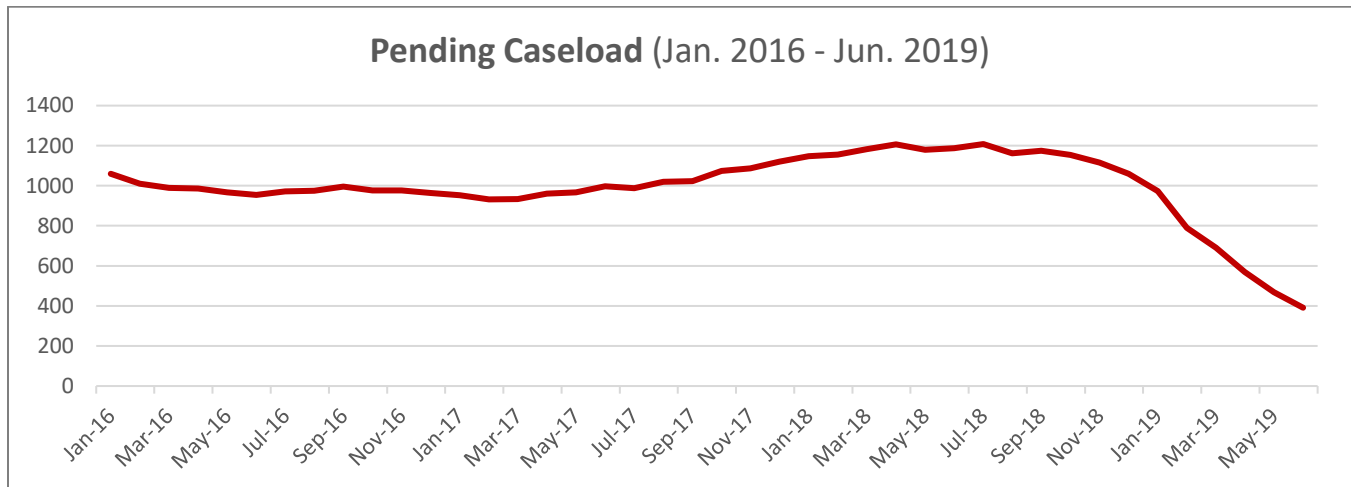
PENDING CASELOAD AS OF 06/30/19

CASE AGE	PENDING		EXTERNAL-STUDENT		URGENT	
	#	%	#	%	#	%
0-90	116	30%	64	28%	28	93%
91-180	61	16%	42	18%	1	3%
181-365 (1 year)	83	21%	57	25%	1	3%
1-2 years (366-730 days)	70	18%	39	17%	0	0%
2-3 years (731-1095 days)	40	10%	17	7%	0	0%
3-4 years (1096-1460 days)	17	4%	7	3%	0	0%
4-5 years (1461-1825 days)	2	1%	1	0%	0	0%
over 5 years (1826+ days)	2	1%	2	1%	0	0%
TOTAL	391	100%	229	100%	30	100%

59% of pending

8% of pending

Source: BPPE Complaint Case Tracking Log



Source: BPPE Complaint Case Tracking Log

STUDENT IMPACT (January - June 2019)

Investigators' advocacy on behalf of students resulted in the following:

- Total of **\$78,824.94** in refunds to students or to their federal student aid account.
- Restitution ordering full refund to 3 students (\$52k each).
- Students received degree, diploma, proofs-of-training, certificate, license, and transcripts.
- Student received missing equipment.
- Students re-enrolled, allowed to retake exam.
- Student account balance of \$632 cleared.
- Students referred for Student Tuition Recovery Fund.
- Negative credit report removed for student.

RANDOM SAMPLING OF COMPLAINTS AND CLOSURE LETTERS

May 7, 2019

Dear Advisory Committee Members,

Pursuant to the Advisory Committee's request at the February 2019 committee meeting, please find attached a sampling of complaints randomly selected from those previously disclosed in response to a California Public Records Act request.

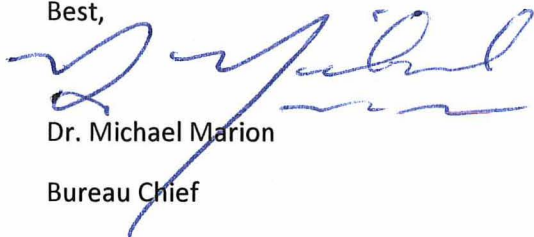
In each case, the complaint was investigated by Bureau staff. Each complaint is followed by the Bureau's closure letter to the complainant, if available, which may indicate some details about the steps Bureau staff took in conducting the investigation.

The samples include a variety of scenarios and dispositions, such as:

- Complaints about instruction (1), release of transcript (3), charges/books (4) – closed as resolved/mediated;
- Complaints related to release of training documents/charges (2, 6), quality of education (4,7), unapproved school (8) – closed with determination of unable to determine a violation (or no violation) of Bureau's laws and regulations;
- Complaint about an exempt school – referred to school (9).

Should you have any questions or concerns, please do not hesitate to contact us.

Best,



Dr. Michael Marion

Bureau Chief

①

Enforcement, BPPE@DCA

From: Dca@DCA
Sent: Tuesday, January 30, 2018 9:23 AM
To: [REDACTED]
Cc: Enforcement, BPPE@DCA
Subject: RE: DCA Citizen's Comments/Complaints: 2018012760206

Follow Up Flag: Follow up
Flag Status: Completed

Thank you for contacting the California Department of Consumer Affairs (DCA). Your email has been forwarded to the Bureau for Private Postsecondary Education (BPPE) for further review and direct response. If you have additional questions or concerns, please contact BPPE directly at the following

Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833
Toll Free: (888) 370-7589
Telephone: (916) 431-6959
Fax: (916) 263-1897
Email: bppe.enforcement@dca.ca.gov
Web Site: www.bppe.ca.gov



Thank you again for contacting DCA and allowing us to assist you.

Correspondence Unit k61

-----Original Message-----

From: citizencomplaint@dca.ca.gov [mailto:citizencomplaint@dca.ca.gov]
Sent: Saturday, January 27, 2018 6:02 PM
To: Dca@DCA <DCA@dca.ca.gov>
Subject: DCA Citizen's Comments/Complaints: 2018012760206

Feedback Tracking Number: 2018012760206

Feedback Type: complaint

Treat anonymously?: No

Complainant: [REDACTED]
Address: [REDACTED]
City: [REDACTED]
State: [REDACTED]
ZIP Code: [REDACTED]
Phone Number: [REDACTED]
Email Address: [REDACTED]

Feedback About: Private Postsecondary Vocational Education Bureau Feedback Location: San Diego Location Phone: [REDACTED]
Person Spoken With: [REDACTED]

Comment: I attended a class HSE 43C [redacted] National University. I submitted a complaint about the instructor [redacted] [redacted] in her lack of instruction and cancelling classes. I wrote an email to [redacted] and he talked with her and she lied to him to protect her job. He took her at her word, without looking at my documented evidence and my witness. I have her emails she sent cancelling class that she denied. I also asked for my grades on my research paper, 4 discussions and my final exam, 7 in all and none have been provided, not even the return of the assignments. I received an email from the Department Chair and he sent an email back and said this matter is closed. I'm a veteran and this is my next step before reporting to the VA.



Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 431-6959 F (916) 263-1897 www.bppe.ca.gov



August 23, 2018

[REDACTED]

Institution: National University
[REDACTED]

Dear [REDACTED]

On January 30, 2018, the Bureau for Private Postsecondary Education (Bureau) received a complaint from you against National University (NU). Your complaint alleged lack of instruction by the course instructor for HSE 430 Border-Transportation Security for the term November 28, 2017-December 28, 2017. You stated that you received a final grade of "A"; however, the instructor failed to return individual grades for your final exam, research paper and week 4 discussions. You stated you brought this matter to the attention of the proper school authorities, whose determination was to close the complaint.

During the Bureau's investigation of your complaint, I communicated your concerns with NU, who agreed to re-visit your allegations. As a resolution to your complaint, NU offered you the option of re-taking the same course at no expense to you. You informed me that you have accepted and are satisfied with NU's resolution to your complaint.

The Bureau is committed to providing quality customer service. To measure how we are doing, we would appreciate you taking a few minutes to share your thoughts about the service you received by completing the Customer Service card included with this letter. This card may be returned to us through the mail. No postage is necessary.

Alternatively, you may complete our survey online at www.surveymonkey.com/consumeraffairs.

Thank you for taking the time to bring forth your concerns. If you have further questions regarding this matter, you may contact me at [REDACTED]

Sincerely,

[REDACTED]

Enforcement Analyst



BOARD OF BARBERING AND COSMETOLOGY
 P.O. Box 944226, Sacramento, CA 94244-2260
 P (916) 574-7574 F (916) 575-7280 | www.barbercosmo.ca.gov



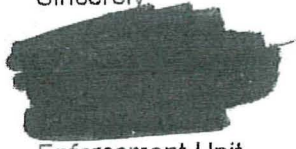
May 1, 2017

Bureau for Private Postsecondary Education
 P.O. Box 9808dsa18
 West Sacramento, CA 95798-0818

To Whom it May Concern:

The Board of Barbering and Cosmetology (Board) received the enclosed complaint against Lu Ross Academy located at 470 E Thompson Blvd, Ventura, CA 93001. The complaint alleges the school would not accept check or money for the final payment for graduation. The school only wanted cash which may be within the Bureau of Private Post Secondary's jurisdiction.

Sincerely,



Enforcement Unit



RECEIVED
 2017 MAY -4 PM 3:50
 BPPE

Online Complaint Summary

4/28/17 4:38 PM

Page 1 of 2

Board: Board of Barbering and Cosmetology
License Type: Schools
Complaint Number: [REDACTED]
Incident Date: 04/28/2017
Description: W were making our final payment for graduation tomorrow and the school was requesting cash or cashiers check. I had written a check and they said sorry, that will take well over a week to go through... Ok, so I ran to the bank to get a cashiers check. We presented the cashiers check and they proceeded to tell us that it's the same as a personal check. So that they still can't give us documents for graduating for another week or so. I explained that a cashiers check is the same as cash. Many of the girls then told me they were being requested the day before graduation to pay fees that they were unaware of and blown away by. They were also told that cash was the best. They would give her the graduating paperwork she needs if we had cash. Well, no way! This is just one of many complaints I have. I have never experienced such terrible behavior for any school. Please start talking to the students, it's ridiculous what goes on there. I emailed the owners this information and I'm waiting for a response. Because of course every time I have come into the school they are not there...

Respondent

License Type: Schools
Organization Name: Lu Ross Academy
Address: 470 east Thompson Blvd
Ventura, CA
93001
US
Phone Number: 805-643-5690

Extension:

E-mail Address:

Complainant

First Name:

[REDACTED]

Last Name:

[REDACTED]

Gender:

[REDACTED]

Address:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Phone Number:

[REDACTED]

Extension:

E-mail Address:

[REDACTED]



Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 431-6959 F (916) 263-1897 www.bppe.ca.gov



November 15, 2017

[Redacted]

Institution: Lu Ross Academy
School Code: [Redacted]
Complaint #: [Redacted]

Dear [Redacted]

On May 5, 2017, the Bureau for Private Postsecondary Education (Bureau) received a complaint from you against Lu Ross Academy (LRA). Your complaint alleged that LRA would not release graduation documentation on the same day as final payment with a personal or cashier's check.

During the investigation of your complaint, I did not identify or establish that a violation of the Bureau's laws or regulations occurred and therefore, this matter has been closed. I found that your complaint was on behalf of your daughter, [Redacted], a former student of LRA. LRA releases Proof of Training documentation at the time that a payment is confirmed, due to processing time. If a student wishes to receive their Proof of Training documentation on the same day as final payment, the payment must be made in cash. LRA has now added this policy to their School Catalog. Additionally, I confirmed that [Redacted] tuition has been paid in full and her Proof of Training documentation was released. Furthermore, I confirmed that the California Board of Barbering and Cosmetology also received [Redacted] Proof of Training documentation.

The Bureau is committed to providing quality customer service. To measure how we are doing, we would appreciate you taking a few minutes to share your thoughts about the service you received by completing the Customer Service card included with this letter. This card may be returned to us through the mail. No postage is necessary.

Alternatively, you may complete our survey online at www.surveymonkey.com/consumeraffairs.

Thank you for taking the time to bring forth your concerns. If you have further questions regarding this matter, you may contact me at [Redacted] or [Redacted]

Sincerely,

[Redacted]

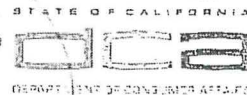
[Redacted]

Enforcement Analyst

3



P.O. Box 980818
 West Sacramento, CA 95798-0818
 Phone (916) 431-6959 (800) 1-888-370-7589
 Fax (916) 263-1895
 www.bppe.ca.gov



COMPLAINT FORM

To file a complaint against a private postsecondary institution subject to the laws of the Postsecondary Education Act, please fill out and submit this form to the Bureau for Private Postsecondary Education at the address or fax listed above.

(Please type or write legibly in ink)

COMPLAINT REGISTERED AGAINST			
NAME OF SCHOOL <i>Blake Austin</i>			
ADDRESS		PHONE NUMBER	
CITY <i>Yuba City</i>	STATE <i>CA</i>	ZIP <i>95688</i>	
PERSON FILING COMPLAINT			
<input type="checkbox"/> CHECK THIS BOX IF YOU WANT TO REMAIN ANONYMOUS.			
<input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms.	LAST NAME	FIRST	MIDDLE INITIAL
	[REDACTED]	[REDACTED]	[REDACTED]
MAILING ADDRESS			
[REDACTED]			
CITY	STATE	ZIP	
[REDACTED]	[REDACTED]	[REDACTED]	
HOME PHONE	DAYTIME PHONE	EMAIL	
[REDACTED]	<i>same</i>	[REDACTED]	
DETAILS OF COMPLAINT			
Are you filing a complaint on behalf of someone else? <input type="checkbox"/> yes <input type="checkbox"/> no			
NAME OF STUDENT IF DIFFERENT FROM PERSON FILING COMPLAINT		LAST NAME	FIRST
		[REDACTED]	[REDACTED]
STUDENT STATUS			
<input type="checkbox"/> CURRENTLY ATTENDING <input type="checkbox"/> TERMINATED <input checked="" type="checkbox"/> GRADUATED <input type="checkbox"/> OTHER _____			
EDUCATIONAL PROGRAM			
<i>Vocational Nursing Program</i>			
HAVE YOU OR DO YOU INTEND TO FILE A COMPLAINT WITH ANY OTHER ENTITY REGARDING THIS MATTER?			
<input type="checkbox"/> YES <input type="checkbox"/> NO			
IF YES, PROVIDE THE FOLLOWING INFORMATION:			
NAME OF ENTITY		CONTACT PERSON	
DATE OF COMPLAINT		STATUS OF COMPLAINT	

DETAILS OF COMPLAINT (continued)

IN DETAIL, DESCRIBE YOUR COMPLAINT. INCLUDE DATES. ATTACH ADDITIONAL PAGES IF NEEDED.

The school is NOT cooperating with us in forwarding his transcripts to the state Licensing Board. We tried in person to get some answers, and he has tried telephoning and NO response back from the school.

HAVE YOU ATTEMPTED TO RESOLVE THIS MATTER WITH THE SCHOOL? YES NO
IF YES, WHOM DID YOU SPEAK WITH, WHAT WAS THE DATE (S) AND THE RESULTS?

WHAT DO YOU WANT THE BUREAU TO DO FOR YOU?

Need sealed Transcripts

AUTHORIZATION

DOES THE BUREAU HAVE PERMISSION TO SEND A COPY OF THIS COMPLAINT TO THE PARTY YOU ARE COMPLAINING ABOUT? YES NO

CAN WE SEND A COPY OF THIS COMPLAINT TO ANY PRIVATE ACCREDITING AGENCY FROM WHICH THE INSTITUTION YOU ARE COMPLAINING ABOUT IS ACCREDITED? YES NO

DOES THE BUREAU HAVE PERMISSION TO MEDIATE YOUR COMPLAINT OVER THE PHONE? YES NO

YOUR SIGNATURE _____



DATE

9/14/16

THE FILING OF THIS COMPLAINT DOES NOT PROHIBIT YOU FROM CONCURRENTLY FILING A CIVIL ACTION AND DOES NOT AFFECT YOUR REPAYMENT OBLIGATION UNDER ANY STUDENT LOAN AGREEMENT.

I HEREBY CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT TO THE BEST OF MY KNOWLEDGE ALL OF THE ABOVE STATEMENTS ARE TRUE AND CORRECT. IF CALLED UPON, I WILL ASSIST IN THE INVESTIGATION OR IN THE PROSECUTION OF THE SUBJECT OF THIS COMPLAINT OR OTHER INVOLVED PARTIES, AND WILL, IF NECESSARY, SWEAR TO A COMPLAINT, ATTEND ANY HEARING AND TESTIFY TO FACTS. I FURTHER AUTHORIZE THE BUREAU AND ITS OFFICIAL REPRESENTATIVES TO ACCESS MY STUDENT RECORDS.

YOUR SIGNATURE _____

DATE _____

NOTICE ON COLLECTION OF PERSONAL INFORMATION

Collection and Use of Personal Information.

The Department of Consumer Affairs and the Bureau for Private Postsecondary Education (BPPE) collects the information requested on this form to follow up on your complaint.

Providing Personal Information Is Voluntary.

You do not have to provide the personal information requested. If you do not wish to provide personal information, such as your name, home address, or home telephone number, you may remain anonymous. In that case, however, we may not be able to contact you or help you resolve your complaint.

Access to Your Information.

You may review the records maintained by the BPPE that contain your personal information, as permitted by the Information Practices Act. See below for contact information.

Possible Disclosure of Personal Information.

We make every effort to protect the personal information you provide us. In order to follow up on your complaint, however, we may need to share the information you give us with the school you complained about or with other government agencies. This may include sharing any personal information you gave us.

The information you provide may also be disclosed in the following circumstances:

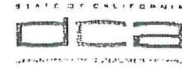
- In response to a Public Records act request, as allowed by the Information Practices Act.
- To another government agency as required by state or federal law.
- In response to a court or administrative order, a subpoena, or a search warrant.

Contact Information

For questions about the Department of Consumer Affairs' privacy policy or the Information Practices Act, contact the Office of Privacy Protection, 1625 N. Market Blvd., Sacramento, CA 95834, or email dca@dca.ca.gov.



Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 431-6959 F (916) 263-1897 www.bppe.ca.gov



January 4, 2017

[Redacted]

Institution: Blake Austin College

[Redacted]

Dear [Redacted]

On September 14, 2016, the Bureau for Private Postsecondary Education (Bureau) received a complaint from you against Blake Austin College (school). Your complaint stated the institution would not release your son's transcripts to the State Licensing Board. On December 30, 2016, I informed you that I spoke with the institution and they need to hear from [Redacted] regarding his work schedule. [Redacted] needs to contact the institution and inform them of the first day he can come back to school and then he can sign his remediation plan. After he finishes his remediation plan he can take the NCLEX.

You stated you would contact [Redacted] inform him the institution needs to hear from him regarding his schedule. I informed you due to the institution working with the [Redacted] I will be closing your complaint.

The Bureau is committed to providing quality customer service. To measure how we are doing, we would appreciate you taking a few minutes to share your thoughts about the service you received by completing the Customer Service card included with this letter. This card may be returned to us through the mail. No postage is necessary.

Alternatively, you may complete our survey online at www.surveymonkey.com/consumeraffairs.

Thank you for taking the time to bring forth your concerns. If you have further questions regarding this matter, you may contact me at [Redacted]

[Redacted]

Sincerely,

[Redacted]

Investigator Analyst

④

[REDACTED]
From: BPPE@DCA
Sent: Wednesday, April 08, 2015 9:49 AM
To: [REDACTED]
Subject: FW: DCA Citizen's Comments/Complaints: 2015040740412



There is no [REDACTED] in SAIL.
[REDACTED]

From: Dca@DCA
Sent: Wednesday, April 08, 2015 9:08 AM
To: [REDACTED]
Subject: RE: DCA Citizen's Comments/Complaints: 2015040740412

Thank you for contacting the California Department of Consumer Affairs (DCA). Your email has been forwarded to the Bureau for Private Postsecondary Education (BPPE) for further review and direct response. If you have additional questions or concerns, please contact BPPE directly at the following

Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833
Toll Free: (888) 370-7589
Telephone: (916) 431-6959
Fax: (916) 263-1897
Email: bppve@dca.ca.gov
Web Site: www.bppe.ca.gov

Thank you again for contacting DCA and allowing us to assist you.

Correspondence Unit
137

-----Original Message-----

From: citizencomplaint@dca.ca.gov [mailto:citizencomplaint@dca.ca.gov]
Sent: Tuesday, April 07, 2015 4:04 PM
To: Dca@DCA
Subject: DCA Citizen's Comments/Complaints: 2015040740412

Feedback Tracking Number: 2015040740412

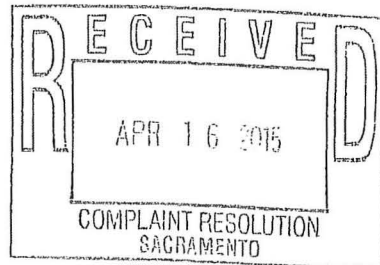
Feedback Type: complaint

Treat anonymously?: No

Complainant: [REDACTED]

Address: [REDACTED]

City: [REDACTED]



State: [REDACTED]

ZIP Code: [REDACTED]

Phone Number: [REDACTED]

Email Address: [REDACTED]

Location:

Location Phone:

Person Spoken With:

Comment: I am complaining about Platt college Ontario Ca. When myself and other class mates failed a course the next time we took the course it was supposed to be cheaper. We were charged twice for books and supplies that we had already received the first time we took the class and were never given a second set of books and supplies. When I asked financial aid about it, they said they did not know anything about it and to ask the director or the dean. Every time we asked someone about it they would say they did not know and directed us to ask someone else. I also had asked financial aid about a break down of prices for the term but they said they only have the full price and don't know anything about how the pricing goes. Also in my recent class we were told we were supposed to receive a certain medical terminology book in our Anatomy class. We had asked about what happened to the book we were supposed to receive and the teacher said she would go to the dean and ask why we did not receive this book. We asked if we were charged for this book we never received and we still cant get a straight answer from anyone at this school. We never received the book and still do not know if we were charged for it. I filled out a form and complained about this issue and never received any feed back from this issue. Platt college continues to ignore all of our issues.

COMPLAINT RESOLUTION PROGRAM

1625 N. Market Boulevard, Suite S202, Sacramento, CA. 95834
Phone: (916) 574-7950 FAX: (916) 574-8676 www.dca.ca.gov



June 18, 2015

[REDACTED]

RE: [REDACTED]

Dear [REDACTED]

The purpose of this letter is to inform you of the status of your complaint filed against Platt College.

On June 5, 2015, we discussed the response from [REDACTED] Director of Student and Academic Affairs for Platt College. A review of your student account statement/ledger reflects the due credit of \$3,423.71 that covers the failed course as well as the repeated course was applied. After this credit was applied, the account balance is \$2,437.82. As for the medical anatomy book promised [REDACTED] stated that you received all required textbooks. In our telephone conversation, you agree to contact Platt College regarding the account balance.

Based on this information received, we must close this complaint at this time.

The Department of Consumer Affairs is committed to providing quality customer service. To measure how we are doing, we would appreciate you taking a few minutes to share your thoughts about the service you received by completing the Customer Service Survey card included with this letter. The card may be returned to us through the mail, no postage is necessary.

Alternatively, you may completed our survey online at www.surveymonkey.com/consumeraffairs

If you have any questions regarding this matter, please feel free to call me at the above number.

Sincerely,

[REDACTED]

Staff Services Analyst

Encl.

5

RE: DCA Citizen's Comments/Complaints: 20160829122614

Dca@DCA

Sent: Tuesday, August 30, 2016 12:55 PM

To: [Redacted]

Thank you for contacting the California Department of Consumer Affairs (DCA). Your email has been forwarded to the Bureau for Private Postsecondary Education (BPPE) for their review and direct response. If you have further concerns or questions, please contact BPPE directly at the following:

Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833
Toll Free: (888) 370-7589
Telephone: (916) 431-6959
Fax: (916) 263-1897
Email: bppe@dca.ca.gov
Website: www.bppe.ca.gov



Mailing Address:
Bureau for Private Postsecondary Education
P.O. Box 980818
West Sacramento, CA 95798-0818

Again, thank you for contacting DCA.

Correspondence Unit
G76

-----Original Message-----

From: citizencomplaint@dca.ca.gov [<mailto:citizencomplaint@dca.ca.gov>]

Sent: Monday, August 29, 2016 12:26 PM

To: Dca@DCA

Subject: DCA Citizen's Comments/Complaints: 20160829122614

Feedback Tracking Number: 20160829122614

Feedback Type: complaint

Treat anonymously?: No

Complainant: [Redacted]

Address: [Redacted]

City: [Redacted]

State: [Redacted]

ZIP Code: [Redacted]

Phone Number: [Redacted]

Email Address: [Redacted]

Feedback About: Vocational Nursing Board Feedback Location: 2535 Capitol Oaks Drive suite 205, Sacramento, CA Location Phone: [Redacted] Person Spoken With: [Redacted]

Comment: Hi, my name is [Redacted]. I wanted to file a complaint against north west college- West Covina.. I don't want to remain anonymous. I revelry last year attended this college and was dropped from term 2 and was told to come back and repeat the term. I had went to community college and spoke with a counselor and found out the school wasn't accredited by Wasc, which was never notified to me and I decided to withdrawal and start over at Rio Hondo College. In my time at North West College I had emailed complaints several times to the DON and the Director and different Directors for other campuses like I was told. My complaints weren't addressed instead swept under the rug. My class was about 40-45 students and we all had been failing our classes horribly. So horrible one instructor complained and told us we didn't deserve to pass that the DON and clinical supervisor curved us so bad it made us pass. During the beginning of term one I emailed and complained about my teacher and how we weren't getting any help or the proper education we were entitled. By term 2 we had a new instructor several instructors because they didn't have a teacher in place so we had 2 wait till they found someone permanent. The teaching

8/30/2016

RE: DCA Citizen's Comments/Complaints 20160829122614

was difficult since they kept changing what they wanted us to study from and how they handled stuff. I relied on YouTube a lot to help me learn and the school went against their handbook and policies on our grades. Everyone in my class minus 1 student was failing and we all signed probation papers stating we would not fail another test or be absent or we would be dropped from the program, the next test came and everyone in the class failed and they didn't do anything just kept saying the state board would get involved if they found out and they couldn't make us pass without the proper grades. This went on for the whole 2 terms and everyone complained about the help we needed and it was insane everyone was failing. At the end they dropped 10 people including me. I asked for my score and the!

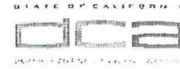
They wouldn't

tell me. I asked to see paperwork on the grading how everyone passed when we all were failing miserably. The school wouldn't provide how they graded everyone and how out of nowhere some people passed. The school had been changing people scores and making people pass even when they didn't know the material or deserve the grade, this had been since term 1 and we knew it because the teacher had said it when it was her last day and was mad that the school was passing students that could be a potential harm in the future for not knowing the material. I would like this to be followed up with and want my loans forgiven for not receiving the proper education. I want then investigated for passing students who weren't qualified to pass and switching grades and going against their own handbook. I have emails I can forward you if you would like. My best contact number is [REDACTED].

Thank you



Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 431-6959 F (916) 263-1897 www.bppe.ca.gov



July 24, 2018

[REDACTED]

RE: North-West College

[REDACTED]

Dear Ms. [REDACTED]

On August 30, 2016, the Bureau for Private Postsecondary Education (Bureau) received a complaint from you against North-West College (Institution). Your complaint alleged you were unjustifiably terminated because you had failing grades, but everyone in your class was failing and the Institution only decided to drop some of the students. You also alleged the Institution changed some student's scores to make them pass even though they did not know the material.

The Bureau investigated your complaint and was unable to establish that a violation of the laws or regulations relating to the Bureau occurred. Therefore, this matter has been closed but will remain in our records.

Thank you for taking the time to bring forth your concerns. If you have further questions regarding this matter, you may contact me at [REDACTED]

The Bureau is committed to providing quality customer service. To measure how we are doing, we would appreciate you taking a few minutes to share your thoughts about the service you received by completing the Customer Service card included with this letter. This card may be returned to us through the mail. No postage is necessary.

Alternatively, you may complete our survey online at www.surveymonkey.com/consumeraffairs.

Sincerely,

[REDACTED]

6

RE: Complaint

Dca@DCA

Sent: Wednesday, May 25, 2016 3:22 PM

To: [REDACTED]

Thank you for contacting the California Department of Consumer Affairs (DCA). Your email has been forwarded to the Bureau for Private Postsecondary Education (BPPE) for their review and direct response. If you have further concerns or questions, please contact BPPE directly at the following:

Bureau for Private Postsecondary Education

2535 Capitol Oaks Drive, Suite 400

Sacramento, CA 95833

Toll Free: (888) 370-7589

Telephone: (916) 431-6959

Fax: (916) 263-1897

Email: bppe@dca.ca.gov

Website: www.bppe.ca.gov



Mailing Address:

Bureau for Private Postsecondary Education

P.O. Box 980818

West Sacramento, CA 95798-0818

Again, thank you for contacting DCA.

[REDACTED]

From: [REDACTED]

Sent: Tuesday, May 24, 2016 8:56 AM

To: Dca@DCA

Subject: Complaint

Hello good morning,

I tried to submit my complaint online there must be technical difficulties
Let me first start off by saying I attended the Paul Mitchell school in Alhambra California I completed my 1600 hours needed for state board, Paul Mitchell school does not want to release my proof of training because they stated I owed them penalties of over 4000 to the school
I paid an amount of 1200 so I have an outstanding balance I have been asking for documents and a break down of my time sheet so that I can see first hand as to why I owe so much in overages it's been too long that I am dealing with this situation I want to get my license. The only thing they have sent me was ledgers but they don't make sense I want to see the actual time sheet and they refuse to provide me with that information
I would really appreciate a response I want to know why or how I owe so much money to the school when the tuition alone was already 20.000 please help!
Thank You



Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 431-6959 F (916) 263-1897 www.bppe.ca.gov



December 4, 2018

[REDACTED]

RE: Paul Mitchell the School-Pasadena

[REDACTED]

Dear [REDACTED]

On May 25, 2016, the Bureau for Private Postsecondary Education (Bureau) received a complaint from you about Paul Mitchell the School-Pasadena. This is to notify you that after completing an investigation, the Bureau did not determine that the institution has violated any applicable Bureau law or regulation. Accordingly, the Bureau has closed this matter. The complaint and the information gathered during the investigation will remain in the Bureau's investigatory records.

Thank you for taking the time to bring forth your concerns. If you have any questions, I can be reached at [REDACTED]

The Bureau is committed to providing quality customer service. To measure how we are doing, we would appreciate you taking a few minutes to share your thoughts about the service you received by completing the Customer Service card included with this letter. This card may be returned to us through the mail. No postage is necessary.

Alternatively, you may complete our survey online at www.surveymonkey.com/consumeraffairs.

Sincerely,

[REDACTED]

Enforcement Analyst

7

Enforcement, BPPE@DCA

From: Dca@DCA
Sent: Wednesday, May 31, 2017 7:37 AM
To: [REDACTED]
Cc: BPPE@DCA; Enforcement, BPPE@DCA
Subject: ConCorde Career College

Thank you for contacting the California Department of Consumer Affairs (DCA). Your email has been forwarded to the Bureau for Private Postsecondary Education (BPPE) for further review and direct response. If you have additional questions or concerns, please contact BPPE directly at the following:

Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833
or
Mailing Address:
P.O. Box 980818
West Sacramento, CA 95978-0818

Phone Toll Free: (888) 370-7589
Phone: (916) 431-6959
Fax: (916) 263-1897
Email: bppe@dca.ca.gov
Website: <http://www.bppe.ca.gov/>

Thank you again for contacting DCA and allowing us to assist you.

Correspondence Unit
J68

-----Original Message-----

From: Dcacomplaint@DCA
Sent: Saturday, May 27, 2017 10:07 PM
To: Dca@DCA
Subject: FW: DCA General Online Complaint #CU-20170527100624

From: GeneralComplaint@dca.ca.gov
Sent: Saturday, May 27, 2017 10:06:24 PM (UTC-08:00) Pacific Time (US & Canada)
To: Dcacomplaint@DCA
Subject: DCA General Online Complaint #CU-20170527100624

DCA General Online Complaint: #CU-20170527100624

Business/Professional Name: ConCorde Career College

License Number:
Address: [REDACTED]
City: [REDACTED]
State: [REDACTED]
ZIP Code: [REDACTED]

COPY



Phone Number: [REDACTED]

Person dealt with: Admissions Department/Counselor Email Address:

Complaint: In 1996 I took the Medical Assistant course at ConCorde Career Institute A.K.A ConCorde Career College. I completed my entire course for start to finish except when it was time for my externship they sent me to a plastic surgeons office. I was at that site for about a week when my Counselor contacted me to check in with me. When I informed her I was not doing what I was trained to do, I was informed not to return to that site and I would be placed at another location. I waited and all the while calling to check in with the school I was informed since I was not placed at an extership site within 30 days I would need to take a refresher course which would cost me \$2500.00. I said, No I will not pay you more money because you didn't do your job. Till this day I am still paying for a certificate I never received and feel this is unacceptable. Please help me.

Date of Purchase/Incident: 06/25/1996

Requested Resolution: I would like to have this removed from my credit report and all money that was paid towards my 2 student loans returned back to me.

Supporting Documents: I have tax papers showing my tax returns were taken for the past 2 years over \$4,000.00 each year Previous Complaint: No

Complainant: [REDACTED]
Address: [REDACTED]
City: [REDACTED]
State: [REDACTED]
ZIP Code: [REDACTED]
Phone Number: [REDACTED]
Email Address: [REDACTED]



Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 431-6959 F (916) 263-1897 www.bppe.ca.gov



May 14, 2018

[REDACTED]

RE: Concorde Career College, Garden Grove

[REDACTED]

Dear [REDACTED]

On May 31, 2017, the Bureau for Private Postsecondary Education (BPPE) received a complaint from you against Concorde Career College (school). Your complaint alleged the school failed to place you in an externship program and failed to provide your certificate of completion from the Medical Assistant (MA) program.

During the investigation of your complaint, which consisted of a review of your student records, it was determined that you requested to withdraw from an assigned externship. According to the student catalog for the year you were enrolled, you could not refuse the assigned program as part of your agreement with the school. As such, you did not complete the MA program and you were not eligible to receive a certificate of completion. BPPE was unable to establish that a violation of the laws or regulations relating to BPPE occurred. Therefore, this matter has been closed but will remain in our records.

The school has approved the release of your student records to you, which consist of your official transcript and your student activity notes. Those records are included with this letter.

Thank you for taking the time to bring forth your concerns. If you have further questions regarding this matter, you may contact me at [REDACTED]

[REDACTED]

[REDACTED]

8

FW: DCA Citizen's Comments/Complaints: 2015080532741

BPPE@DCA

Sent: Wednesday, August 19, 2015 2:34 PM

To: Enforcement, BPPE@DCA

Duplicate

From: Dca@DCA

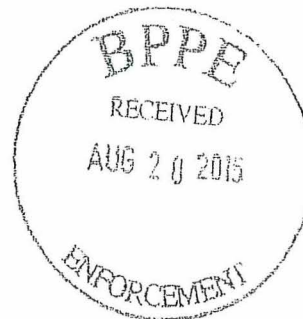
Sent: Thursday, August 06, 2015 10:03 AM

To: [REDACTED]

Subject: RE: DCA Citizen's Comments/Complaints [REDACTED]

Thank you for contacting the California Department of Consumer Affairs (DCA). Your email has been forwarded to the Bureau for Private Postsecondary Education (BPPE) for further review and direct response. If you have additional questions or concerns, please contact BPPE directly at the following

Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833
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Telephone: (916) 431-6959
Fax: (916) 263-1897
Email: bppve@dca.ca.gov
Web Site: www.bppe.ca.gov



Thank you again for contacting DCA and allowing us to assist you.

Correspondence Unit

-----Original Message-----

From: citizencomplaint@dca.ca.gov [mailto:citizencomplaint@dca.ca.gov]

Sent: Wednesday, August 05, 2015 3:28 PM

To: Dca@DCA

Subject: DCA Citizen's Comments/Complaints: 2015080532741

Feedback Tracking Number: 2015080532741

Feedback Type: complaint

Treat anonymously?: Yes

Complainant: [REDACTED]

Address: [REDACTED]

City: [REDACTED]

State: [REDACTED]

ZIP Code: [REDACTED]

Phone Number: [REDACTED]

Email Address: [REDACTED]

Feedback About: Private Postsecondary Vocational Education Bureau Feedback Location: Fontana Location

Phone [REDACTED] Person Spoken With: [REDACTED]

Comment: Preferred Truck Test Rental CA#391741 (Claiming to be a rental, but offering classes) Address is not listed (Rialto, Fontana, CA Area) [REDACTED])

*CA BPPE Approval School Code # none (This location is not listed on BPPE website) Tractor/Trailers, Passenger Buses (Specialty is Training for Electrical Lineman covert training site) If you Google his company name, you will see in a blog he is the goto guy for training.

[REDACTED] Drives a lowered black pick up truck with rims!

[REDACTED]



Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 431-6959 F (916) 263-1897 www.bppe.ca.gov



November 29, 2017

[REDACTED]

RE: Preferred Truck Test Rental
[REDACTED]

Dear [REDACTED]

On August 20, 2015, the Bureau for Private Postsecondary Education (Bureau) received a complaint from you against Preferred Truck Test Rental (PTTR). Your complaint alleged that PTTR was operating without Bureau approval in violation of California Education Code (CEC) § 94886.

During the investigation of your complaint, the Bureau determined that PTTR is not issuing degrees, charging less than \$2,500 in tuition, and does not accept state or federal student aid. Therefore, PTTR is operating as an exempt institution under the qualifications of CEC § 94874(f) and a violation of the Bureau's laws or regulations did not occur. Therefore, this matter has been closed but will remain in our records.

The Bureau is committed to providing quality customer service. To measure how we are doing, we would appreciate you taking a few minutes to share your thoughts about the service you received by completing the Customer Service card included with this letter. This card may be returned to us through the mail. No postage is necessary.

Alternatively, you may complete our survey online at www.surveymonkey.com/consumeraffairs.

Thank you for taking the time to bring forth your concerns. If you have further questions regarding this matter, you may contact me [REDACTED]

Sincerely,

[REDACTED]
Enforcement Analyst

9

-----Original Message-----

From: citizencomplaint@dca.ca.gov [mailto:citizencomplaint@dca.ca.gov]
Sent: Thursday, October 22, 2015 2:33 PM
To: Dca@dca
Subject: DCA Citizen's Comments/Complaints: 2015102223254

Feedback Tracking Number: 2015102223254

Feedback Type: complaint

Treat anonymously?: Yes

Complainant: [REDACTED]
Address: [REDACTED]
City: [REDACTED]
State: [REDACTED]
ZIP Code: [REDACTED]
Phone Number: [REDACTED]
Email Address: [REDACTED]

Feedback About: Private Postsecondary Vocational Education Bureau Feedback Location: Pleasant Hill, CA Location Phone: 925-969-3400 Person Spoken With: College Of Graduate & Professional Study
Comment: Bias Exit Examination Process: (Students are not permitted to read the questions in Vignette Part 2 & 3) the examiner reads the questions and this requires abstract reasoning of convoluted questions or remembering (acronyms) as suggested in the handout material. This is graduate school and a professor needs to teach students about how to pass this type of Exit Exam. Yes student do pass it and other do not. That is not criteria for judging student readiness. Allow the student to read this questions and answer them.

We are using antiquated "Oral" exit examinations that need to stop immediately.

Some students do not respond to having a teacher/instructor/professor read aloud to them a examination question. I am one of those.

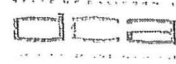
The MFT exit examination needs an overall revision and not one used in the past, 1979, etc.. 2012, 2013, and 2015 as it is. The BBS changed examination protocols, format and criteria, so why doesn't the university? Students need to be prepared for what is to come on an exam and how to take the examination. I passed the Written Exam the first time with flying colors. I have failed the "Orals" twice because of this antiquated format of the examiner reading aloud to the test taker and expecting detailed answers from the abstract imagination.

I have found professors handing out practice test material that do not pertain to teaching methods used nor test-taking methods. The tests are manual, convoluted asking for too much detail criteria in overloaded sentences not at graduate level nor APA style.

The revisions are from someone's idea of what should be in the exam, not BBS and pertaining to their experience as an established therapist, not as a beginner. Revisions are often an edits... and then at the bottom of the page marked "revision" with a new year reflected on the cover page. Several of these types of revisions are currently circulating in this university. I have three of them in my possession that was supposed to prepare me for passing the exit exam. One document was last revised in 2012, another in 2013, and another in 2014 and on the front-page "2015." Students have been issued those as preparation documents to rely on.



Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833
P.O. Box 980818, West Sacramento, CA 95798-0818
P (916) 431-6959 F (916) 263-1897 www.bppe.ca.gov



March 16, 2017

[REDACTED]

RE: [REDACTED]

Dear [REDACTED]

John F. Kennedy University (JFKU) entered into a contractual agreement with the Bureau for Private Postsecondary Education (Bureau), wherein the Bureau reviews complaints filed by students and the public against the JFKU.

On December 3, 2015, the Bureau received an anonymous complaint filed against JFKU. The complaint stated that the exit exams administered for the Master of Arts in Counseling Psychology are antiquated and poorly administered. The complainant stated that the examiner reads convoluted questions to students who must then apply abstract reasoning to respond to the questions. This is difficult for students who are more visual than auditory in their learning styles as they must then apply abstract reasoning to respond to something that they have not been able to read for themselves. This puts the visual learner at a disadvantage. The complainant also stated that the exam was outdated and was not compatible with APA style. The complainant believes that the instructors at the school are doing a disservice to the students by not adequately preparing the students for these exams.

As the complaint was filed anonymously and I am not able to contact the complainant, I am unable to be any more specific than I have been in describing these allegations. I understand that responding to allegations without a complete picture is difficult at best. But, I must request that you do so.

Please address these allegations and provide your response to the Bureau in writing by March 30, 2017. You are welcome to respond via email.

Please send your response and documentation to:
Bureau for Private Postsecondary Education
[REDACTED] Enforcement Analyst
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833

If you have any questions, I may be reached by phone on [REDACTED] by email at [REDACTED]

Sincerely,

[REDACTED]

Enforcement Analyst

Licensing Applications Status as of August 1, 2019 for Fiscal Year 19/20

Type	Received FY 19/20	Pending Assignment (Queue)	Under Review	Total Pending	Approved	Withdrawn or Abandoned	Denied	Total Closed	Average Days to Approve ^a
New Full Approval	1	21	41	62	3	0	0	3	233
New Accreditation	3	0	9	9	4	1	0	5	62
Renewal Full	4	0	39	39	4	0	0	4	172
Renewal Accreditation	3	0	28*	28	8	2	0	10	87
Changes Full	20	0	40	40	15	1	1	17	56
Changes Accreditation	18	0	26	26	14	2	0	16	43
Verification of Exemption	26	0	41	41	27	0	16	43	34
Out of State Registration	5	0	4	4	5	0	0	5	56
Totals:	80	21	228	249	80	6	17	103	93

^aAverage Days to Approve is calculated from time assigned to analyst.

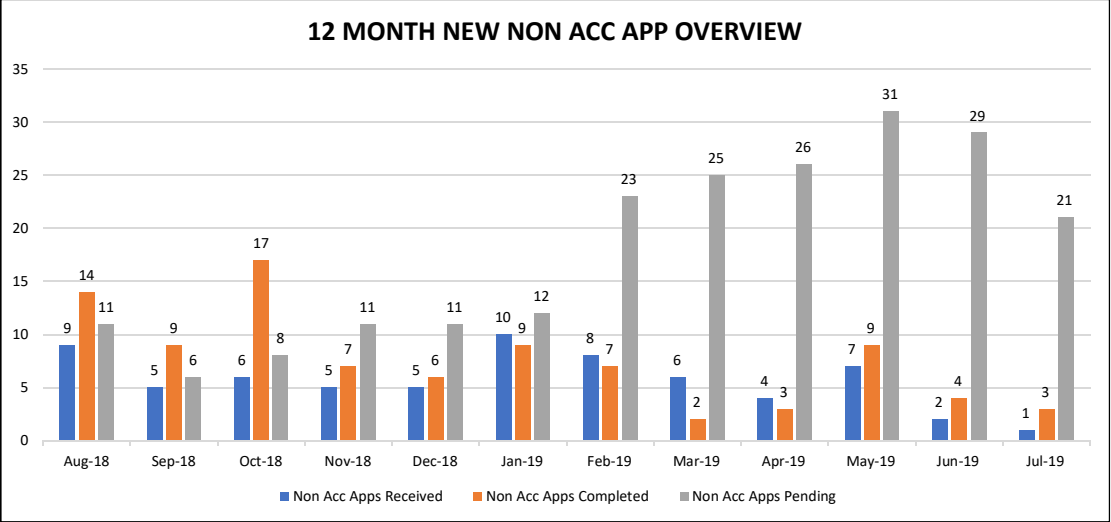
*18 applications pending new term of accreditation.

Total Pending Applications by Date

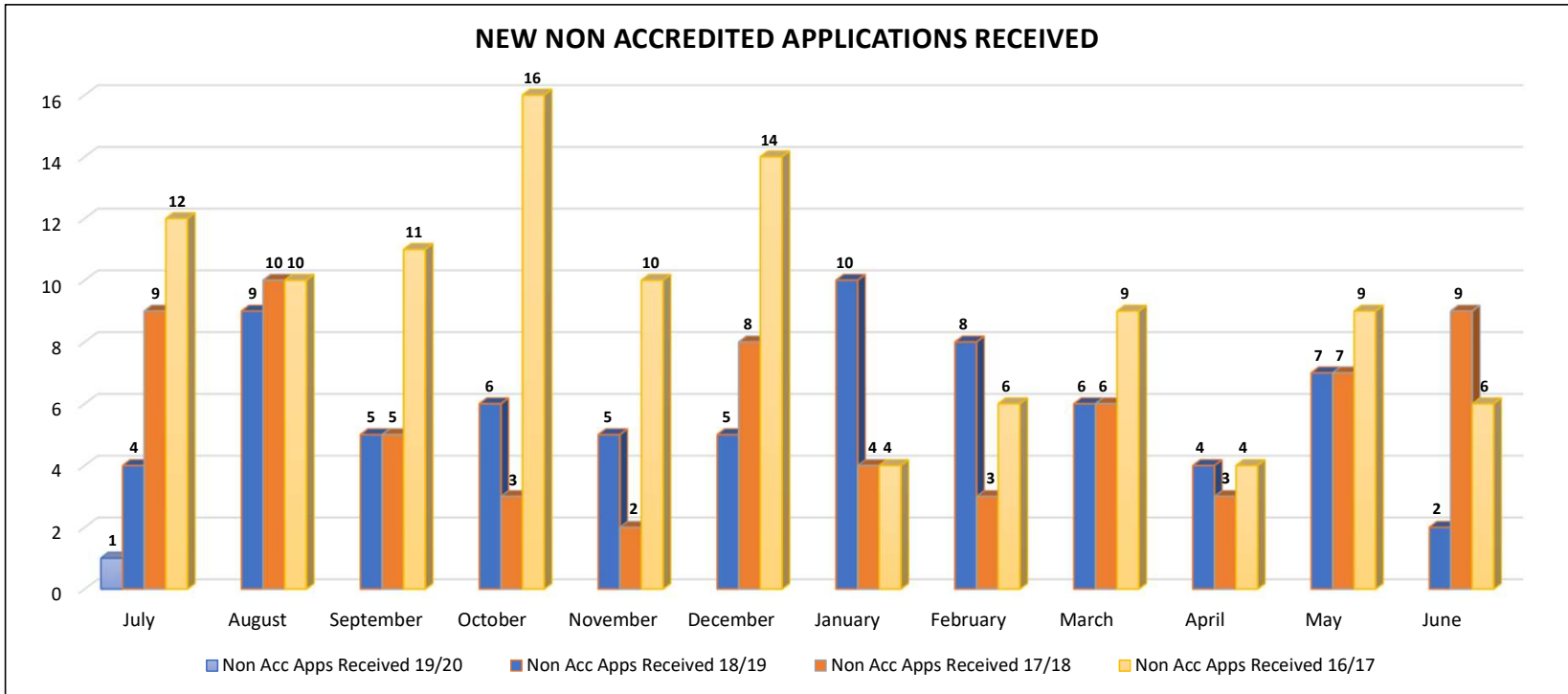
Total pending applications on 1/1/2019:	271
Total pending applications on 5/1/2019:	227
Total pending applications on 8/1/2019:	249

Oldest Pending Full Applications (as of 8/1/19)

Oldest Full Apps in Queue:	10/2/2018
Oldest Full Apps Under Review:	5/1/2017
Oldest Renewal Full Apps in Queue:	N/A
Oldest Renewal Full Apps Under Review:	2/3/2017
Median Date of Full Apps in Queue:	4/12/2019
Median Date of Renewal Full Apps in Queue:	N/A

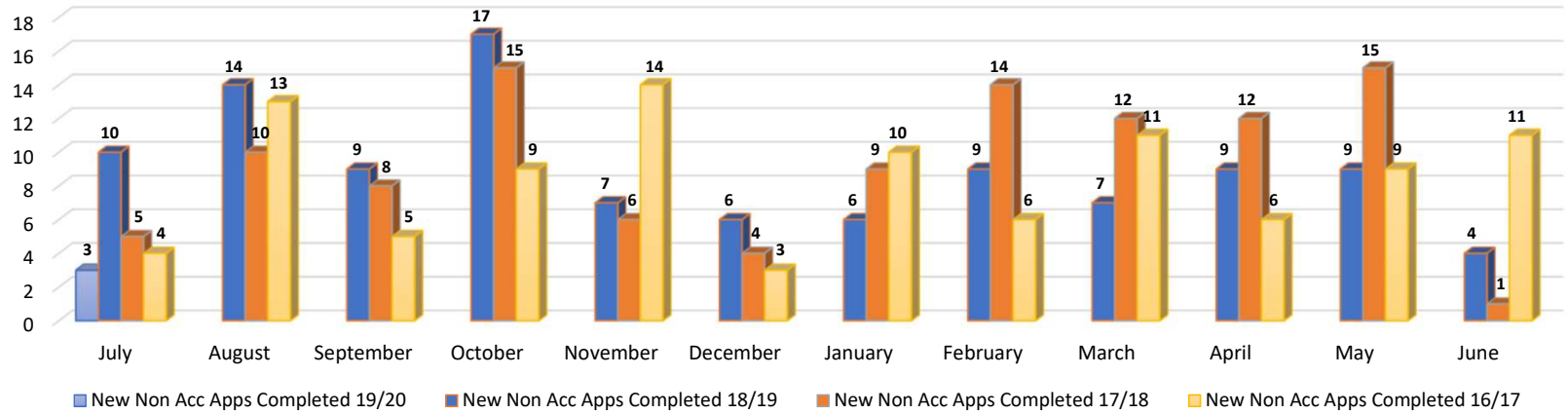


Month	Non Acc Apps Received	Non Acc Apps Completed	Non Acc Apps Pending
Aug-18	9	14	11
Sep-18	5	9	6
Oct-18	6	17	8
Nov-18	5	7	11
Dec-18	5	6	11
Jan-19	10	9	12
Feb-19	8	7	23
Mar-19	6	2	25
Apr-19	4	3	26
May-19	7	9	31
Jun-19	2	4	29
Jul-19	1	3	21



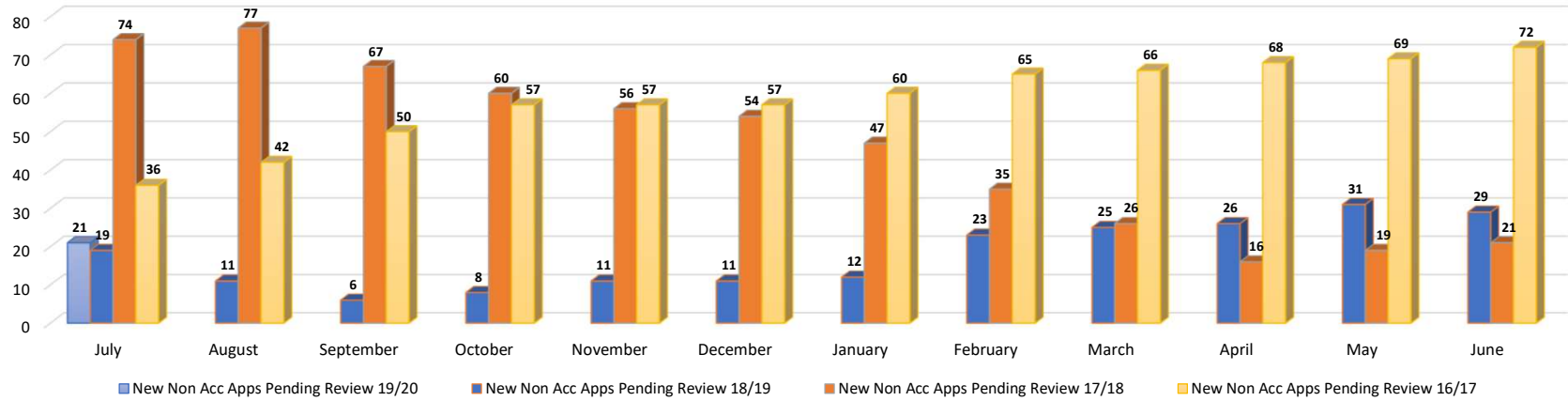
Month	Non Acc Apps Received 19/20	Non Acc Apps Received 18/19	Non Acc Apps Received 17/18	Non Acc Apps Received 16/17
July	1	4	9	12
August	9	10	10	10
September	5	5	5	11
October	6	3	3	16
November	5	2	2	10
December	5	8	8	14
January	10	4	4	4
February	8	3	3	6
March	6	6	6	9
April	4	3	3	4
May	7	7	7	9
June	2	9	9	6

NEW NON ACCREDITED APPLICATIONS COMPLETED



Month	New Non Acc Apps Completed 19/20	New Non Acc Apps Completed 18/19	New Non Acc Apps Completed 17/18	New Non Acc Apps Completed 16/17
July	3	10	5	4
August		14	10	13
September		9	8	5
October		17	15	9
November		7	6	14
December		6	4	3
January		6	9	10
February		9	14	6
March		7	12	11
April		9	12	6
May		9	15	9
June		4	1	11

NEW NON ACCREDITED APPLICATIONS PENDING REVIEW



Month	New Non Acc Apps Pending Review 19/20	New Non Acc Apps Pending Review 18/19	New Non Acc Apps Pending Review 17/18	New Non Acc Apps Pending Review 16/17
July	21	19	74	36
August	11	11	77	42
September	6	6	67	50
October	8	8	60	57
November	11	11	56	57
December	11	11	54	57
January	12	12	47	60
February	23	23	35	65
March	25	25	26	66
April	26	26	16	68
May	31	31	19	69
June	29	29	21	72

Total Number of Schools by Location Type & Approval Type				
As of August 1, 2019				
Location Type	Mains	Branches	Satellites	Total Locations
	1,042	386	530	1,958
Approval Type	ABMA (Accredited)	Full (Non-Accredited)	Conditional^a	Provisional^b
	433	568	1	39
^a 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)).				
^b 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.				

		10/30/2018	2/1/2019	5/3/2019	8/1/2019
Location Type	Main	1,073	1,093	1,066	1,042
	Branch	397	401	390	386
	Satellite	505	520	530	530
Approval Type	ABMA	440	442	431	433
	Full	598	607	592	568
	Conditional	21	0	1	1
	Provisional	14	44	42	39

Quality of Education Unit

Report on Status of Institutions Impacted by SB 1247 (Chaptered in 2014)

Requires all degree-granting institutions in CA to be accredited

CEC 94885.1 Institutions

- Applies to Institutions approved to operate on or before January 1, 2015 and offering degree programs
- Requires institutions achieve pre-accreditation or candidacy status by July 1, 2017 and full accreditation by July 1, 2020
- 142 institutions initially identified and contacted
- 108 Institutions submitted an accreditation plan to the Bureau on or before July 1, 2015
- Of the original 142 institutions:
 - 37 closed, let their approvals expire, or surrendered their approvals
 - 17 were verified as exempt institutions
 - 16 surrendered their degree programs
 - 4 have their degree programs currently suspended
 - 26 achieved accreditation
 - 42 currently in accreditation candidacy status

CEC 94885.5 Institutions

- 55 Institutions have received provisional approval to operate degree programs since January 2015
- Must achieve pre-accreditation or candidacy status within two years and full accreditation within five years
- Status of the 55 Institutions:
 - 4 closed
 - 1 is currently on extension to meet candidacy status
 - 3 surrendered their degree programs and abandoned accreditation
 - 3 have their degree programs currently suspended
 - 9 achieved candidacy status and are pursuing full accreditation
 - 32 pursuing candidacy status (includes 1 extension)
 - 4 Achieved Accreditation

Degree Program Suspensions Issued:

2015 – 11

2017 – 28

2018 – 1

2019 - 5

Office of Student Assistance and Relief

Outreach Events

2018/19 Through 2019/20 State Fiscal Years

Data as of 8/12/2019



SUMMARY OF OUTREACH AND EDUCATIONAL ACTIVITIES

Student Outreach Activities	Event Type	Event Date	Event Location
California Transition Assistance Program Beale Air Force Base Workshop	Student Workshop / Presentation	7/19/2018	Yuba County, CA
California Hair Design Academy School Closure Outreach Event	Student Workshop	7/27/2018	Chula Vista, CA
Coleman University School Closure Outreach Event	Student Workshop	7/30/2018	San Diego, CA
California Transition Assistance Program Travis Air Force Base Workshop	Student Workshop / Presentation	7/30/2018	Fairfield, CA
California Transition Assistance Program MCAS Miramar Workshop	Student Workshop / Presentation	8/9/2018	MCAS Miramar, CA
California Transition Assistance Program Naval Air Station Lemoore Workshop	Student Workshop / Presentation	8/15/2018	Kings County, CA
San Diego Community College District Resource Fair	College Fair	8/16/2018	San Diego, CA
California Transition Assistance Program Naval Base San Diego Workshop	Student Workshop / Presentation	8/28/2018	San Diego, CA
California Transition Assistance Program Fort Irwin Workshop	Student Workshop / Presentation	9/5/2018	Fort Irwin, CA
California Transition Assistance Program Naval Air Station North Island Workshop	Student Workshop / Presentation	9/20/2018	North Island, CA
TRU Hope Youth Summit	College Fair	9/27/2018	Stockton, CA
California Transition Assistance Program Naval Base Ventura Workshop	Student Workshop / Presentation	10/4/2018	Port Hueneme, CA
Los Angeles ORT College Branch Closure Outreach Event	Student Workshop	10/8/2018	Van Nuys, CA
California Transition Assistance Program Marine Corps Base Camp Pendleton Workshop	Student Workshop / Presentation	10/12/2018	Oceanside, CA
California Transition Assistance Program Travis Air Force Base Workshop	Student Workshop / Presentation	10/17/2018	Travis AFB, CA
Argosy University (San Francisco Bay Area) Branch Closure Outreach Event	Student Workshop	10/17/2018	Alameda, CA
The Art Institute of California (Orange County) Branch Closure Outreach Event	Student Workshop	10/17/2018	Santa Ana, CA
The Sanville Institute School Closure Outreach Event	Student Workshop	10/20/2018	Berkeley, CA
Argosy University (San Diego) Branch Closure Outreach Event	Student Workshop	10/22/2018	San Diego, CA

The Art Institute of California (Inland Empire) Branch Closure Outreach Event	Student Workshop	10/23/2018	San Bernardino, CA
California Student Opportunity and Access Program (Cal-SOAP) Event	College Fair	10/24/2018	San Diego, CA
California Transition Assistance Program Beale Air Force Base Workshop	Student Workshop / Presentation	10/24/2018	Yuba County, CA
Venture Academy College and Career Fair	College Fair	10/24/2018	Stockton, CA
Office of Student Assistance and Relief's College Prep Workshop	College Fair	10/27/2018	Sacramento, CA
San Diego Community College District Resource Fair	College Fair	11/8/2018	San Diego, CA
Cash for College: 17th Annual College and Career Convention	College Fair	11/9/2018 - 11/10/2018	Los Angeles, CA
California Transition Assistance Program MCAS Miramar Workshop	Student Workshop / Presentation	11/15/2018	MCAS Miramar, CA
The Art Institute of California (Sacramento) School Closure Outreach Event	Student Workshop	11/26/2018	Sacramento, CA
The Art Institute of California (San Francisco) School Closure Outreach Event	Student Workshop	11/28/2018	San Francisco, CA
Pacific Beauty College of Los Angeles School Closure Outreach Event	Student Workshop	11/30/2018	Los Angeles, CA
Brightwood College (Fresno) School Closure Outreach Event	Student Workshop	12/7/2018	Clovis, CA
Brightwood College (Modesto) School Closure Outreach Event	Student Workshop	12/7/2018	Salida, CA
Brightwood College (Palm Springs) School Closure Outreach Event	Student Workshop	12/7/2018	Palm Springs, CA
Brightwood College (Vista) School Closure Outreach Event	Student Workshop	12/7/2018	Vista, CA
Brightwood College (Bakersfield) School Closure Outreach Event	Student Workshop	12/10/2018	Bakersfield, CA
Brightwood College (Chula Vista) School Closure Outreach Event	Student Workshop	12/10/2018	Chula Vista, CA
Brightwood College (San Diego) School Closure Outreach Event	Student Workshop	12/11/2018	San Diego, CA
Brightwood College (Sacramento) School Closure Outreach Event	Student Workshop	12/12/2018	Sacramento, CA
Brightwood College (Riverside) School Closure Outreach Event	Student Workshop	12/12/2018	Riverside, CA
Golf Academy of America (San Diego) School Closure Outreach Event	Student Workshop	12/12/2018	Carlsbad, CA
Brightwood College (Van Nuys) School Closure Outreach Event	Student Workshop	12/13/2018	Van Nuys, CA
Argosy University (Inland Empire) School Closure Outreach Event	Student Workshop	12/15/2018	Ontario, CA
San Diego Community College District Resource Fair	College Fair	1/7/2019	San Diego, CA

California Transition Assistance Program Beale Air Force Base Workshop	Student Workshop / Presentation	1/17/2019	Yuba County, CA
California Transition Assistance Program 29 Palms Workshop	Student Workshop / Presentation	1/22/2019	Twentynine Palms, CA
California Transition Assistance Program Marine Corps Base Camp Pendleton Workshop	Student Workshop / Presentation	1/23/2019	Oceanside, CA
California Transition Assistance Program Travis Air Force Base Workshop	Student Workshop / Presentation	1/25/2019	Travis AFB, CA
Black College Expo (Sacramento)	College Fair	1/26/2019	Sacramento, CA
California Community Colleges Town Hall & College Fair	College Fair	1/31/2019	Sacramento, CA
Black College Expo (Los Angeles)	College Fair	2/2/2019	Los Angeles, CA
Steps to College / Pasos a la Universidad 2019	College Fair	2/2/2019	Sacramento, CA
Black College Expo (Oakland)	College Fair	2/9/2019	Oakland, CA
California Transition Assistance Program Los Angeles Air Force Base Workshop	Student Workshop / Presentation	2/20/2019	Los Angeles, CA
Brightwood College (San Diego) School Closure Outreach Event	Student Workshop	2/23/2019	San Diego, CA
Ryokan College School Closure Outreach Event	Student Workshop	2/25/2019	Los Angeles, CA
Argosy University (San Francisco Bay Area) Student Workshop Event	Student Workshop	3/1/2019	Oakland, CA
Argosy University (Orange County) Student Workshop Event	Student Workshop	3/6/2019	Santa Ana, CA
The Art Institute of California (San Diego) Student Workshop Event	Student Workshop	3/7/2019	San Diego, CA
The Art Institute of California (Hollywood) Student Workshop Event	Student Workshop	3/8/2019	North Hollywood, CA
TONI&GUY Hairdressing Academy (Manteca) School Closure Outreach Event	Student Workshop	3/11/2019	Stockton, CA
Argosy University (Los Angeles) Student Workshop Event	Student Workshop	3/13/2019	Los Angeles, CA
California Transition Assistance Program Marine Corps Recruit Depot Workshop	Student Workshop / Presentation	3/21/2019	San Diego, CA
Western State College of Law Informational Meeting	Student Workshop	3/26/2019	Santa Ana, CA
California Transition Assistance Program Vandenberg Workshop	Student Workshop / Presentation	3/29/2019	Vandenberg AFB, CA
National Association for College Admission Counseling (NACAC) San Francisco Bay Area National College Fair	College Fair	4/6/2019	Santa Clara, CA
Le Melange Academy of Hair and Esthetics Workshop Event	Student Workshop	4/9/2019	Napa, CA
National Association for College Admission Counseling (NACAC) Greater Los Angeles National College Fair	College Fair	4/9/2019	Pasadena, CA

TONI&GUY Hairdressing Academy (Modesto) School Closure Outreach Event	Student Workshop	4/11/2019	Modesto, CA
National Association for College Admission Counseling (NACAC) Ventura / Tri-County National College Fair	College Fair	4/11/2019	Ventura, CA
National Association for College Admission Counseling (NACAC) Orange County National College Fair	College Fair	4/14/2019	Anaheim, CA
National Association for College Admission Counseling (NACAC) Inland Empire National College Fair	College Fair	4/16/2019	Ontario, CA
National Association for College Admission Counseling (NACAC) San Diego National College Fair	College Fair	4/18/2019	San Diego, CA
California Transition Assistance Program Beale Air Force Base Workshop	Student Workshop / Presentation	4/18/2019	Yuba County, CA
California Transition Assistance Program Travis Air Force Base Workshop	Student Workshop / Presentation	4/19/2019	Travis AFB, CA
Charter College School Closure Outreach Event	Student Workshop	4/25/2019	Oxnard, CA
California Transition Assistance Program Naval Base Ventura Workshop	Student Workshop / Presentation	5/1/2019	Port Hueneme, CA
Unitek EMT (Fremont) School Closure Outreach Event	Student Workshop	5/4/2019	Fremont, CA
California Transition Assistance Program Los Angeles Air Force Base Workshop	Student Workshop / Presentation	5/8/2019	Los Angeles, CA
Mike Tan Beauty School Closure Outreach Event	Student Workshop	5/15/2019	Santa Ana, CA
California Transition Assistance Program Marine Corps Base Camp Pendleton Workshop	Student Workshop / Presentation	5/29/2019	San Diego, CA
MTI Business College of Stockton School Closure Outreach Event	Student Workshop	5/29/2019	Stockton, CA
California Transition Assistance Program 349th Force Support Squadron	Student Workshop / Presentation	6/1/2019	Travis AFB, CA
California Transition Assistance Program Afloat Training Group Naval Base San Diego Workshop	Student Workshop / Presentation	6/18/2019	San Diego, CA
California Transition Assistance Program Marine Corps Recruit Depot Workshop	Student Workshop / Presentation	6/20/2019	San Diego, CA
San Diego State University Basic Training for Higher Education Seminar	College Fair	6/20/2019	San Diego, CA
Mt Sierra College School Closure Outreach Event	Student Workshop	6/26/2019	Monrovia, CA
Bethel University (Bethel Seminary San Diego) School Closure Outreach Event	Student Workshop	6/27/2019	San Diego, CA
Embry-Riddle Aeronautical University Coronado Branch School Closure Outreach Event	Student Workshop	6/27/2019	San Diego, CA
Mt Sierra College School Closure Outreach Event	Student Workshop	7/16/2019	Monrovia, CA
California Transition Assistance Program Beale Air Force Base Workshop	Student Workshop / Presentation	7/17/2019	Yuba County, CA

California Transition Assistance Program Fort Irwin Workshop	Student Workshop / Presentation	7/22/2019	Fort Irwin, CA
A-Technical College School Closure Outreach Event	Student Workshop	7/24/2019	Huntington Park, CA
Student Tuition Recovery Fund Claim Acceleration Workshop	Student Workshop	7/30/2019	San Diego, CA
California Transition Assistance Program Marine Corps Recruit Depot Workshop	Student Workshop / Presentation	8/1/2019	San Diego, CA
California Transition Assistance Program Travis Air Force Base Workshop	Student Workshop / Presentation	8/2/2019	Travis AFB, CA
Assemblymember Chris Holden's 20th Annual Community Resource Fair & Block Party	College Fair	8/3/2019	Pasadena, CA
A-Technical College School Closure Outreach Event	Student Workshop	8/8/2019	San Diego, CA

Student Tuition Recovery Fund Claims

Student Tuition Recovery Fund (STRF) Claims Received 2018/19 Through 2019/20 State Fiscal Years

1,336

Claims Closed 2018/19 Through 2019/20 State Fiscal Years

Claims Paid	156	Amount	\$1,415,856
Claims Ineligible ¹	0		
Claims Denied ¹	6		
Closed - Unable to Contact ²	17		
Total	179		

Current Claims

Active / Waiting for Student Response	1230
Analyst's First Review Complete / Recommendation Pending	260
Payment Requested From State Controller's Office	28
Total	1518

Claims in Queue

706

Definitions

Ineligible / Denied ¹ Student Not Eligible For Payment and/or Claim Did Not Satisfy The Requirements of California Education Code §94923(b)(2)

Unable to Contact ² OSAR Staff Reached Out to Student via Phone, Email & Written Correspondence At Least Three Times

Current Fund Balance: \$25,100,695

Historical Fund Balances (State Fiscal Year Closing):

2018-19	\$25,100,695
2017-18	\$26,295,000
2016-17	\$28,497,000

Data as of 8/6/2019

Student Tuition Recovery Fund Claims

Large Impact Closures

2018/19 Through 2019/20 State Fiscal Years

	STRF Claims Received	STRF Claims in Progress	Ineligible / Denied	Unable to Contact	Number of STRF Claims Paid	STRF Claims Paid
All Claims	1,336	1,306	6	17	156	\$1,415,856
ITT Tech	13	13	0	0	6	\$95,642
Heald¹	187	185	2	0	8	\$58,376
WyoTech¹	26	26	0	0	0	\$0
Everest¹	189	184	4	0	1	\$100

From School Closure to Current (Total Impact)

	STRF Claims Received	STRF Claims in Progress	Ineligible / Denied	Unable to Contact	Number of STRF Claims Paid	STRF Claims Paid
ITT Tech	295	31	141	75	48	\$293,272
Heald¹	348	239	60	27	22	\$213,041
WyoTech¹	145	32	39	24	50	\$278,243
Everest¹	448	192	99	72	85	\$255,795

¹ Heald College, WyoTech, and Everest College were operated by Corinthian Colleges, Inc.

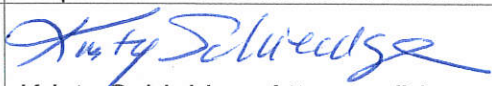
Data as of 8/6/2019



LEGAL AFFAIRS DIVISION
 1625 North Market Blvd., Suite S-309, Sacramento, CA 95834
 Phone (916) 574-8220 Fax (916) 574-8623 www.dca.ca.gov



MEMORANDUM

DATE	May 13, 2019
TO	Advisory Committee Bureau for Private Postsecondary Education Department of Consumer Affairs
FROM	 Kristy Schieldge, Attorney IV Legal Affairs Division, Department of Consumer Affairs
SUBJECT	Advisory Committee Request for Analysis of Implementation of the Duties of the Office of Student Assistance and Relief

Issue

Questions have been raised regarding whether the Bureau for Private Postsecondary Education's (Bureau) Office of Student Assistance and Relief (Office or OSAR) was implementing its duties consistent with its mandate in the California Private Postsecondary Education Act of 2009 (Act -- Ed. Code, §§ 94800 and following). In particular, a Committee member has raised concerns whether there are any actual or potential conflicts with how Office staff perform their functions and questioned whether OSAR staff were involved with processing Student Tuition Recovery Fund (STRF) applications for the Bureau.

Background

Legislative Background of OSAR

In 2016, Senate Bill (SB) 1192 was enacted and created OSAR "for the purpose of advancing and promoting the rights of prospective students, current students, or past students of private postsecondary educational institutions." An Assembly Committee on Higher Education legislative analysis reveals that, in relevant part:

"the OSAR be established in its own Article of the Act ... Additionally, the OSAR, and not the BPPE, should be responsible for outreach to students, coordinating with relevant governmental and non-governmental agencies..." (Assembly Committee on Higher Education analysis, dated June 14, 2016, p. 5.)

These suggested amendments were later enacted at Article 20.6 of the Act and include the following duties of OSAR:

- (a) Conducting outreach and providing information and assistance to students who have been affected by the unlawful activities or closure of an institution regarding their rights under state and federal law, . . . and to ensure that those students successfully access available state and federal relief programs . . . (Ed. Code, § 94949.72(a));
- (b) Serving as a primary point of contact to address the needs of private postsecondary education students and working in consultation with state and federal agencies ((Ed. Code, § 94949.72(b));
- (c) Providing individualized assistance to students relieve or mitigate the economic and educational opportunity loss incurred by those students who attended an eligible institution (Ed. Code, § 94949.73(a)); and,
- (d) Screening requests for assistance received by the office and providing individualized assistance to help students determine their relief eligibility, identify and obtain necessary documents, complete and submit applications, and provide additional services as necessary. (Ed. Code, § 94949.73(b)(2).)¹

Article 14 of the Act: The Bureau's Duties Related to the STRF

Education Code section 94923 authorizes the Bureau to adopt, by regulation, procedures governing the administration and maintenance of the STRF, sets forth eligibility criteria, and mandates that the Bureau require students seeking reimbursement from the STRF file a written application with the Bureau. The Bureau is required to process applications according to its regulations contained in Article 3 of Division 7.5 of Title 5 of the California Code of Regulations (commencing with Section 76200). The STRF is required to be used to “provide awards to students who suffer economic loss.” (Ed. Code, § 94923(b)(1).)

Current OSAR Implementation of the Act

It is my understanding that OSAR staff provide the following services, which include:

- °attending closed school outreach events and advising students of relief options, including applying for STRF;
- °developing and distributing educational materials to students and prospective students;
- °assisting students with accessing federal relief programs such as the Closed School Discharge program and the Borrower’s Defense to Repayment claims program;
- °assisting students with third-party funding issues such as Workforce Innovation and Opportunity Act (WIOA) and Title 38/GI Bill issues;

¹ A copy of the complete list of statutory duties under the Act is attached.

°helping students obtain copies of academic transcripts, financial records and other student records;

°providing students with information regarding transferring to institutions or teach-outs, and options for attending other postsecondary educational institutions including providing an institution's enforcement history and accreditation status;

°creating content and updating OSAR's independent web site and other social media platforms (e.g., Twitter, Facebook) to help increase awareness of the Office, explain the Student Tuition Recovery Fund (STRF) and assist students in completing the STRF application accurately and completely; and,

°providing individualized student assistance to STRF applicants.²

OSAR and Bureau STRF application processes

It is my understanding that OSAR was created and funded as an office within the Bureau, albeit with distinct responsibilities from the Bureau. An applicant that files a STRF application with the Bureau receives an initial contact letter confirming that the application has been received by the Bureau.

For each application, OSAR staff who are responsible for STRF assistance to students, review a copy of the application and the staff contact the student, provide an overview of OSAR's duties, and assist the student with completing or updating the application, if necessary. OSAR staff provide advice directly to the student on how to identify the maximum financial relief to which a student is entitled under the current Act and regulations. This may include helping the student identify and obtain documentation on economic loss, attendance, or other student records that would assist them with STRF recovery or other relief options. When OSAR staff is finished assisting an applicant with his or her STRF application, a "secondary" review of the application is performed by the OSAR Chief and an OSAR manager to determine whether the amount of economic loss is sufficiently documented, with the intention of helping the student obtain the full amount of relief that he or she is entitled to from the Bureau. OSAR then forwards the application to the Bureau with any added documentation to support the student's claim.

The Deputy Bureau Chief then reviews the OSAR processed application and determines the approval or denial of the application, and the amount of the claim approved. The denial or approval letter to the student are prepared by Bureau staff for the Deputy Bureau's Chief's signature using Bureau letterhead. The Deputy Bureau Chief ultimately determines whether the student is eligible and the amount of economic loss to award. The Bureau follows the claim

² According to the Office, it has implemented a case management style approach to working with students, which emphasizes customer service, and prioritizes identifying the maximum financial relief to which a student is entitled, under the current statute and regulations. All students attending a closed school outreach event are assigned a specific analyst to assist students with their STRF claim, with whom they have already met on site and established a rapport.

processing procedures set forth in Title 5, California Code of Regulations section 76210, which includes the ability to consider a student's written appeal of any denial within sixty (60) days of the denial.

Analysis

An agency only has the authority that has been granted to it by the Legislature; acts beyond that are void. (*Association for Retarded Citizens v. Department of Developmental Services* (1985) 38 Cal.3d 384, 391.) When determining the scope of authority afforded to a state agency, courts will look to the plain language of the statute. If no ambiguity exists, the plain meaning of the statute controls and no further construction is necessary. (See generally, *Leroy T. v. Workmen's Comp. Appeals Bd.* (1974) 12 Cal.3d 434, 438.)

A review of the law and provisions outlining the duties for OSAR and the Bureau (related to STRF) are listed above; OSAR's activities appear consistent with those duties. In particular, Education Code section 94949.73(d) mandates that OSAR be responsible for "providing individualized assistance to help students determine their relief eligibility, identify and obtain necessary documents, complete and submit applications, and provide additional services as necessary." As discussed above, OSAR is actively helping students with determining their relief eligibility for STRF and other programs, identifying and obtaining necessary records, and completing and submitting applications to the Bureau to receive the maximum recoverable under the STRF. The fact that the Bureau's Deputy Chief and her staff may be performing similar reviews of STRF applications to determine whether to approve or deny a claim does not, in my view, render OSAR's activities inconsistent with the Act or the duties imposed upon OSAR.

I will be available at the meeting to discuss any questions Committee members may have.

report an overview of how the director intends to ensure that the bureau's staff are sufficiently qualified for purposes of implementing the provisions of this chapter, and the estimated costs of meeting staffing and other requirements to implement this chapter based on findings of the independent review. The director shall include a brief evaluation of whether the current fee structure is appropriate to satisfy those staffing and other requirements.

(b) (1) A report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

(2) Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2017.

Added by Stats. 2009, Ch. 310, §6. (AB 48)

Amended by Stats. 2010, Ch. 719, §10 (SB 856)

Amended by Stats. 2012, Ch. 281, §2 (SB 1395)

Repealed by Stats. 2014, Ch. 840, §39 (SB 1247)

Added by Stats. 2014, Ch. 840, §40 (SB 1247)

ARTICLE 20.6. Office of Student Assistance and Relief

Article 20.6 Added by Stats. 2016, Ch. 593, § 27. (SB 1192)

94949.7. Office of Student Assistance and Relief (OSAR)

There is hereby established an Office of Student Assistance and Relief for the purpose of advancing and promoting the rights of prospective students, current students, or past students of private postsecondary educational institutions.

Added by Stats. 2016, Ch. 593, §27. (SB 1192)

94949.71. OSAR Chief

(a) The duties of the office shall be vested in a chief, who shall be appointed by the director. The chief, and each staff employee of the office, shall have experience and expertise, commensurate with his or her position, advocating on behalf of students and consumers and shall have knowledge in the state and federal laws governing student protection, student financial aid and loan programs, and the policies and practices of private postsecondary educational institutions.

(b) For purposes of this article, "office" means the Office of Student Assistance and Relief.

Added by Stats. 2016, Ch. 593, §27. (SB 1192)

94949.72. Duties of OSAR

Duties of the office shall include all of the following:

(a) Conducting outreach and providing information and assistance to students who have been affected by the unlawful activities or closure of an institution regarding their rights under state and federal law, including information about how and where to file a complaint, and to ensure that those students

successfully access available state and federal relief programs. No later than July 1, 2017, the office shall prioritize and immediately conduct the activities outlined in Section 94949.73.

(b) Serving as a primary point of contact to address the needs of private postsecondary education students and working in consultation with state and federal agencies, including, but not limited to, the Student Aid Commission, the Office of the Chancellor of the California Community Colleges, the Department of Veterans Affairs, the federal Consumer Financial Protection Bureau, and the United States Department of Education.

(c) The office may also conduct both of the following activities:

(1) Provide outreach to students and prospective students to provide them with, among other information, information on making informed decisions in selecting postsecondary educational institutions, student rights regarding school performance disclosures, enrollment agreements, and cancellation and refund policies, how to contact the office and the bureau for assistance, student loan rights and assistance, and free nonprofit community based resources.

(2) Conduct data and information research concerning industry trends and enforcement actions from various sources, including, but not limited to, annual reports provided to the bureau pursuant to Section 94934, the United States Department of Education, accrediting agencies, and the California Department of Veterans Affairs to help determine the trends and potential violations of the act. The office shall advise the director and bureau chief of its findings.

(d) The office shall provide, pursuant to Section 9795 of the Government Code, to the Legislature an annual written update regarding the office's progress in protecting students and conducting the duties of the office.

Added by Stats. 2016, Ch. 593, §27. (SB 1192)

94949.73. OSAR: Services and Reports

(a) The office shall provide individualized assistance to students to relieve or mitigate the economic and educational opportunity loss incurred by those students who attended a Corinthian Colleges, Inc., institution or other eligible institution.

(b) Specific services provided by the office shall include all of the following:

(1) Outreach and education to students regarding the assistance available from the office.

(2) Screening requests for assistance received by the office and providing individualized assistance to help students determine their relief eligibility, identify and obtain necessary documents, complete and submit applications, and provide additional services as necessary.

(c) For purposes of this section, "other eligible institution" means an institution identified by the office whose unlawful activities or closure has resulted in its students being eligible for repayment from the Student Tuition Recovery Fund, debt relief from the United States Department of Education, or other student financial aid relief.

(d) (1) The office shall quarterly report by posting on the bureau's Internet Web site, through September 1, 2018, on all of the following:

(A) A summary of the outreach and education activities conducted by the office pursuant to the requirements of paragraph (1) of subdivision (b) and the number of students served from Corinthian Colleges, Inc., institutions and every other eligible institution.

(B) A detailed summary of services provided to those students, as follows:

(i) The number of students assisted with submitting Student Tuition Recovery Fund claims to the bureau by the office, and of the claims submitted, the number that are pending, on appeal, or have been approved or denied. For the claims that have been approved, the office shall report the amount of student loans canceled, the total of student loans paid off, the total amount of cash reimbursed to students, and the total amount of educational credit granted.

(ii) The number of students assisted with submitting federal loan forgiveness claims, and of the claims submitted, the number of those claims that are pending, on appeal, or have been approved or denied. For the claims that have been approved, the office shall report the estimated total in student loans canceled and the total amount of funds refunded to students.

(iii) The number of students assisted with private student loan relief, other than through Student Tuition Recovery Fund claims, and a summary of assistance provided and relief outcomes obtained.

(iv) The number of students whom the office helped to obtain income-dependent repayment plans on their federal loans, and of those students, the number of students helped out of default on the federal loans through consolidation or rehabilitation.

(2) The office shall provide, pursuant to Section 9795 of the Government Code, the Legislature, the department, and the bureau a final report summarizing the information submitted pursuant to paragraph (1) by January 1, 2019.

Added by Stats. 2016, Ch. 593, §27. (SB 1192)

ARTICLE 21. Termination

Article 21 Added by Stats. 2009, Ch. 310, §6. (AB 48)

94950. Inoperative Date

This chapter shall remain in effect only until January 1, 2021, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2021, deletes or extends that date.

Added by Stats. 2009, Ch. 310, §6. (AB 48)

Amended by Stats. 2010, Ch. 695, §50. (SB 294)

Amended by Stats. 2014, Ch. 840, §41. (SB 1247)

Amended by Stats. 2016, Ch. 593, §28. (SB 1192)

STATUS UPDATES RELATED TO THE FOLLOWING REGULATIONS:

- a. Registration for Out-of-State Private Postsecondary Educational Institutions [California Education Code (CEC) sections 94850.5 and 94801.5]**
- b. English as a Second Language Programs [Title 5, California Code of Regulations (CCR), Section 70000 (k)]**
- c. Application for Verification of Exempt Status (CEC Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5); Title 5, CCR Section 71395)**
- d. Compliance with Laws and Procedures (Title 5, CCR, Section 71755)**
- e. Student Records and the Maintenance of Records (Title 5, CCR Sections 71920, 71930, 71940 and 71950)**

ATTACHMENT:

- A. Regulation Summary

Sec #	Short Title	Action	Description	Pre-Approve	Legal Review	Dept.	Agency	OAL	Notice	Hearing	OAL Final	File SoS
76000 76020 76120 76130 76200 76210 76212 76215	STRF	Amend	Student Tuition Recovery Fund Regulations were amended to reflect significant statutory changes from SB1247(2014) and SB1192(2016)	5/18/15	7/14/15	1/22/16	3/28/16	5/17/16	5/27/16	7/14/16	6/30/17	8/10/17
71396 71397 71398 71398	OOS	Adopt	Out-of-State Institution Registration required by SB1192(2016). Makes emergency regulations permanent (sec. 71396) and added needed regulations for processing re-registration, etc.	4/21/17	9/6/17	9/25/17	2/7/18	2/27/18	3/9/18	4/25/18	5/21/18	7/3/18
70000	IELP	Amend	Intensive English Language Programs amends the definition under 70000(k) allowing institutions who meet the new criteria to be exempt.	8/14/17	1/24/18	3/8/18	12/12/18					
71395	Exempt	Amend	Verification of Exempt Status amends the form to reflect numerous statutory changes.	10/19/17	→	5/14/18	4/3/19					
71752 71755	Comply	Adopt	This fills in some loopholes for requiring compliance with minimum operating standards.	9/18/18	→	3/25/19						

Agenda Item 7

DISCUSSION AND CONSIDERATION OF DRAFT AMENDMENTS TO CURRENT REGULATIONS FOR “SUBSTANTIAL RELATIONSHIP CRITERIA” AND “CRITERIA FOR REHABILITATION” RELATED TO LICENSE DENIAL, SUSPENSION, AND REVOCATION (TITLE 5, CCR, SECTIONS 75060 AND 75070)

ATTACHMENT:

A. Drafted Amendments to CCR Sections 75060 & 75070

§ 75060. Substantial Relationship Criteria.

In determining whether any of the grounds for denial, suspension, or revocation set forth in Section ~~480~~ 480.2 of the Business and Professions Code exist, a crime or act shall be considered substantially related to the qualifications, functions, or duties of any owner, corporate director or member of the governing board, officer, or administrator under any of the following circumstances:

- (a) The crime or act involves any violation of the Act or this ~~chapter~~ division, Title IV of the federal Higher Education Act of 1965 (20 U.S.C. § 1070, et seq.), the closure of an institution, fraud or misrepresentation, breach of fiduciary duty, any type of forgery or theft, or any type of dishonesty causing any financial loss.
- (b) The crime, to a substantial degree, evidences present or potential unfitness to perform the functions and duties authorized or required by the Act or this ~~chapter~~ division in a manner consistent with the public health, safety, or welfare, including a crime prohibited by Title 8 (commencing with Section 187) or Title 9 (commencing with Section 261) of the Penal Code.

Note: Authority cited: Sections 94877, 94885 and 94932, Education Code. Reference: ~~Sections 480 and 481~~ Section 480.2, Business and Professions Code; and Sections 94885, 94887, 94932 and 94937, Education Code.

§ 75070. Criteria for Rehabilitation.

In determining whether any of the grounds for denial, suspension, or revocation set forth in Section ~~480~~ 480.2 of the Business and Professions Code exist, the Bureau shall consider evidence of rehabilitation and present eligibility for any approval issued by the Bureau, including all of the following factors:

- (a) The nature and severity of the acts or crimes under consideration as grounds for denial, suspension, or revocation;
- (b) Evidence of any acts committed after the acts or crimes under consideration as grounds for denial that also could be considered grounds for denial;
- (c) The time that has elapsed since commission of the acts or crimes described in subdivisions (a) and (b);
- (d) The extent to which the person has complied with any terms of parole, probation, restitution, or any other sanctions lawfully imposed against the applicant or licensee;
- (e) Evidence of any rehabilitation submitted by the applicant or licensee;
- (f) Total criminal record;
- (g) Evidence, if any, of expungement proceedings pursuant to Section 1203.4 of the Penal Code.

Note: Authority cited: Sections 94877, 94885 and 94932, Education Code. Reference: ~~Sections 480 and 482~~ Section 480.2, Business and Professions Code; and Sections 94885, 94887, 94932 and 94937, Education Code.

Agenda Item 8

DISCUSSION REGARDING PROPOSED LEGISLATION RELATED TO INCOME SHARING AGREEMENTS – AB 154 – “PUBLIC POSTSECONDARY EDUCATION: INCOME SHARE AGREEMENT: PILOT PROGRAM”

ATTACHMENT:

- A. Assembly Bill 154 Public postsecondary education: income share agreement: pilot program.(2019-2020)


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AB-154 Public postsecondary education: income share agreement: pilot program. (2019-2020)

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AMENDED IN ASSEMBLY MARCH 21, 2019

CALIFORNIA LEGISLATURE— 2019–2020 REGULAR SESSION

ASSEMBLY BILL

NO. 154

Introduced by Assembly Member Voepel
(Coauthors: Assembly Members Lackey, Mathis, and Waldron)
(Coauthors: Senators Portantino and Wilk)

January 07, 2019

An act to add Section 66027.9 to the Education Code, relating to public postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

AB 154, as amended, Voepel. Public postsecondary education: income share agreement: pilot program.

The Donahoe Higher Education Act provides for a public postsecondary education system in this state. This system consists of the University of California, the California State University, and the California Community Colleges. The act applies to the University of California only to the extent that the Regents of the University of California act by resolution to make it applicable.

This bill would require the California State University and, as a condition of receipt of funds appropriated for purposes of the bill's provisions, the University of California to each select a campus of their respective system to establish, commencing with the 2021–22 academic year, a pilot program for participating students to enter into an income share agreement with the campus. These agreements would specify that moneys for the pilot program would be provided to students for costs of attendance, with students agreeing to pay a portion of their future incomes in exchange. The bill would provide that the period of repayment shall not exceed ~~10 years~~ *years, unless extended by up to 60 months under specified circumstances*, and shall commence 6 months after the ~~student's graduation~~ *student is no longer enrolled full-time in an accredited college program*. The bill would require the income share agreement to be subject to specified requirements, including, among others, that the agreement provide for monthly payments to be based on a specified percentage of the student's annual income. The bill would require the pilot program to be open to students in their sophomore, junior, or senior year, and would authorize the campus to impose other eligibility requirements and cap the number of participants based on the amount of moneys appropriated for the pilot program. The bill would require that implementation of the pilot program be contingent upon the appropriation of funds for this purpose in the annual Budget Act or another statute. The bill would require each participating campus to submit a report no later than November 1, 2023, and a 2nd report no later than November 1, 2026, to the appropriate policy and fiscal committees of the Legislature containing specified information about the pilot program.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 66027.9 is added to the Education Code, to read:

66027.9. (a) (1) The California State University and, as a condition of receipt of moneys appropriated for purposes of this section, the University of California shall each select a campus of ~~their~~ *the* respective system to establish a pilot program, commencing with the 2021–22 academic year, to provide moneys from the campus's Income Share Agreement Revolving Fund, established pursuant to subdivision (e), to participating students who enter into an income share agreement with the campus. It is the intent of the Legislature that the pilot program target students who would benefit from an income share agreement as a feasible alternative to using student loans to pay for a portion of their costs of attendance at the campus.

(2) As used in this section, "income share agreement" means an agreement between a participating campus and a student under which the student commits to pay a specified percentage of ~~his or her~~ *the student's* future income, for a specified period of time, in exchange for payments to, or on behalf of, the student for a portion of ~~his or her~~ *the student's* costs of attendance at the campus.

(b) (1) Each income share agreement under this section shall be subject to all of the following requirements:

(A) It shall provide for monthly payments to be based on a specified percentage of the student's annual income for a specified period of repayment, which shall not exceed 10 ~~years.~~ *years, except as provided in subparagraph (C).* The period of repayment shall commence six months after the ~~student's graduation.~~ *student is no longer enrolled full-time in an accredited college program.*

(B) It shall provide that no monthly payment is owed by the student for the period of time the student's annual income is below twenty thousand dollars (\$20,000).

(C) It shall provide that the period of repayment determined pursuant to subparagraph (A) may be extended by ~~the number of years equal to~~ the number of years the agreement is in force for which the student's annual income is below twenty thousand dollars ~~(\$20,000).~~ *(\$20,000), but in no case shall the period of repayment be extended for longer than a total of 60 months.*

(D) (i) It shall specify the definition of "income" to be used for purposes of calculating the student's repayment obligation under the agreement.

(ii) For purposes of this section, "income" shall not include income from a spouse, an inheritance, or a legal settlement, or disability income, or income from another source as determined by the participating campus.

(E) It shall specify the terms and conditions under which the student may extinguish ~~his or her~~ *the* repayment obligation under the agreement before the end of the repayment period.

(F) It shall specify a cap on the total amount that a student would have to pay pursuant to the agreement.

(2) An income share agreement is not in compliance with this section unless the student, prior to entering into the agreement, is provided a disclosure document that clearly states all of the following:

(A) That the agreement is not a debt instrument.

(B) That the amount the student will be required to pay under the agreement may be more or less than the amount provided to the student, but shall not be more than the cap determined pursuant to subparagraph (F) of paragraph (1) and may vary in proportion to the student's future annual income.

(C) That the repayment obligation of the student under the agreement may not be dischargeable under bankruptcy law.

(D) Under what terms the student's repayment obligation under the agreement may be extinguished by accelerating payments.

(E) The duration of the student's obligation under the agreement, including any circumstances under which the contract may be extended.

(F) The percentage of the student's future income ~~he or she~~ *the student* is committing to pay under the agreement and the minimum amount of annual income that triggers the student's repayment obligation under the agreement.

(G) The definition of "income" to be used for purposes of calculating the student's repayment obligation.

(3) The campus may impose additional terms or requirements in the income share agreement that are not inconsistent with this section.

(4) The campus may not exert any authority over a student's selection of a baccalaureate degree program based solely on the student's participation in the pilot program. It is the intent of the Legislature that students approved to participate in the pilot program be enrolled in a wide variety of baccalaureate degree programs.

(c) (1) The pilot program established pursuant to this section shall be open to students in their sophomore, junior, or senior year. Individuals may enter into agreements for one or more of those years.

(2) The university may impose other eligibility requirements and cap the number of participants based on the amount of moneys appropriated for the pilot program.

(d) Implementation of the pilot program pursuant to this section shall be contingent upon the appropriation of funds for this purpose in the annual Budget Act or another statute.

(e) Moneys appropriated to implement the pilot program pursuant to this section shall be deposited into the University of California Income Share Agreement Revolving Fund and the California State University Income Share Agreement Revolving Fund, which are hereby established. Moneys in each fund shall be transferred to the applicable campus without regard to fiscal years to provide moneys to each student who enters into an income share agreement with the campus pursuant to this section. Payments made by a student pursuant to an income share agreement shall be deposited into the applicable fund and shall be used by the campus to enter into additional income share agreements. The campus may use up to 5 percent of moneys annually deposited into its fund for the costs of administering the pilot program.

(f) (1) Each participating campus shall submit a report to the appropriate policy and fiscal committees of the Legislature no later than November 1, 2023. The report shall include, but not necessarily be limited to, all of the following data:

(A) The number of students, by grade level, who have entered into an income share agreement with the campus, including the number of students who have entered into an income share agreement with the campus for more than one academic year.

(B) The average amount of money provided to students pursuant to income share agreements.

(C) A complete count, by baccalaureate degree program majors, of all students who have entered into an income share agreement with the campus.

(2) The requirement for submitting a report imposed under paragraph (1) is inoperative on November 1, 2027, pursuant to Section 10231.5 of the Government Code.

(g) (1) Each participating campus shall submit a report to the appropriate policy and fiscal committees of the Legislature no later than November 1, 2026. The report shall include, but not necessarily be limited to, all of the following data:

(A) The number of students, by grade level, who have entered into an income share agreement with the campus, including the number of students who have entered into an income share agreement with the campus for more than one academic year.

(B) The number of graduates who entered into an income share agreement with the campus, the average and range of annual incomes of those graduates, and the average and range of their monthly payments pursuant to income share agreements.

(C) The balance of the campus's Income Share Agreement Revolving Fund established pursuant to subdivision (e) as of June 30, 2026, and the projected balance of the fund as of June 30, 2027.

(2) The requirement for submitting a report imposed under paragraph (1) is inoperative on November 1, 2030, pursuant to Section 10231.5 of the Government Code.

FUTURE AGENDA ITEMS

ADJOURNMENT