



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

Wednesday, February 23, 2022, 9:30 a.m.

NOTE: Pursuant to the provisions of Governor Gavin Newsom’s Executive Order N-1-22, dated January 5, 2022, neither a public location nor teleconference locations are provided.

INSTRUCTIONS FOR OBSERVATION:

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

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

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

Agenda

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

1. Welcome, Introductions, and Establishment of a Quorum
2. Elections for Advisory Committee Chair and Vice Chair
3. Public Comment on Items not on the Agenda (Note: The Advisory Committee may not discuss or take action on any matter raised during this public comment section, except to decide whether to place the matter on the agenda of a future meeting (Government Code Sections 11125 and 11125.7(a))
4. Review and Approval of November 3, 2021, Advisory Committee Meeting Minutes
5. Remarks by a Representative of the Department of Consumer Affairs, which may include updates pertaining to the Bureau's Operations, Human Resources, Department's Administrative Services, Enforcement, Information Technology, Communications and Outreach, as well as Regulatory and Policy Matters
6. Bureau Operations Update and Discussion related to the following:
 - a. IT System Project
 - b. Update on Accrediting Council for Independent Colleges and Schools (ACICS) Institutions
 - c. Licensing Report
 - d. Quality of Education Report
 - e. Annual Report Update
 - f. Compliance and Discipline Report
 - g. Complaint and Investigation Report
 - h. Office of Student Assistance and Relief (OSAR) Report
 - i. Student Tuition Recovery Fund (STRF) Report

7. Status Update and Discussion related to the following Regulatory Matters:
 - a. Update on Town Hall held January 24, 2022
 - b. Update on STRF Fee Increase Approved by Office of Administrative Law (Title 5, California Code of Regulations (CCR) Section 76120)
 - c. Status on Application for Verification of Exempt Status (California Education Code (CEC) sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5; CCR Section 71395)
 - d. Status on Annual Report/Labor Market Outcome Data Reporting (CCR Sections 74110, CEC section 94892.6, and Assembly Bill 1340 (Chiu, Chapter 519, Statutes of 2019))
 - e. Regulatory Proposals Based on 2021 Statutory Language Being Developed
 - i. Repeal of “ability-to-benefit” Language (5 CCR Sections 71210, 71475, 71770, 71920)
 - ii. Change in Ownership (5 CCR Section 71640)
 - iii. Educational Program Less than 32 Hours (5 CCR Section 70000(I))
 - f. Discussions
 - i. Consideration of Out-of-State Registration Applications (CCR Section 71397)
 - ii. Consideration of Changes in Signature Requirements (CCR Sections 71380, 71390, 71395, 71475, and 71480)
8. Discussion of the Adoption of Reasonable Rules for the Conduct of Advisory Committee Affairs (pursuant to Senate Bill 802 (Roth, Chapter 552, Statutes of 2021))
9. Future Agenda Items
10. Adjournment

WELCOME, INTRODUCTIONS AND ESTABLISHMENT OF A QUORUM

Committee Member Roster

Margaret Reiter, Vice-Chair

- Consumer Advocate (Appointed by Senate Committee on Rules)

Diana Amaya

- Public Member (Appointed by Senate Committee on Rules)

Kansen Chu

- Public Member (Appointed by Speaker of the Assembly)

Melanie Delgado

- Consumer Advocate (Appointed by DCA Director)

Leigh Ferrin

- Consumer Advocate (Appointed by Speaker of the Assembly)

Joseph Holt

- Institutional Representative (Appointed by DCA Director)

David Vice

- Institutional Representative (Appointed by DCA Director)

Senator Richard Roth (Sarah Mason)

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

Assemblymember Jose Medina (Kevin Powers)

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

Agenda Item 2

ELECTIONS FOR ADVISORY COMMITTEE CHAIR AND VICE CHAIR

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 4

**REVIEW AND APPROVAL OF NOVEMBER 3, 2021, ADVISORY COMMITTEE
MEETING MINUTES**

ATTACHMENT:

Advisory Committee Draft Meeting Minutes from November 3, 2021



Advisory Committee Meeting Minutes Wednesday, November 3, 2021

WebEx Meeting

Advisory Committee Members in Attendance

1. Kansen Chu
2. Zima Creason
3. Melanie Delgado
4. Leigh Ferrin
5. Joseph Holt
6. Katherine Lee Carey
7. Senator Richard Roth
8. Kevin Powers (on behalf of Assemblymember Jose Medina)
9. Margaret Reiter

Committee Members Absent

Diana Amaya
David Vice

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

Deborah Cochrane, Bureau Chief
Leeza Rifredi, Deputy Bureau Chief
Linh Nguyen, DCA Legal Counsel
Carrie Holmes, DCA Board and Bureau Relations Deputy Director
Robert Bayles, Bureau Education Administrator Chief
Jason Alley, acting Bureau Enforcement Chief
Clarisa Serrato-Chavez, acting Bureau Enforcement Chief
Ebony Santee, Bureau Licensing Chief
Scott Valverde, Office of Student Assistance and Relief (OSAR) Chief
Yvette Johnson, Bureau Administration Chief
David Dumble, Bureau Legislative/Regulation Specialist
Greg Pruden, DCA Legislative Manager
Adam Wright, California Department of Financial Protection & Innovation Senior Counsel

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

Committee Chair, Katherine Lee Carey called the meeting to order.

Ms. Lee Carey welcomed Senator Richard Roth to the Committee. Senator Roth stated that he is looking forward to participating on the Committee. He explained the California legislature relies on groups like the Committee to assist in the effective implementation of laws and regulations. He designated Sarah Mason, Staff Director of the Business Professions and Economics Development Committee, to serve in his position.

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

No Public Comment.

Agenda #3 - Review and Approval of August 26, 2021, Advisory Committee Meeting Minutes

Public Comment

No Public Comment.

Margaret Reiter moved to approve the minutes; Kansen Chu seconded the motion. (Ms. Lee Carey: Aye; Ms. Reiter: Aye; Ms. Creason: Aye; Mr. Holt: Aye; Ms. Ferrin: Aye; Ms. Delgado: Aye; Mr. Chu: Aye) The motion passed.

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

Carrie Holmes, Deputy Director for Board and Bureau Relations, provided an update on the Department of Consumer Affairs (Department).

Ms. Holmes reported that DCA is assembling a task force to create a telework policy that will provide further clarity and structure for managers and staff to combat the spread of Covid-19 and protect vulnerable communities. She explained that California has implemented enhanced safety measures for state employees and workers in health care settings. She noted, as of early October, state employees must show proof of vaccination or be subject to regular Covid-19 testing.

Ms. Holmes explained DCA recognizes the difficulty of planning for future meetings as the pandemic continues. She stated that remote meetings are allowed by law until January 30, 2022. She stated there are benefits to remote meeting options such as increased public participation, cost savings, and a lower carbon footprint due to reduced travel. She added that DCA encourages Boards and Bureaus to continue utilizing remote meetings this year.

Public Comment

No public comment.

Agenda #5 – Bureau Operations Update and Discussion

Update on the Bureau’s IT System Project

Robert Bayles, Bureau Education Administrator Chief, provided an update on the Bureau’s IT system project. He reported that the project end date has been extended to April 3, 2022.

Mr. Bayles stated the project team is currently working on the Student Tuition Recovery Fund application processing in the back office, the annual fee submission process online, and continuing work on the data migration from the old to the new system.

Mr. Bayles reported that user acceptance testing is set to begin on February 14, 2022, and the final project release is set for April 3, 2022. He noted that the project is projected to be completed under budget.

Mr. Holt asked how much of the Bureau’s work has been positively impacted by the release of project deliverables. Mr. Bayles responded that the Bureau has full functionality of the online initial approval to operate application process and full functionality of the online complaint process.

Ms. Reiter commented on the school search function on the Bureau’s website. She stated that annual report and enforcement information is not tied to a school when a school is populated through the search function. She suggested that the website should provide students with the ability to search for a school and allow the student to see all relevant information about that school in one place. Mr. Bayles noted that the Bureau is working on creating a more comprehensive school look-up function. Ms. Reiter asked when that functionality would become available. Mr. Bayles responded that the data migration portion of the project must be completed first. He noted that once the data migration is complete the goal is to create a space on the website where school information will be all together.

Public Comment

Angela Perry provided a comment.

Beverly May provided a comment.

Annual Report (AR) Report

Mr. Bayles provided a report on the Annual Report Unit (ARU).

Mr. Bayles stated that there is a School Performance Fact Sheet (SPFS) virtual workshop scheduled for November 16, 2021. He added that schools can register on the Bureau website. He noted that staff is working on putting together a workshop for the Annual Report. Ms. Reiter asked if any schools have never filed an annual report. Mr. Bayles responded that he did not have that information with him but could find out.

Ms. Lee Carey asked if schools could update previously reported data. Mr. Bayles stated that schools just need to contact ARU to have prior reports updated.

Public Comment

No public comment.

Quality of Education Report

Mr. Bayles provided a report on the Quality of Education Unit (QEU). He outlined Attachment 5c.

Public Comment

No public comment.

Compliance and Discipline Report

Jason Alley, acting Bureau Enforcement Chief, provided a report on the Compliance and Discipline Unit. He outlined Attachment 5d.

Mr. Holt asked what the normal goal is for the number of completed inspections. Mr. Alley responded the goal is to meet the legal mandate of inspecting a school at least twice in five years.

Ms. Reiter asked how many inspections were canceled due to a school refusing the inspection. Mr. Alley responded that none of the cancellations in the current report were due to a school refusing the inspection.

Ms. Reiter asked if any schools have never been inspected since 2010. She added that she would like to have that information at the next meeting.

Public Comment

No public comment.

Complaint and Investigation Report

Clarisa Serrato-Chavez, acting Bureau Enforcement Chief, provided a report on the Complaint and Investigation Unit.

Ms. Serrato-Chavez reported that the new online complaint form, which can be submitted with attachments in real-time, has helped streamline the complaint intake process. She recommended anyone needing to file a complaint or wanting to submit a tip to use the Bureau online complaint form that can be found on the Bureau website. She noted the form has an option to let the user remain anonymous.

Ms. Serrato-Chaves outlined Attachment 5e.

Ms. Reiter asked what happens to a complaint regarding a state authorization contracted school when the complaint is deemed unresolvable. Ms. Serrato-Chavez explained that staff will attempt to resolve the complaint while also reaching out to or referring the student to other agencies that may be able to help the student depending on the nature of the complaint.

Mr. Holt recommended reporting on the total number of complaints that are coming from schools that are otherwise exempt but have a state authorization contract with the Bureau. He suggested adding state authorization contracted schools as a category in the chart that breaks out the number of internal and external complaints.

Public Comment

Angela Perry provided a comment.

Licensing Report

Bureau Licensing Chief, Ebony Santee, reported on the Licensing Unit. She outlined Attachment 5f.

Ms. Reiter asked if a school with standing disciplinary issues may continue to operate after the approval period has expired if the school has a pending renewal application. Ms. Santee explained that the school may continue to operate as long as the renewal application is submitted on time. Ms. Reiter suggested looking at the statutes and regulations in consideration of a school continuing to operate while potentially not meeting the standards for renewal.

Public Comment

No public comment.

Office of Student Assistance and Relief (OSAR) Report

OSAR Chief, Scott Valverde, provided a report on OSAR.

Mr. Valverde reported that all allocated staff positions in OSAR have been filled. He noted that OSAR is now looking for new and different ways to expand engagement with students.

Mr. Valverde covered Attachment 5g. He noted that OSAR has been focusing more and actively working more in the area of social media. He added that fiscal year to date OSAR social media accounts have had about 10,000 engagements.

Public Comment

No public comment.

Student Tuition Recovery Fund (STRF) Report

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

Ms. Reiter asked how old the oldest STRF claims are awaiting analysis and determination. She also asked what the typical processing time is to process a STRF claim from beginning to end. Ms. Johnson stated some claims are three years or older due to extenuating circumstances, including awaiting a determination from the US Department of Education on federal loan discharge applications. She noted that STRF claim processing times have been impacted by a large influx of claims received from former Silicon Valley University (SVU) students.

Ms. Johnson outlined the “Silicon Valley University Closure and STRF Impact” memo provided in the meeting packet.

Mr. Holt asked how the 891 outstanding STRF claim applications are being prioritized. Ms. Johnson responded that applications are handled on a first in first out basis. Mr. Holt asked if any of the SVU student claims were graduates. Ms. Johnson stated that some are graduates. She added that some of the harm is based on the loss of value in a SVU degree. Mr. Holt asked at what point or time is student harm being considered. Ms. Johnson stated that the time is based on when the Bureau started its initial investigation of the school. Mr. Holt asked if claims are being considered based on a class of students or individually. Ms. Johnson stated each claim is dealt with individually. Mr. Holt asked if it would be grounds for denial of a claim if a student is working in a field they received a degree in. Ms. Johnson responded that would be grounds for denial unless the student showed they had to do their education over to work in the field. Mr. Holt commented that based on the number of claims and the established approval criteria that there is a substantial level of liability.

Ms. Reiter commented that it would be worthwhile to do an analysis to determine what situations could potentially lead to a major hit to the STRF fund. Ms. Reiter suggested considering putting a mechanism in place for the Bureau to pick up on news stories related to a school prior to somebody taking an action against the school. She added it would be a good idea to analyze closed schools to determine what are some common red flags to look for with schools that are still operating. Ms. Cochrane commented that DCA does have a function in place that flags licensees when they are mentioned in the press. She continued that the Bureau does spend quite a bit of time trying to determine what went wrong when a student has been harmed and whether the Bureau could have done more to prevent the harm. She added there has a bit of consideration on how exactly the Bureau can analyse data as it becomes available through annual reports or otherwise, and how to utilize data more quickly and dynamically.

Mr. Holt recommends having a future discussion on any insight that might be applied to the statutory language involving STRF. He noted the preponderance of foreign nationals studying abroad in CA, while the STRF balance for many years protected CA students. He continued that the statute is written in such a way that residency programs do qualify for STRF, but it would be useful to do a fresh review of the statute to ensure it is being utilized as the legislatures originally intended it to. He suggested considering some sort of bounds or protections around this kind of specific use case.

Ms. Reiter suggested adding a claim category in future STRF reporting for claims that were denied due to being reimbursed elsewhere.

Public Comment

Angela Perry provided a comment.

Agenda Item #6 - Status Updates on Regulations

Discussion of STRF Fee Increase Proposal (CCR Section 76120)

Ms. Johnson outlined the STRF fee increase proposal. She explained that STRF has fallen below the 20 million dollar mark, which requires the Bureau to begin collecting a fee. She noted that in February 2021 the fee was set at 50 cents per thousand dollars of institutional charges, at which rate \$1.4 million would be collected annually. Ms. Johnson explained that based on the current fee and the projected payout of STRF claims the fund would be depleted by 2023. She stated that beginning on April 1, 2022, the STRF assessment fee will be raised to \$2.50 per thousand dollars of institutional charges to replenish the fund and ensure sufficient resources to cover payouts to students.

Status Update on Application for Verification of Exempt Status (California Education Code (CEC) Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5; Title 5, California Code of Regulations (CCR) Section 71395)

David Dumble, Bureau Legislative/Regulation Specialist, provided a status update on the Application for Verification of Exempt Status regulatory package.

Status Update on Draft Language for Labor Market Outcome Data Reporting (CCR Sections 74110(d)(e), and 74112(o), CEC Section 94892.6, Assembly Bill (AB) 1340 (Chiu, Chapter 519, Statutes of 2019))

Mr. Dumble provided a status update on the draft language for the labor market outcome data reporting regulatory package.

Status Update on Draft Out-of-State Institution Registration Form (CCR Section 71396, CEC Section 94801.5, AB 1344 (Bauer-Kahan, Chapter 520, Statutes of 2019))

Mr. Dumble provided a status update on the Out-of-State Institution Registration Form regulatory package.

Public Comment

No Public Comment.

Agenda Item #7 - Update and Discussion on Recently Chaptered Legislation Impacting the Bureau (Senate Bill 802 and Senate Bill 607)

Greg Pruden, DCA Legislative Manager, provided an update on recent legislation impacting the Bureau. He outlined Senate Bill (SB) 802 and SB 607.

Ms. Cochrane provided a high-level overview of implementation plans for SB 802. She pointed out that some changes that will require extensive deliberation and planning including the need to modify forms and regulations. She noted the change in definition to “Educational Programs” and the questions related to the implementation of the change.

Ms. Cochrane discussed some of the changes to the Advisory Committee. She noted the addition of annual elections for chair and vice chair, and she suggested holding elections at the February 2022, Advisory Committee meeting. She also mentioned the requirement to adopt reasonable rules of conduct and proposed having that on the agenda for the next meeting.

Senator Roth commented on the one-year sunset and the impact Covid-19 had on the review process. He noted the intent to do a more comprehensive review of Bureau operations during

the next review. He also pointed out the need to address the Bureau's fiscal challenges and the potential need to use General Fund.

Ms. Reiter asked how the change to the definition of "Educational Programs" changes how the Bureau will handle programs that do not lead to employment. She stated it would be helpful to have an analysis on how many existing programs will no longer fall under the Bureau's supervision. She pointed out the uncertainty in how the change affects the exemption for avocational/recreational programs. Ms. Lee Carey suggested that the change would allow an approved institution to offer a program, as defined by the change, without the Bureau needing to approve that program. She noted the difference in institutional exemption and program exemption that did not exist before this change. Ms. Cochrane noted that there are no clear answers to some of the questions because the Bureau is still working on defining some of the changes based on the broader array of implications of Bureau oversight. She added that the Bureau is working on packaging some of these questions to get feedback.

Ms. Reiter commented on the need to have some discussion on the language regarding the new term limits of the Chair/Vice Chair to the Advisory Committee.

Public Comment

Angela Perry provided a comment.

Robert Johnson provided a comment.

Marcy provided a comment.

Agenda Item # 8 - Discussion on Recent State and Federal Actions on Income Share Agreements and their Relevance to the Bureau

Ms. Cochrane provided a brief overview of Income Share Agreements (ISA) and their relevance to the Bureau. She introduced Adam Wright of the California Department of Financial Protection & Innovation (DFPI).

Mr. Wright introduced himself as an attorney with the Innovation Office of DFPI. He explained that the Innovation Office is a new office of DFPI intended to monitor and encourage the growth of responsible innovative financial products in California. He noted that he was previously in the Enforcement Group for 8 years and dealt with lending and credit products including ISA.

Mr. Wright referred to the memo titled "Recent State and Federal Actions on Income Share Agreements and their Relevance to the Bureau for Private Postsecondary Education" that is provided in the meeting packet. He pointed out that trends show that ISA are going to be regulated as credit by state and federal regulators. He added that treating ISA as credit ensures

that student borrowers receive the full suite of available protections, and ensures the products are subject to additional oversight and supervision that all credit products receive.

Mr. Wright explained the importance of coordination among all interested regulators at the state and federal levels. He stated coordination is key to maximizing student borrower protection. He added that the DFPI encourages students to file complaints relating to ISA, and welcomed the Bureau to refer to them any complaint related to financial products including ISA.

Ms. Lee Carey commented on those in the institutional and educational technology sector who are eager to understand compliance in the implementation of an ISA. She pointed out the question of whether an ISA is considered a tuition arrangement or a financing tool. She suggested an ISA should be considered a financing tool and that the Bureau should treat an ISA as such. She noted that financial oversight from the Consumer Financial Protection Bureau (CFPB) and DFPI is really helpful because it establishes expectations on how an ISA will be used. She continued that she is hopeful the Bureau will consider and treat an ISA as a financing tool, like a loan.

Ms. Reiter asked Mr. Wright if the ISA he has seen were agreements between a school and a student, or between a lender and a student. Mr. Wright stated he has seen agreements between a school and a student, and a third party financier and a student. Mr. Wright added he would be happy to get back with the Committee on what all he has seen with ISA.

Ms. Reiter pointed out that the CFPB recognized that an ISA needs to include Truth in Lending Act (TILA) disclosures. She also added that it seems that ISA are subject to the Federal Trade Commission (FTC). She asked if that connection had been considered. Mr. Wright noted DFPI has been considering the issuer side, and there is more to come on those topics in the future.

Ms. Lee Carey asked if DFPI is considering regulations to incorporate ISA into the Servicing Act and the Lending Licensing Act. Mr. Wright responded that the DFPI is pursuing and will propose specific regulations regarding services and issuers of ISA.

Ms. Reiter commented that the Bureau should be cooperating and coordinating with other agencies who may be interested in the topic. She continued that she raised the issue of the holder in due course rule that was set up to protect people who finance a product or service when then the product or service turns out to be useless. She added that rule was established to prevent a creditor that was involved in the arrangement from attempting to collect even when the product or service turns out to be useless. She noted that in California statute when a school is a party in the financing, the school is required to provide a notice of consumers rights to the student. She stated that the Bureau needs to be ensuring these protections are made clear to students and should be working with other agencies to ensure these provisions are carried out. She added that the Bureau should put any California school using ISA on notice indicating the school is in violation if not complying with truth and lending and holder in due course rules.

Mr. Wright provided an example of one DFPI consent order with an ISA servicer that included a provision that made sure the ISA servicer would not be able to service the ISA if the DFPI or another regulator, like the Bureau, determined the agreement void and unenforceable. He added that DFPI recently attained broader authority to protect consumers under the California Consumer Financial Protection law. Ms. Reiter suggested, concerning the language in the consent order, to consider that CFPB has already indicated an ISA is in violation unless it complies with TILA. Ms. Lee Carey pointed out that the issue with TILA and ISA is not about disclosures and consumer protections but how the TILA standard form is structured in traditional financing with the amount charged and interest charges. She continued that regulatory change could lead to an ISA specific form while still including all the requirements of transparency and disclosures to students.

Mr. Holt commented that, while it is a positive note for schools and ISA providers to be categorized as a student loan instrument, the downside is the problem in fitting an ISA into the current regulatory language. He stated that the current language is insufficient to effectively address how to handle an ISA.

Ms. Reiter commented that there needs to be more consideration regarding STRF and ISA. Ms. Lee Carey stated that institutions and ISA providers have reported the total amount of the program tuition with the idea that STRF would be handled the same way as a loan if the school closed. She added if a student applied for STRF assistance, then it would be based on what the student had paid up until that point.

Ms. Lee Carey asked if DFPI has considered retail installment contracts with an income-based payment model. Mr. Wright stated it is something DFPI is aware of and thinking about while working to provide guidance in compliance.

Public Comment

Claire Torchiana provided a comment.

Jordan Wicker provided a comment.

Angela Perry provided a comment.

Agenda Item #9 - Continued Discussion on Senate Bill 118 (Committee on Budget and Fiscal Review, Chapter 29, Statutes of 2020) Prohibition on Use of Applicants' Criminal History in Admission Decisions (CEC Section 66024.5)

Ms. Cochrane opened up a discussion on SB 118. She referenced the memo titled "Senate Bill 118 Prohibition on Use of Applicants' Criminal History in Admission Decisions (CEC Section 66024.5)" that was provided at the last Committee meeting.

Mr. Holt provided suggestions on how to address the issue. He outlined three ways to address the issue including notice, advising, and application standards.

Mr. Holt explained that notice provides clear communication to all students during the admission process that criminal history and/or criminal convictions may harm the student's ability to complete the educational program and/or secure in-field employment after graduation. He added that this would fall under a broad category of disclosures with written and verbal communication provided to the students. He noted that it would be made clear that the student is not being asked to provide that information.

Mr. Holt explained that advising would include a reminder of the notice and an encouragement to students during orientation for newly enrolled students to consider self-disclosing in a one-on-one conversation with an academic dean or program director (academic professional) regarding the impact criminal convictions may have on a student's career path. He stated that rubrics outlining what types of convictions could be a major problem or unlikely to be a high-risk area are provided to academic professionals.

Mr. Holt pointed out, concerning educational programs requiring clinical externships, some clinical affiliation agreements require criminal background checks. He noted that occurrence is not covered in SB 118. He explained that when an educational program requires an externship through an affiliated medical provider that requires a criminal background check the student would have to do the background check to complete the program. He continued that is an area in the application process that needs a clearly defined standard stating a student seeking a professional degree requiring an externship through a clinical affiliation must complete a background check. He added that information provided by a student that could potentially impact that student's ability to complete an educational program could lead somewhere between advising the student to proceed with extreme caution or the cancellation of an enrollment agreement.

Ms. Reiter asked whether regulatory or statutory changes need to be made to require the process Mr. Holt outlined. She noted the concern of schools not providing clear disclosures upfront, and enrolling students who will never be able to get a job in that field of study. She provided an example of a regulatory change adding a requirement that schools disclose to students that a criminal history could prevent the student from completing the program or getting a job. She noted the point of doing the check soon enough after enrollment to protect the student from owing money for a program that will not lead to placement. Mr. Holt suggested a two or three-sentence clear disclosure that speaks to this issue. Ms. Reiter also suggested a potential statutory change that would entitle a student to a full refund if enrolled in a program when it is highly unlikely the student will gain employment due to the person's criminal background. Ms. Lee Carey stated that there is language already in place protecting students from enrolling in a program if the student will not benefit from the training. Mr. Holt noted the question of financial liability in an instance when a student passes a background

check with no convictions initially, but then later in the program are convicted of a crime and are unable to continue the program.

Public Comment

No public comment.

Agenda #10 – Future Meeting Dates

Ms. Lee Carey opened a discussion on the proposed meeting dates.

Public Comment

No public comment.

Agenda #11 – Suggestions for Future Agenda Items

Ms. Reiter noted how impactful one large closure can be to STRF. She suggested a discussion on the statutory language detailing when a STRF assessment fee can be accessed relating to the total fund amount.

Ms. Reiter suggested the Committee consider a vote recommending the legislature provide the Bureau general funding for Bureau operations.

Ms. Reiter suggested the Bureau provide the Committee a report on an after-action assessment of a closed school to determine what steps were taken and what changes may be needed.

Ms. Reiter suggested the Committee have a discussion to consider limits on how much time an institution is given to respond to deficiencies when applying for a renewal to operate.

Ms. Reiter suggested the Committee discuss recommending that the legislature no longer consider the Bureau for sunset.

Ms. Lee Carey suggested the Committee have more discussion on ISA.

Public Comment

Robert Johnson provided a comment.

Agenda #12 – Adjournment

The meeting adjourned at 2:07 pm.

Agenda Item 5

REMARKS BY A REPRESENTATIVE OF THE DEPARTMENT OF CONSUMER AFFAIRS

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

BUREAU OPERATIONS UPDATE RELATED TO THE FOLLOWING:

- a.** IT Systems Project
- b.** Update on Accrediting Council for Independent Colleges and Schools (ACICS) Institutions
- c.** Licensing Report
- d.** Annual Reports (AR) Report
- e.** Quality of Education Report
- f.** Compliance and Discipline Report
- g.** Complaint and Investigation Report
- h.** Office of Student Assistance and Relief (OSAR) Report
- i.** Student Tuition Recovery Fund (STRF) Report

IT SYSTEMS PROJECT

Agenda Item 6b

**UPDATE ON ACCREDITING COUNCIL FOR INDEPENDENT COLLEGES AND
SCHOOLS (ACICS) INSTITUTIONS**

LICENSING REPORT

Licensing Applications Status as of February 1, 2022 for Fiscal Year 21/22

Type	Received FY 21/22	Pending Assignment (Queue)	Under Review	Total Pending	Approved	Withdrawn or Abandoned	Denied	Total Closed	Average Days to Approve ^a
New Full Approval	17	14	48	62	18	6	3	27	464
New Accreditation	16	0	11	11	14	6	0	20	122
Renewal Full	43	0	120	120	14	1	1	16	522
Renewal Accreditation	40	0	54	54	30	1	0	31	250
Changes Full	86	0	75	75	75	13	5	93	150
Changes Accreditation	119	0	75	75	101	16	0	117	111
Verification of Exemption	142	0	49	49	118	0	38	156	51
Out of State Registration	38	0	6	6	38	4	0	42	23
Totals:	501	14	438	452	408	47	47	502	212

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

* 23 applications pending new term of accreditation.

Oldest Pending Full Applications (as of 2/1/2022)

Oldest Full Apps in Queue:	5/18/2021	Application incomplete.
Oldest Full Apps Under Review:	1/30/2019	QEU granted 30 day extention, def response is now due 2/3/2022
Oldest Renewal Full Apps Under Review:	4/10/2017	Discipline Issues
Median Date of Full Apps in Queue:	10/27/2021	

Total Number of Schools by Location Type & Approval Type

Location Type	Mains	Branches	Satellites	Total
		951	345	499
Approval Type	ABMA (Accredited)	Full (Non-Accredited)	Conditional ^a	Provisional ^b
		406	514	1

81 Approved Out of State Registrations as of 2/1/2022

^aConditional 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

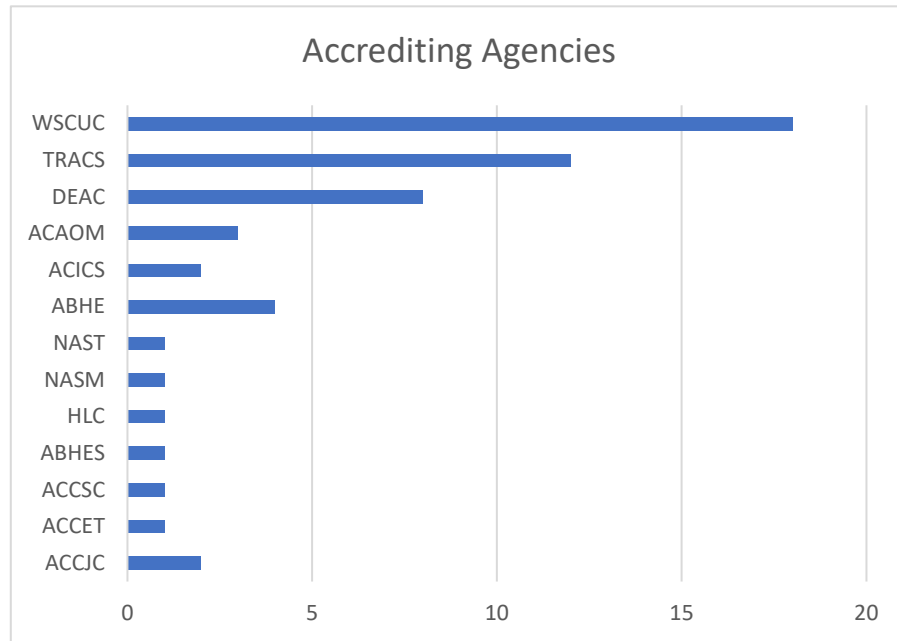
^bProvisional Approvals are issued to unaccredited institutions seeking approval to offer one or more degree programs and must satisfy the requirements under California Education Code section 94885.5.

ANNUAL REPORT UPDATE

QUALITY OF EDUCATION REPORT

SB 1247 Institutions that Achieved Accreditation & Accreditor Chosen

ACCJC	2
ACCET	1
ACCSC	1
ABHES	1
HLC	1
NASM	1
NAST	1
ABHE	4
ACICS	2
ACAOM	3
DEAC	8
TRACS	12
WSCUC	18
Total	55



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

STATUS OF SB 1247 INSTITUTIONS

CEC 94885.1 Schools (Approved to Offer Degree Programs as of Jan 1, 2015)

Closed or Approval Expired	49
Exempt	18
Surrendered Degree Program(s)	22
Currently Suspended	5
Accredited	44
On Approved Extension	<u>4</u>
TOTAL	142

CEC 94885.5 Schools (Provisionally Approved to Offer Degree Programs)

Closed	12
Exempt	2
Surrendered Degree Program(s)	7
Currently Suspended	5
Accredited	11
Pursuing Accreditation	<u>32</u>
Total	69

Number of institutions since 2015 whose degree programs were suspended:

2015 - 11
2016 - 0
2017 - 13
2018 - 1
2019 - 6
2020 - 12
2021 - 3
2022- 1

As of February 8, 2022

COMPLIANCE AND DISCIPLINE REPORT

BPPE COMPLIANCE STATS

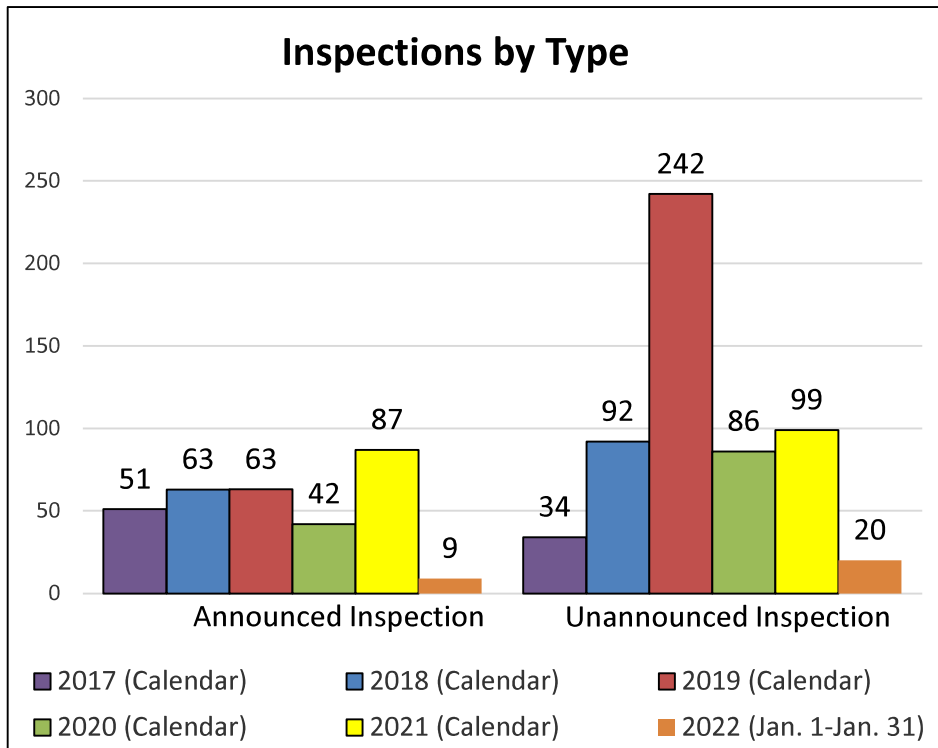
COMPLIANCE STATS AS OF January 31, 2022

Compliance Stats	2017 (Calendar)	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Calendar)	2022 (Jan. 1 - Jan. 31)
Total Completed Inspections	85	155	305	128	186	29
ACI - Announced Inspections	51	63	63	42	87	9
UCI - Unannounced Inspections	34	92	242	86	99	20
Notice To Comply Issued	47	65	49	11	17	7
Enforcement Referral Issued	36	56	93	26	60	11
Inspections Cancelled *	N/A**	7	18	12	13	7

*Causes for Cancellations:

- (1) The school closed during inspection process.
- (2) The school surrendered approval.
- (3) The school refused to allow inspection resulting in further action.
- (4) The school was not at the physical location listed in SAIL.
- (5) The renewal to operate was denied.

**Not Applicable because this data was not being collected in 2017.

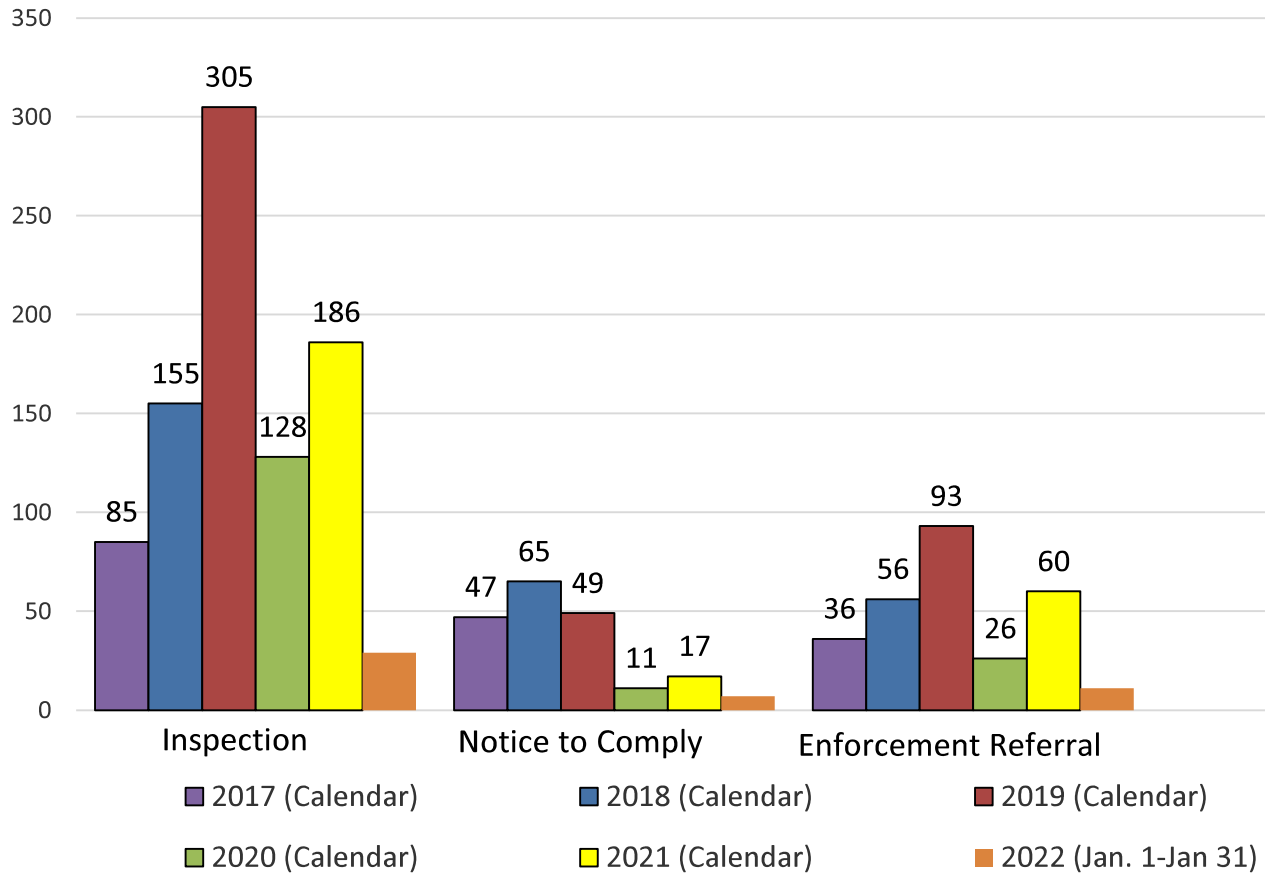


<p>2017 (Calendar) Percentages: Announced: 60.0 Unannounced: 40.0</p>
<p>2018 (Calendar) Percentages: Announced: 40.6 Unannounced: 59.4</p>
<p>2019 (Calendar) Percentages: Announced: 20.7 Unannounced: 79.3</p>
<p>2020 (Calendar) Percentages: Announced: 32.8 Unannounced: 67.2</p>
<p>2021 (Calendar) Percentages: Announced: 46.8 Unannounced: 53.2</p>
<p>2022 (Jan.1 - Jan. 31) Percentages: Announced: 31.0 Unannounced: 69.0</p>

<p>2017 (Calendar) Total Inspections: 85</p>
<p>2018 (Calendar) Total Inspections: 155</p>
<p>2019 (Calendar) Total Inspections: 305</p>
<p>2020 (Calendar) Total Inspections: 128</p>
<p>2021 (Calendar) Total Inspections: 186</p>
<p>2022 (Jan. 1 - Jan. 31) Total Inspections: 29</p>

BPPE COMPLIANCE STATS

Completed Inspection Comparison



	2017 (Calendar)	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Calendar)	2022 (Jan.1 - Jan 31)
Announced Compliance Inspection (ACI)	51	63	63	42	87	9
Unannounced Compliance Inspection (UCI)	34	92	242	86	99	20
Total Compliance Inspections Completed (ACI + UCI)	85	155	305	128	186	29
Notice to Comply (NTC)	47	65	49	11	17	7
Enforcement Referral (ER)	36	56	93	26	60	11

Statement of Issues

Actions	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Calendar)	2022 (Jan. 1- Jan 31)
In-House Default: Denial Upheld	6	0	0	0	0
Proposed Decision: Denial Upheld	2	5	0	2	0
Proposed Decision: Conditional Approval Granted	0	1	0	0	0
Stipulated Settlement: Denial Upheld (School Closure)	1	0	0	0	0
Stipulated Settlement: Conditional Approval Granted	1	0	0	0	0
Withdrawn: Approval Granted (Mitigation cured deficiencies)	11	13	7	3	0
Withdrawn: Denial Upheld (School withdrew appeal)	7	6	6	1	2
Withdrawn: Exempt Institution	1	1	2	2	0
Totals:	29	26	15	8	2

BPPE DISCIPLINE STATS

Accusations

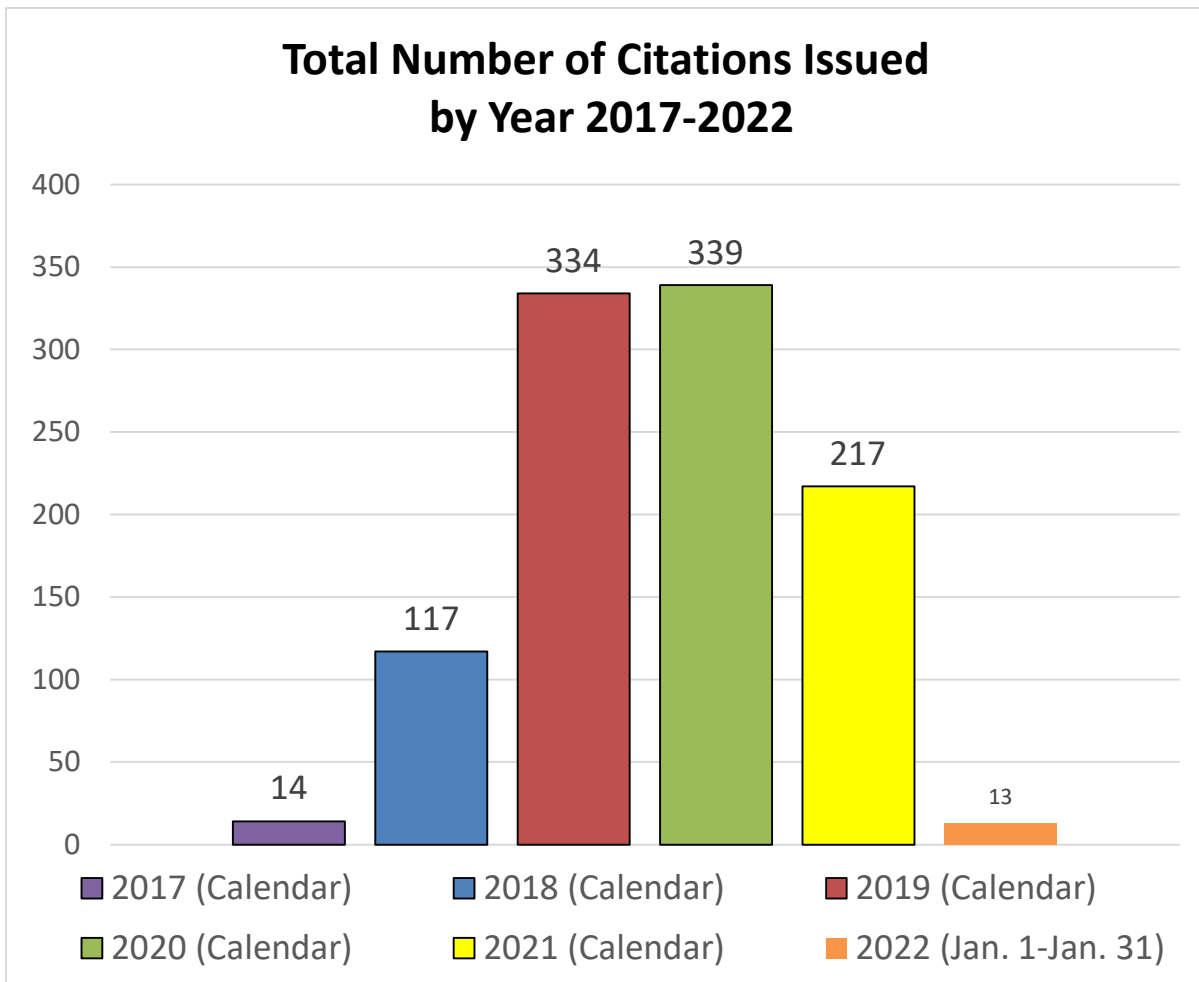
Actions	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Calendar)	2022 (Jan. 1 -Jan. 31)
Default: Revocation	1	0	5	6	0
PC 23	1	1	0	0	0
Proposed Decision: Probation Granted	0	1	0	0	0
Proposed Decision: Revocation	1	0	1	0	0
Rejected by DAG	0	3	0	2	0
Stipulated Settlement Probation	0	5	1	1	0
Stipulated Surrender	2	4	4	4	0
Stipulated Settlement - Public Reproval	0	0	1	0	0
Withdrawn By Bureau: Citation Issued	1	1	0	0	0
Withdrawn by Bureau: Violations Resolved	0	0	0	0	1
Withdrawn by Bureau: Renewal Granted	2	0	0	0	0
Totals:	8	15	12	13	1

Automatic Suspensions	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Calendar)	2022 (Jan. 1- Jan. 31)
Automatic Suspensions	1	4	13	3	1

Emergency Decisions	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Calendar)	2022 (Jan. 1- Jan. 31)
Emergency Decisions	4	1	1	0	0

Pending with AG as of 01/31/2022	Total Transmitted	Total Served of Transmitted
Accusations	6	5
Statement of Issues	1	1
Totals:	7	6

BPPE CITATION STATS

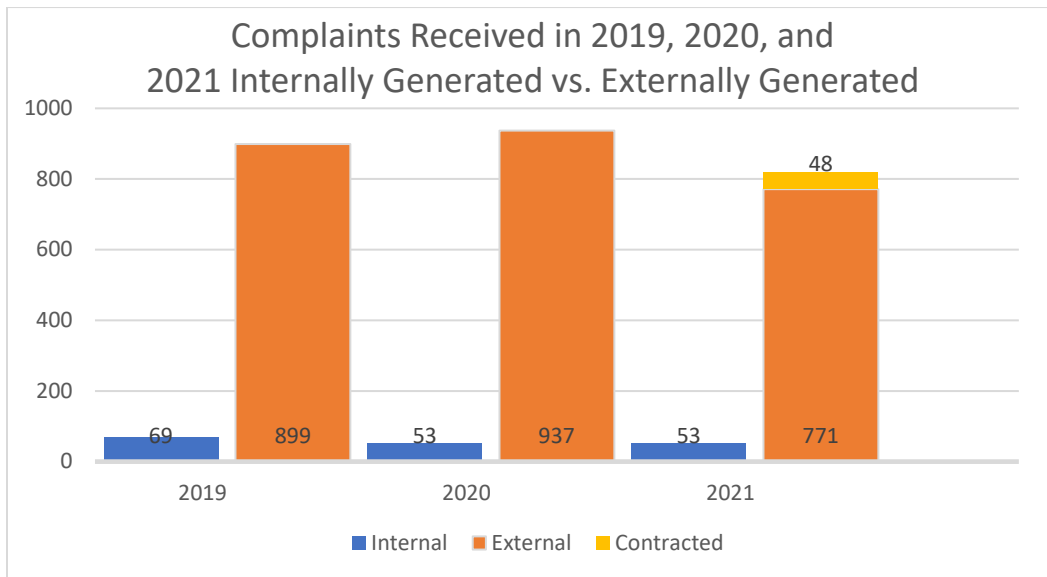
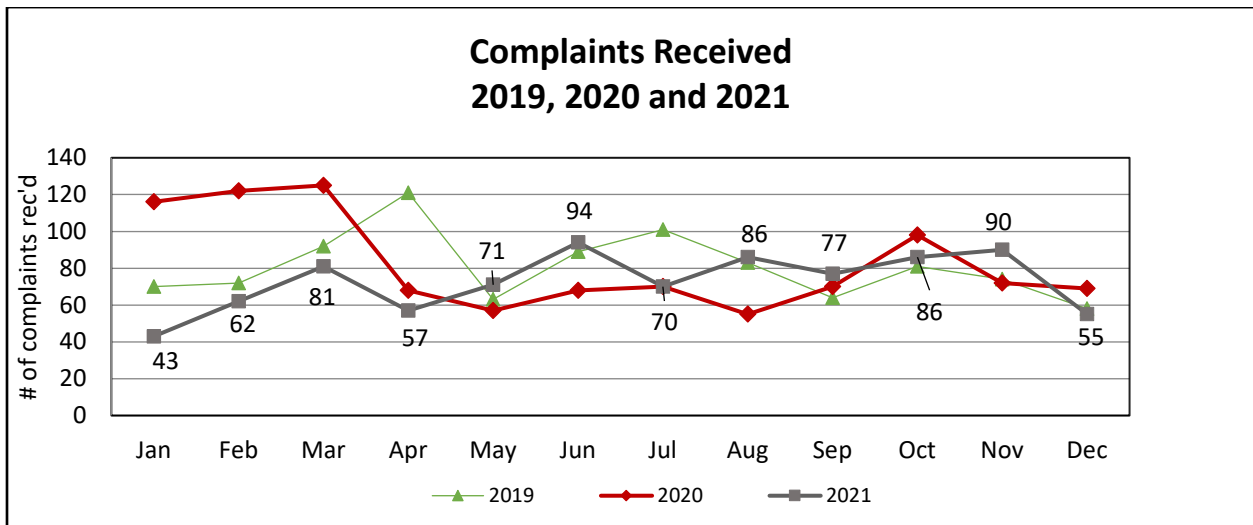


	2017 (Calendar)	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Calendar)	2022 (Jan. 1-Jan. 31)
Citations Issued	14	117	334	339	217	13
Number of Schools Cited	14	115	308	333	217	13

For the past five years, the most common violations for which citations are issued are:

- Operating an unapproved institution (unlicensed activity).
- Failure to submit Annual Fee and/or Student Tuition Recovery Fund Assessment.
- Failure to submit Annual Report and/or School Performance Fact Sheet.

COMPLAINT INVESTIGATIONS STATISTICS
BPPE Advisory Committee Meeting
February 23, 2022

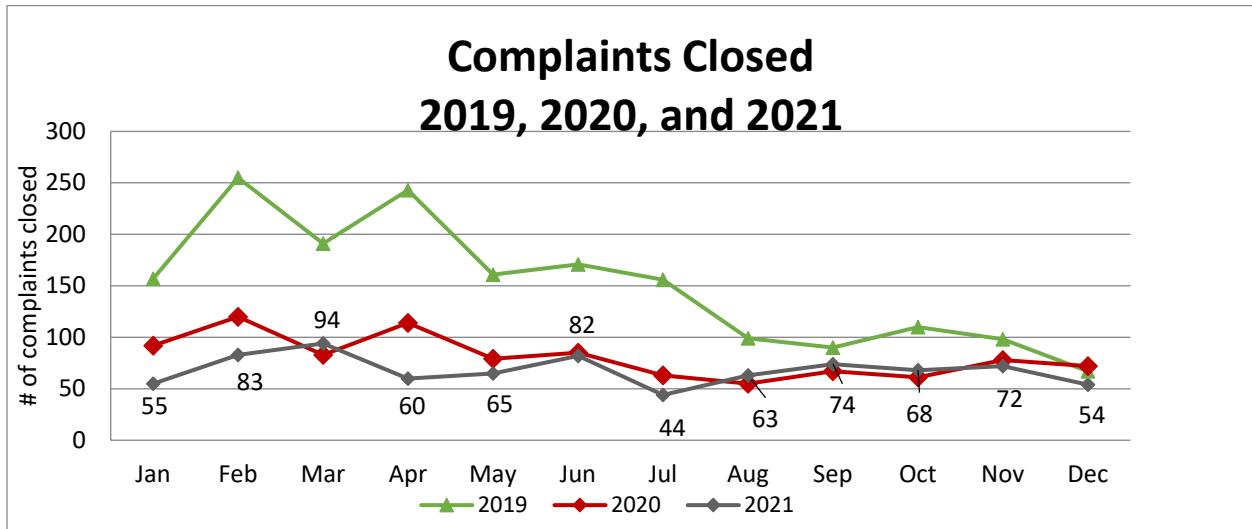


2021 Complaints	
Total complaints received	872
Total schools receiving complaints	494
COVID related complaints received	104
COVID related complaints closed	107

2021 Contracted School Complaints	
Contracted complaints rec'd	48
Contracted complaints closed	47

COMPLAINT AND INVESTIGATION REPORT

COMPLAINT INVESTIGATIONS STATISTICS
BPPE Advisory Committee Meeting
February 23, 2022

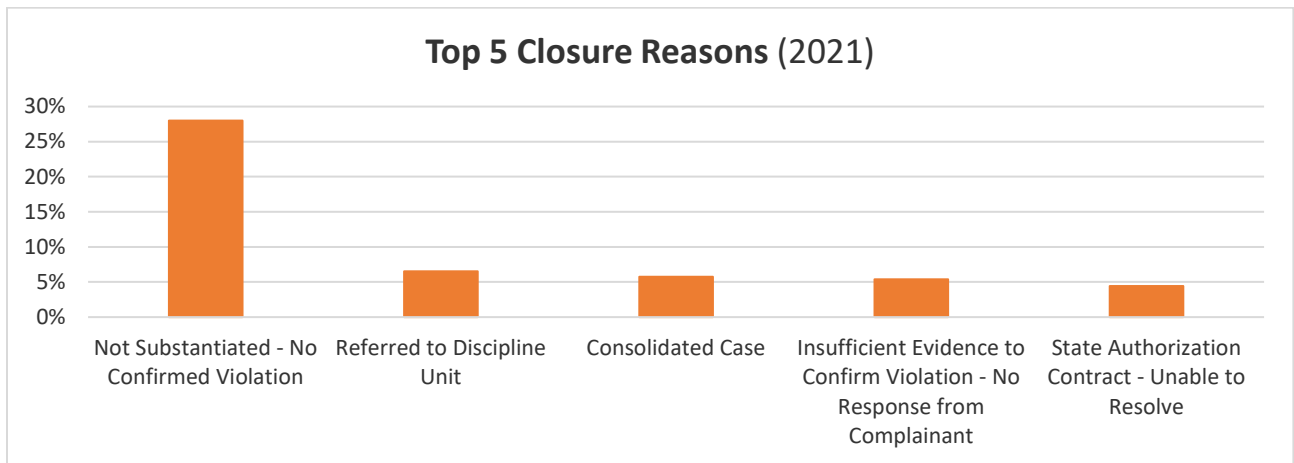
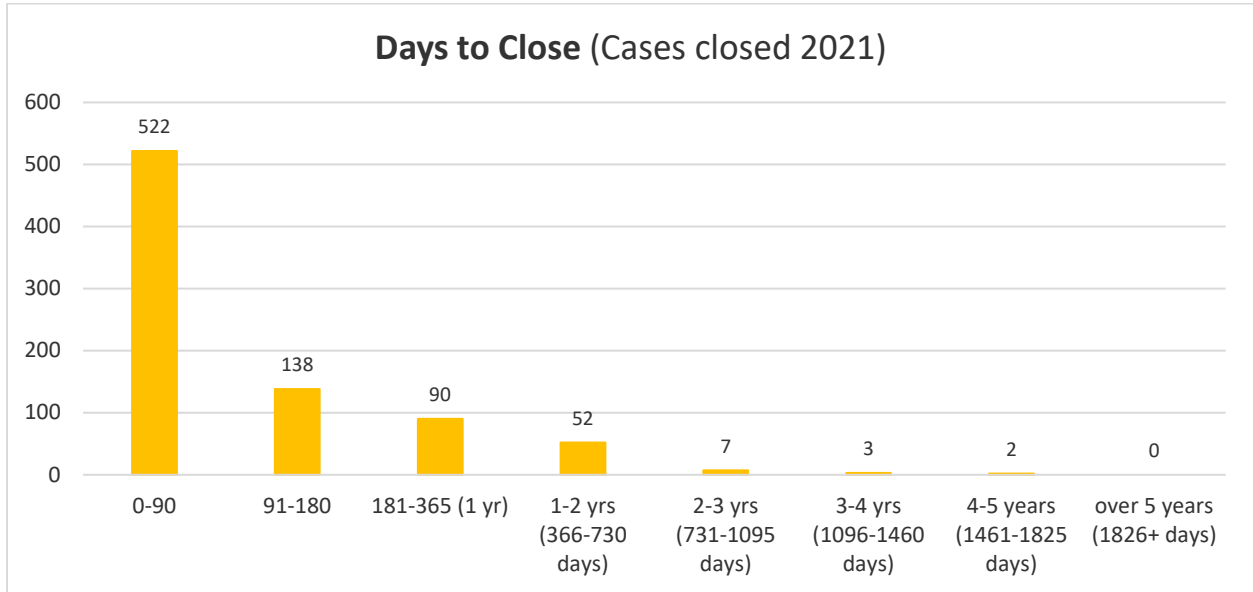


CASE DISPOSITION - 2021	%	#
Referrals to Discipline Unit for further action*	7%	53
Compliance Obtained	1%	7
Mediated Settlement and Resolved by School	7%	61
Non-Jurisdictional - Closed Schools/STRF	4%	30
Non-jurisdictional - Referrals to Other Agency	10%	84
Exempt	14%	118
Duplicate Entry	5%	39
Consolidated Case	6%	49
Not Substantiated - No Confirmed Violation	28%	230
Not Substantiated - Insufficient Evidence to Confirm Violation	8%	64
Other Closure Reasons	4%	32
State Authorization Contract - Mediated Settlement	1%	9
State Authorization Contract - Unable to Resolve	4%	36
State Authorization Contract - Referred to Other Agency	0%	2
TOTAL	100%	814

COMPLAINTS CLOSED	
Month	2021
Jan	55
Feb	83
Mar	94
Apr	60
May	65
Jun	82
Jul	44
Aug	63
Sep	74
Oct	68
Nov	72
Dec	54
Total	814

*Transferred to the Discipline Unit. Discipline Unit determines whether further action is citation or disciplinary action.

COMPLAINT INVESTIGATIONS STATISTICS
BPPE Advisory Committee Meeting
February 23, 2022



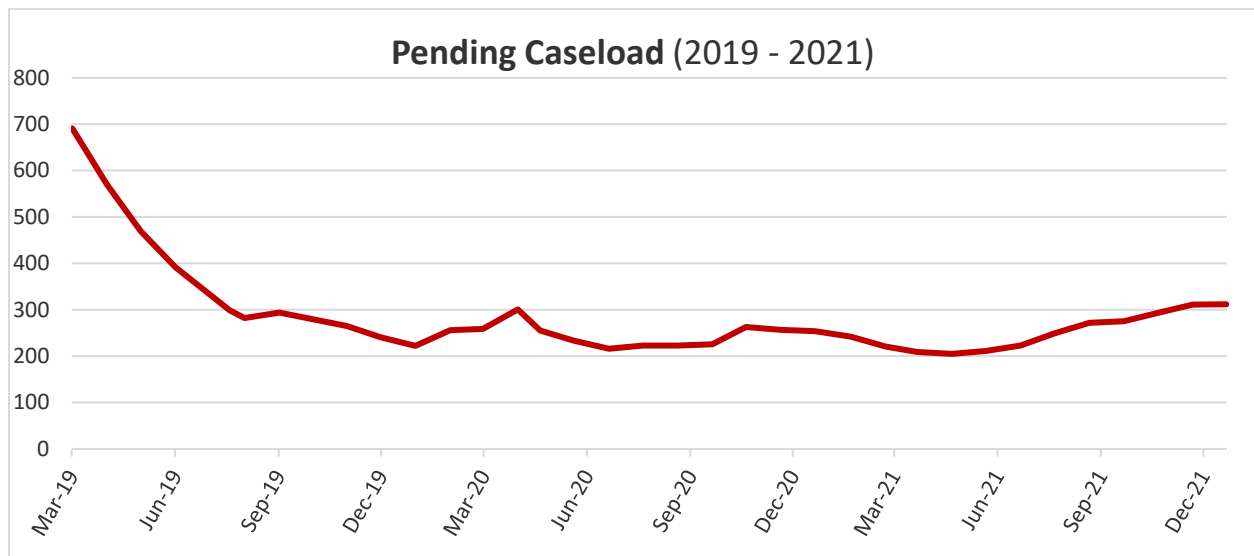
COMPLAINT INVESTIGATIONS STATISTICS
BPPE Advisory Committee Meeting
February 23, 2022

PENDING CASELOAD AS OF 12/31/21

CASE AGE	PENDING		EXT-STUDENT		URGENT	
	#	%	#	%	#	%
0-90	129	41.3%	94	43.1%	53	58.5%
91-180	99	31.7%	71	32.6%	23	25.5%
181-365 (1 yr)	63	20.2%	43	19.7%	14	14.9%
1-2 yrs (366-730 days)	11	3.5%	3	1.4%	1	1.1%
2-3 yrs (731-1095 days)	5	1.6%	3	1.4%	0	0.0%
3-4 yrs (1096-1460 days)	4	1.3%	3	1.4%	0	0.0%
4-5 years (1461-1825 days)	1	0.3%	1	0.5%	0	0.0%
over 5 years (1826+ days)	0	0.0%	0	0.0%	0	0.0%
TOTAL	312	100%	218	100%	91	100%

70% of pending

30% of pending



COMPLAINT INVESTIGATIONS STATISTICS
BPPE Advisory Committee Meeting
February 23, 2022

Student Impact (January – December 2021)

- Total of **\$71,646.74** in refunds to students or to their federal student aid account.
- Students received degree, diploma, proofs-of-training, certificate, license, and transcripts.
- Students re-enrolled in program.
- Students allowed to retake course at no additional cost.
- Students referred for Student Tuition Recovery Fund.
- Students placed in externships.
- Compliance obtained or school policy updated.

OFFICE OF STUDENT ASSISTANCE AND RELIEF (OSAR) REPORT

Office of Student Assistance and Relief

2021/22 State Fiscal Year

Data as of February 8, 2022



CHART A: INFORMED CHOICE OUTREACH AND EDUCATIONAL ACTIVITIES

Student Outreach Activity	Event Type	Event Date	Event Location	Total Students Served
California Transition Assistance Program Homeport California, Camp Pendleton Virtual Workshop	Virtual Student Workshop / Presentation	7/8/2021	Yuba County, CA	28
California Transition Assistance Program Travis Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	7/9/2021	Travis Air Force Base, CA	22
California Transition Assistance Program Beale Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	7/22/2021	Riverside County, CA	11
Informational Meeting for Independence University Students	Virtual Student Workshop / Presentation	8/10/2021	Virtual Event	484
California Transition Assistance Program Presidio of Monterey Virtual Workshop	Virtual Student Workshop / Presentation	8/13/2021	Monterey, CA	27
California Transition Assistance Program Marine Corps Recruit Depot Virtual Workshop	Virtual Student Workshop / Presentation	9/2/2021	San Diego, CA	22
California Transition Assistance Program Naval Air Station Lemoore Virtual Workshop	Virtual Student Workshop / Presentation	9/8/2021	Kings County, CA	13
California Transition Assistance Program Fort Irwin Virtual Workshop	Virtual Student Workshop / Presentation	9/8/2021	Fort Irwin, CA	17
California Transition Assistance Program Travis Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	9/10/2021	Travis Air Force Base, CA	11
California Transition Assistance Program Strategies to Support Your College Savings Goals	Virtual Student Workshop / Presentation	9/16/2021	Virtual Event	12
Latino College Expo	Virtual College Fair	9/18/2021	Virtual Event	354
California Transition Assistance Program Vandenberg Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	9/24/2021	Vandenberg Air Force Base, CA	21
California Transition Assistance Program Education Benefits Virtual Workshop at City College of San Francisco	Virtual Student Workshop / Presentation	10/7/2021	San Francisco, CA	30
California Transition Assistance Program Beale Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	10/14/2021	Yuba County, CA	24
California Transition Assistance Program Presidio of Monterey Virtual Workshop	Virtual Student Workshop / Presentation	11/4/2021	Monterey, CA	7
California Transition Assistance Program March Air National Guard (ANG) Virtual Workshop	Virtual Student Workshop / Presentation	11/10/2021	March Air Reserve Base, CA	10
Los Angeles Unified School District College Fair at Santee Education Complex	College Fair	12/7/2021	Los Angeles, CA	40
California Transition Assistance Program Travis Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	12/10/2021	Travis Air Force Base, CA	22
California Transition Assistance Program Beale Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	1/20/2022	Yuba County, CA	13
California Transition Assistance Program Travis Air Force Base Workshop	Student Workshop / Presentation	1/21/2022	Travis Air Force Base, CA	27
California Transition Assistance Program March Air Reserve Base Virtual Workshop	Virtual Student Workshop / Presentation	1/26/2022	Riverside County, CA	6
Steps to College Virtual Workshop	Virtual College Fair	2/5/2022	Sacramento, CA	200
			TOTAL	1,401

CHART B: MISC. STUDENT OUTREACH EFFORTS

Student Outreach Activity	Event Type	Event Date	Event Location	Total Students Served
General Assembly (Branch)	Email Outreach	7/6/2021	Santa Monica, CA	7
American Tech and Management University, Inc.	Email Outreach	7/6/2021	Pleasanton, CA	23
Advanced Computer Training Schools dba Alliance Career Training Schools	Email Outreach	7/6/2021	Salinas, CA	18
Fashion Institute of Design & Merchandising (Branch)	Email Outreach	7/6/2021	San Francisco, CA	57
Heavy Equipment Colleges of America (Branch)	Email Outreach	7/8/2021	Fort Irwin, CA	10
Hackbright Academy	Email Outreach	7/14/2021	San Francisco, CA	94
Intrax English Academies, LLC d/b/a Stafford House International (Main)	Email Outreach	8/5/2021	San Francisco, CA	10
Intrax English Academies, LLC d/b/a Stafford House International (Branch)	Email Outreach	8/5/2021	San Diego, CA	10
California International University	Email Outreach	9/2/2021	Los Angeles, CA	28
Santa Barbara Business College (Branch)	Email Outreach	9/15/2021	Rancho Mirage, CA	2
American University of Complementary Medicine (Program)	Email Outreach	9/16/2021	Beverly Hills, CA	11
160 California, LLC dba 160 Driving Academy (Branch)	Email Outreach	9/16/2021	Oceanside, CA	23
St. Giles Colleges Inc.	Email Outreach	9/22/2021	San Francisco, CA	214
California Medical College	Email Outreach	9/23/2021	San Diego, CA	25
College of Botanical Healing Arts	Email Outreach	9/23/2021	Santa Cruz, CA	13
NTMA Training Centers of Southern California (Branch)	Email Outreach	9/23/2021	Ontario, CA	35
POLY Languages Institute (Branch)	Email Outreach	11/4/2021	Pasadena, CA	35
The Learning Source (Branch and Satellite)	Email Outreach	11/10/2021	Chula Vista, CA	15
Universal College of Beauty (Branch)	Email Outreach	11/10/2021	Inglewood, CA	18
Sierra Nevada College	Email Outreach	11/10/2021	Lake Tahoe, CA	4
Globe Institute of Recording and Production, Inc. (Program)	Email Outreach	11/19/2021	Sausalito, CA	8
Calvary Chapel University	Email Outreach	11/30/2021	San Diego, CA	53
Milan Institute of Cosmetology (Branch)	Email Outreach	12/2/2021	La Quinta, CA	171
Galvanize, Inc. (Branch)	Email Outreach	12/9/2021	San Jose, CA	27
Hawthorn University	Email Outreach	12/9/2021	Whitehorn, CA	115
Dialysis Training Institute, LLC	Email Outreach	12/14/2021	Buena Park, CA	6
Borner's Barber College	Email Outreach	12/15/2021	Long Beach, CA	3

CHART B: MISC. STUDENT OUTREACH EFFORTS (CONTINUED)

Student Outreach Activity	Event Type	Event Date	Event Location	Total Students Served
Alhambra Beauty College	Email Outreach	12/16/2021	Alhambra, CA	53
Southern California International University	Email Outreach	12/20/2021	Los Angeles, CA	8
Royal Hair Institute	Phone Outreach	1/5/2022	Los Angeles, CA	8
Napa Valley School of Massage	Email Outreach	1/6/2022	Napa, CA	5
Adams University	Email Outreach	1/7/2022	Los Angeles, CA	8
Empire College	Email Outreach	2/2/2022	Santa Rosa, CA	51
California University of Management and Sciences	Email Outreach	2/3/2022	Anaheim, CA	53
Merit University	Email Outreach	2/3/2022	Los Angeles, CA	19
California Aeronautical University	Email Outreach	2/4/2022	Bakersfield, CA	312
Agape College of Business and Science	Email Outreach	2/8/2022	Fresno, CA	16
Bergin University of Canine Studies	Email Outreach	2/8/2022	Penngrove, CA	24
TOTAL				1,592

CHART C: CLOSED SCHOOL OUTREACH WORKSHOPS

Student Outreach Activity	Event Type	Event Date	Event Location	Total Students Served
California College San Diego School Closure Outreach Event	Virtual Student Workshop	8/4/2021	San Diego, CA	251
TOTAL				251

STUDENT TUITION RECOVERY FUND (STRF) REPORT

Student Tuition Recovery Fund Claims

Large Impact Closures From School Closure to Current (Total Impact)								
	STRF Claims Received	STRF Claims Pending	Ineligible / Denied	Unable to Contact	Number of STRF Claims Approved	Dollar Amount Paid to Student/Loan	Dollar Amount Paid - Ed Credit (To New School)	Total Dollar Amount Paid
Heald ²	490	239	89	80	82	\$742,064	\$28,535	\$770,599
WyoTech ²	170	34	45	36	55	\$298,644	\$0	\$298,644
Everest ²	560	192	131	114	123	\$487,317	\$0	\$487,317
ITT Technical Institute	309	8	155	82	64	\$464,672	\$37,723	\$502,395
Art Institute ³	102	13	25	8	56	\$736,024	\$0	\$736,024
Argosy ³	104	19	16	31	38	\$549,790	\$8,571	\$558,361
Silicon Valley	1241	952	3	6	280	\$5,146,571	\$0	\$5,146,571
Brightwood ⁴	395	16	28	69	282	\$1,312,478	\$4,000	\$1,316,478
Golf Academy ⁴	18	2	1	1	14	\$142,497	\$5,950	\$148,447

¹ These values may include STRF claims that were received prior to the 2021/22 State Fiscal Year but processed in the 2021/22 State Fiscal Year.

² Heald College, WyoTech, and Everest College were operated by Corinthian Colleges, Inc. - "STRF Claims Pending" includes claims that are awaiting a decision on their Federal Borrower Defense applications.

³ The Art Institute of California and Argosy University were operated by Dream Center Education Holdings, LLC.

⁴ Brightwood College and Golf Academy of America were operated by Education Corporation of America.

Data as of 02/09/2022

STATUS UPDATE AND DISCUSSION RELATED TO THE FOLLOWING REGULATIONS:

- a. Update on Town Hall held January 24, 2022
- b. Update on STRF Fee Increase Approved by Office of Administrative Law (Title 5, California Code of Regulations (CCR) Section 76120)
- c. Status on Application for Verification of Exempt Status (California Education Code (CEC) sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5; CCR Section 71395)
- d. Status on Annual Report/Labor Market Outcome Data Reporting (CCR Sections 74110, CEC section 94892.6, and Assembly Bill 1340 (Chiu, Chapter 519, Statutes of 2019))
- e. Regulatory Proposals Based on 2021 Statutory Language Being Developed
 - i. Repeal of “ability-to-benefit” Language (5 CCR Sections 71210, 71475, 71770, 71920)
 - ii. Change in Ownership (5 CCR Section 71640)
 - iii. Educational Program Less than 32 Hours (5 CCR Section 70000(I))
- f. Discussions
 - i. Regulations on Procedures for Denying an Out-of-State Application (CCR Section 71397)
 - ii. Consideration of Changes in Signature Requirement (CCR Sections 71380, 71390, 71395, 71475, and 71480)

Title	Status Summary	ACM	DCA	Agency	Public Comment	OAL	Final
AB 1340 / Student Wage Data	DCA review.	8/26/2021	2/7/2022				
Out of State Institution Registration: Application	Package being finalized.	8/26/2021					
Verification of Exempt Status	Package being finalized.	8/26/2021	2/1/2022				
Ability to Benefit Repeal	Initial proposal drafted.	2/23/2022					
Prohibited Change in Ownership During Accreditation	Initial proposal drafted.	2/23/2022					
Exemption of Programs Under 32 Hours	Initial proposal drafted.	2/23/2022					
Out of State Institution Registration, Conditions and Denials		5/17/2022					
Reporting of Substantive Changes - 4 new applications		5/17/2022					
Minimum Operating Standards		5/17/2022					

UPDATE ON TOWN HALL HELD JANUARY 24, 2022

Agenda Item 7b

**UPDATE ON STRF FEE INCREASE APPROVED BY OFFICE OF ADMINISTRATIVE
LAW (TITLE 5, CALIFORNIA CODE OF REGULATIONS (CCR) SECTION 76120)**

**State of California
Office of Administrative Law**

In re:
Bureau for Private Postsecondary Education

Regulatory Action:

Title 5, California Code of Regulations

Amend section: 76120

NOTICE OF FILING AND PRINTING ONLY

Government Code Section 11343.8

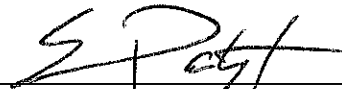
OAL Matter Number: 2021-1207-01

OAL Matter Type: File and Print Only (FP)

This action amends the Student Tuition Recovery Fund (STRF) assessment rate that each student at Bureau-approved institutions pays from \$0.50 per \$1000.00 of institutional charges to \$2.50 per \$1000.00 of institutional charges. This action is exempt from the Administrative Procedure Act under the rates exemption in Government Code section 11340.9(g).

OAL filed this regulation with the Secretary of State and will publish the regulation in the California Code of Regulations.

Date: January 12, 2022



Eric Partington
Senior Attorney

For: Kenneth J. Pogue
Director

Original: Leeza Rifredi, Chief
Copy: David Dumble

Agenda Item 7c

**STATUS ON APPLICATION FOR VERIFICATION OF EXEMPT STATUS
(CALIFORNIA EDUCATION CODE (CEC) SECTIONS 94874, 94874.2, 94874.7, 94874.5,
AND 94927.5; CCR SECTION 71395))**

Agenda Item 7d

**STATUS ON ANNUAL REPORT/LABOR MARKET OUTCOME DATA REPORTING
(CCR SECTIONS 74110, CEC SECTION 94892.6, AND ASSEMBLY BILL 1340 (CHIU,
CHAPTER 519, STATUTES OF 2019))**

California Code of Regulations
Title 5. Education
Division 7.5. Private Postsecondary Education
Chapter 4. Institutions—General Provisions

**PROPOSED REGULATORY LANGUAGE CONCERNING AB 1340: ANNUAL
REPORTS SUBMISSIONS AND LABOR MARKET IDENTIFICATION DATA**

Legend—added text indicated by underline, deletion by strikethrough

(1) Amend Section 74110 of Division 7.5 of Title 5 of the California Code of Regulations to read as follows:

(a) The annual report required by Section 94934 of the Code shall include the information required by this section, subsections (f) - (j) of section 74112, and sections 94929.5 and 94934 of the Code for all educational programs offered in the prior calendar year, and all of the following for the prior calendar year:

- (1) Information regarding institutional branch campuses, including addresses and programs offered at each campus, if applicable;
- (2) Information regarding satellite locations, including addresses and with which campus(es) the satellite location is affiliated, if applicable;
- (3) Name of institutional accreditors for each branch and satellite campus, and for each such campus at which any programs have programmatic accreditation, the names of the programmatic accreditor for each such program, and effective dates for each programmatic accreditation, if applicable;
- (4) Information regarding participation in state and federal student loan and grant programs, including the total amount of funding received from each source for those students enrolled in an approved California school regardless of their state of residency;
- (5) Information regarding participation in other public funding programs, including the amount of funding received from each public funding source; for purposes of this section, public funding is any financial aid paid on behalf of students or directly to an institution from any public source, such as the Workforce Investment Act, any veterans' financial aid programs pursuant to Section 21.4253 of Title 38 of the Code of Federal Regulations or any other financial

aid program that is intended to help students pay education-related expenses, including tuition, fees, room and board, and supplies for education; ~~and~~

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

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

(b) In addition to the information required by section 94934 of the Code and this section provided under penalty of perjury, the institution shall have annual financial statements prepared for the institution's prior fiscal year and signed under penalty of perjury, and shall submit a hard copy under separate cover of such statements in conjunction with its annual report. The form, content and mode of preparation of financial statements shall comply with Section 74115 of this Division. The Bureau may request that the institution immediately make available for inspection to a representative of the Bureau, these financial statements at the offices of the institution.

(c) As part of its annual report to the Bureau, every institution shall provide graduate identification data for each student who graduated from the institution's educational program(s), which shall include:

(1) The graduate's name and federal taxpayer identification number, which is either the graduate's social security number (SSN) or individual taxpayer identification number (ITIN). If the graduate does not have an SSN or ITIN, the graduate's information shall be reported as "not available";

(2) The date of graduation;

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

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

(B) Educational program's name;

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

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

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

(d) Specific Timeframes for Reporting Graduate Identification Data: (1) The first annual report submitted by an institution that contains the graduate identification data required to be reported in subsection (c) shall be filed with the Bureau by the first Annual Report deadline occurring more than 120 days after the date an institution receives written notice from the Bureau as provided by this section. The written notice shall inform the institution that the Director has certified that the Bureau's information technology system has been updated and is capable of processing the data as required by Section 94892.6 of the Code. The written notice shall also notify the institution that the annual report submission occurring more than 120 days after receipt of the Bureau's written notice must contain the graduate identification data required by this section.

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

~~(e)~~(e) An institution shall file its annual report by December 1st of each year. The Bureau may extend the period for filing if the institution demonstrates evidence of substantial need but in no case longer than 60 days. The institution shall not change the date of its filing its annual report because of a change in the fiscal year without the Bureau's approval.

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

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

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

- (A) the report year,
- (B) institution's approval code,
- (C) institution's name,
- (D) institution's physical address,
- (E) the form of business organization of the institution (sole proprietorship, for-profit corporation, non-profit corporation, or limited liability company (LLC)),
- (F) a statement whether the institution is current on its annual fees; and,
- (G) the institution's website address, or notice that it does not maintain an internet website if it does not do so.

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

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

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

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

Note: Authority cited: Sections 94877, 94929.5, 94929.7, 94934 and 94941, Education Code. Reference: Sections 94892.6, 94929.5, 94929.7, 94932, 94934 and 94941, Education Code; Sections 1633.2, 1633.7, and 1633.9, Civil Code; Section 16.5, Government Code.

REGULATORY PROPOSALS BASED ON 2021 STATUTORY LANGUAGE BEING DEVELOPED

REPEAL OF “ABILITY-TO-BENEFIT” LANGUAGE (5 CCR SECTIONS 71210, 71475, 71770, 71920)

California Code of Regulations
Title 5. Education
Division 7.5. Private Postsecondary Education
Chapter 3. Institutional Operating Standards
Article 2. Admissions and Academic Achievement Standards

**PROPOSED REGULATORY LANGUAGE CONCERNING ADMISSIONS
STANDARDS**

Legend—added text indicated by underline, deletion by strikethrough

71210. Instruction and Degree Offered

71210. (a) The institution shall identify and describe the educational program it offers, or proposes to offer. If the educational program is a degree program, the institution shall identify the full title which it will place on each degree awarded.

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

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

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

~~(2) If applicable, information regarding the ability to benefit examination as required by section 94904 of the Code;~~

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

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

~~(5) The method of instruction;~~

~~(6) The graduation requirements; and~~

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

Note: Authority cited: Sections 94803, 94877 and 94888, Education Code. Reference: Sections 94887, 94888, ~~94904~~ and 94910, Education Code.

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

71475 (t) In addition, the institution shall list in the application, the following for each educational program offered unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

(1) The admissions requirements, including minimum levels of prior education, preparation, or training;
(2) ~~If applicable, information regarding the ability to benefit examination as required by section 94904 of the Code.~~

~~(3)~~ The types and amount of general education required;
(43) The title of the educational programs and other components of instruction offered, including a description of the level of the courses (e.g., below college level, undergraduate level, graduate level);
(54) The mode of instruction;
(65) The graduation requirements.
(76) Whether the educational program is designed to fit or prepare students for employment in any occupation. If so, the application shall identify each occupation and job title to which the institution represents the educational program will lead.

.....

Note: Authority cited: Sections 94803 and 94891, Education Code. Reference: Sections 94802, 94889 and 94931, Education Code.

71770. Admissions Standards and Transferred Credits Policy.

71770 (a) The institution shall establish specific written standards for student admissions for each educational program. These standards shall be related to the particular educational program. An institution shall not admit any student who is obviously unqualified or who does not appear to have a reasonable prospect of completing the program. In addition to any specific standards for an educational program, the admissions standards must specify as applicable that:

~~(1) Each student admitted to an undergraduate degree program, or a diploma program, shall possess a high school diploma or its equivalent, or otherwise successfully take and pass the relevant examination as required by section 94904 of the Code.~~

(2)(b) Each student admitted into a post-baccalaureate degree program shall possess a bachelor's degree or its equivalent. If a graduate program leads to a profession or an occupation requiring state licensure and the licensing agency does not require that a member of the profession or occupation possess a Bachelor's degree or its equivalent, this subdivision does not apply.

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

71920. Student Records.

71920 (b) In addition to the requirements of section 94900, the file shall contain all of the following pertinent student records:

(1) Written records and transcripts of any formal education or training, testing, or experience that are relevant to the student's qualifications for admission to the institution or the institution's award of credit or acceptance of transfer credits including the following:

(A) Verification of high school completion or equivalency or other documentation establishing the student's ability to do college level work, ~~such as successful completion of an ability-to-benefit test;~~

(B) Records documenting units of credit earned at other institutions that have been accepted and applied by the institution as transfer credits toward the student's completion of an educational program;

(C) Grades or findings from any examination of academic ability or educational achievement used for admission or college placement purposes;

(D) All of the documents evidencing a student's prior experiential learning upon which the institution and the faculty base the award of any credit;

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

(6) For independent study courses, course outlines or learning contracts signed by the faculty and administrators who approved the course;

(7) The dissertations, theses, and other student projects submitted by graduate students;

(8) A copy of documents relating to student financial aid that are required to be maintained by law or by a loan guarantee agency;

(9) A document showing the total amount of money received from or on behalf of the student and the date or dates on which the money was received;

(10) A document specifying the amount of a refund, including the amount refunded for tuition and the amount for other itemized charges, the method of calculating the refund, the date the refund was made, and the name and address of the person or entity to which the refund was sent;

(11) Copies of any official advisory notices or warnings regarding the student's progress; and

(12) Complaints received from the student.

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

CHANGE IN OWNERSHIP (5 CCR SECTION 71640)

California Code of Regulations
Title 5. Education
Division 7.5. Private Postsecondary Education
Chapter 2. Applications
Article 7. Applications for a Substantive Change to an Approval to Operate

**PROPOSED REGULATORY LANGUAGE CONCERNING ADMISSIONS
STANDARDS**

Legend—added text indicated by underline, deletion by strikethrough

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

71640(f) An institution that is pursuing accreditation under sections 94885.1 or 94885.5 of the Education Code shall not submit an application for a change in ownership, change in control, or change in business organization, pursuant to sections 94893 and 94894 of the Education Code, until the institution obtains full accreditation.

Note: Authority cited: Sections 94803 and 94895, Education Code. Reference: Sections 94821, 94822, 94823, 94885.1, 94885.5, 94893, 94894, 94895, 94896, and 94930.5 Education Code.

EDUCATIONAL PROGRAM LESS THAN 32 HOURS (5 CCR SECTION 70000(L))

**California Code of Regulations
Title 5. Education
Division 7.5. Private Postsecondary Education
Chapter 1. Bureau Administration
Article 1. General Provisions**

**PROPOSED REGULATORY LANGUAGE CONCERNING ADMISSIONS
STANDARDS**

Legend—added text indicated by underline, deletion by strikethrough

70000. Provisions.

(l) “Educational program” means a planned sequence composed of a set of related courses or modules, or a single course or module if not offered as a component of a set of related courses or modules, that provides education, training, skills, or experience, or a combination of these.

A single course, workshop, seminar, continuing education course, or other instruction that consists of 32 hours of instruction or less is not an “educational program” unless it is designed to lead to employment.

A program is designed to lead to employment if it is:

- eligible for federal or state funds that support career training, including but not limited to the Workforce and Innovation Opportunity Act (WIOA);
- on the Education Training Provider List of the Employment Development Department;
- Advertised as leading to employment or a career;
- Enables entry into a new professional field;
- Part of a set of short-term programs that collectively lead to employment; or
- Designed to prepare graduates for licensure in a specific professional field.

Note: Authority cited: Sections 94803, 94877, 94885, 94885.1 and 94885.5, Education Code. Reference: Sections 94818, 94830, 94837, 94844, 94885, 94885.1, 94885.5 and 94923, Education Code.

DISCUSSIONS

**REGULATIONS ON PROCEDURES FOR DENYING AN OUT-OF-STATE
APPLICATION (CCR SECTION 71397)**



ISSUE MEMORANDUM

DATE	February 11, 2022
TO	Advisory Committee Bureau for Private Postsecondary Education
FROM	Yvette Johnson Administration Chief
SUBJECT	Consideration of Out-of-State Registration Applications

Assembly Bill 1344 (Bauer-Kahan, Chapter 520, Statutes of 2019), effective on July 1, 2022, expanded reporting requirements for out-of-state institutions required to register with the Bureau. As a result of these expanded reporting requirements, the Advisory Committee discussed the expansion of the registration form at its May 27, 2021 meeting and reviewed a draft registration form at its August 26, 2021 meeting. The resulting form is proceeding through the required regulatory process and, as drafted, would, among other things, require out-of-state applicants to inform the Bureau about:

- pending federal or state enforcement actions or prior actions that resulted in the institution’s ability to operate;
- certain types of enforcement actions taken against the institution or any of its controlling officers or investors;
- adverse actions taken by institutional or programmatic accrediting agencies;
- certain types of third-party contractors if those contractors have settled or been adjudged to have liability exceeding \$250,000; and
- known federal borrower defense discharge claims or consumer protection complaints filed with government agencies.

Under prior law, the Bureau’s role was ministerial, and it was obliged to approve any application that provided the information required to be submitted by statute and regulation. However, AB 1344 provided the Bureau with the authority to deny or to place conditions on the registrations of out-of-state institutions based on the information provided to it.

When considering whether to approve, deny, or place conditions on registrations, California Education Code section 94801.5(a)(2) requires that the Bureau:

- review all of the information provided and not consider any individual piece of information to be determinative;
- provide the institution with reasonable notice and opportunity to comment before any determination becomes final; and

- ensure that any approved registration memorialize the institutions' understanding of any terms and associated consequences of noncompliance.

The Bureau invites input from the Advisory Committee on the following questions to inform its approach to further regulation:

1. What situations would warrant a condition being placed on a registration?
2. What types of "conditions" would make sense to place on a registration to further student protections?
3. What are the types of risk factors that may warrant denial of an application, as opposed to the imposition of conditions on a registration?
4. While the Bureau must consider all the information provided, should certain types or scales of issues be considered to connote higher risk?

Assembly Bill No. 1344

CHAPTER 520

An act to amend, repeal, and add Section 94801.5 of the Education Code, relating to private postsecondary education.

[Approved by Governor October 4, 2019. Filed with Secretary of State October 4, 2019.]

legislative counsel's digest

AB 1344, Bauer-Kahan. Private postsecondary education: California Private Postsecondary Act of 2009.

Existing law, the California Private Postsecondary Education Act of 2009, provides for student protections and regulatory oversight of private postsecondary institutions in the state. The act is enforced by the Bureau for Private Postsecondary Education within the Department of Consumer Affairs. The act requires an out-of-state private postsecondary educational institution to comply with specified requirements, including providing the bureau evidence of the institution's accreditation, evidence that the institution is approved to operate in the state where the institution maintains its main administrative location, the agent for service of process, and a copy of the institution's catalog and sample agreement. Under existing law registration with the bureau is valid for 2 years. Existing law repeals the act on January 1, 2021.

If the operation of the act is extended by another measure, this bill would, effective July 1, 2022, specify additional duties under the act. In particular, the bill would require an out-of-state private postsecondary educational institution to provide the bureau with specified information regarding whether or not the institution, or a controlling officer of, or a controlling interest or controlling investor in, the institution, or in the parent entity of the institution, has been subject to certain adverse state or federal actions in the previous 5 years before seeking authorization to operate in California, and with any additional documentation the bureau deems necessary for consideration in the registration process.

The bill would require an institution that is registered with the bureau and enrolls any student residing in California to notify the bureau of any of specified indicators of potential suspect activities of the institution or a controlling officer of, or a controlling interest or controlling investor in, the institution or in the parent entity of the institution, and would authorize the bureau to determine, within 30 days of receipt of the notification, whether the institution should be permitted to continue to enroll California residents. The bill would authorize the bureau, in its discretion, to limit enrollments, permitting the institution to enroll California residents pending the completion of a review by the bureau. The bill would authorize an institution

to seek review of a bureau decision through a writ of mandate action. The bill would require the bureau to adopt through emergency regulations an updated registration form. The bill would require the bureau to disclose on its internet website a list of registered institutions and disclose a designated email address for a California resident to send a complaint to the bureau about an institution.

Existing law specifies conduct by regulated institutions that, if undertaken, is a crime.

Because this bill would extend the application of those criminal provisions, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 94801.5 of the Education Code is amended to read:

94801.5. (a) Effective July 1, 2017, an out-of-state private postsecondary educational institution shall register with the bureau, pay a fee pursuant to Section 94930.5, and comply with all of the following:

(1) The institution shall provide the bureau with all of the following information:

(A) Evidence of accreditation.

(B) Evidence that the institution is approved to operate in the state where the institution maintains its main administrative location.

(C) The agent for service of process consistent with Section 94943.5.

(D) A copy of the institution's catalog and sample enrollment agreement.

(2) The institution shall comply with the requirements of the Student Tuition Recovery Fund, established in Article 14 (commencing with Section 94923), and regulations adopted by the bureau related to the fund, for its students residing in California.

(3) The institution shall provide disclosures pursuant to the requirements for the Student Tuition Recovery Fund, established in Article 14 (commencing with Section 94923), and regulations adopted by the bureau related to the fund, for its students residing in California.

(b) This section does not apply to nonpublic higher education institutions that grant undergraduate degrees, graduate degrees, or both, and that are formed as nonprofit corporations and are accredited by an agency recognized by the United States Department of Education.

(c) An institution described in subdivision (a) that fails to comply with this section is not authorized to operate in this state.

(d) A registration with the bureau pursuant to this section shall be valid for two years.

(e) The bureau shall develop, through emergency regulations, a registration form. The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare for purposes of Sections 11346.1 and 11349.6 of the Government Code. These emergency regulations shall become law through the regular rulemaking process by January 1, 2018.

(f) This section shall remain in effect only until July 1, 2022, and as of January 1, 2023, is repealed.

SEC. 2. Section 94801.5 is added to the Education Code, to read:

94801.5. (a) An out-of-state private postsecondary educational institution shall register with the bureau, pay a fee pursuant to Section 94930.5, and comply with all of the following:

(1) The institution shall provide the bureau with all of the following information for consideration of initial registration by the bureau pursuant to paragraph (2).

(A) Evidence of institutional accreditation.

(B) Evidence that the institution is approved to operate in the state where the institution maintains its main administrative location.

(C) The agent for service of process consistent with Section 94943.5.

(D) A copy of the institution's catalog and, if the institution uses enrollment agreements, a copy of a sample enrollment agreement.

(E) Whether or not the institution, or a predecessor institution under substantially the same control or ownership, had its authorization or approval revoked or suspended by a state or by the federal government, or, within five years before submission of the registration, was subject to an enforcement action by a state or by the federal government that resulted in the imposition of limits on enrollment or student aid, or is subject to such an action that is not final and that was ongoing at the time of submission of the registration.

(F) Whether or not the institution, or a controlling officer of, or a controlling interest or controlling investor in, the institution or in the parent entity of the institution, had been subject to any education, consumer protection, unfair business practice, fraud, or related enforcement action by a state or federal agency within five years prior to submitting the registration. If so, the institution shall provide the bureau a copy of the operative complaint with the registration.

(G) Whether or not the institution is currently on probation, show cause, or subject to other adverse action, or the equivalent thereof, by its accreditor or has had its accreditation revoked or suspended within the five years prior to submitting the registration.

(H) Whether or not the institution, within five years prior to submitting the registration, has settled, or been adjudged to have liability for, a civil complaint alleging the institution's failure to provide educational services, including a complaint alleging a violation of Title IX of the federal Education Amendments of 1972 (Public Law 92-318) or a similar state law, or a complaint alleging a violation of a law concerning consumer protection, unfair business practice, or fraud, filed by a student or former student, an

employee or former employee, or a public official, for more than two hundred fifty thousand dollars (\$250,000). The institution shall provide the bureau a copy of the complaint filed by the plaintiff and a copy of the judgment or settlement agreement for any such judgment or settlement, and the bureau shall consider, pursuant to paragraph (2), all material terms and aspects of the settlement, including, for example, whether a student plaintiff remained enrolled or reenrolled at the institution.

(I) Any additional documentation the bureau deems necessary for consideration in the registration process.

(2) When considering whether to approve, deny, or condition initial registration based upon the information provided by an institution pursuant to paragraph (1), the bureau shall do all of the following:

(A) Not consider any individual submission made under paragraph (1) to be solely determinative of the institution's eligibility for registration but, exercising its reasonable discretion, approve, reject, or condition registration based upon a review of all of the information provided to it under paragraph (1).

(B) Provide an institution with reasonable notice and opportunity to comment before the bureau regarding any determination to deny, condition, or reject initial registration before that determination becomes final. After the determination becomes final, the institution may seek review of the bureau's decision through an action brought pursuant to Section 1085 of the Code of Civil Procedure.

(C) The initial registration, if approved, shall memorialize that the institution agrees, as a condition of its registration, to be bound by this section and that its registration may be rejected, conditioned, or revoked for failure to comply with this section, as provided by subdivision (b). The agreement shall be signed by a responsible officer of the institution.

(3) An institution that is registered with the bureau and enrolls a student residing in California shall report in writing to the bureau, within 30 days, the occurrence of any of the following:

(A) The institution has its authorization or approval revoked or suspended by a state or by the federal government, or has been subject to an enforcement action by a state or by the federal government that resulted in the imposition of limits on enrollment or student aid.

(B) The institution or a controlling officer of, or a controlling interest or controlling investor in, the institution or in the parent entity of the institution is subject to any education, consumer protection, unfair business practice, fraud, or related enforcement action by a state or federal agency. If so, the institution shall provide the bureau a copy of the operative complaint.

(C) The institution is currently on probation, show cause, or subject to other adverse action, or the equivalent thereof, by its accreditor or the accreditation of the institution is revoked or suspended.

(D) The institution settles, or is adjudged to have liability for, a civil complaint alleging the institution's failure to provide educational services, including a complaint alleging a violation of Title IX of the federal Education Amendments of 1972 (Public Law 92-318) or a similar state law, or a

complaint alleging a violation of a law concerning consumer protection, unfair business practice, or fraud, filed by a student or former student, an employee or former employee, or a public official, for more than two hundred fifty thousand dollars (\$250,000). The institution shall provide to the bureau a copy of the complaint filed by the plaintiff and a copy of the judgment or settlement agreement for any such judgment or settlement, and the bureau shall consider, pursuant to subdivision (b), all material terms and aspects of the settlement, including, for example, whether a student plaintiff remained enrolled or reenrolled at the institution.

(4) The requirements of the Student Tuition Recovery Fund, established in Article 14 (commencing with Section 94923), and regulations adopted by the bureau related to the fund, for its students residing in California.

(5) The institution shall provide disclosures pursuant to the requirements for the Student Tuition Recovery Fund, established in Article 14 (commencing with Section 94923), and regulations adopted by the bureau related to the fund, for its students residing in California.

(b) (1) Upon receipt of any of the notifications in paragraph (3) of subdivision (a), the bureau shall, within 30 days of receiving the notice, request the institution to explain in writing why the institution should be permitted to continue to enroll California residents. If the bureau, after reviewing the information submitted in response to the request and after consultation with the Attorney General, issues a written finding that there is no immediate risk to California residents from the institution continuing to enroll new students, the institution shall be permitted, pending completion of a review by the bureau, to continue to enroll new students or the bureau may, in its discretion, limit enrollments.

(2) Any institution under review pursuant to paragraph (1) may have its registration revoked by the bureau if, after further review, the bureau issues a written finding that there is a substantial risk posed to California residents by the institution continuing to enroll California residents.

(3) An institution shall have the right to reasonable notice and opportunity to comment to and before the bureau regarding any determination to revoke registration or to limit enrollment before that determination becomes final. An institution may seek review of a bureau order limiting new student enrollment or revoking registration under this subdivision through an action brought pursuant to Section 1085 of the Code of Civil Procedure.

(4) Nothing in this subdivision shall be construed as preventing the bureau from revoking an institution's registration on any other grounds specified in this chapter. Nothing in this section shall be construed as prohibiting or impairing the ability of an institution registered pursuant to this section or eligible to register pursuant to this section from applying to be an approved institution pursuant to this chapter.

(c) This section shall not apply to nonpublic higher education institutions that grant undergraduate degrees, graduate degrees, or both, that are formed as nonprofit corporations, and that are accredited by an agency recognized by the United States Department of Education.

(d) An institution described in subdivision (a) that fails to comply with this section is not authorized to operate in this state. Any institution whose registration is denied or revoked is authorized to reapply for registration after 12 months have elapsed from the date of the denial or revocation of registration.

(e) A registration with the bureau pursuant to this section shall be valid for five years.

(f) The bureau shall develop through emergency regulations effective on and after July 1, 2021, a registration form. The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare for purposes of Sections 11346.1 and 11349.6 of the Government Code. These emergency regulations shall become law through the regular rulemaking process by January 1, 2022.

(g) The bureau shall disclose on its internet website a list of institutions registered pursuant to this section through reasonable means and disclose a designated email address for California residents to send a complaint to the bureau about an institution registered pursuant to this section. Complaints received through this email address shall be investigated in the same manner as complaints received by the bureau for institutions approved to operate pursuant to this chapter, but bureau enforcement in response to such complaints against institutions registered pursuant to this section shall be governed by subdivision (b).

(h) This section shall become operative on July 1, 2022.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Agenda Item 7f ii

CONSIDERATION OF CHANGES IN SIGNATURE REQUIREMENT (CCR SECTIONS 71380, 71390, 71395, 71475, AND 71480)



ISSUE MEMORANDUM

DATE	February 11, 2022
TO	Advisory Committee Members
FROM	Yvette Johnson Administration Chief
SUBJECT	Application Signature Requirements

Bureau regulations specify which institutional representatives must sign applications. A list of application types is identified on page two. Applications are signed under penalty of perjury that the information submitted is true and correct. See Title 5 of the California Code of Regulations sections 71380, 71390, 71395, 71475, and 71480, each of which requires as signatories:

“(A) Each owner of the institution, or

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

“(C) Each member of the governing body of a nonprofit corporation.”

Some stakeholders have raised questions about the appropriateness of these requirements. Inclusive signatory requirements ensure leadership visibility into important institutional changes. They can also pose logistical challenges for institutions when the number of required signatories is large.

The Bureau seeks feedback from the Advisory Committee regarding whether to consider changes to its regulations regarding signature requirements. Discussion questions include:

- For incorporated institutions, is a 25 percent interest threshold appropriate?
- For nonprofit corporations, is requiring signatures from each member of the governing body warranted?
- Should required signatories be allowed to delegate signature authority to another individual or individuals?
- Should all application types have the same signature requirements?

Bureau Application Types

Applications for Initial or Renewal Approval:

- Approval to Operate an Institution Non-Accredited
- Approval to Operate an Accredited Institution
- Renewal for Approval to Operate an Institution Non-Accredited
- Renewal for Approval to Operate an Accredited Institution

Applications for Significant Changes in Business Practices:

- Addition of a Separate Branch
- Change of Business Organization/Control/Ownership
- Change of Educational Objective
- Change of Location
- Change in Method of Instructional Delivery
- Change of Name
- To be added pursuant to SB 802: Increase or Decrease of 25% or More in Clock Hours or Credit Hours Required for Completion of a Program
- To be added pursuant to SB 802: Change in Participation in Federal Student Financial Aid Authorized by Title IV
- To be added pursuant to SB 802: Change from Clock Hours to Credit Hours
- To be added pursuant to SB 802: Change in Distance Education Learning Management System

Applications for Institutions that do Not Require Bureau Approval:

- Registration or Re-Registration of Out of State Institutions
- Verification of Exempt Status

Agenda Item 8

DISCUSSION OF THE ADOPTION OF REASONABLE RULES FOR THE CONDUCT OF ADVISORY COMMITTEE AFFAIRS (PURSUANT TO SENATE BILL 802 (ROTH, CHAPTER 552, STATUTES OF 2021))

**Department of Consumer Affairs
Bureau for Private Postsecondary
Education**



Advisory Committee Handbook

Gavin Newsom, Governor

State of California

Lourdes M. Castro Ramirez, Secretary

Business, Consumer Services, and Housing Agency

Kimberly Kirchmeyer, Director

Department of Consumer Affairs

Dr. Michael Marion, Jr, Bureau Chief

Bureau for Private Postsecondary Education

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Introduction

The Bureau for Private Postsecondary Education (Bureau or BPPE) regulates private postsecondary education in the State of California. The Bureau's Advisory Committee (BAC or Committee) was created to advise the Bureau with respect to issues relating to private postsecondary education and administering the Private Postsecondary Education Act of 2009 (the Act).

The purpose of this handbook is to provide guidance to Committee Members regarding general processes and procedures involved with their position on the BPPE Advisory Committee. It also serves as a useful source of information for new Committee Members as part of the induction process. This handbook is additive to the Bagley-Keene Open Meeting Act and the Administrative Procedure Act.

The Bureau is one of the boards, bureaus, commissions, and committees within the [Department of Consumer Affairs](#) (DCA), which is part of the [Business, Consumer Services and Housing Agency](#) under the aegis of the [Governor](#). DCA is responsible for consumer protection and representation through the regulation of licensed professions and the provision of consumer services. The DCA also provides administrative oversight and support services to boards and bureaus alike. The Bureau is unlike a board in that a board has appointed board members who oversee the entity and has policy autonomy and sets its own policies, procedures, and initiates its own regulations. The Bureau does not have policy autonomy and works collaboratively within DCA on policies, procedures, and regulations.

Protection of the public shall be the highest priority for the Bureau in exercising its licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount (Ed, Code, § 94875.).

About the Department of Consumer Affairs

The Department of Consumer Affairs (DCA) is one of 11 departments under the Business, Consumer Services and Housing Agency. DCA consists of 37 regulatory boards, bureaus, committees, and programs and is the State of California's leading consumer protection entity. Collectively, DCA's various programs provide licensing guidelines and oversight for more than 3.5 million professionals in over 250 different categories. The mission of DCA is to develop a marketplace where consumers can be assured of safe, quality service from a qualified business. DCA protects and serves California consumers while ensuring a competent marketplace. To support this effort, DCA fosters relationships with consumer and public interest groups, the business and professional community, law

enforcement, and other government agencies

DCA's Mission

We protect California consumers by providing a safe and fair marketplace through oversight, enforcement, and licensure of professions.

DCA's Vision

Together, empowering California consumers.

DCA's Values

- Accountability
- Communication
- Diversity
- Employees
- Integrity
- Leadership
- Service
- Transparency

About the Bureau for Private and Postsecondary Education

The Bureau processes licensing applications, conducts compliance inspections, and responds to complaints for the more than 2,000 approved private postsecondary educational institutions in California. The Bureau also investigates complaints and combats unlicensed activity. The Bureau works with the Office of Student Assistance & Relief (OSAR), which administers the Student Tuition Recovery Fund. This fund is used to reimburse students when a school closes.

BPPE's Mission

The Bureau protects students and consumers through the oversight of California's private postsecondary educational institutions by conducting qualitative reviews of educational programs and operating standards, proactively combating unlicensed activity, impartially resolving student and consumer complaints, and conducting outreach.

BPPE's Vision

To be the national leader in regulating private postsecondary institutions and maximizing Californians' confidence that institutions approved by the Bureau provide a quality education.

BPPE's Values

- Accountability
- Consumer Protection
- Effectiveness
- Quality
- Integrity
- Transparency
- Consistency

About the Advisory Committee

Role of the Committee

The Committee's role is to provide input to the Bureau Chief on matters relating to private postsecondary education and the administration of the Act. This includes reviewing the fee schedule, licensing and enforcement provisions, and advising on regulations.

Authority

Per California Education Code Section 94880:

(a) There is ***within the bureau*** a 12-member advisory committee....

(c) The advisory committee shall ***examine the oversight functions and operational policies of the bureau and advise the bureau*** with respect to matters relating to private postsecondary education and the administration of this chapter, including annually reviewing the fee schedule and the equity of the schedule relative to the way institutions are structured, and the licensing and enforcement provisions of this chapter. ***The advisory committee shall make recommendations with respect to policies, practices, and***

regulations relating to private postsecondary education, and shall provide any assistance as may be requested by the bureau.

(d) The bureau shall actively seek input from, and consult with, the advisory committee regarding the development of regulations to implement this chapter prior to the adoption, amendment, or repeal of its regulations, and provide the advisory committee with sufficient time to review and comment on those regulations. The bureau shall take into consideration and respond to all feedback provided by members of the advisory committee.

Find the full text of the Act online at http://www.bppe.ca.gov/lawsregs/ppe_act.shtml.

Purpose

The Committee advises the Bureau Chief on issues related to private postsecondary education. The Committee helps the Bureau Chief evaluate possibilities for regulating postsecondary education and visualize the “big picture” of education in California. Committee members offer unique perspectives, identify relevant issues, and suggest action, all while maintaining consumer protection as the Bureau’s top priority. Committee members should be concerned primarily with formulating advisory recommendations regarding Bureau policies, rather than recommendations concerning the means for carrying out a specific course of action. Committee members do not become involved in the details of program delivery. Strategies for the day-to-day management of programs, operations, and staff shall be the responsibility of the Bureau Chief. The Advisory Committee members assist the Bureau when they provide the statutory assistance deemed most useful to support the Bureau’s mission:

This chapter establishes the functions and responsibilities of the bureau, for the purposes of Section 6 of Chapter 635 of the Statutes of 2007. The bureau **shall regulate private postsecondary educational institutions through the powers granted, and duties imposed, by this chapter.** In exercising its powers, and performing its duties, **the protection of the public shall be the bureau’s highest priority. If protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.** (Ed. Code, § 94875.)

Bureau Advisory Committee Recommendations

As an advisory Committee, the Committee is a deliberative assembly. Even though the Committee is made up of individuals, the recommendations they provide to the Bureau are

most useful when they are collective Committee decisions as opposed to individual opinions of Committee members. Individual opinions and insight of the Committee members are useful during debate on the motions being considered. It is this “collective will” that is most helpful.

A deliberative assembly is a group of people, having or assuming freedom to act in concert, meeting to determine, in full and free discussion, courses of action to be ***taken in the name of the entire group.***

Ultimately, it is the majority taking part in the assembly who decide the general will, but only following upon the opportunity for a deliberative process of full and free discussion.” (Roberts Rules of Order Newly Revised (11th ed.), p. 1)

Roberts Rules of Order introduce the parliamentary process to this Committee and has long been recognized as a fair and expeditious way to provide a collective recommendation:

Parliamentary procedure enables the overall membership of an organization—expressing its **general will** through the assembly of its members—both to establish and empower an effective leadership as it wishes, and at the same time to retain exactly the degree of direct control over it’s affairs that it chooses to reserve to itself.”

The application of parliamentary law is the best method yet devised to enable assemblies of any size, with due regard for every member's opinion, to arrive **at the general will** on the maximum number of questions of varying complexity in a minimum amount of time and under all kinds of internal climate ranging from total harmony to hardened or impassioned division of opinion.(RONR (11th ed.), p. li-iii)

Committee Meeting Procedures

All committees, bureaus and programs under the DCA, including this Advisory Committee must meet in accordance with the provisions set forth by the Bagley-Keene Open Meeting Act. The Committee will use Robert’s Rules of Order, to the extent that it does not conflict with state law (i.e., Bagley-Keene Open Meeting Act), as a guide when conducting the meetings.

Open Meetings

The Bagley-Keene Act of 1967, officially known as the Bagley-Keene Open Meeting Act, implements a provision of the [California Constitution](#) declaring that "the meetings of public bodies and the writings of public officials and agencies shall be open to public scrutiny," and explicitly mandates open meetings for [California](#) State agencies, committees, and commissions. The Bagley-Keene Act facilitates accountability and transparency of government activities and protects the rights of citizens to participate in State government deliberations. This is similar to California's Brown Act of 1963, which provides open meeting provisions for county and local government agencies.

The Bagley-Keene Act requires the Committee to provide adequate notice of meetings to be held to the public as well as provides an opportunity for public comment on items discussed during meetings. The Bagley-Keene Act requires meetings be conducted in an open session, except where closed session is specifically noted.

Resources: [DCA's Bagley-Keene Open Meeting Act Guide](#)

Members

The California Legislature and the DCA director appoint the Committee's 12 members.

Committee Position	Appointed By
Consumer Advocate Public Member	Senate Committee on Rules
Consumer Advocate Public Member	Speaker of the Assembly
Consumer Advocate Institutional Representative (3 positions)	DCA Director
Past Student of Private Postsecondary Institution (2 positions)	DCA Director
Non-Voting, Ex Officio Member (2 positions)	Chair of the Policy Committee of the Assembly and Senate with Jurisdiction over Legislation Relating to the Bureau, or Designee Appointed by the Speaker of the Assembly and/or the Chair of the Senate Committee on Rules

Appointments

Committee appointees serve at the pleasure of the appointing authority. Individuals interested in serving on the Committee can contact the Bureau Chief for information on positions appointed by the director of the DCA or visit the DCA's [Board Member Resources webpage](#).

Schedule

The Committee meets quarterly. The Bureau announces Committee meetings on its website, www.bppe.ca.gov, prior to each meeting. Committee meetings are typically held at DCA in Sacramento, California.

Preparation for Meetings

Committee members best fulfill their role when they are prepared for meetings. To be ready for a Committee meeting, it is suggested that members:

- Read the meeting materials. Review the meeting's agenda and regulations related to the issues on the schedule and analyze any materials received.
- Review the last meeting's minutes.
- In line with consumer protection, consider how the issues at hand affect California consumers and the Bureau.
- Identify topics to discuss. Bring issues that are relevant to private postsecondary education to the attention of the Committee and the Bureau Chief.
- Prepare to overcome differences with colleagues. Each member of the Committee offers their own unique perspective—that is why they are part of the Committee. Members may not agree with everyone, but their role as a Committee member is to ensure a balance of opinions. A thought out and well-reasoned approach offers the most benefit to the Bureau and to California consumers.
- Be willing to listen to speakers who visit the meeting.
- Give consideration to new ideas.

Making a Motion at Meetings

A BAC member must make a motion to provide an advisory recommendation whenever the Advisory Committee is considering making a recommendation concerning an issue regarding private postsecondary education or any other course of action.

When making a motion, BAC members are encouraged to speak slowly and clearly. BAC members who opt to second a motion must remember to repeat the motion in question. Additionally, it is important to remember that once a motion has been made and seconded, it is inappropriate to make a second motion until the initial one has been resolved.

The basic process of a motion is as follows:

- An agenda item is presented and thoroughly discussed. Note: In some instances, a motion can be made after an item has been presented but before discussion.

- The Chair opens a forum for a BAC member to make a motion to adopt, modify, or reject the discussed item.
- A BAC member makes a motion to the Committee.
- Another BAC member seconds this motion.
- The Chair opens discussion and additional comment from BAC members.
- The Chair solicits comment from the public.
- The Chair puts forth the motion to a vote.
- The vote of each BAC member is recorded via roll call vote.
- Upon completion of the voting, the Chair will announce the result of the vote (e.g. “the motion [to submit BAC recommendation ___ to the Bureau] is adopted” or “the motion fails”).

MEMBER POLICIES AND RULES OF CONDUCT

The Committee is comprised of both public and professional members with the intention that, together, the Committee can collectively protect the public and advise the Bureau by providing Advisory recommendations that are the product of full and fair debate and compromise.

Rules of Conduct

Committee members’ actions shall serve to uphold the principle that the BAC and Bureau’s primary mission is to serve the public.

Committee members shall recognize the role and responsibilities of all BAC members.

Committee members shall adequately prepare for BAC responsibilities.

Committee members shall be responsive to the DCA and Bureau staff.

Committee members shall maintain the confidentiality of non-public documents and information.

Committee members shall be fair, nonpartisan, impartial, and unbiased in their role.

Committee members shall not use their BAC positions for personal, familial or financial gain.

Conflict of Interest

No BAC member may make, participate in making, or in any way attempt to use their official position to influence a governmental decision in which they know or have reason to know they have a financial interest. Any BAC member who has a financial interest shall disqualify themselves from making or attempting to use their official position to influence the decision. Any BAC member who feels they are entering into a situation where there is a potential for a conflict should immediately consult the Bureau's legal counsel.

Contact with Applicants and Licensees

BAC members shall not intervene on behalf of a candidate or an applicant for licensure for any reason. Nor shall they intervene on behalf of a licensee. All inquiries regarding licenses, applications, and enforcement matters should be referred to the Bureau Chief.

Resignation of Committee Members

In the event a BAC member chooses to resign, the member shall submit a letter to their appointing authority (Legislature or DCA Director) with the effective date of resignation. The resigning BAC member also needs to send a copy of this letter to the Bureau Chief.

Compensation

Committee members are volunteers and do not receive compensation for their time. Pursuant to State law Committee members do receive reimbursement for:

- Out-of-pocket expenses authorized by the volunteer coordinator; and
- Authorized travel expenses such as, but not limited to, mileage, parking, and airfare.

Member Onboarding and Training

Onboarding

As Advisory Committee members under DCA, BAC members must submit the following no later than 30 days after their swearing-in:

Oath of Office – signed and dated

Volunteer Service Agreement

Payee Data Record (STD.204)

Emergency Contact Information

Authorization to Use Privately Owned Vehicles on State Business (STD.261)

Sexual Harassment Prevention Policy Memo and Acknowledgement Form

Sexual Harassment Prevention Training Certificate of Completion (see "Required Trainings" below for more information)

Non-Discrimination Policy and Complaint Procedures Policy Memo and Acknowledgement Form

Submit all original forms to:

Bureau for Private Postsecondary Education

C/O Deputy Bureau Chief

1747 N. Market Blvd. Ste. 225

Sacramento, CA 95834

Required Trainings

As DCA advisory Committee members, BAC members must complete the following required trainings within 30 days of their swearing-in:

Bagley-Keene Open Meeting Act Training

- How to complete: The Deputy Bureau Chief will contact new members on how to complete this training.

Sexual Harassment Prevention Training

- Background: To ensure compliance with Assembly Bill 1825 (Chapter 933, Statutes of 2004), all DCA advisory committee members are required to complete Sexual Harassment Prevention Training every two years.

- How to complete: The training is online and takes approximately two hours to complete. Access the training here: <http://solid.dca.ca.gov/training.html>.

Ethics Training

- How to complete: The training is online and takes approximately 90 minutes to complete. Access the training here: <https://oag.ca.gov/ethics/course>.

Committee Leadership and Subcommittees

Committee Leadership

The BAC shall elect from its members a Chair and Vice Chair to hold office for one year. The Chair and Vice Chair can be elected by BAC members for an unlimited number of terms.

If an office becomes vacant during the year, an election shall be held at the next meeting. Elected officers shall then serve the remainder of the term.

Leadership Roles and Responsibilities

Chair

- **Committee Business:** Conducts the BAC's business in a professional manner and with appropriate transparency. At meetings, shall use Roberts Rules of Order as a guide and shall adhere to the provisions of the Open Meeting Act. Presides at BAC meetings.
- **Committee Meeting Agendas:** Develops agendas for meetings in coordination with the Bureau Chief.
- **Committee Vote:** Conducts roll call vote.
- **Committee Affairs:** Ensures that BAC matters are handled properly, including responsibilities, tasks, and orientation of new members.

- Subcommittees: Establishes subcommittees, as necessary, including standing and special subcommittees. Provides guidance to the Vice Chair regarding their roles and responsibilities.

Vice Chair

- Committee Business: Performs all the duties and responsibilities of the Chair when the Chair is absent.
- Subcommittees: Seeks volunteers for subcommittees and coordinates individual BAC member assignments, in consultation with the Chair. Ensures each subcommittee has a chairperson, and coordinates with the subcommittee chairs to ensure their responsibilities and tasks are carried out.

Subcommittees

The Chair and Vice Chair will provide leadership and guidance over subcommittees, including the establishment of standing and special subcommittees as necessary. The Vice Chair, in consultation with the Chair, shall seek volunteers for subcommittees, coordinate individual BAC member assignments, and determine the composition of the subcommittees. In determining the composition of each subcommittee, the Vice Chair shall solicit interest from the BAC members during a public meeting. Appointment of non-BAC members to a subcommittee is subject to the approval of the vote by the BAC and Bureau Chief consent.

Applicable Statutes and Regulations

Bagley-Keene Open Meeting Act

Committee meetings must comply with the rules of the Bagley-Keene Open Meeting Act. The following are the Bagley-Keene Open Meeting Act's key points, as set out in the Government Code (GC):

- Committee meetings are open to the public, including meetings conducted as a teleconference (GC section 11123).
- The Bureau must notify the public of Committee meetings at least 10 days before the meeting. The notice must include a meeting agenda (GC section 11125.5).

For more information about the Bagley-Keene Open Meeting Act, read the *Guide to the Bagley-Keene Open Meeting Act* at http://www.dca.ca.gov/publications/bagleykeene_meetingact.pdf.

The full text of the Open Meeting Act is available online at <http://leginfo.legislature.ca.gov/>. It is contained in the Government Code, sections 11120 - 11132.

Private Postsecondary Education Act of 2009

The Private Postsecondary Education Act of 2009 establishes the Bureau and sets forth laws that private postsecondary institutions must follow. It is found in the California Education Code, Title 3, Division 10, Part 59, Chapter 9. It is also available online at http://www.bppe.ca.gov/lawsregs/ppe_act.shtml.

California Code of Regulations

Title 5, Division 7.5 of the California Code of Regulations (CCR) contains the regulations promulgated by the Bureau to regulate the administration of the Private Postsecondary Education Act of 2009. This section of the CCR is available online at <http://www.bppe.ca.gov/lawsregs/regs.shtml>.

Robert's Rules of Order

The Eleventh edition, referred to as *Robert's Rules of Order Newly Revised* ([RONR](http://www.RONR.org)), supersedes all earlier editions as the parliamentary authority in organizations that have adopted *Robert's Rules of Order*. More information from the Official Website of Roberts Rules of Order can be found at: <https://www.robertsrules.com/default.html>.

FUTURE AGENDA ITEMS

ADJOURNMENT