



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

Wednesday, May 24, 2023, 9:30 a.m.

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

INSTRUCTIONS FOR OBSERVATION:

WEBCAST: Webcast of the meeting will be available at 9:30 a.m. on May 24, 2023 and viewable at <https://thedcapage.blog/webcasts>.

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Event Number: 2480 402 4701

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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.

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

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. 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))
3. Review and Approval of February 16, 2023, Advisory Committee Meeting Minutes
4. Remarks by a Representative of the Department of Consumer Affairs, which may include updates pertaining to the Bureau's Operations, Human Resources, Department's Administrative Services, Enforcement, Information Technology, Communications and Outreach, as well as Regulatory and Policy Matters
5. Bureau Operations Update and Discussion related to the following:
 - a. IT System Project
 - b. Licensing Report
 - c. Quality of Education Report
 - d. Annual Report Update
 - e. Compliance and Discipline Report
 - f. Complaint and Investigation Report
 - g. Office of Student Assistance and Relief (OSAR) Report
 - h. Student Tuition Recovery Fund (STRF) Report

6. Status Updates and Discussion on Regulatory Proposals
 - a. Identifying Date of Closure (Title 5 California Code of Regulation (5 CCR) sections 76240 and 76245, California Education Code (CEC) section 94926.5, Senate Bill (SB) 1433 (2022))
 - b. Regulatory Changes to Address Conflicts Related to Approval of Public Institutions (5 CCR section 75020, CEC section 94949.8, SB 1433 (2022))
 - c. Proposed Changes to Application Signature Requirements (various regulatory sections)
7. Update on Verifying the Exempt Status of Private Postsecondary Educational Institutions
8. Future Agenda Items
9. Adjournment

1. Welcome, Introductions, and Establishment of a Quorum

Members:

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



2. 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))



3. Review and Approval of
February 16, 2023, Advisory
Committee Meeting Minutes





Advisory Committee Meeting Minutes Thursday, February 16, 2023

WebEx Meeting

Advisory Committee Members in Attendance

1. Kansen Chu
2. Melanie Delgado
3. Tess Dubois-Carey
4. Leigh Ferrin
5. Joseph Holt
6. Robert Boykin
7. Kevin Powers
8. Margaret Reiter

Committee Members Absent

Senator Richard Roth

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

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

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

Committee Chair, Joseph Hot called the meeting to order.

Agenda #2 - Elections for Advisory Committee Chair and Vice Chair

Tess Dubois-Carey nominated Joseph Holt for Chair.

Margaret Reiter nominated Leigh Ferrin for Vice Chair.

Public Comment

No Public Comment.

Vote for Mr. Holt as Chair

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

Vote for Ms. Ferrin as Vice Chair

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

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

No Public Comment.

Agenda #4 - Review and Approval of November 16, 2022, Advisory Committee Meeting Minutes

Ms. Reiter moved to approve the November 16, 2022, meeting minutes; Ms. Dubois-Carey seconded the motion.

Public Comment

No Public Comment.

Vote

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

Agenda #5 - Remarks by Representative of the Department of Consumer Affairs

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

Ms. Gear stated that all DCA employees and board/committee members will need to complete the sexual harassment prevention training this year. She noted that the training is available on the DCA Learning Management System (LMS).

Ms. Gear reported that it is unclear what the outcome will be regarding our ability to continue hybrid or virtual meetings. She added there is no additional information to share but will provide updates and guidance as soon as it becomes available.

Mr. Holt asked who will make the decision regarding the future of holding virtual meetings and asked when a decision can be expected. Ms. Gear replied that it is a legislative decision that would need to go through a legislative process. She stated there are no definitive details on if or when a decision will be made. Mr. Holt asked if no decision is made will meetings have to be held in person after June 2023. Ms. Gear confirmed that will be the case.

Public Comment

No public comment.

Agenda #6 – Bureau Operations Update and Discussion

Update on the Bureau’s IT System Project

Jeff Alameida, DCA IT Project Manager, provided an update on the Bureau’s IT system project. He explained that he took over the project from former Project Director Sean O’Connor. He added that Mr. O’Connor is still assisting with strategy and implementation of the new system.

Mr. Alameida reported that, in quarter four of 2022, the team prioritized and resolved production type issues that were being repeated in the end user environment.

Mr. Alameida explained that the team is currently working to prioritize the remaining project scope to monitor, manage, and develop items more efficiently. He continued that the online processes for Student Tuition Recovery Fund (STRF) claim submissions and review will move

into production in the Spring. He added that the final round of data conversion of STRF claims from the legacy system will begin next week with user acceptance testing.

Mr. Alameida referenced the PowerPoint slide provided in the meeting packet covering the improved online institution search functionality.

Ms. Ferrin asked if the search results will include a description of the category types. Mr. O'Connor stated that some sort of hover-over function providing a definition of categories can be implemented. Ms. Reiter commented that it would be helpful if categories are labeled in a straightforward way to reduce the need for definitions. Mr. O'Connor noted that the team worked with subject matter experts to determine the most effective and simplified way to list information. He added that feedback is welcome and can be taken back to subject matter experts to reevaluate how categories are displayed.

Ms. Reiter suggested reviewing the order of details on the school detail page to ensure the information students are most interested in is listed at the top of the page.

Mr. Holt asked if Committee members could participate in the user acceptance testing for the school search function. Mr. O'Connor stated it may be possible to enable members to participate as external stakeholders in the testing, and that feedback is welcome even after the feature goes live.

Ms. Reiter suggested adding language clarifying that the school function search on the website is only for private postsecondary schools approved by the Bureau. She added it could be helpful to provide links to websites that provide information on other categories of schools. Ms. Reiter further suggested including students and people who work with students in the external stakeholder group providing feedback on the school search function.

Public Comment

One member of the public provided a comment.

Licensing Report

Ebony Santee, Bureau Education Administrator, reported on the Licensing Unit. She outlined Attachment 6(b).

Mr. Holt asked if any progress has been made on tracking the time an application is pending due to further action being required by a school and how much time it is pending with Bureau staff. Ms. Santee responded that staff is working on tracking and reporting on that data point.

Ms. Reiter requested that a future licensing report show the number of approved institutions over the past few years.

Public Comment

One member of the public provided a comment.

Quality of Education Report

Ms. Santee reported on the Quality of Education Unit. She outlined Attachment 6(c).

Public Comment

Two members of the public provided a comment.

Annual Report (AR) Report

Elizabeth Elias, Bureau Enforcement Chief, reported on the Annual Report (AR) Unit. She outlined Attachment 6(d).

Mr. Holt asked if staff have received any feedback from schools regarding the mechanism for submitting annual reports online. Ms. Elias responded that there is sometimes an issue with heavy traffic on the portal due to several schools waiting until the last minute to submit the report. Ms. Elias noted an increase in staff who can assist when an institution gets locked out of the portal.

Mr. Holt asked about staff addressing non-submittals of the annual report. Ms. Elias commented that staff is currently working on identifying schools that have not submitted the annual report and will follow up when applicable with a citation for failure to submit.

Public Comment

No public comment.

Compliance and Discipline Report

Ms. Elias reported on the Compliance and Discipline Unit. She outlined Attachment 6(e).

Ms. Reiter requested an ongoing summary report on what schools were recently inspected and an overview of inspection results. Ms. Elias responded that staff is currently working on a similar report for disciplinary actions and will consider that feedback.

Mr. Holt requested a future report, like the OSAR reports on workshops, to include summary information on the compliance workshops and the dates workshops were conducted.

Ms. Reiter suggested that when a case with the Attorney General's (AG) office becomes public then the institution could be named in the Bureau's reporting of that case. Ms. Elias stated that staff is in the final stages of publishing a monthly summary online including all disciplinary actions, pending citations, and any other disciplinary action taken by the Bureau.

Mr. Holt asked who is involved in prioritizing enforcement cases based on risk of student harm. Ms. Elias responded that she works in coordination with the Bureau Chief, the other Enforcement Chief, and legal counsel.

Public Comment

No public comment.

Complaint and Investigation Report

Daniel Rangel, Bureau Enforcement Chief over complaints and investigations, reported on the Complaint and Investigation Unit. He outlined Attachment 6(f).

Ms. Reiter asked if it would be possible to add in the report a discipline referral category for inaccurate school performance fact sheets. Mr. Rangel stated that complaints often fall within multiple categories and staff continue to discuss how to best categorize for reporting. Ms. Reiter suggested categorizing complaints based on the violations identified in the referral as opposed to categorizing complaints based on the initial complaint.

Ms. Reiter asked how complaints involving income sharing agreements are being handled. She stated that a contract that is deemed unlawful is typically considered void meaning the institution would not be able to collect anything from the student. Mr. Rangel stated he would take that question back to staff to research.

Public Comment

One member of the public provided a comment.

Office of Student Assistance and Relief (OSAR) Report

Scott Valverde, OSAR Chief, reported on the OSAR Unit. He outlined Attachment 6(g).

Ms. Ferrin asked if OSAR staff collaborate with local legal aid organizations in conjunction with outreach events. Mr. Valverde stated that collaboration with legal aid organizations is part of outreach development procedures.

Public Comment

No public comment.

Student Tuition Recovery Fund (STRF) Report

Yvette Johnson, Bureau Administration Chief, provided a report on STRF. She covered Attachment 6(h).

Ms. Reiter asked what the average time is for determining the outcome of a claim. Ms. Johnson stated that staff is working on that statistic.

Public Comment

No public comment.

Agenda Item #7 - Status Update and Discussion related to the following Regulatory Matters

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

Public Comment

No public comment.

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

Mr. Dumble outlined the proposed language on page 92 of the meeting packet.

Memo: Institutional Closures and Senate Bill 1433

Mr. Valverde covered the memo titled Institutional Closures and Senate Bill 1433 in the meeting packet.

Mr. Holt expressed concern over the language about having a closure plan signed under penalty of perjury. He commented that a closure plan is based on expected future actions. He asked how a perjury standard could be applied to something that was intended to happen one way but ended up happening another way.

Mr. Holt also expressed concern over the language about the Bureau's discretion to independently determine whether an institution is closed if the institution fails to submit a timely renewal application. He noted a need to identify an institution as closed when an institution has not corresponded with the Bureau over an extremely long period of time.

Ms. Reiter suggested adding "in accordance with federal regulations" to the language in 76240(4)(B).

Ms. Reiter suggested changing the proposed language in 76245(a) from saying "has ceased operating" to "has ceased offering educational programs." She added that the language should more specifically point to the last day of instruction as opposed to ceasing operations.

Ms. Reiter commented that the time frames set in 76245(b) are critical for people who might qualify for a discharge or refund. She continued that if an institution does not respond to the notice that is sent regarding closure, then the date the notice is sent should be considered the date of closure.

Ms. Reiter stated that the language in 76245(c), regarding the failure to submit a renewal application, seems reasonable given an institution receives multiple renewal notices. Mr. Holt suggested looking at instances of institutions submitting a late renewal application over the past five years then consider if all those institutions had been closed. Mr. Dumble clarified that the intention is to not immediately close an institution if an institution fails to submit a renewal application but rather trigger a closed school investigation. Mr. Holt suggested adding that clarification in the language. Ms. Cochrane noted that the Bureau sends multiple renewal notices to institutions prior to the expiration of approval.

Mr. Valverde asked the Committee for feedback on defining "school closure." Mr. Holt commented that the Department of Education and accreditors do not consider a school closed if the school restructures and/or moves operations to another state. Ms. Reiter asked why a school closure status is needed for an institution that reorganizes or moves out of state. Mr. Valverde responded that an institution that moves out of state or reorganizes has many of the same impacts on students as a closure, such as access to student records and the student's ability to continue in the educational program. Ms. Reiter stated that an institution would either need an accreditor's approval or the Bureau's approval to make a substantive change but added that an institution that no longer intends to operate under the Bureau's jurisdiction may not abide by substantive change rules. She noted that there is a need for a process to address the issue but is not sure how it would be a school closure.

Mr. Holt indicated support for the current definition of an "authorized school representative." Ms. Reiter commented that 75010(c) only states who may receive a notice to comply from the Bureau. She pointed out that 71160 defines an "institution representative." She suggested requiring institutions to maintain and provide the Bureau with a current list of institution

representatives and only individuals on that list would be authorized to give notice of school closure.

Ms. Ferrin commented on defining the closure date. She agreed with Ms. Reiter's point that if an institution fails to respond to a notice of closure, then the date of closure should be the date the notice was sent out. Mr. Holt indicated support for setting the closure date as the date of the notice if the school does not respond. Ms. Reiter added that if a school stopped offering classes before the notice was sent out, then there could be some language clarifying that the date of closure would be backdated to when the school stopped offering classes. Mr. Holt noted that some schools go periods of time without offering classes but are recruiting students for future classes.

Mr. Valverde asked the Committee for feedback on what factors to consider when determining whether a school is closed. Mr. Holt indicated support for the current list of factors. Ms. Reiter suggested considering "other reliable sources" or "other sources the Bureau considers reliable."

Mr. Valverde asked the Committee for feedback on instances when an institution gives a closure that is inconsistent with reliable facts and/or harmful to students. Ms. Reiter pointed out that if an institution gives an inaccurate closure date, then the school would be in violation of CEC 94897 (Prohibited Business Practices). Ms. Ferrin suggested adding "which shall be the last date of instruction" to the end of the proposed language 76245(a)(2).

Public Comment

No public comment.

Agenda #8 – Suggestions for Future Agenda Items

Ms. Reiter suggested a discussion on the efficacy of highlighting and promoting school performance fact sheets to students.

Ms. Reiter requested analytics on the type of traffic occurring on the Bureau website.

Public Comment

No public comment.

Agenda #9 – Adjournment

The meeting adjourned at 1:28 pm

4. Remarks By A Representative Of The Department Of Consumer Affairs

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



5. Bureau Operations Update and Discussion related to the following:

- a. IT System Project
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IT System Project





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

BPPE STRF Claims

- Advisory Committee Meeting – May 24, 2023



STRF User Portal

User Login page

STRF Claims User portal:

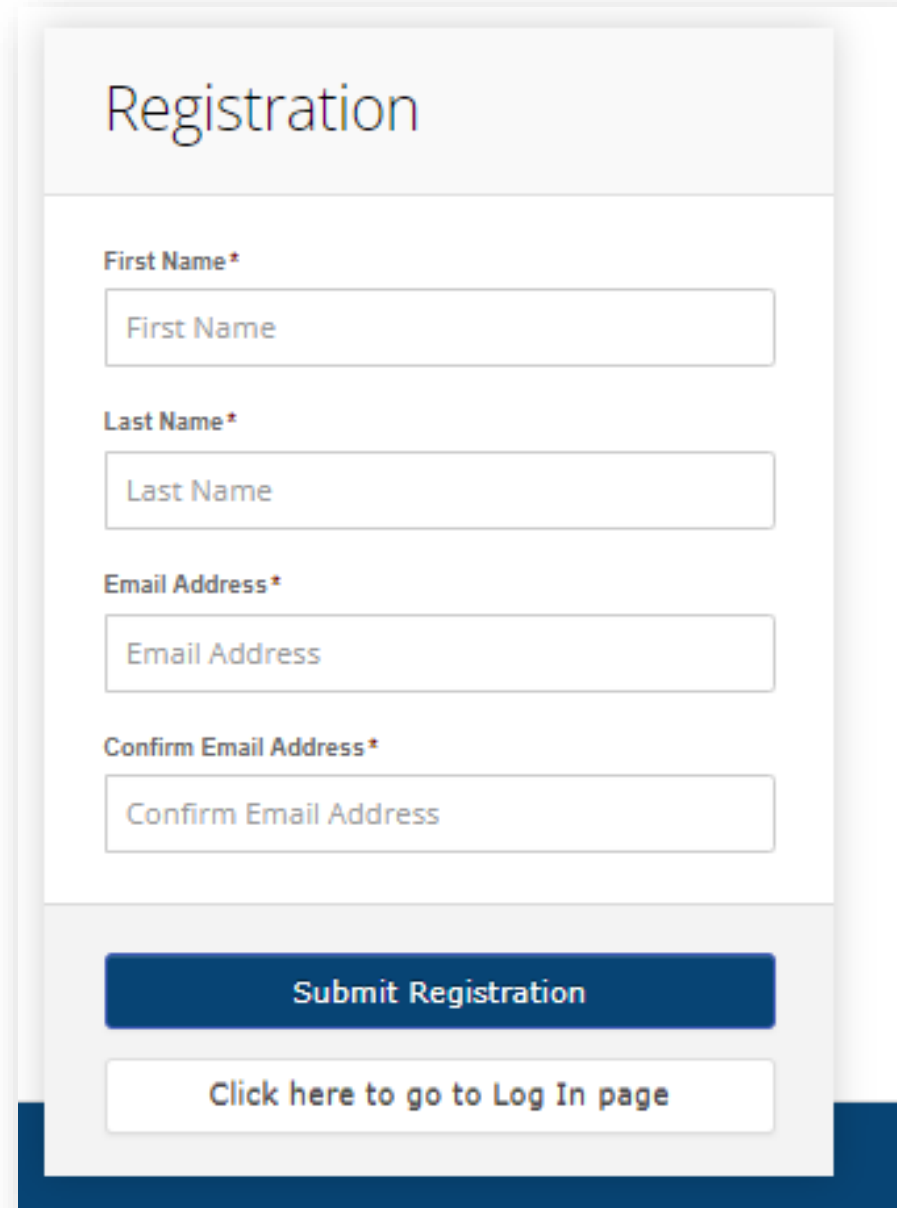
<https://connect.bppe.ca.gov/#/User/LoginSTRF>

A screenshot of a web portal for Student Tuition Recovery Fund Claim Registration. The page has a white background with a blue header and footer. The main content area is white and contains the following elements:

- Header:** "Student Tuition Recovery Fund Claim Registration" in a blue, sans-serif font.
- Text:** "This is an online application for submission of a Student Tuition Recovery Fund (STRF) Claim. You must Register before you can log in. Please [Click Here](#) or click on the button below "Click here to Register"" in a red font.
- Text:** "The Online STRF Application Process requires the completion of a one-time registration. This will provide you with username, which will be the email address used during registration and password for log in. Click on button "Click here to Register" for one-time registration, enter all required information and click on button "Submit Registration". You will receive a temporary password in email and you will need to change your password before you can log in. Please contact BPPE if you have any questions or experience any issues with the registration or renewal process." in a black font.
- Form Fields:** Two input fields: "User Name (Email)" and "Password".
- Links:** A blue link labeled "Forgot password?".
- Buttons:** A dark blue button labeled "Log In" and a white button with a blue border labeled "Click here to Register".

STRF User Portal

- After submitting their Registration, a user will be emailed a temporary password
- Users will be prompted to create a new password the first time they log in



The image shows a registration form titled "Registration". It contains four input fields, each with a label and an asterisk indicating it is required: "First Name*", "Last Name*", "Email Address*", and "Confirm Email Address*". Below the input fields are two buttons: a dark blue button labeled "Submit Registration" and a white button with a dark blue border labeled "Click here to go to Log In page".

Registration

First Name*

Last Name*

Email Address*

Confirm Email Address*

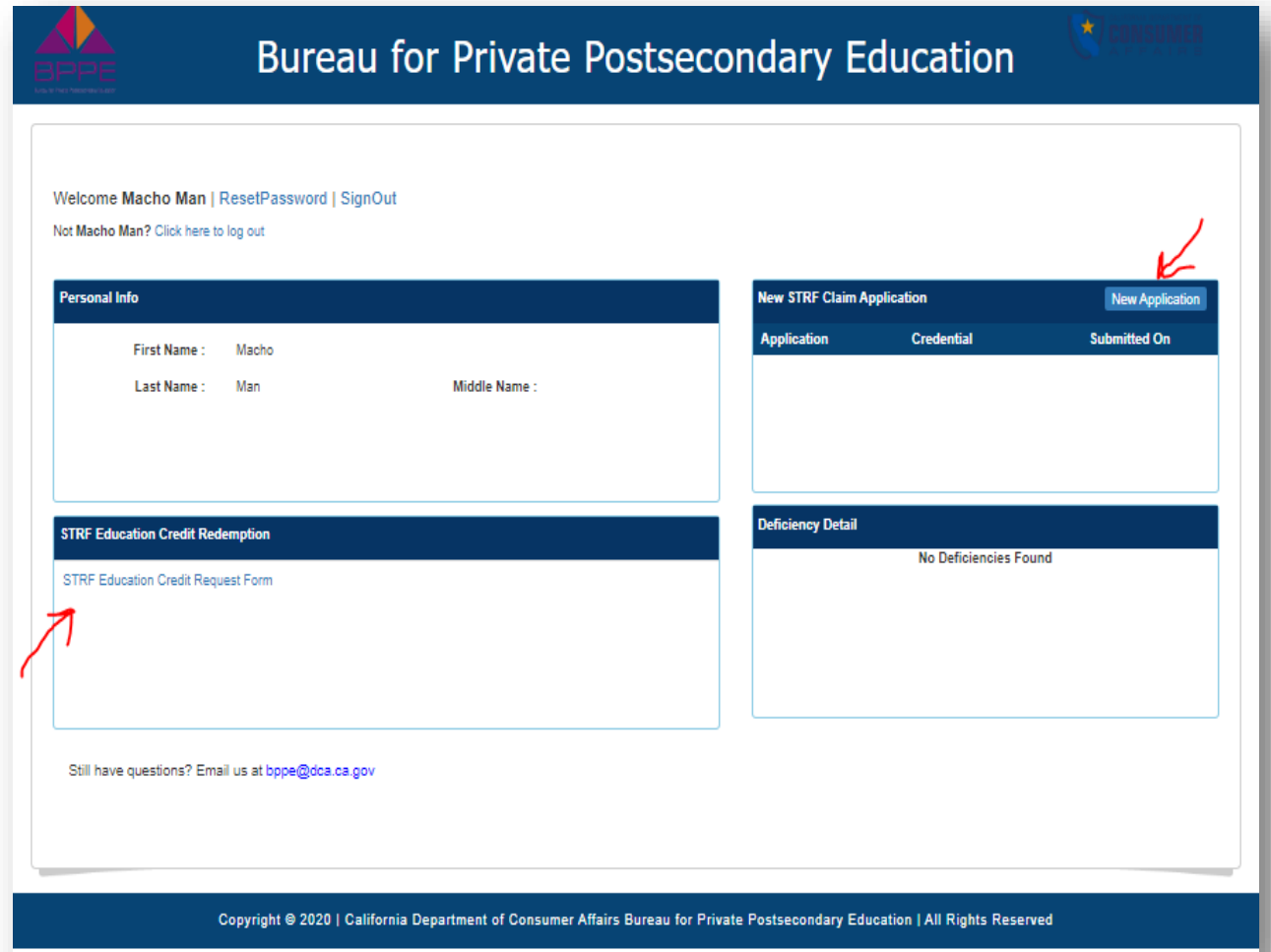
Submit Registration

[Click here to go to Log In page](#)

STRF User Portal

- User Dashboard
- To submit a claim a student can click the NEW APPLICATION button
- To complete an Educational Credit Request form, a student can click the link of the same name*

*Note: Staff have requested that the Educational Credit Request form *only* show when a student has an Educational Credit. This will be updated in a future release



Bureau for Private Postsecondary Education

Welcome **Macho Man** | [ResetPassword](#) | [SignOut](#)
Not Macho Man? [Click here to log out](#)

Personal Info

First Name : Macho
Last Name : Man Middle Name :

STRF Education Credit Redemption

[STRF Education Credit Request Form](#)

New STRF Claim Application [New Application](#)

Application	Credential	Submitted On
-------------	------------	--------------

Deficiency Detail

No Deficiencies Found

Still have questions? Email us at bppe@dca.ca.gov

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STRF User Portal

- After submitting a claim, the student will receive an email confirmation.
- The dashboard will be updated to show the in-process claim.
- Students can click the link to add additional details and documentation.

The screenshot shows the user portal interface for the Bureau for Private Postsecondary Education. The user is logged in as 'Macho Man'. The dashboard includes a 'Personal Info' section with fields for First Name (Macho), Last Name (Man), and Middle Name. A 'New STRF Claim Application' section features a table with one entry: 'Student Tuition Recovery Fund - Claim' submitted on 04/07/2023. A 'STRF Education Credit Redemption' section contains a link to the 'STRF Education Credit Request Form'. A 'Deficiency Detail' section shows 'No Deficiencies Found'. A footer contains copyright information for 2020.

BPPE Bureau for Private Postsecondary Education

Welcome **Macho Man** | [ResetPassword](#) | [SignOut](#)
Not Macho Man? [Click here to log out](#)

Personal Info

First Name : Macho
Last Name : Man Middle Name :

New STRF Claim Application [New Application](#)

Application	Credential	Submitted On
Student Tuition Recovery Fund - Claim		04/07/2023

STRF Education Credit Redemption

[STRF Education Credit Request Form](#)

Deficiency Detail

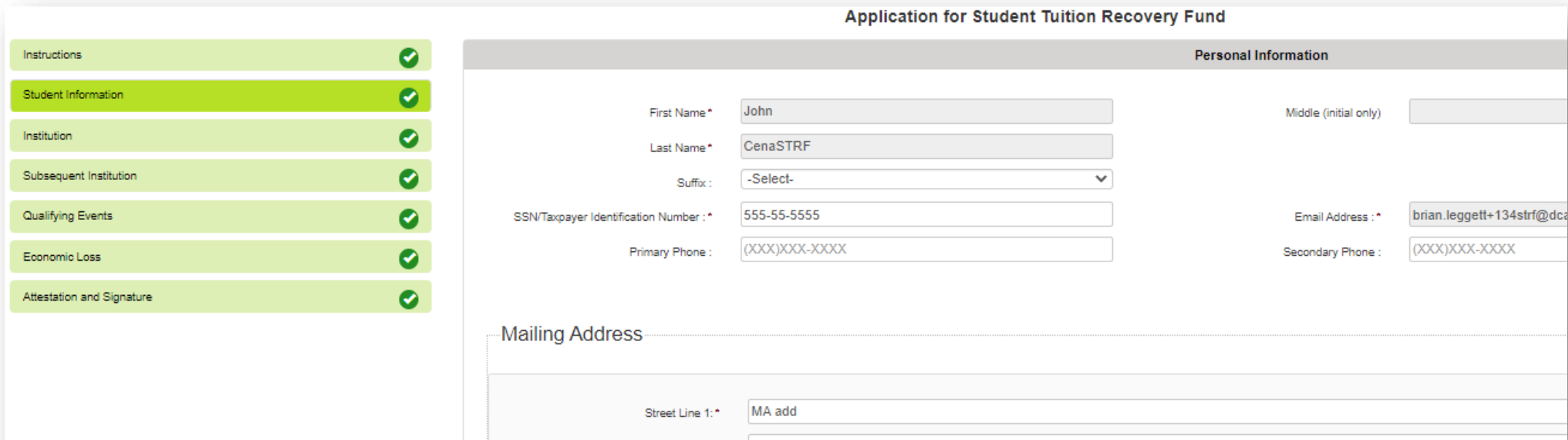
No Deficiencies Found

Still have questions? Email us at bppe@dca.ca.gov

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STRF Application

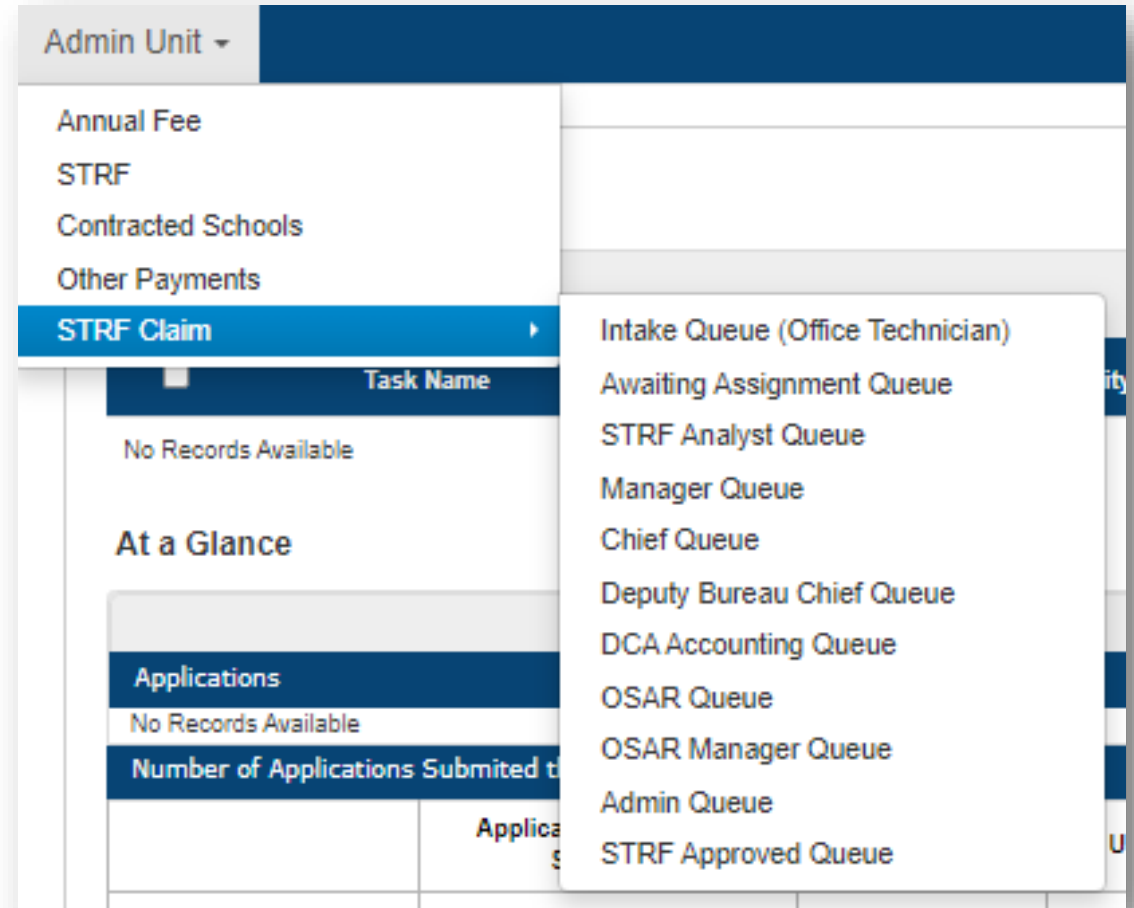
- Online Application
 - Application data is grouped in “Tabs” along the left hand side
 - The Tabs are based on sections of the paper application for ease of use
 - Allows staff to gather necessary information by making certain fields **required**
 - While allowing other fields to remain **optional** as students gather information for their claim



The screenshot displays the 'Application for Student Tuition Recovery Fund' web interface. On the left, a vertical navigation menu contains seven tabs, each with a green checkmark: 'Instructions', 'Student Information', 'Institution', 'Subsequent Institution', 'Qualifying Events', 'Economic Loss', and 'Attestation and Signature'. The 'Student Information' tab is currently selected. The main content area is titled 'Personal Information' and contains several input fields: 'First Name *' (John), 'Last Name *' (CenaSTRF), 'Suffix :' (-Select-), 'SSN/Taxpayer Identification Number : *' (555-55-5555), 'Primary Phone :' ((XXX)XXX-XXXX), 'Middle (initial only)', 'Email Address : *' (brian.leggett+134strf@dca), and 'Secondary Phone :' ((XXX)XXX-XXXX). Below this, a 'Mailing Address' section is partially visible, showing a 'Street Line 1 : *' field with the value 'MA add'.

STRF Backoffice Processing

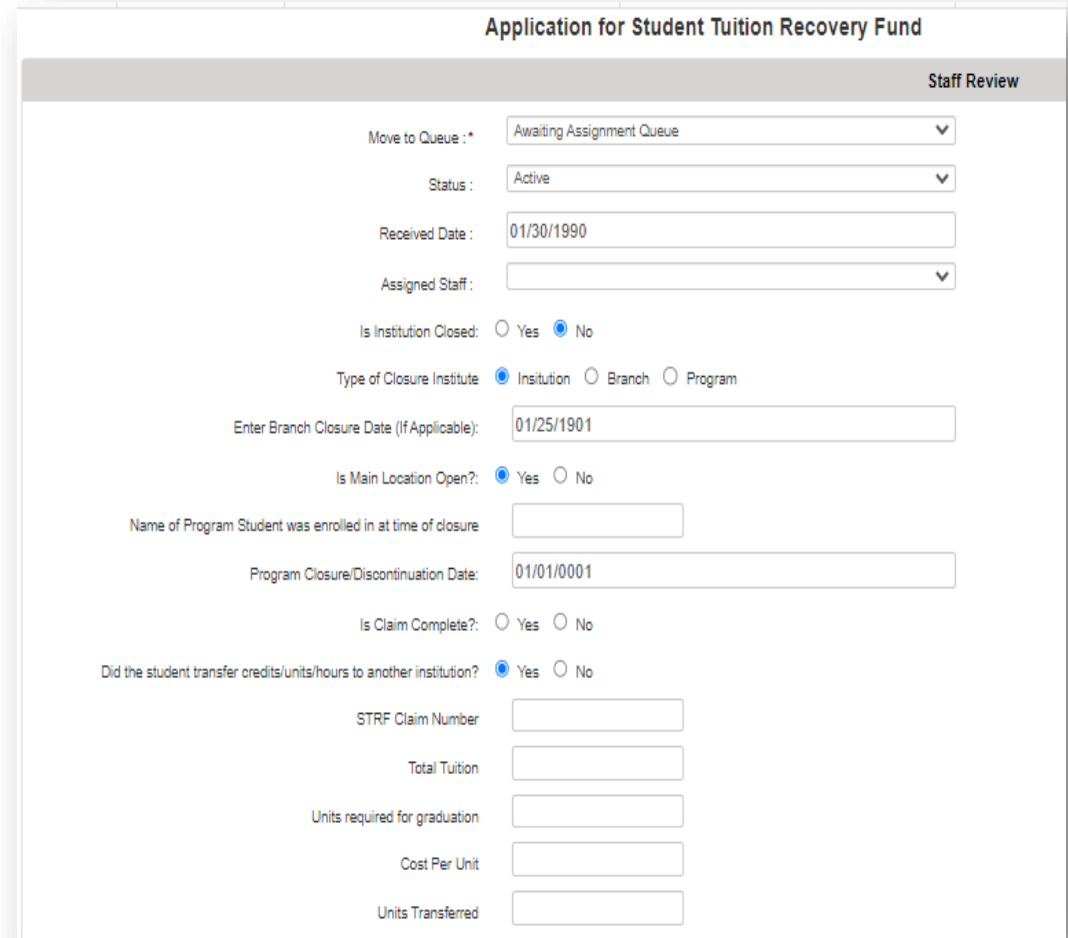
- Workflow Queues:
- STRF Claims queues are located in the Admin Unit module
- The workflow queues allow for organization and efficient processing of claims



The screenshot displays the 'Admin Unit' dropdown menu with the following options: Annual Fee, STRF, Contracted Schools, Other Payments, and STRF Claim. The 'STRF Claim' option is selected, revealing a list of workflow queues: Intake Queue (Office Technician), Awaiting Assignment Queue, STRF Analyst Queue, Manager Queue, Chief Queue, Deputy Bureau Chief Queue, DCA Accounting Queue, OSAR Queue, OSAR Manager Queue, Admin Queue, and STRF Approved Queue. Below the dropdown, a table with the header 'Task Name' shows 'No Records Available'. An 'At a Glance' section includes a bar chart for 'Applications' (No Records Available) and a table for 'Number of Applications Submitted to'.

STRF Backoffice Processing

- The Staff Review tab allows staff to add detail to the claim to allow processing, review, and determination of the claim
- Only BPPE Staff will be able to see this tab.
- Connect has integrated previously external worksheets into the Staff Review tab for streamlined processing.



Application for Student Tuition Recovery Fund

Staff Review

Move to Queue : *

Status :

Received Date :

Assigned Staff :

Is Institution Closed: Yes No

Type of Closure Institute Institution Branch Program

Enter Branch Closure Date (If Applicable):

Is Main Location Open?: Yes No

Name of Program Student was enrolled in at time of closure

Program Closure/Discontinuation Date:

Is Claim Complete?: Yes No

Did the student transfer credits/units/hours to another institution? Yes No

STRF Claim Number

Total Tuition

Units required for graduation

Cost Per Unit

Units Transferred

Licensing Statistics

Q3, FY 2022-23

Bureau for Private Postsecondary Education
Advisory Committee Meeting
May 24, 2023



FY 2022/23 Q3 LICENSE APPLICATIONS - SUMMARY

License	Received FY 22/23	Pending Assignment (Queue)	Under Review	Total Pending	Approved	Withdrawn or Abandoned	Denied	Total Closed	Average Days to Approve ^a
New Full Approval	25	14	40	54	29	5	1	35	556
New Acc Approval	34	0	14	14	17	2	3	22	103
Renewal Full	47	0	59	59	41	4	10	55	346
Renewal Accredited	71	0	*45	45	56	4	3	63	178
Changes Full	115	0	58	58	67	36	6	109	125
Changes Accredited	132	0	21	21	117	10	1	128	65
Verification of Exemption	200	0	29	29	114	2	73	189	39
Out of State Registration	32	0	2	2	28	2	5	35	28
Totals	656	14	268	282	469	65	102	636	

^a Average Days to Approve is calculated from time assigned to analyst.

* 32 applications pending new term of accreditation.

FY 2022/23 Q3 LICENSE APPLICATIONS – SUMMARY (continued)

Oldest Pending Full Applications (as of 4/27/2023)		
Oldest Full Apps in Queue:	7/18/2022	#35537 Application incomplete
Oldest Full Apps Under Review:	6/30/2020	App # 33367
Oldest Renewal Full Apps Under Review:	1/16/2020	App #32940
Median Date of Full Apps in Queue:	1/4/2023	

FY 2022/23 Q3 Statewide Population by Location Type & Approval Type

Location Type for Approval to Operate	Main	Branch	Satellite	Total
	961	362	512	1835

Approval Types Population	ABMA (Accredited)	Full (Non-Accredited)	Conditional ^a	Provisional ^b	Out of State Registration
	421	506	0	35	93

^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 Code of Regulations section 71400(d)(1)).

^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.

Licensing Workshops

- The Bureau offers online, interactive Licensing Workshops for Institutions to help them understand how to complete a first-time applications.
- Institutions may register on the Bureau's website:
https://www.bppe.ca.gov/schools/application_workshops.shtml
- Upcoming Workshops
 - June 20, 2023
 - July 18, 2023
 - August 22, 2023

Q3 Workshop Date	Location	Registrants
January 24, 2023	WebEx - Virtual	17
February 21, 2023	WebEx - Virtual	24
March 21, 2023	WebEx - Virtual	15

Submit questions and/or comments to:

Ebony Santee

Bureau for Private Postsecondary Education

1747 N. Market Blvd, Suite 225

Sacramento, CA 95834

(279)-895-6081

Ebony.Santee@dca.ca.gov

QEU Statistics on Accreditation Tracking

(through March 31, 2023)

Bureau for Private Postsecondary Education
Advisory Committee Meeting
May 24, 2023



Status of 1247 Institutions: CEC 94885.1 Schools

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

Outcome	Institution Count
Accredited	46
Closed or Approval Expired	49
Exempt	19
On Approved Extension	2
Surrendered Degrees	22
Suspended Degrees	4
Total	142

Status of 1247 Institutions: CEC 94885.5 Schools (Provisionally Approved for Degree Programs Since January 1, 2015)

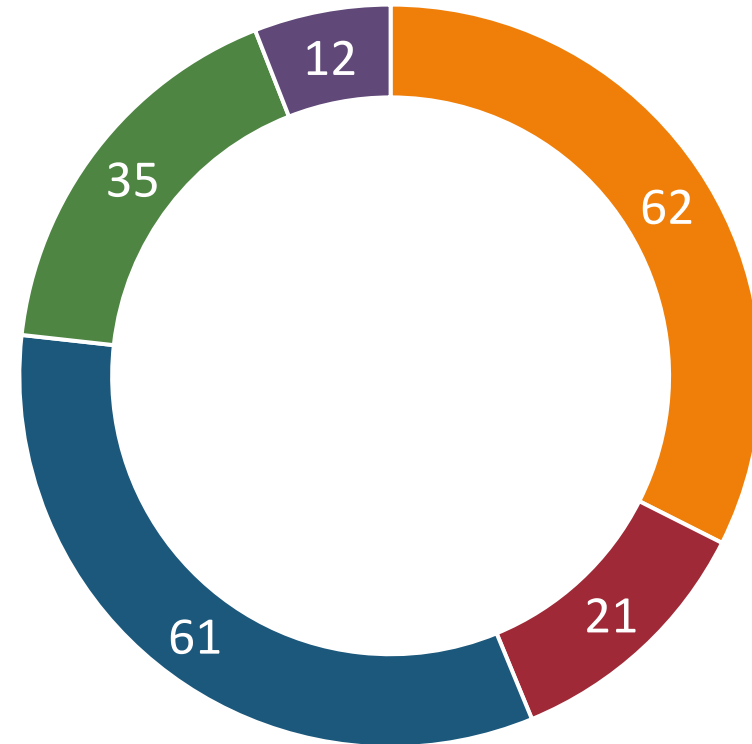
Outcome	Institution Count
Accredited	16
Closed or Approval Expired	12
Exempt	2
Surrendered Degrees	13
Suspended Degrees	8
Pursing Accreditation	35
Total	86

Outcomes of SB 1247 Institutions

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

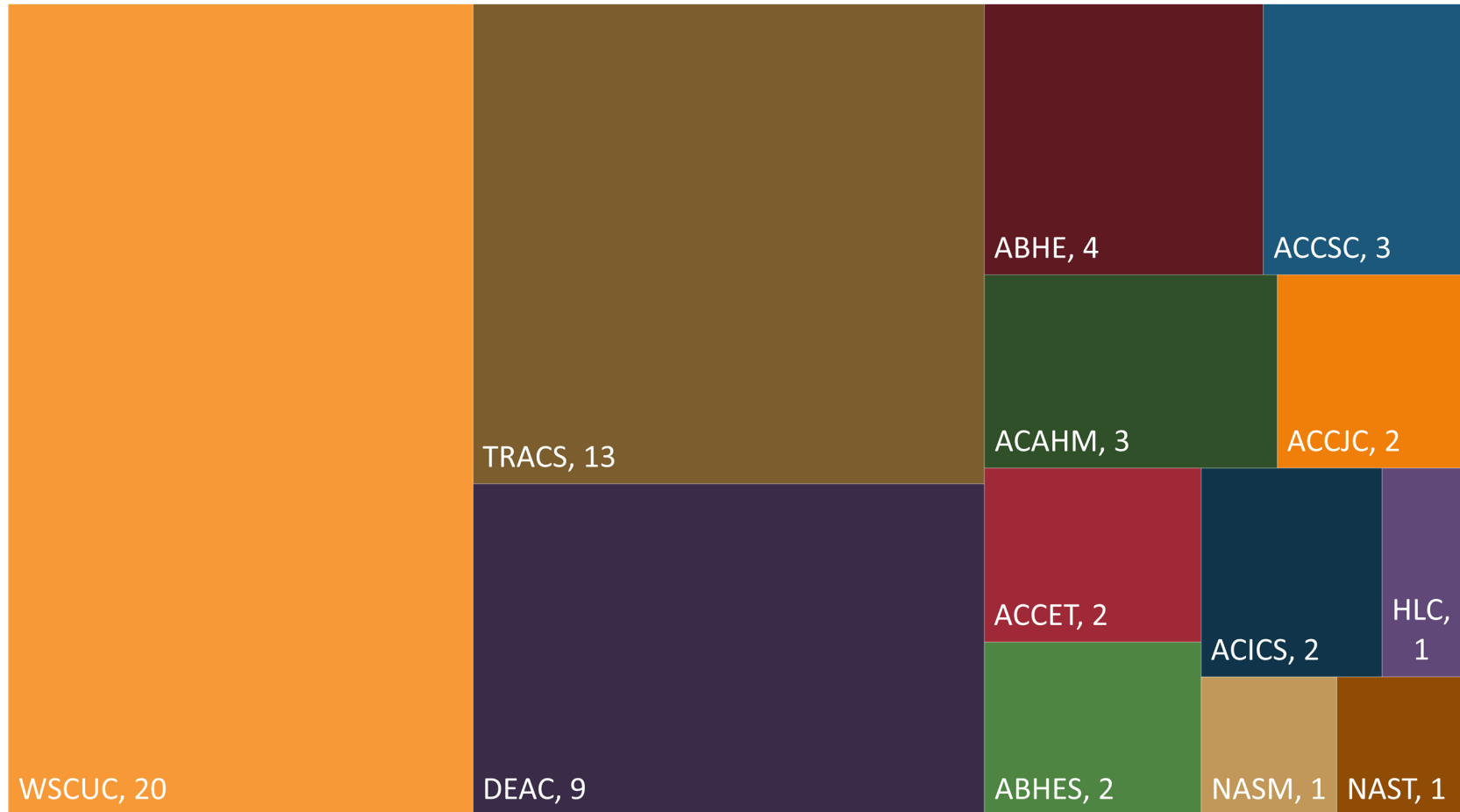
Total Institution Count: 191

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



Accreditors of Successful SB 1247 Institutions

Includes CEC 94885.1 and CEC 94885.5 institutions that obtained accreditation (62 in total)



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

Submit questions and/or comments to:

Ebony Santee

Bureau for Private Postsecondary Education

1747 N. Market Blvd, Suite 225

Sacramento, CA 95834

(279)-895-6081

Ebony.Santee@dca.ca.gov

Annual Report Update

Bureau for Private Postsecondary Education
Advisory Committee Meeting
May 24, 2023



2022 Annual Report

- Due – December 1, 2023
- Report Submission Must Include
 - PORTAL
 - Annual Report
 - School Performance Fact Sheets
 - 2022 Catalog
 - Enrollment Agreements
 - Graduate Identification Data
 - MAIL – HARD COPY
 - Financial Statements

Annual Report Portal - Submission Progress

Updated data as of 5/3/2023

Annual Report Reporting Year	Jul.	Aug.	Sept.	Oct.	Nov.	Dec. 1st Final Due Date	Institutions Who Initiated Submission of an Annual Report Late	Total Institutions Who Initiated an Annual Report Submission	Institutions Who Did Not Initiate Submitting an Annual Report	Institutions Required to Submit an Annual Report
2019	0	50	53	111	452	41	160	867	47	914
2020	1	36	44	90	438	80	159	848	50	898
2021	1	30	44	81	471	56	159	842	9	851

School Performance Fact Sheet Workshops

- The Bureau offers School Performance Fact Sheet (SPFS) Workshops for Institutions to help them understand the Bureau's laws and regulations.
- Workshops are conducted in an online and interactive format.
- Institutions are encouraged to register online at the Bureau's website:
https://bppe.ca.gov/schools/school_perf_workshops.shtml
- Upcoming Workshops
 - Friday, June 23, 2023

**School Performance Fact Sheet Workshops
FY 2022-2023**

Date	Location	Attendees
July 14, 2022	WebEx - Virtual	9
August 11, 2022	WebEx - Virtual	32
September 15, 2022	WebEx - Virtual	8
October 20, 2022	WebEx - Virtual	5
November 17, 2022	WebEx - Virtual	10
February 23, 2023	WebEx - Virtual	11
March 23, 2023	WebEx - Virtual	12

Submit questions and/or comments to:

Elizabeth Elias

Enforcement Chief

Compliance and Discipline Section

Bureau for Private Postsecondary Education

1747 N. Market Blvd, Suite 225

Sacramento, CA 95834

(279) 212 - 1986

elizabeth.elias@dca.ca.gov

Compliance Statistics

Q3, FY 2022-23

Bureau for Private Postsecondary Education
Advisory Committee Meeting
May 24, 2023



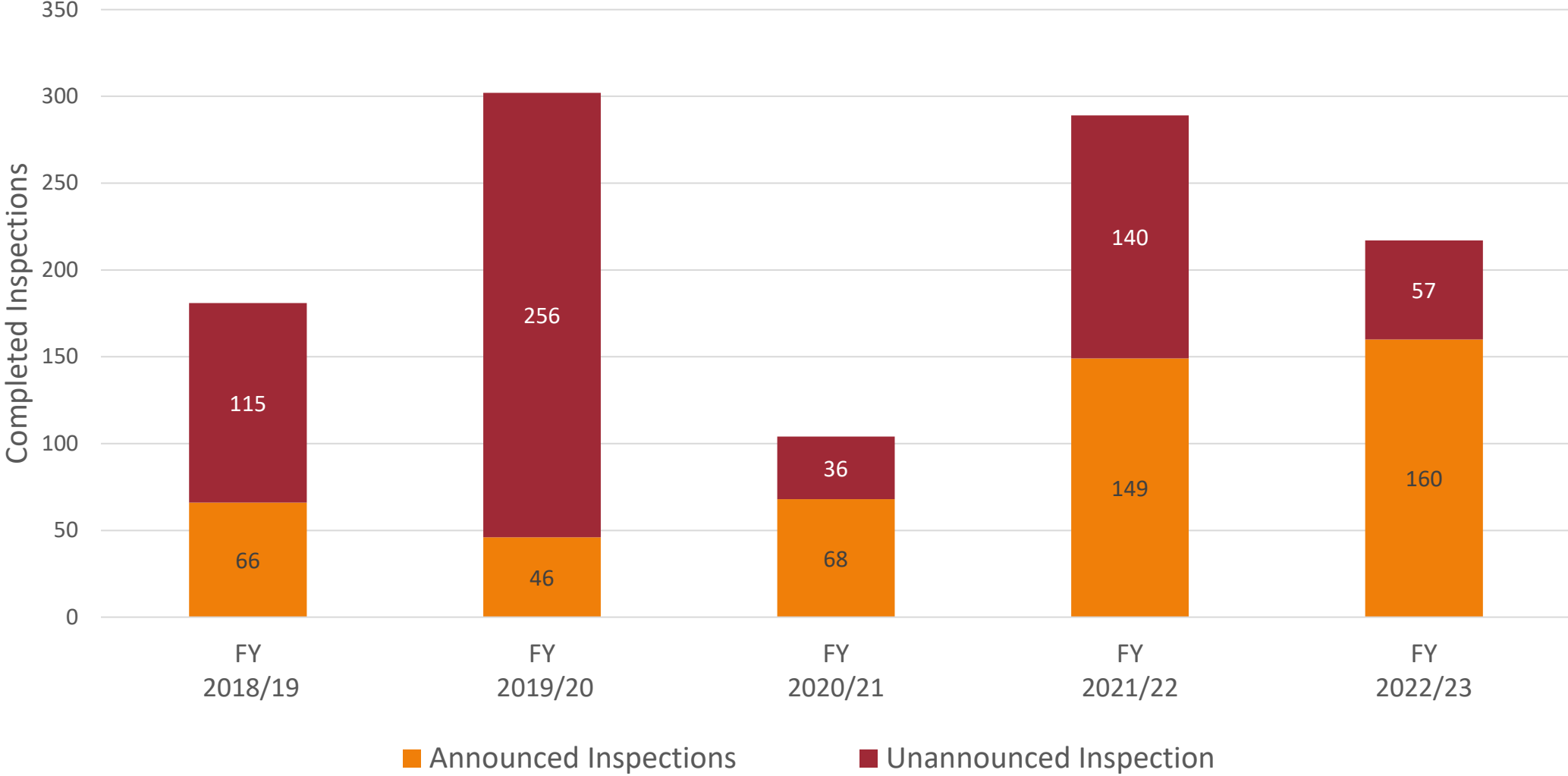
Inspections

INSPECTIONS	FY	FY	FY	FY	FY 2022/23				
	2018/19	2019/20	2020/21	2021/22	Q1	Q2	Q3	Q4	YTD
	YTD	YTD	YTD	YTD					
Total Completed Inspections	181	302	104	289	72	71	74		217
Announced Inspections	66	46	68	149	56	56	48		160
Unannounced Inspection	115	256	36	140	16	15	26		57
Inspections Cancelled	2	11	29	7	17	2	0		19

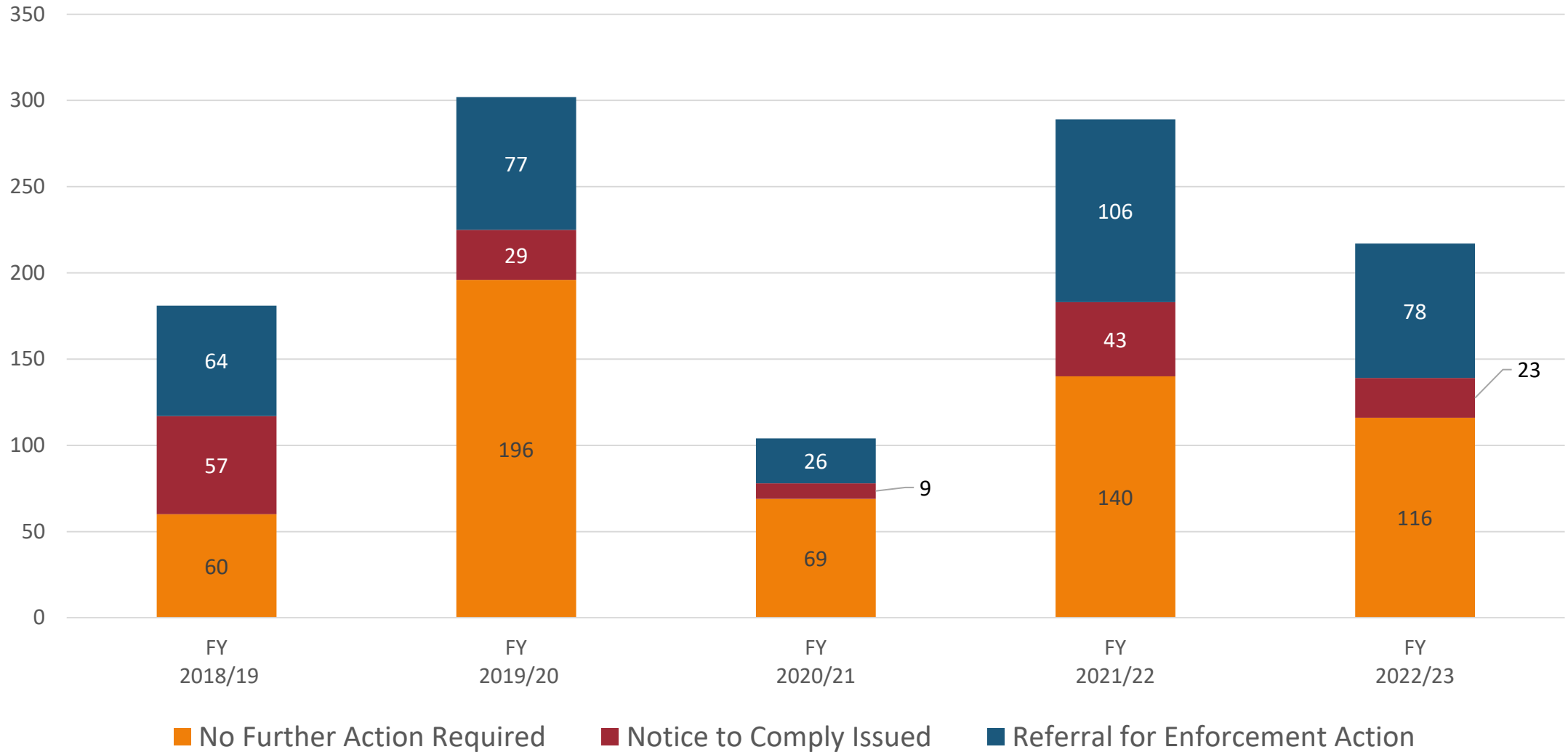
¹Reason for a Cancelled Inspection

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

Inspections by Type



Inspection Results



Compliance Workshops

- The Bureau offers Compliance Workshops for Institutions to help them understand the Bureau's laws and regulations.
- Workshops are held monthly and are conducted in an online and interactive format.
- Institutions are encouraged to register online at the Bureau's website:
https://bppe.ca.gov/enforcement/compliance_workshops.shtml
- Upcoming Workshops
 - Thursday, June 15, 2023
 - Thursday, July 19, 2023
 - Thursday, August 17, 2023

Compliance Workshops FY 2022-2023

Date	Location	Attendees
July 6, 2022	WebEx - Virtual	9
July 21, 2022	WebEx - Virtual	15
August 3, 2022	WebEx - Virtual	25
August 18, 2022	WebEx - Virtual	25
August 30, 2022	WebEx - Virtual	9
September 21, 2022	WebEx - Virtual	10
September 28, 2022	WebEx - Virtual	19
October 25, 2022	WebEx - Virtual	19
November 15, 2022	WebEx - Virtual	20
December 14, 2022	WebEx - Virtual	47
January 18, 2023	WebEx - Virtual	38
February 15, 2023	WebEx - Virtual	18
March 15, 2023	WebEx - Virtual	18
April 19, 2023	WebEx - Virtual	14

Discipline Statistics

Q3, FY 2022-23

Bureau for Private Postsecondary Education

Advisory Committee Meeting

May 24, 2023



Enforcement Actions Resulting from an Accusation

Actions Taken	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 2022 -2023				
	YTD	YTD	YTD	YTD	Q1	Q2	Q3	Q4	YTD
Default: Revocation	1	1	7	7	2	0	1		3
PC 23	2	0	0	0	0	1	1		2
Proposed Decision (Hearing Outcome): Probation	1	0	0	0	0	0	0		0
Proposed Decision (Hearing Outcome): Revocation	0	1	1	0	1	1	1		3
Rejected by DAG	3	0	1	1	1	0	0		1
Stipulated Settlement: Probation	1	6	1	0	0	0	1		1
Stipulated Settlement: Surrender	4	3	4	2	0	0	0		0
Stipulated Settlement: Public Reproval	0	1	1	0	0	0	0		0
Withdrawn By Bureau: Citation Issued	1	1	0	0	0	0	0		0
Withdrawn by Bureau: Violations Resolved	0	0	0	1	0	0	0		0
Withdrawn by Bureau: Renewal Granted	1	0	0	0	0	0	0		0
Total Actions Taken:	14	13	15	11	4	2	4		10

Enforcement Actions Resulting from a Statement of Issues

Actions	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23				
	YTD	YTD	YTD	YTD	Q1	Q2	Q3	Q4	YTD
In-House Default: Denial Upheld	3	1	0	0	0	0	0		0
Proposed Decision (Hearing Outcome): Denial Upheld	3	3	0	2	0	1	1		2
Proposed Decision (Hearing Outcome): Conditional Approval Granted	1	0	0	0	0	0	0		0
Stipulated Settlement: Denial Upheld (School Closure)	0	0	0	0	0	0	0		0
Stipulated Settlement: Conditional Approval Granted	0	0	0	0	0	0	0		0
Withdrawn: Approval Granted (Mitigation Satisfied Deficiencies)	9	13	3	1	0	1	3		4
Withdrawn: Denial Upheld (Appeal Withdrawn by Institution)	5	5	6	2	0	0	1		1
Withdrawn: Exempt Institution	1	1	2	0	0	0	0		0
Total Actions Taken:	22	23	11	5	0	2	5		7

Additional Enforcement Actions

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

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

As of 3/31/2023	Total Cases Sent to AG	Total Cases Filed (Pending action is public)
Accusations	10	7
Statement of Issues	6	3
Totals:	16	10

Citations Issued

	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23				
	YTD	YTD	YTD	YTD	Q1	Q2	Q3	Q4	YTD
Citations¹ Issued	243	333	280	146	24	5	62		91
Institutions Cited	241	325	273	144	24	5	59		88

¹Common Violations Cited

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

Website Updates

- A list of disciplinary actions issued by month will be posted to the Bureau's website starting with actions taken in FY 2022-202 and will include:

- Actions Filed
- Actions Taken

- Website address:
https://www.bppe.ca.gov/enforcement/disciplinary_actions.shtml



BUREAU FOR PRIVATE POSTSECONDARY EDUCATION DISCIPLINARY ACTIONS – JULY 2022

This notice displays Institutions who have had disciplinary actions filed and taken by the Bureau during July 2022. To view documents related to a disciplinary action, please follow the directions listed below:

1. Visit www.bppe.ca.gov.
2. Select [Enforcement](#) from the top menu.
3. Then select [Disciplinary Actions](#).
4. Find the Institution's name. Institutions are listed in alphabetical order.
5. Documents listed below the Institution's name include information regarding the cause(s) for violations and the disciplinary orders issued.

DISCIPLINARY ACTION FILED	
Institution Name:	California Vocational Academy
Institution Code:	41462892
Case Number:	BPPE22-043
Date Filed:	July 14, 2022
Date Served:	July 15, 2022
Disciplinary Action Filed:	Accusation
Institution Name:	Deep Creek Construction School
Institution Code:	3604681
Case Number:	BPPE21-550
Date Filed:	July 20, 2022
Date Served:	July 27, 2022
Disciplinary Action Filed:	Accusation
Institution Name:	South Bay Massage College
Institution Code:	1936381
Case Number:	BPPE21-384
Date Filed:	July 8, 2022
Date Served:	July 8, 2022
Disciplinary Action Filed:	Accusation

Submit questions and/or comments to:

Elizabeth Elias

Enforcement Chief

Compliance and Discipline Section

Bureau for Private Postsecondary Education

1747 N. Market Blvd, Suite 225

Sacramento, CA 95834

(279) 212 - 1986

elizabeth.elias@dca.ca.gov

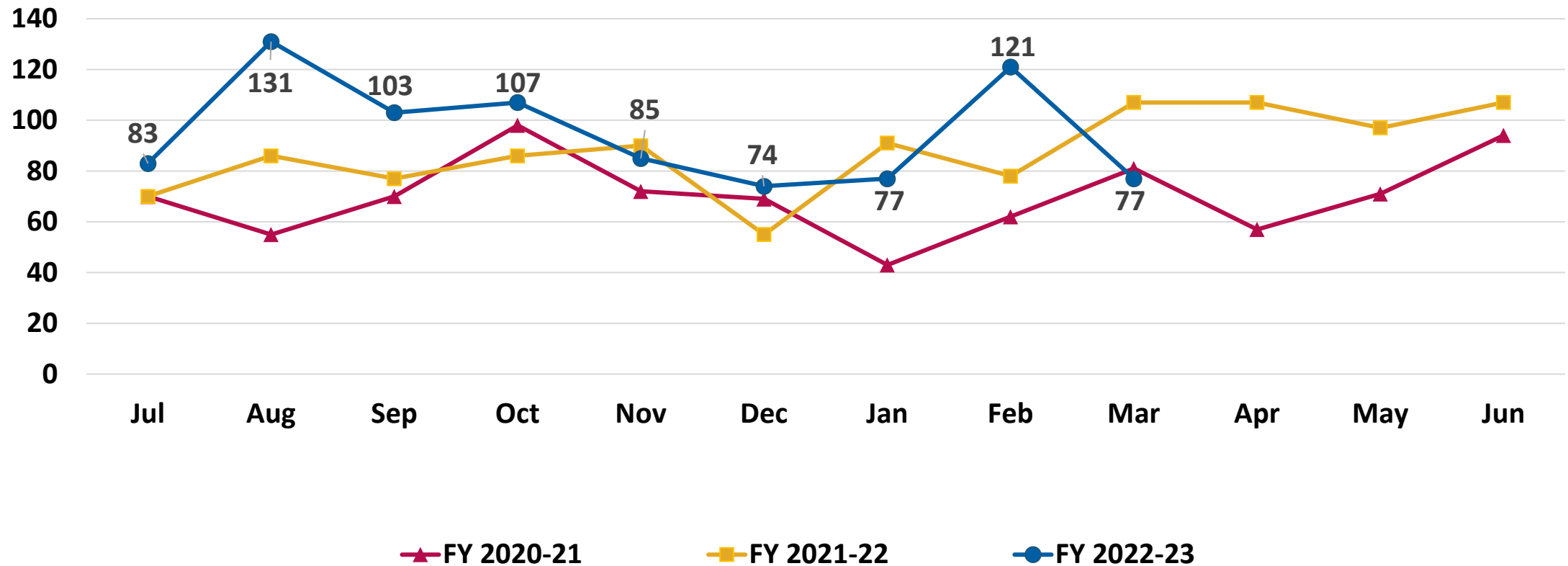
Complaint Investigation Statistics Q1-Q3, FY 2022-23

Bureau for Private Postsecondary Education
Advisory Committee Meeting
May 24, 2023



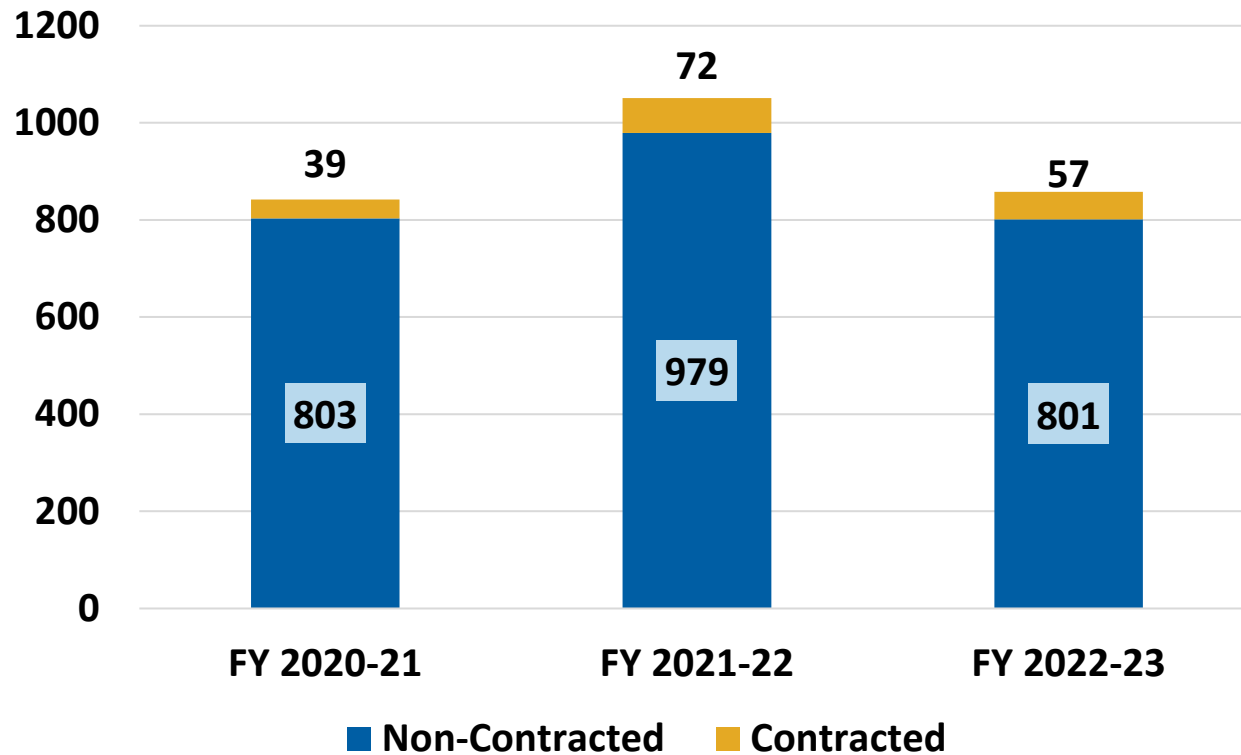
COMPLAINTS RECEIVED

Complaints Received FY 2020-21, FY 2021-22, and Q1-Q3 FY 2022-23



CONTRACTED VS. NON-CONTRACTED COMPLAINTS RECEIVED

Contracted Vs. Non-Contracted Complaints Received FY 2020-21, FY 2021-22, and Q1-Q3 FY 2022-23

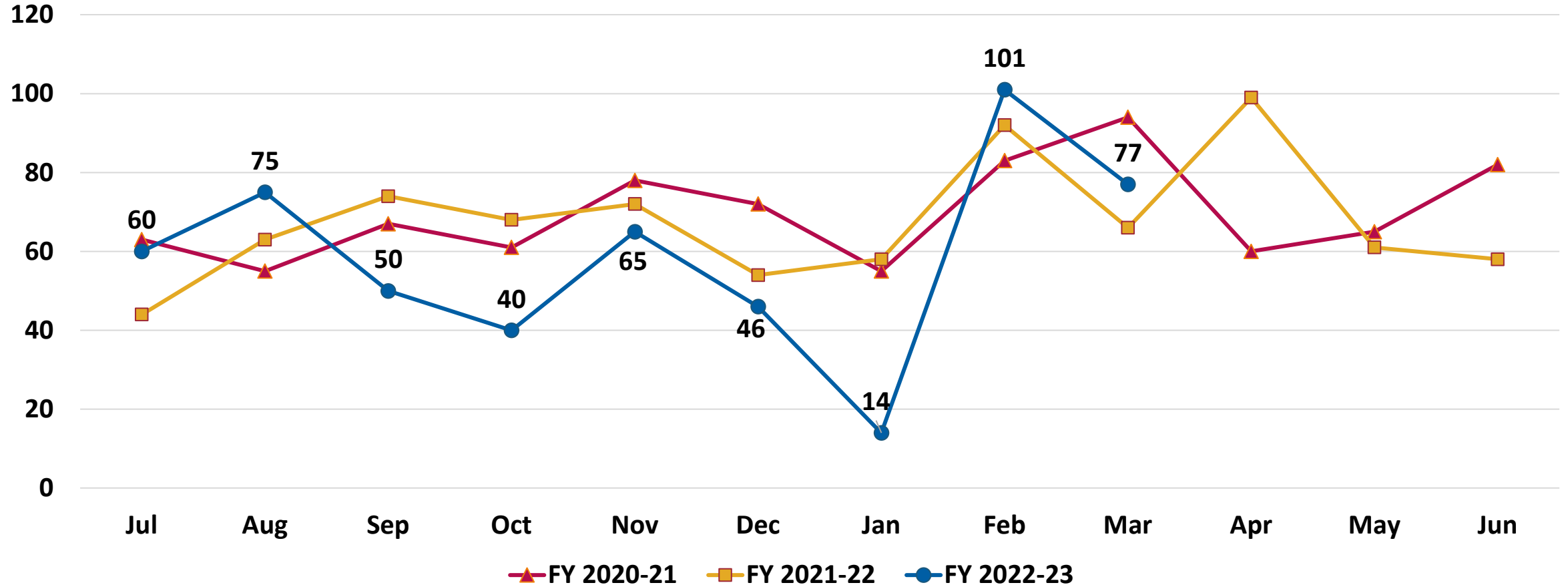


Q1-Q3 Complaints	
Total complaints received	858
Total schools receiving complaints	547

Contracted complaints rec'd	57
Contracted schools receiving complaints	30

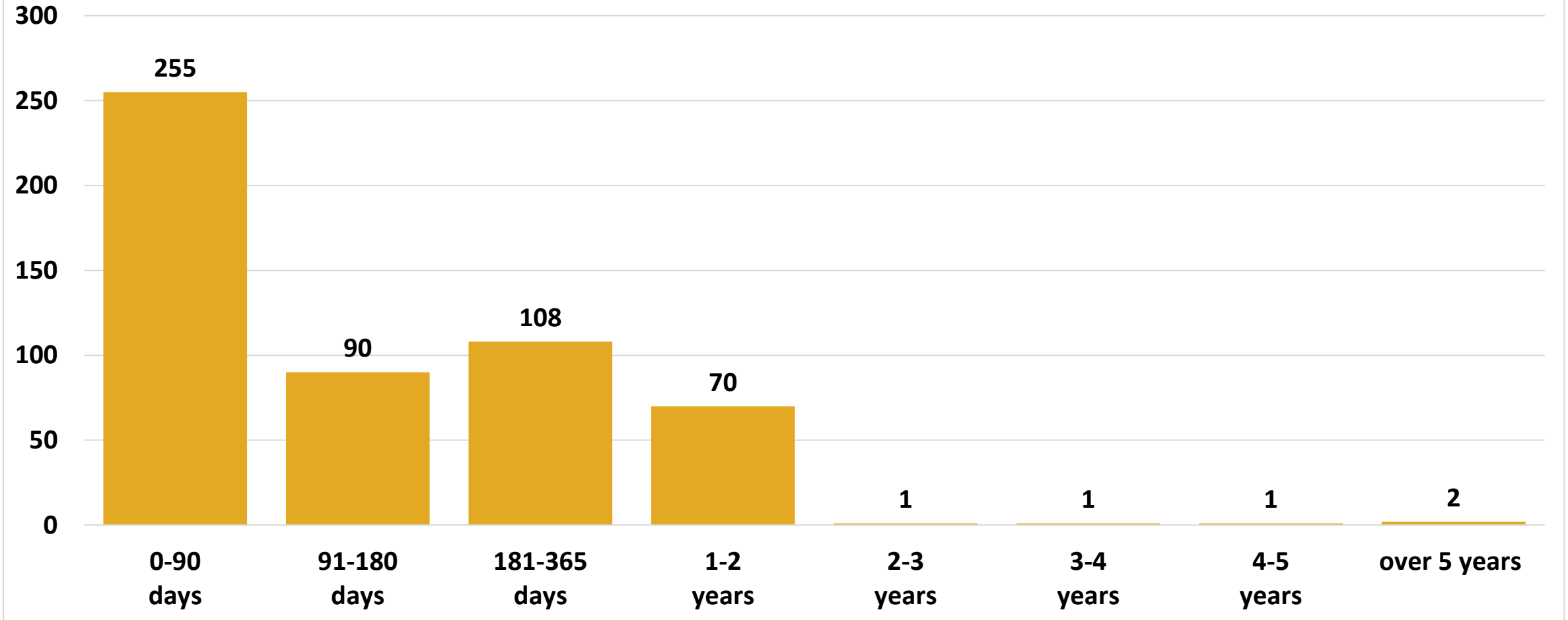
CLOSED COMPLAINTS

Complaints Closed FY 2020-21, FY 2021-22, and Q1-Q3 FY 2022-23



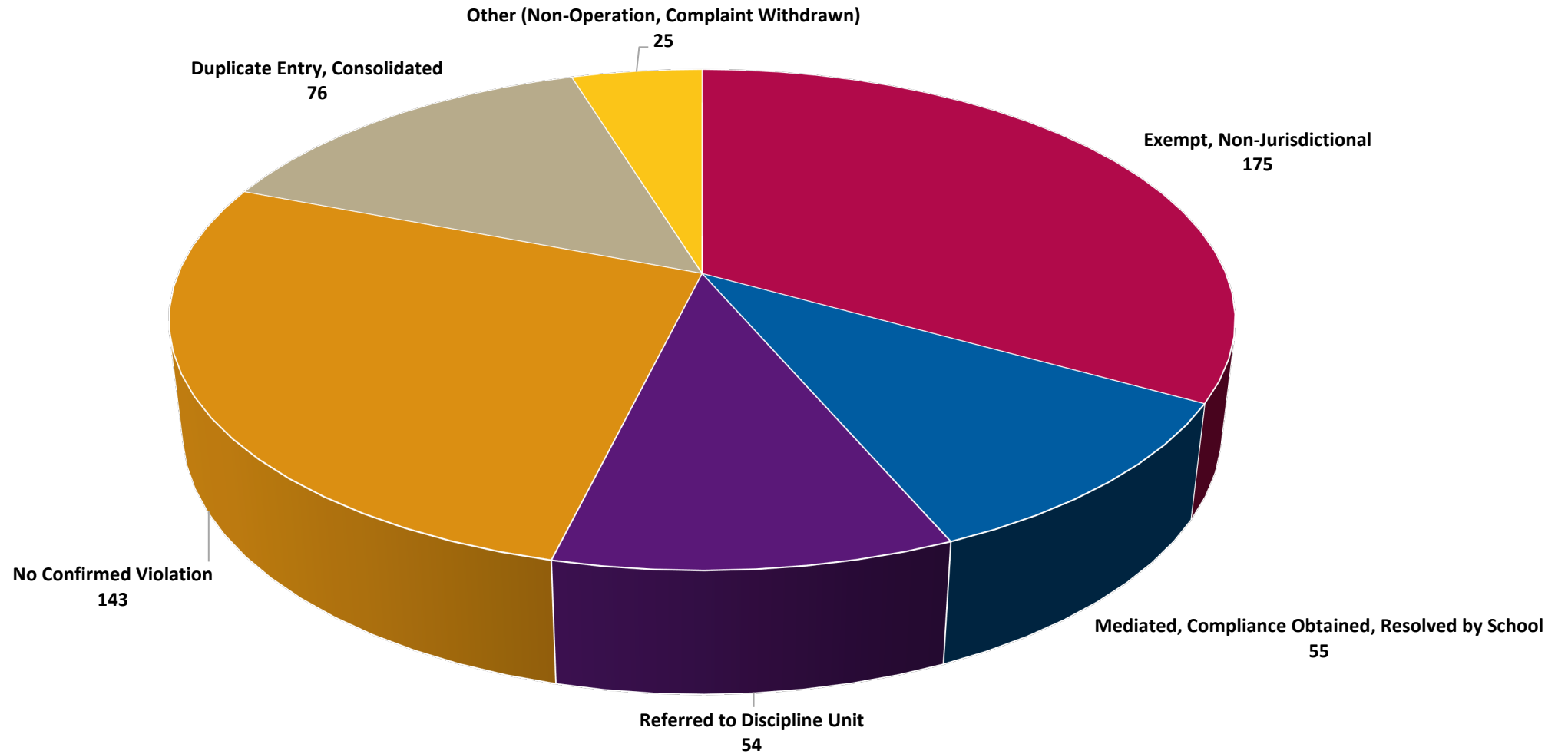
CLOSED COMPLAINTS

Days to Close (Cases closed Q1-Q3 FY 2022-23)

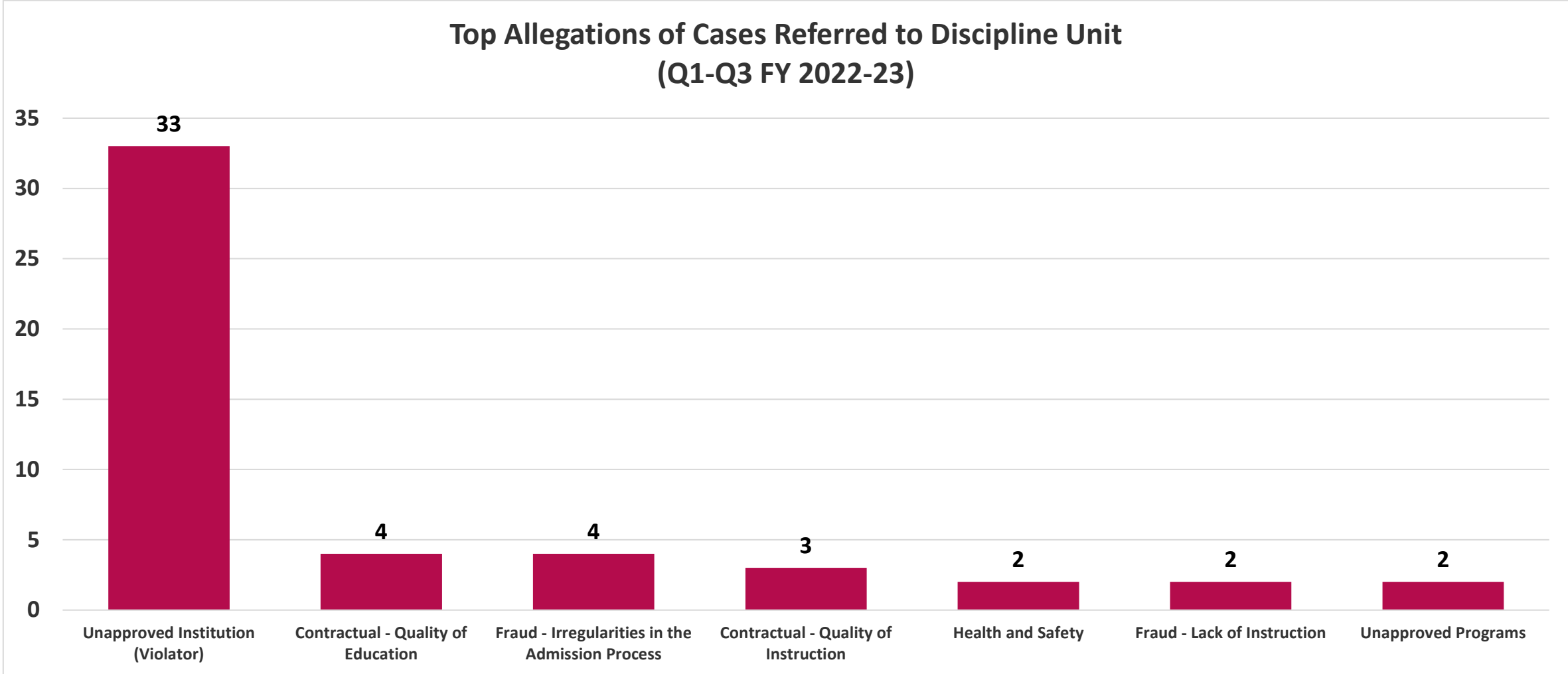


CASE DISPOSITION

Closed Complaints Grouped by Case Disposition Q1-Q3, FY 2022-23

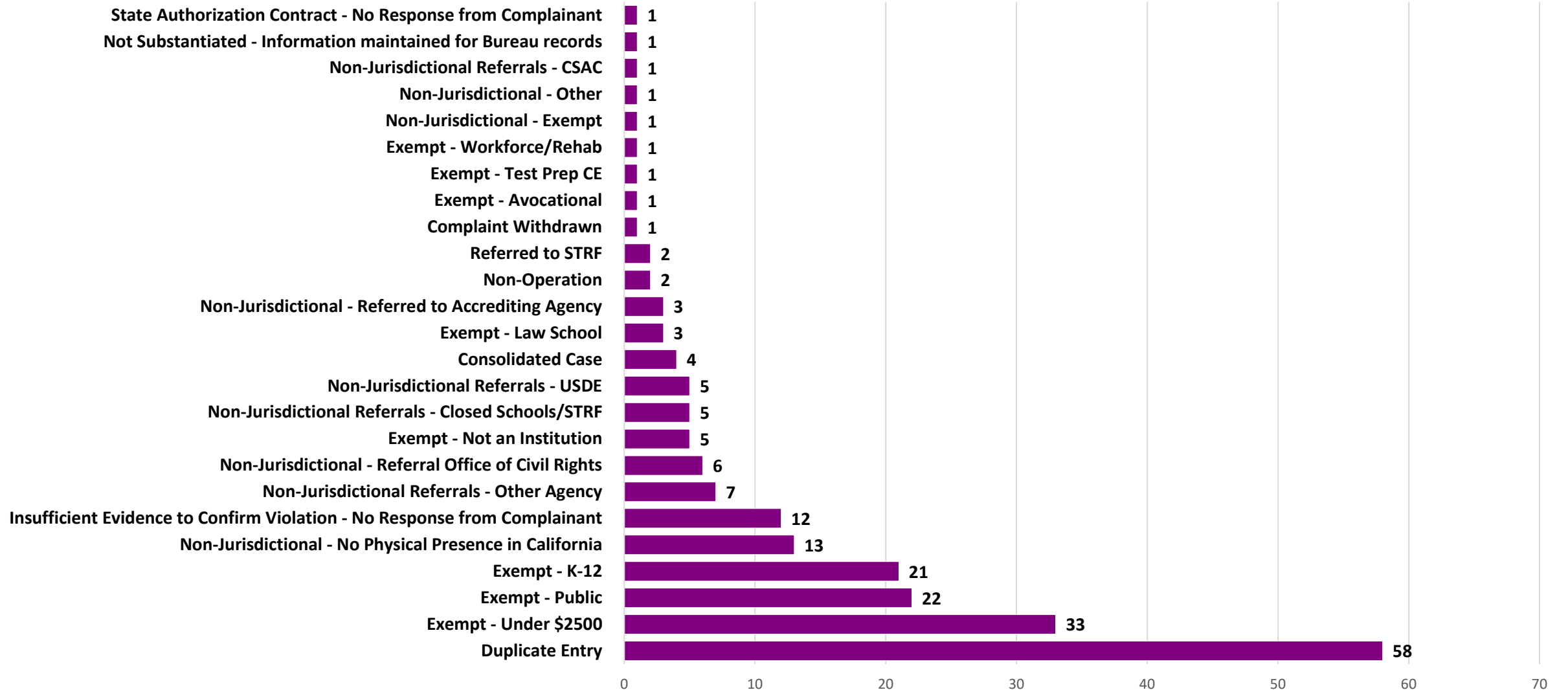


DISCIPLINE UNIT REFERRALS



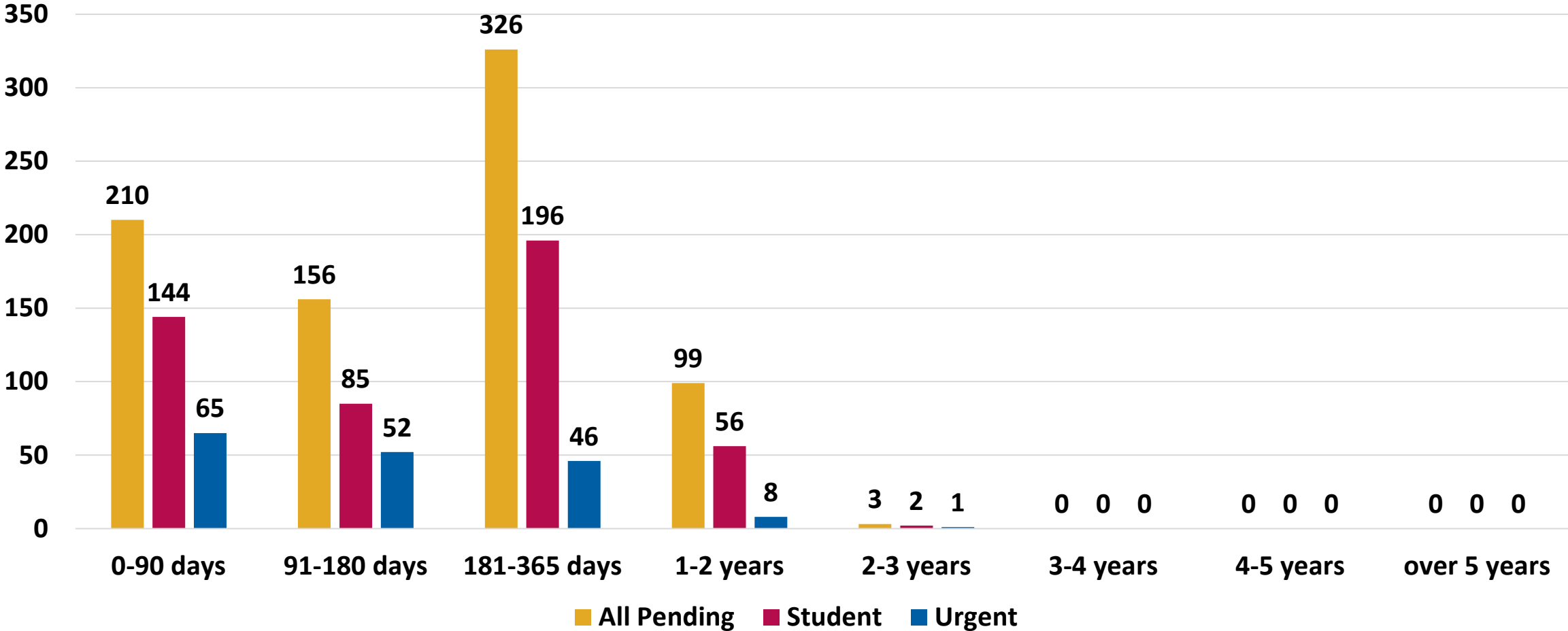
COMPLAINTS CLOSED AT INTAKE

Complaints Closed at Intake Q1-Q3 FY 2022-23



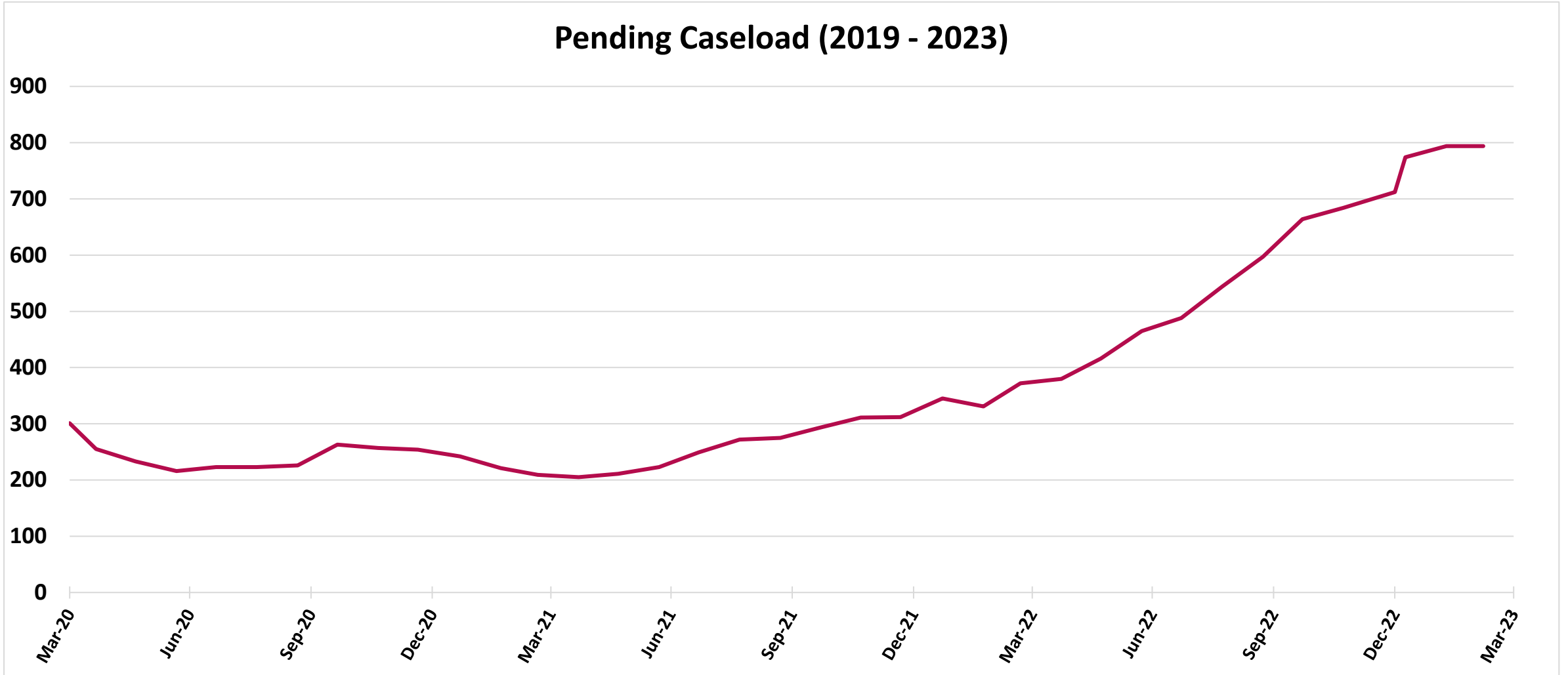
PENDING CASELOAD

Pending Caseload as of 3/31/23



PENDING CASELOAD

Pending Caseload (2019 - 2023)



STUDENT IMPACT

- Total of \$225,083.37 in refunds to students or to their federal student aid account.
- Students received degree, diploma, proofs-of-training, certificate, license, and transcripts.
- Students re-enrolled in program.
- Student able to participate in commencement.
- Student allowed to take externship.
- Students referred to Student Tuition Recovery Fund.
- Schools revised its policies, disclosures, website.

Submit questions and/or comments to:

Daniel Rangel

Bureau for Private Postsecondary Education

1747 N. Market Blvd, Suite 225

Sacramento, CA 95834

Office of Student Assistance and Relief Outreach Statistics Q1-Q3, FY 2022-23

Bureau for Private Postsecondary Education

Advisory Committee Meeting

May 24, 2023



Office of Student Assistance and Relief: Student Outreach Report

CHART A: INFORMED CHOICE OUTREACH AND EDUCATIONAL ACTIVITIES

Student Outreach Activity	Event Type	Event Date	Event Location	Total Students Reached
California Transition Assistance Program Travis Air Force Base Workshop	Student Workshop / Presentation	7/8/2022	Travis Air Force Base, CA	15
California Transition Assistance Program Beale Air Force Base Workshop	Student Workshop / Presentation	7/21/2022	Yuba County, CA	7
California Transition Assistance Program Presidio of Monterey Virtual Workshop	Student Workshop / Presentation	8/12/2022	Monterey, CA	13
Fresno Community Health Resource Fair	Community Fair	9/27/2022	Fresno, CA	45
Cal-SOAP East Bay Solano County Consortium 45th Annual College Information Day	College Fair	10/15/2022	Berkeley, CA	70
Sweet v. Cardona Student Assistance Campaign	Email Outreach	10/19/2022	Multiple Schools / Locations	1,302

Office of Student Assistance and Relief: Student Outreach Report

CHART A: INFORMED CHOICE OUTREACH AND EDUCATIONAL ACTIVITIES (CONTINUED)

Student Outreach Activity	Event Type	Event Date	Event Location	Total Students Reached
Natomas Unified School District Postsecondary College Information Virtual Workshop	Student Workshop / Presentation	10/27/2022	Sacramento, CA	16
L.A Cash for College College and Career Fair	College Fair	11/5/2022	Los Angeles, CA	70
California Transition Assistance Program Beale Air Force Base	Student Workshop / Presentation	1/19/2023	Yuba County, CA	15
California Transition Assistance Program Travis Air Force Base	Student Workshop / Presentation	1/20/2023	Travis Air Force Base, CA	24
Black College Expo	College Fair	1/28/2023	Los Angeles, CA	250
Black College Expo	College Fair	2/4/2023	Oakland, CA	600

Office of Student Assistance and Relief: Student Outreach Report

CHART A: INFORMED CHOICE OUTREACH AND EDUCATIONAL ACTIVITIES (CONTINUED)

Student Outreach Activity	Event Type	Event Date	Event Location	Total Students Reached
Steps to College	College Fair	2/4/2023	Sacramento, CA	400
California State University East Bay Education Summit 2023	College Fair	2/11/2023	Hayward, CA	80
Student Loan Forgiveness: Borrower Defense, Closed School Discharge, and CA Pathways for Relief	Webinar	3/23/2023	Sacramento, CA	77
Edison High School College Fair	College Fair	3/31/2023	Stockton, CA	2,000
			TOTAL	4,984

Office of Student Assistance and Relief: Student Outreach Report

CHART B: MISC. STUDENT OUTREACH EFFORTS

Student Outreach Activity	Event Type	Event Date	Event Location	Total Students Reached
San Francisco Cooking School	Email Outreach	9/2/2022	San Francisco, CA	15
California University of Management and Sciences ¹	Email Outreach	9/29/2022	Anaheim, CA	53
Silicon Valley University ¹	Email Outreach	9/29/2022	Fremont, CA	5
Southwestern California University ¹	Email Outreach	9/29/2022	Fullerton, CA	15
International House San Diego	Email Outreach	10/14/2022	San Diego, CA	24
Future-Net	Phone Outreach	10/21/2022	Riverside, CA	4
Nizhoni Institute of Midwifery	Email Outreach	11/8/2022	San Diego, CA	24
Aveda Institute Los Angeles	Email Outreach	12/14/2022	Los Angeles, CA	43

¹ Schools that were formerly or provisionally accredited by the Accrediting Council for Independent Colleges and Schools (ACICS).

Office of Student Assistance and Relief: Student Outreach Report

CHART B: MISC. STUDENT OUTREACH EFFORTS (CONTINUED)

Student Outreach Activity	Event Type	Event Date	Event Location	Total Students Reached
TONI & GUY Hairdressing Academy (Branch)	Email Outreach	12/23/2022	Costa Mesa, CA	31
Charter College, LLC	Email Outreach	12/29/2022	Vancouver, WA	96
University of Phoenix (Branch)	Email Outreach	1/6/2023	Visalia, CA	23
University of Phoenix (Branch)	Email Outreach	1/6/2023	Salida, CA	243
California Truck Driving Academy	Email Outreach	2/15/2023	Multiple Locations	219
South Bay Massage College	Email Outreach	2/16/2023	Manhattan Beach, CA	85
OnSite Medical Service, Inc.	Email Outreach	3/17/2023	Davis, CA	9
			TOTAL	889

Office of Student Assistance and Relief: Student Outreach Report

CHART C: CLOSED SCHOOL OUTREACH WORKSHOPS

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

Office of Student Assistance and Relief: Student Contact Report

CHART D: PHONE CALLS RECEIVED

Call Category	July 2022	August 2022	Sept. 2022	Oct. 2022	Nov. 2022	Dec. 2022	January 2023	Feb. 2023	March 2023	Total
Student Tuition Recovery Fund Application Assistance	113	98	54	58	55	36	44	33	27	518
Student Loan Relief Assistance	11	5	4	11	10	1	8	1	2	53
School / Program Closure Outreach	6	0	0	1	0	113	6	14	21	161
Informed Choice Consultation	1	4	3	48	9	1	1	2	3	72
Transcript Assistance	4	8	5	5	4	2	5	6	5	44
Other	7	9	14	24	7	5	15	14	7	102
TOTAL CALLS	142	124	80	147	85	158	79	70	65	950

Office of Student Assistance and Relief: Student Contact Report

CHART E: EMAILS RECEIVED

Email Category	July 2022	August 2022	Sept. 2022	Oct. 2022	Nov. 2022	Dec. 2022	January 2023	Feb. 2023	March 2023	Total
Student Tuition Recovery Fund Application Assistance	64	54	39	52	26	35	41	24	46	381
Student Loan Relief Assistance	10	12	4	9	23	5	10	6	18	97
School / Program Closure Outreach	3	0	19	7	3	11	14	3	6	66
Informed Choice Consultation	1	3	2	2	1	0	2	9	3	23
Transcript Assistance	5	12	16	17	6	4	24	23	38	145
Other	22	22	28	24	13	6	4	13	14	146
TOTAL EMAILS	105	103	108	111	72	61	95	78	125	858

Submit questions and/or comments to:

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

Student Tuition Recovery Fund Statistics Q3, FY 2022-23

Bureau for Private Postsecondary Education

Advisory Committee Meeting

May 24, 2023



Student Tuition Recovery Fund (STRF) Claims

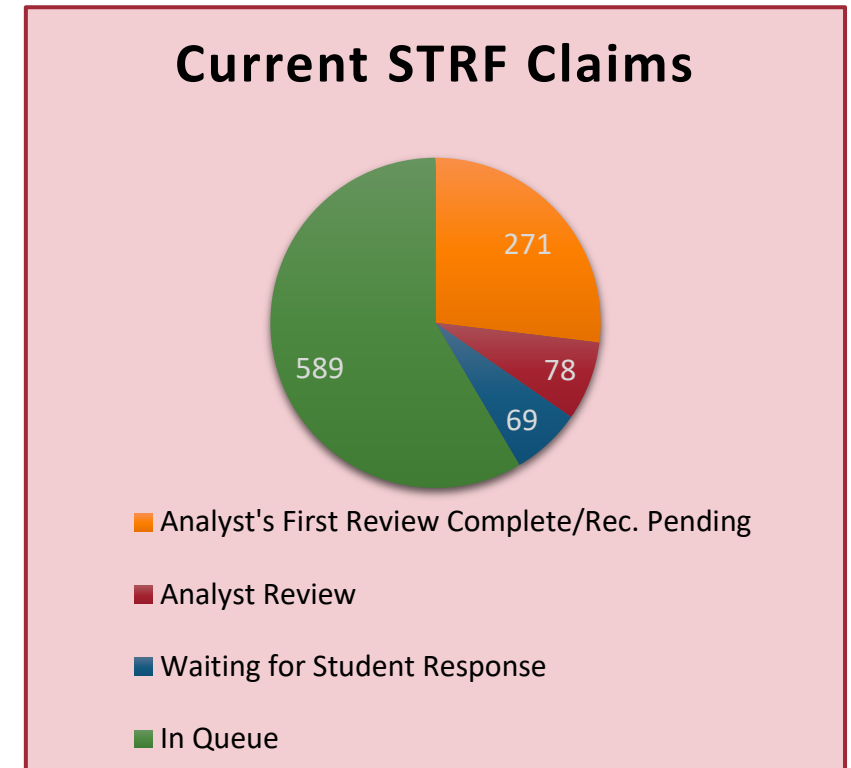
STRF Claims Received		
State Fiscal Year	FY 22-23 Quarter 2	FY 22-23 Quarter 3
Claims Received	30	77

STRF Claims Closed		
State Fiscal Year	FY 22-23 Quarter 2	FY 22-23 Quarter 3
Claims Approved	29	128
Claims Ineligible	13	10
Claims Denied	10	1
Unable to Contact	33	27
TOTAL	85	166

Student Tuition Recovery Fund (STRF) Claims

Current STRF Claims as of 3/31/2023

Current STRF Claims	
Analyst's First Review Complete/Rec. Pending	271
Analyst Review	78
Waiting for Student Response	69
In Queue	589
TOTAL	1007



Student Tuition Recovery Fund (STRF) Claims

STRF Claims Pending Payment – State Controller’s Office

State Fiscal Year	FY 22-23 Quarter 2	FY 22-23 Quarter 3
Amount	\$440,105.00	\$595,180.17
Claims	25	42

STRF Claims Paid Amount

State Fiscal Year	FY 22-23 Quarter 2	FY 22-23 Quarter 3
Amount	\$220,002.27	\$2,065,671.32
Claims	23	121

STRF Current Balance as of 3/31/2023

\$22,149,580.59

Student Tuition Recovery Fund (STRF) 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 ¹	495	173	103	115	104	\$861,713.16	\$32,034.31	\$893,747.47
WyoTech ¹	171	20	50	38	63	\$352,656.94	\$0.00	\$352,656.94
Everest ¹	568	136	141	137	154	\$601,442.72	\$0.00	\$601,442.72
Silicon Valley	1296	759	57	30	450	\$8,228,033.98	\$0.00	\$8,228,033.98

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

Submit questions and/or comments to:

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6. Status Updates and Discussion on Regulatory Proposals

- a. Identifying Date of Closure (Title 5 California Code of Regulation (5 CCR) sections 76240 and 76245, California Education Code (CEC) section 94926.5, Senate Bill (SB) 1433 (2022))
- b. Regulatory Changes to Address Conflicts Related to Approval of Public Institutions (5 CCR section 75020, CEC section 94949.8, SB 1433 (2022))
- c. Proposed Changes to Application Signature Requirements (various regulatory sections)



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

6a.

Identifying Date of Closure

(Title 5 California Code of Regulation (5 CCR) sections 76240 and 76245, California Education Code (CEC) section 94926.5, Senate Bill (SB) 1433 (2022))



California Code of Regulations
Title 5. Education
Division 7.5. Private Postsecondary Education
Chapter 6. Student Tuition Recovery Fund
Article 4. Orderly Closure and Teach-Outs

PROPOSED REGULATORY LANGUAGE CONCERNING SELECTING DATE OF CLOSURE

Legend—added text indicated by underline, deletion by ~~strike through~~.

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

76240. Required Notices and Teach-Out Plan.

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

(a) At least 30 days prior to closing, an authorized school representative of the institution shall notify the Bureau in writing of its intention to close and also provide a closure plan. For purposes of this section, “authorized school representative” shall mean any owner who owns or controls 25% or more of the stock or an interest in the institution, chief academic officer, chief executive officer, chief operating officer, institution director, or corporate compliance officer.

The closure plan shall include:

(1) The school name, school code, physical address, mailing address, phone number, website address, and whether the site is a main, branch, or satellite location. If more than one location is closing, a separate closure plan is required for each location.

(1) The exact date of the closure and the reason for the closure. For the purposes of this section, “date of closure” shall be the final date of instruction for all educational programs,

~~(2) The last date of instruction for each educational service or program.~~

(3) The name, title, mailing address, email address, and telephone number of the individual who will function as the institution’s contact person for the purposes of the closure process.

(34) A list of students who were enrolled at any time during the time period prior to closure as provided in CEC Section 94923(b)(2)(B) and (C), 60 days prior to closure which shall include the following student-level information for each student:

(A) Student identification number;

(B) First and last names;

(C) Email address;

(D) Local or mailing address;

(E) Address at the time of enrollment;

(F) Home address;

(G) Telephone number;

(H) Date enrollment agreement signed;

(I) Courses and course costs;

(J) Third-party payer identifying information;

(K) Total institutional charges charged, and;

(L) Total institutional charges paid and whether or not the student would be entitled to an institution-provided refund as a result of the closure, as required by Education Code section 94927;

(M) Graduation date, for students who completed their programs prior to closure.

~~(4) If any student will not be provided complete educational services or the educational program, the institution shall provide:~~

~~(A) A plan for providing teach-outs or transfers, including the details of any agreements with other institutions.~~

~~(B) If no teach-out is contemplated, or for students who do not wish to participate in a teach-out, arrangements for making refunds within 45 days from the date of closure, or for institutions that participate in federal student financial aid programs arrangements for making refunds and returning federal student financial aid program funds.~~

~~(5) A plan for the disposition of student records.~~

~~(6) A plan to notify students of their rights and options under the Act and this chapter.~~

~~(b) The institution shall notify students of the following:~~

~~(1) If the institution is a participant in federal student financial aid programs, it shall provide students information concerning those programs and institutional closures.~~

~~(2) If any student will not be provided complete educational services or the educational program, information regarding the Student Tuition Recovery Fund and the Bureau's physical and Internet addresses.~~

(5) A written description of how the school will maintain the student records as required, including providing the Bureau with the name, mailing address, email address, and telephone number of the custodian of records.

(6) A written description of how the school will notify the students identified in subdivision (a)(4), in writing and before the date of closure, of the pending closure and of their rights and options under the Act and this chapter.

(b) In addition to the requirements of (a), if as a result of the closure any student will not complete their educational program, the institution shall provide:

(1) A copy of any written agreements with other institutions for providing teach-outs, if applicable.

(2) A copy of any written agreements with other institutions for accepting transfers, if applicable.

(3) A copy of the school's arrangements for making refunds within 45 days from the date of closure to all students who will not complete their educational program, and who also choose not to participate in any teach-out arranged.

(c) In addition to the requirements of (a) and (b), if applicable to students and if the institution participates in federal financial aid programs, the institution shall provide a copy of their arrangements to return federal student financial aid program funds.

(d) The written notice of the closure provided by the institution to all students identified in subdivision (a)(4), required by (a)(6), shall include:

(1) Contact information for the custodian of records and information on how students can access their school records.

(2) Information regarding the Bureau's Office of Student Assistance and Relief (OSAR) including the OSAR internet website and address.

(e) In addition to the requirements of (d), for all students who will not complete their educational program, the notice of the closure provided to those students shall include information regarding the availability of teach-out and any transfer arrangements, the student's right to refuse to participate in a teach-out and to instead obtain a refund from the school, and information regarding the Student Tuition Recovery Fund (STRF) including the Bureau's internet website and address.

(f) In addition to the requirements of (d) and (e) if applicable to the student and if the institution is a participant in federal student financial aid programs (including but not limited to Title IV funding), it shall provide students information on their rights under the federal laws and regulations governing those programs regarding school closure..

(g) Within 5 days after notice to students has been provided, the institution shall provide exemplar copy(ies) of the notice(s) described in (d) and, if applicable, (e) and (f), to the Bureau.

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

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

76245. Closure Date Selection and Automatic Termination of Approval to Operate.

If the Bureau believes that an institution has closed without identifying a date of closure, the Bureau shall send a notice to the physical address of the institution, and to the institution's agent for service of process. The notice shall:

(a) request a response from an authorized school representative, signed under penalty of perjury and sent to the Bureau within 30 days of the date indicated on the notice, to either confirm that the school has not closed and is operating as a private postsecondary educational institution, or confirm that the institution has closed and provide a closure date; and

(b) inform the institution that if the Bureau does not receive a response to the notice within 30 days of the date of the notice, the Bureau will select a date of closure, corresponding with the final date of instruction as closely as the Bureau can determine, for the institution and terminate the institution's approval as of that date; and

(c) notify the institution that the institution may appeal the Bureau's selection of a date of closure by sending, no later than 60 days after the date on the Bureau's notice, a request to the Bureau for a hearing. The proceedings under this section shall be conducted in accordance with Article 10 (commencing with Section 11445.10) of Chapter 4.5 or Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, as requested by the institution.

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

6b.

Regulatory Changes to Address Conflicts Related to Approval of Public Institutions

(5 CCR section 75020, CEC section 94949.8, SB
1433 (2022))



California Code of Regulations
Title 5. Education
Division 7.5. Private Postsecondary Education

**PROPOSED REGULATORY LANGUAGE CONCERNING PUBLIC INSTITUTION
REPORTS**

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

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

75020. Issuance of Citations.

(a) The Bureau Chief, or his or her designee, or the Director's designee, is authorized to issue citations containing orders of abatement and/or administrative fines pursuant to section 94936 of the Code against approved ~~private~~, postsecondary institutions that have committed any acts or omissions that are in violation of the Act or any regulation adopted pursuant thereto.

(b) The Bureau Chief, or his or her designee, or the Director's designee, is authorized to issue citations containing orders of abatement and administrative fines not to exceed \$100,000 pursuant to section 94944 of the Code against persons who are without proper approval to operate a ~~private~~, postsecondary institution. In addition, the citation may contain an order of abatement pursuant to section 149 of the Business and Professions Code that requires the unapproved person to cease any unlawful advertising and to notify the telephone company furnishing services to the cited person: (1) to disconnect the telephone services furnished to any telephone number contained in the unlawful advertising, and (2) that subsequent calls to that number shall not be referred by the telephone company to any new number obtained by that person. The provisions of section 75040 shall apply to this subsection.

(c) In addition to the requirements of section 94936 of the Code, each citation shall inform the cited institution or person that:

(1) If a hearing pursuant to the Administrative Procedure Act (APA) is not requested, payment of the administrative fine is due 30 days from the date of service, and shall not constitute an admission of the violation charged.

(2) If a hearing pursuant to the APA is conducted and payment of an administrative fine is ordered, the administrative fine is due 30 days from when the order is effective;

(3) If the cited institution or person desires an informal conference to contest the finding of a violation prior to an APA hearing, the informal conference shall be requested by written notice to the Bureau within 30 days from service of the citation;

(4) Failure to comply with any order of abatement within the time set forth in the citation, unless the citation is being appealed, may result in disciplinary action being taken by the Bureau; and

(5) The Bureau may enforce the administrative fine as if it were a money judgment pursuant to the California Code of Civil Procedure (beginning with section 680.010).

(d) Each citation shall be served on the cited institution or person, in person, or by certified and regular mail at the address of record on file with the Bureau. Citations served by certified and regular mail shall be deemed "served" on the date of mailing.

(e) The sanction authorized under this section shall be separate from, and in addition to, any civil, criminal, or other administrative remedies.

Note: Authority cited: Sections 94877 and 94936, Education Code. Reference: Section 149, Business and Professions Code; and Sections 94936 and 94944, Education Code.

6c.
Proposed Changes to Application
Signature Requirements
(various regulatory sections)





MEMORANDUM

DATE	May 15, 2023
TO	Advisory Committee Members
FROM	Bureau for Private Postsecondary Education
SUBJECT	Proposed Changes to Application Signature Requirements

At the February 23, 2022 Advisory Committee Meeting, Bureau for Private Postsecondary Education (Bureau) staff outlined existing application signature requirements and solicited input on whether changes were warranted. Signature requirements should be sufficiently robust to ensure only credible applications are submitted. Overly onerous signature requirements beyond this threshold create workload and compliance challenges on the part of institutions and the Bureau alike.

Advisory Committee Member and public feedback received included that existing, extensive requirements may be unnecessarily onerous, and that the range of application types may warrant requirements that vary by application. However, Members also encouraged staff to weigh the value of signature requirements in ensuring appropriate levels of visibility into institutional operations.

Subsequent to this discussion, Bureau staff has considered how to modify signature requirements to streamline approval processes without compromising their integrity or undermining the Bureau’s authority.

The purpose of applications is for institutions to provide to the Bureau sufficient, accurate information to determine whether what the institution is seeking to do complies with laws and regulations. Application signatories must be representatives of the institution sufficiently credible to have knowledge and authority over the activities in which the institution is seeking to engage.

The approval or denial of an application impacts an institution’s authorization to operate as a private postsecondary institution in California, regardless of who signed the application on behalf of the institution. An institution is responsible for ensuring that applications are accurate and complete, and that leadership understands the implications of decisions made.

Regardless of who signs an application, pursuant to California Code of Regulations, Title 5 (5 CCR), section 71400.5(a), “the inclusion of false or misleading information, or the intentional or negligent omission of pertinent information on any application may result in the denial of the application or a delay in processing, and may be grounds for action pursuant to Article 18 of the Act.”

Signatory requirements are also distinct from requirements for institutions to report to the Bureau information about an institution's owners or leadership, or for the Bureau to consider prior disciplinary actions against those individuals. 5 CCR section 71330(a) requires institutions to report names and contact information for any individual "who owns or controls 25% or more of the stock or an interest in the institution and, to the extent applicable, each general partner, officer, corporate director, member of the board of directors and any other person who exercises substantial control over the institution's management or policies." 5 CCR section 71330(c) requires disclosure of prior discipline of those individuals.

Further, California Education Code section 94887 states "the bureau may deny an application for an approval to operate institutions that would be owned by, have persons in control of, or employ institution managers that had knowledge of, should have known, or knowingly participated in any conduct that was the cause for revocation or unmitigated discipline at another institution." This describes individuals' role in an organization, irrespective of whether they signed an application. As such, neither institutions' reporting requirements nor the Bureau's authority is limited to information regarding application signatories.

Given the limited impact of signatory requirements on the Bureau's ability to monitor for institutions' compliance with the Act or hold institutions accountable for the submittal of false or misleading information, as well as the complexity associated with current requirements, the Bureau is proposing to simplify application signature requirements as shown below. While the primary focus of this effort pertains to required signatories, the Bureau also proposes to expand allowance for digital signatures in its applications.¹

¹ California Government Code section 16.5(d) defines "digital signature" as: "an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (h) of Section 1633.2 of the Civil Code." California Civil Code section 1633.2 defines "electronic signature" as: "an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record. For purposes of this title, a "digital signature" as defined in subdivision (d) of Section 16.5 of the Government Code is a type of electronic signature."

<i>CURRENT</i>	<i>PROPOSED</i>	
All Applications Except Registrations*	Approval/Renewal and Registration Applications	Substantive Change and Exemption Verification Applications
<p>[An application] shall be signed and dated, and each fact stated therein and each attachment thereto shall be declared to be true under penalty of perjury, as follows:</p> <ul style="list-style-type: none"> (1) By each owner of the institution, or (2) If the institution is incorporated, by 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 (3) By each member of the governing body of a nonprofit corporation. 	<p>[An application] shall be signed <u>with original or digital signature</u> and dated, and each fact stated therein and each attachment thereto shall be declared to be true under penalty of perjury, as follows:</p> <ul style="list-style-type: none"> (1) By each owner of the institution <u>or each partner in a partnership</u>, or (2) If the institution is incorporated <u>or is a public institution</u>, by the chief executive officer <u>or president</u> of the corporation and each person who owns or controls 25 percent or more of the stock or interest in the institution, or (3) By each member of the governing body of a nonprofit corporation. 	<p>[An application] shall be signed <u>with original or digital signature</u> and dated, and each fact stated therein and each attachment thereto shall be declared to be true under penalty of perjury, as follows:</p> <ul style="list-style-type: none"> (1) By each owner of the institution <u>or each partner in a partnership</u>, or (2) If the institution is incorporated <u>or is a public institution</u>, by the chief executive officer <u>or president</u> of the corporation, <u>or by an institutional representative to whom the chief executive officer or president has delegated authority to manage institutional affairs.</u> and each person who owns or controls 25 percent or more of the stock or interest in the institution, or (3) By each member of the governing body of a nonprofit corporation.
<p>* The current application for registration or re-registration of an out-of-state institution operating in California requires an “Authorized Signature” from an individual who attests “I am a person authorized to act for and bind the applicant.”</p>		

The Bureau welcomes feedback on the proposed changes. Current signature requirements are referenced in several places through regulations, as well as applications incorporated into regulation by reference, and modified requirements would be integrated as appropriate.

7. Update on Verifying the Exempt Status of Private Postsecondary Educational Institutions





ISSUE MEMORANDUM

DATE	May 15, 2023
TO	Advisory Committee Members
FROM	Debbie Cochrane, Bureau Chief and Ebony Santee, Education Administrator Bureau for Private Postsecondary Education
SUBJECT	Verifying the Exempt Status of Private Postsecondary Educational Institutions

Over the past year, the Bureau for Private Postsecondary Education (Bureau) has been considering updates to its Verification of Exempt Status application to conform to statutory changes. This update represents an important opportunity to ensure the process aligns with statutory intent and to clarify areas of frequent misunderstanding that arise while adjudicating exemptions. While the impetus of this effort has been the application processed by the Bureau’s licensing unit, greater clarity is also needed for the Bureau’s enforcement units, which routinely assess entities’ eligibility for exemption while investigating potential unapproved activity.

This memo is intended to brief Advisory Committee Members about challenges with exemptions for the purpose of soliciting feedback to inform future changes to the application and other associated regulations. Example application situations are provided on page 3 of this memo. Staff welcome feedback on the discussion questions provided or any others raised by Committee Members. Feedback and comments may be additionally sent to bppe.policy@dca.ca.gov after the meeting. All information received will inform how the Bureau proceeds with its Verification of Exempt Status application and/or other related changes pertaining to exemptions.

Background on Exemptions

The Private Postsecondary Education Act (Act) authorizes the Bureau to regulate and oversee private postsecondary educational institutions operating in California, except those institutions that meet criteria that render them exempt from approval requirements and most of the Act (see California Education Code (CEC) sections 94874 and 94947). A copy of relevant statutes is attached.

Exemption categories vary broadly but generally fall into categories considered low risk to consumers. For example, this may include:

- Institutions approved or overseen by other agencies whose oversight is deemed sufficiently rigorous to render additional state approval or oversight unnecessary (e.g., specified accrediting agencies recognized by the U.S. Department of Education (CEC section 94874(i) or the California Department of Rehabilitation (CEC section 94874(h)));
- Low-cost institutions that may pose little financial risk to students (i.e., institutions that charge no more than \$2,500 to enroll (CEC section 94874(f)); and

- Institutions that enroll only categories of students that are sufficiently protected or sophisticated (i.e., institutions that exclusively enroll licensed professionals to enhance their skills or knowledge (CEC section 94874(d)(2))

Statutory exemptions ease regulatory burdens on low-risk institutions, and the Bureau's procedures are designed with low-risk institutions in mind. However, exemptions also create opportunities for questionable actors to operate with little state scrutiny or accountability, and little protection for harmed students.

Verification of Exempt Status Application

As required by statute, the Bureau has a process through which "an institution that is exempt from this chapter may request, and obtain, from the bureau verification that the institution is exempt." See CEC section 94874.7. The established process entails completing a Verification of Exempt Status application for the Bureau's consideration.

This process is voluntary under the Act, though some applicants have reasons for wanting a verified exemption. Private postsecondary education providers must either have Bureau approval or be exempt to be included on the California Education Training Provider List (ETPL), and the Employment Development Department may request that providers obtain verification of their exemption from the Bureau. The California State Approving Agency for Veterans Education requires exempt institutions to have a verified exemption to receive Title 38 benefits. In other cases, entities without apparent need to do so share the fact of their "exempt" status prominently on their websites, seemingly to imply that a government agency has assessed it to be legitimate and/or low risk.

The Bureau receives more exemption-verification applications than applications of any other type. Their content varies widely, as does the workload associated with adjudication. Some are straightforward, with little staff time or analysis required. Others are more complex and raise questions about how they should be handled to best protect consumers. Complications may stem from ambiguities in the statutory language or concerns about the integrity of the application or institution seeking exemption. Additionally, some institutions' applications request verification under multiple exemptions, increasing the level of analysis and documentation needed to adjudicate.

The Bureau is considering amending the fee structure (currently \$250 for an application) to more closely align with the workload associated with considering and processing the application, including the number of exemptions claimed. This fee, unlike most application fees, is established through regulation. See CEC section 94874.7 and Title 5, California Code of Regulations section 74004. The current fee supports approximately 1.5 hours of analyst time for review, research, and recommendation.

Example Application Scenarios

The examples provided here reflect common situations presented in Verification of Exempt Status applications. No example is intended to reflect any specific, individual application received.

Institution A presents information purporting to be a private postsecondary educational university offering graduate degrees in business administration. It seeks an exemption under CEC section 94874(b), asserting that it is “sponsored” by a “bona fide” organization that provides professional development opportunities for individuals interested in furthering their career. The sponsoring organization’s stated purpose is very broad and the role it plays with the institution is not specified. The organization and applicant institution both have websites with stock photos, typos, and little evidence of activity, such as events or course schedules. A posted course catalog appears to have been largely copied from that of another institution, and faculty names are found in the catalogs of several other institutions claiming exemption under CEC section 94874(b).

Key Challenge: The Bureau does not currently have definitions of “bona fide” or “sponsored” with which it can enforce standards on applicants seeking exemption under these provisions.

Key Challenge: The Private Postsecondary Education Act does not include restrictions on use of the words “university” or “college” among exempt institutions.

Institution B offers low-cost programs in several fields, including those in which licensure is required for graduates to find employment in California. The institution seeks exemption under CEC section 94874(f). Unrelated to the cost of educational programs, which is the focus of the exemption, the institution’s website makes several untrue claims, including that graduates will be able to obtain licensure in California.

Key Challenge: The Bureau’s jurisdiction to address false or misleading claims is limited to institutions with requirements for approval to operate and it is not empowered to address untrue statements made by exempt institutions.

Key Challenge: The Bureau is unable to deny applications for exemption verifications for which the information submitted in the application is complete, regardless of other claims made outside of the application.

Institution C seeks an exemption under CEC section 94874(f), which applies to institutions with program offerings that cost no more than \$2,500. As outlined in the application and on the institution’s website, each program listed is available individually for a cost of \$2,499. However, the institution’s website touts success stories of students who secured employment after completing a bundled set of six programs, and students who sign up for all six programs at once (using separate enrollment agreements) receive a 20 percent discount for a total cost of \$11,995

Key Challenge: The Act does not include a clear prohibition of “stackable” programs, limiting its ability to address the gaming of exemptions by dividing program offerings into increasingly smaller parts.

Institution D’s application for exemption verification is submitted by an individual who has received verifications of exemption for several other institutions previously. This includes some housed at the same location listed on the current application, raising questions about multiple institutions could be operating separate programs simultaneously in the same, shared location. All have the same program offerings and seek exemption under CEC section 94874(e).

Key Challenge: The Bureau has not historically tracked detailed information about institutions seeking exemption verifications.

Discussion Questions

1. What types of information submitted in Verification of Exempt Status applications should routinely be requested, and what information should routinely be tracked by the Bureau for ease of future reference?
2. How should the Bureau handle applications from entities that purport to be a postsecondary educational institution but may not be? What aspects of an application would signal cause for concern? What levels of documentation and investigation should be required?
3. As stated previously, the Bureau is considering amending the fee structure for a Verification of Exempt Status application (currently \$250 for an application) to more closely align with the workload associated with those exemptions, including the number of exemptions claimed. Do Advisory Committee Members have input on this idea and what other factors should be considered in developing an appropriate fee structure?
4. Should the Bureau consider defining what it means for an institution to be “sponsored” by an organization? Aspects of a definition could include any or all the following concepts, or others not listed:
 - a. The institution pays all institutional charges for enrolled students
 - b. The institution designs or approves the curriculum of program offerings
 - c. The institution relies on the institution’s educational programs to confer status within the organization (i.e., program graduates are eligible for specialized status or treatment within the organization)
5. Should the Bureau consider defining what it means for an organization to be “bona fide”? Aspects of a definition could include any or all of the following concepts:¹
 - a. Registered with the California Secretary of State and U.S. Internal Revenue Service
 - b. Evidence that the organization is widely accepted by the field of focus
 - c. Membership criteria that are narrow and significant (i.e., most people are not eligible to join)

¹ While applicability of the term differs slightly from that in California law, Colorado regulations define “bona fide” to mean: “a trade, business, professional or fraternal organization that: is widely recognized by the industry; primarily benefits the organization’s membership or mission; conducts its activities in a manner that serves public or charitable purposes, rather than commercial purposes; receives funding and revenue and charges fees in a manner that does not incent it or its employees to act other than in the best interest of its membership; compensates its employees in a manner that does not incent its employers to act other than in the best interest of its membership; and has existed and operated as a bona-fide organization for two years or more. The Division has the discretion to determine whether the trade organization meets the definition of bona fide and whether its level of oversight is adequate. Those seeking an exemption from the provisions of Article 64, Title 23, C.R.S, for education pursuant to § 23-64-104(1)(h), C.R.S., must apply for the exemption in a manner approved by the Board.”

- d. Documented activity demonstrating meaningful involvement with members in pursuit of the organization's mission (e.g., an event calendar with evidence that events occur, etc.)
 - e. A minimum number of members or individuals represented by the organization
6. Exempt institutions, or entities posing as exempt institutions, do not need to comply with the Act, and the Bureau is not empowered to address false and misleading statements made by these entities. False and misleading statements encountered include claims regarding the entity's: status with respect to the Bureau; accreditation status; program types offered (degree/certificate); and graduates' employability or future eligibility for licensure/certification. How should the Bureau handle these situations, through application consideration or beyond?

8. Future Agenda Items



9. Adjournment

