



**BPPPE**

Bureau for Private Postsecondary Education

## **Compliance Workshop**

Business, Consumer Services and Housing Agency – Governor Edmund G. Brown Jr.

**Bureau for Private Postsecondary Education**

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# Approval to Operate

## **CEC §94817 Approval to Operate or Approval**

“Approval to operate” or “approval” means the authorization pursuant to this chapter to offer to the public and to provide postsecondary educational programs, as well as the written document issued to an institution signifying its approval to operate.

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

## **CEC §94887 Granting of Approval to Operate**

An approval to operate shall be granted only after an applicant has presented sufficient evidence to the bureau, and the bureau has independently verified the information provided by the applicant through site visits or other methods deemed appropriate by the bureau, that the applicant has the capacity to satisfy the minimum operating standards. The bureau shall deny an application for an approval to operate if the application does not satisfy those standards.

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

# Approval to Operate

## Accredited Institutions

### **CEC §94813 Accredited**

“Accredited” means an institution is accredited by an accrediting agency recognized by the United States Department of Education.

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

*Amended by Stats. 2014, Ch. 840, §4. (SB 1247)*

### **CEC §94814 Accrediting Agency**

“Accrediting agency” is an agency recognized by the United States Department of Education.

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

### **CEC §94890 Approval By Means of Accreditation**

(a) (1) The bureau shall grant an institution that is accredited an approval to operate by means of its accreditation.

(2) The bureau shall adopt by regulation the process and procedures whereby an institution that is accredited may apply for and obtain an approval by means of that accreditation. The bureau shall establish application processing goals and timelines to ensure that an institution that has submitted a complete application for approval to operate by means of its accreditation has that application promptly reviewed for compliance within 30 days of the bureau’s receipt of the application or within an appropriate timeline as determined by the bureau. The timelines shall ensure that an institution that has submitted a complete and compliant application receives approval within 30 days of the application being deemed compliant by the bureau, or within an appropriate timeline as determined by the bureau.

(b) The term of an approval to operate pursuant to this section shall be coterminous with the term of accreditation. Upon renewal of the institution’s accreditation, the institution shall submit verification to the bureau, on a form provided by the bureau, that the institution’s accreditation has been renewed.

(c) Institutions that are granted an approval to operate by means of the institution’s accreditation shall comply with all other applicable requirements in this chapter.

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

*Amended by Stats. 2014, Ch. 840, §22. (SB 1247)*

# Approval to Operate

## Enforcement Authority

### **CEC §94932 Enforcement Authority**

The bureau shall determine an institution's compliance with the requirements of this chapter. The bureau shall have the power to require reports that institutions shall file with the bureau in addition to the annual report, to send staff to an institution's sites, and to require documents and responses from an institution to monitor compliance. When the bureau has reason to believe that an institution may be out of compliance, it shall conduct an investigation of the institution. If the bureau determines, after completing a compliance inspection or investigation, that an institution has violated any applicable law or regulation, the bureau shall take appropriate action pursuant to this article.

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

*Amended by Stats. 2014, Ch. 840, §34. (SB 1247)*

*Amended by Stats. 2016, Ch. 593, §21. (SB 1192)*

### **CEC §94932.5 Announced and Unannounced Compliance Inspections**

(a) As part of its compliance program, the bureau shall perform announced and unannounced inspections of institutions at least every five years.

(b) On or before January 1, 2017, the bureau shall adopt regulations setting forth policies and practices to ensure that student protections are the highest priority of inspections and that inspections are conducted based on risk and potential harm to students. The regulations shall also set forth policies and practices for providing notice to students enrolled at an institution of the results of each inspection of the institution.

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

*Amended by Stats. 2014, Ch. 840, §34. (SB 1247)*

### **5, CCR §75200 Compliance Inspections**

(a) As part of the Bureau's compliance program, the first inspection of an institution pursuant to this section shall be an announced inspection.

(b) The Bureau shall provide not less than seven (7) days notice from the time of service of the notice of any announced inspection. Notice shall be given in writing by email or mail to a person listed in section 71130(a) or 71135.

(c) An institution shall be subject to the same number of unannounced inspections in a two-year period as announced inspections. The relevant two-year period shall begin on the date of the first announced inspection.

(d) The Bureau shall determine the number of total compliance inspections for any institution by evaluating relevant factors including: size of the institution, number and types of programs offered, time elapsed since last inspection, history of its approval to operate, number and type of complaints, and enforcement history.

(e) The Bureau is not precluded from conducting an investigation of an institution whether or not it has conducted some or all of its compliance inspections in the two-year period.

*Note: Authority cited: Sections 94877 and 94932.5, Education Code. Reference: Section 94932.5, Education Code.*

# Minimum Operating Standards

## CEC §94885 Minimum Operating Standards

(a) The bureau shall adopt by regulation minimum operating standards for an institution that shall reasonably ensure that all of the following occur:

- (1) The content of each educational program can achieve its stated objective.
- (2) The institution maintains specific written standards for student admissions for each educational program and those standards are related to the particular educational program.
- (3) The facilities, instructional equipment, and materials are sufficient to enable students to achieve the educational program's goals.
- (4) The institution maintains a withdrawal policy and provides refunds.
- (5) The directors, administrators, and faculty are properly qualified.
- (6) The institution is financially sound and capable of fulfilling its commitments to students.
- (7) That, upon satisfactory completion of an educational program, the institution gives students a document signifying the degree or diploma awarded.
- (8) Adequate records and standard transcripts are maintained and are available to students.
- (9) The institution is maintained and operated in compliance with this chapter and all other applicable ordinances and laws.

(b) Except as provided in Section 94885.1, an institution offering a degree must satisfy one of the following requirements:

- (1) Accreditation by an accrediting agency recognized by the United States Department of Education, with the scope of that accreditation covering the offering of at least one degree program by the institution.
- (2) An accreditation plan, approved by the bureau, for the institution to become fully accredited within five years of the bureau's issuance of a provisional approval to operate to the institution. The provisional approval to operate to an unaccredited degree-offering institution shall be in compliance with Section 94885.5.

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

*Amended by Stats. 2014, Ch. 840, §18. (SB 1247)*

*Amended by Stats. 2016, Ch. 593, §13. (SB 1192)*

## 5, CCR §71700 Applicability of Standards

The Bureau may request that an institution document compliance with the standards set forth in the Act and this Division to obtain and maintain an approval to operate.

*Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Sections 94885, 94887, 94888 and 94932, Education Code.*

# Minimum Operating Standards

## Mission and Objectives of the Institution

### **5, CCR §70000(q) “Mission”**

Means an institution’s stated educational reasons to exist. A mission statement contains all of the following characteristics:

- (1) The mission includes the institution’s broad expectations concerning the education that students will receive, including the acquisition of the body of knowledge presented in the educational program, the development of intellectual, analytical, and critical abilities, and the fostering of values such as a commitment to pursue lifelong learning; and
- (2) The mission relates to the educational expectations of the institution’s students, faculty and community that the institution serves.

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

### **5, CCR §70000(r) Objectives**

“Objectives” are the goals and methods by which the institution fulfills its mission and transforms it into measurable student learning outcomes for each educational program.

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

### **5, CCR §71705 Mission and Objectives**

An institution shall have a written statement of its mission and the objectives for each educational program. The mission and the objectives shall indicate the kind of education offered, for whom the instruction is intended and the expected outcomes for graduates.

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



# Minimum Operating Standards

## Educational Programs

### **CEC §94828 Curriculum**

An organized set of courses or modules of instruction that are prerequisites to the award of a degree or diploma.

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

### **CEC §94837 Educational Program**

A planned sequence composed of a single course or module, or set of related courses or modules, that provides education, training, skills, or experience, or a combination of these.

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

*Amended by Stats. 2014, Ch. 840, §7. (SB 1247)*

## **5, CCR §71710 Educational Program**

In order to meet its mission and objectives, the educational program defined in section 94837 of the Code shall be comprised of a curriculum that includes:

- (a) those subject areas that are necessary for a student to achieve the educational objectives of the educational program in which the student is enrolled;
- (b) subject areas and courses or modules that are presented in a logically organized manner or sequence to students;
- (c) course or module materials that are designed or organized by duly qualified faculty. For each course or module, each student shall be provided with a syllabus or course outline that contains:
  - (1) a short, descriptive title of the educational program;
  - (2) a statement of educational objectives;
  - (3) length of the educational program;
  - (4) sequence and frequency of lessons or class sessions;
  - (5) complete citations of textbooks and other required written materials;
  - (6) sequential and detailed outline of subject matter to be addressed or a list of skills to be learned and how those skills are to be measured;
  - (7) instructional mode or methods.
- (d) if degree granting, require research of an appropriate degree that utilizes a library and other learning resources;
- (e) specific learning outcomes tied to the sequence of the presentation of the material to measure the students' learning of the material; and
- (f) evaluation by duly qualified faculty of those learning outcomes.

*Note: Authority cited: Sections 94803, 94885 and 94877, Education Code. Reference: Sections 94837 and 94885, Education Code.*

# Minimum Operating Standards

## **5, CCR §70000(u) “Provisional Approval”**

Means approval of a degree program or the institution for no more than a five-year period while the owner of a Bureau-approved institution seeks to satisfy the requirement for institutional accreditation by an accrediting agency recognized by the United States Department of Education pursuant to section 94885(b) of the Code.

*Note: Authority cited: Sections 94803, 94877, 94885, 94885.1, and 94885.5 Education Code.*

*Reference: Sections 94818, 94830, 94844, 94885, 94885.1, 94885.5 and 94923, Education Code.*

## **CEC §94885.1. Accreditation Required for Degree Granting Institutions Approved Prior to 1/1/15**

(a) An institution that is not accredited by an accrediting agency recognized by the United States Department of Education and offering at least one degree program, and that has obtained an approval to operate from the bureau on or before January 1, 2015, shall be required to satisfy at least one of the following no later than July 1, 2015:

(1) Accreditation by an accrediting agency recognized by the United States Department of Education, with the scope of that accreditation covering the offering of at least one degree program by the institution.

(2) Compliance with subdivision (b).

(b) The bureau shall identify institutions that are subject to subdivision (a) and notify those institutions by February 1, 2015, of the accreditation requirements pursuant to this section and that the institution is required provide the following information to the bureau if the institution plans to continue to offer a degree program after July 1, 2015:

(1) An accreditation plan that, at a minimum, identifies an accrediting agency recognized by the United States Department of Education from which the institution will seek accreditation, with the scope of that accreditation covering the offering of at least one degree program, and outlines the process by which the institution will achieve accreditation candidacy or pre-accreditation by July 1, 2017, and full accreditation by July 1, 2020.

(2) Evidence of having achieved accreditation candidacy or pre-accreditation by July 1, 2017.

(3) Evidence of having obtained full accreditation by July 1, 2020.

(4) Any additional documentation the bureau deems necessary.

(c) An institution that satisfies the requirements of subdivision (b) shall comply with all of the following:

(1) Notify students seeking to enroll in the institution, in writing, prior to the execution of the student’s enrollment agreement, that the institution’s approval to offer a degree program is contingent upon the institution being subsequently accredited.

(2) A visiting committee, empaneled by the bureau pursuant to Section 94882, shall review the institution by January 1, 2017, and determine if the institution is likely to achieve full accreditation by July 1, 2020. If the visiting committee finds the institution deficient in its accreditation plan, the bureau may prohibit the institution from enrolling new students in its degree program or programs, and require the execution of a teach-out plan for its enrolled students.

# Minimum Operating Standards

(d) (1) The bureau shall, upon the timely submission of sufficient evidence that an unaccredited institution is making strong progress toward obtaining accreditation, grant an institution's request for an extension of time, not to exceed two years, to meet the requirements of this section.

(2) Evidence submitted to the bureau pursuant to paragraph (1) shall include, but is not limited to, an amended accreditation plan adequately identifying why pre-accreditation, accreditation candidacy, or accreditation outlined in the original plan submitted to the bureau was not achieved, active steps the institution is taking to comply with this section, and documentation from an accrediting agency demonstrating the institution's likely ability to meet the requirements of this section.

(3) The bureau may establish policies and procedures to comply with the requirements in this subdivision. Establishment of these policies and procedures are exempt from Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), Chapter 4.5 (commencing with Section 11400), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(e) Any institution that fails to comply with the requirements of this section by the dates provided, as required, shall have its approval to operate automatically suspended on the applicable date. The bureau shall issue an order suspending the institution and that suspension shall not be lifted until the institution complies with the requirements of this section. A suspended institution shall not enroll new students in any of its degree programs, and shall execute a teach-out plan for its enrolled students.

(f) The bureau shall adopt emergency regulations for purposes of implementing this section. The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare for purposes of Sections 11346.1 and 11349.6 of the Government Code. These emergency regulations shall become law through the regular rulemaking process within one year of the enactment of this section.

(g) This section shall remain in effect until January 1, 2023, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2023, deletes or extends that date.

*Added by Stats. 2014, Ch. 840, §19. (SB 1247)*

*Amended by Stats. 2016, Ch. 593, §14 (SB 1192)*

## **5, CCR §71105.5 Accreditation Plan Requirements for Degree-Granting Institutions**

(a) The owner of an unaccredited institution that was approved to offer a degree program on or before January 1, 2015, shall by July 1, 2015, submit to the Bureau a plan for achieving institutional accreditation by an accrediting agency recognized by the United States Department of Education, with the scope of that accreditation covering the offering of at least one degree program.

(b) The plan shall include:

(1) Identification of the accrediting agency from which the institution will seek accreditation;

(2) Identification of the accrediting agency's eligibility requirements;

# Minimum Operating Standards

- (3) Identification of the accrediting agency's minimum requirements for institutional accreditation covering at least one degree program offered by the institution with an outline of the process and timeline for complying, by July 1, 2017, with the accrediting agency's requirements for submission of a completed application for initial accreditation with the required fee; and
- (4) An outline of the process and timeline whereby the institution will achieve full accreditation by July 1, 2020 including all of the following, if applicable:
- (A) Attendance at the accrediting agency's required accreditation applicant workshop;
  - (B) Submission of financial statements as required by the accrediting agency;
  - (C) Submission of a self-evaluation report; and
  - (D) Hosting of a site visit by the accrediting agency.

*Note: Authority cited: Sections 94877 and 94885.1, Education Code. Reference: Sections 94885 and 94885.1, Education Code.*

## **5, CCR §71775.5 Pre-Enrollment Disclosure; Notice to Prospective Degree Program Students; Institutions with Existing Approvals to Operate**

(a) An approved unaccredited institution enrolling a student in a degree program shall, prior to execution of an enrollment agreement, provide the student with the following notice, which shall be in at least 12-point type in the same font as the enrollment agreement:

### **“Notice to Prospective Degree Program Students**

This institution is approved by the Bureau for Private Postsecondary Education to offer degree programs. To continue to offer degree programs, this institution must meet the following requirements:

- Become institutionally accredited by an accrediting agency recognized by the United States Department of Education, with the scope of the accreditation covering at least one degree program.
- Achieve accreditation candidacy or pre-accreditation, as defined in regulations, by July 1, 2017, and full accreditation by July 1, 2020.

If this institution stops pursuing accreditation, it must:

- Stop all enrollment in its degree programs, and
- Provide a teach-out to finish the educational program or provide a refund.

An institution that fails to comply with accreditation requirements by the required dates shall have its approval to offer degree programs automatically suspended.

Institutional Representative Initials: \_\_\_\_\_ Student Initials: \_\_\_\_\_  
Date: \_\_\_\_\_ Date: \_\_\_\_\_”

(b) The student and an institutional representative shall initial and date the notice prior to executing an enrollment agreement. An initialed copy of the notice shall be given to the student and the original shall be retained in the enrolled student's records.

# Minimum Operating Standards

(c) The notice shall also be posted immediately preceding or following as to clearly pertain to the description of the degree program, including, but not limited to, one or more of the following; admissions requirements, length of program, courses offered or areas of focus. Such notice shall be included, at a minimum, in the following locations:

- (1) The institution's catalog where each degree program is described.
- (2) The institution's website where each degree program is described.
- (3) The institution's degree program brochures.

*Note: Authority cited: Sections 94877 and 94885.1, Education Code. Reference: Sections 94885, 94885.1, 94897, 94900, 94900.5, 94909, 94927.5 and 94932, Education Code.*

## **CEC §94885.5. Accreditation Required for Degree Granting Institutions**

(a) If an institution that has not been accredited by an accrediting agency recognized by the United States Department of Education seeks to offer one or more degree programs, the institution shall satisfy the following requirements in order to be issued a provisional approval to operate from the bureau:

- (1) The institution may not offer more than two degree programs during the term of its provisional approval to operate.
- (2) The institution shall submit an accreditation plan, approved by the bureau, for the institution to become fully accredited within five years of issuance of its provisional approval to operate. The plan shall include, at a minimum, identification of an accreditation agency recognized by the United States Department of Education, from which the institution plans to seek accreditation, and outline the process by which the institution will achieve accreditation candidacy or pre-accreditation within two years, and full accreditation within five years, of issuance of its provisional approval.
- (3) The institution shall submit to the bureau all additional documentation the bureau deems necessary to determine if the institution will become fully accredited within five years of issuance of its provisional approval to operate.

(b) If an institution is granted a provisional approval to operate pursuant to subdivision (a), the following is required:

- (1) Students seeking to enroll in that institution shall be notified in writing by the institution, prior to the execution of the student's enrollment agreement, that the institution's approval to operate is contingent upon it being subsequently accredited.
- (2) Within the first two years of issuance of the provisional approval, a visiting committee, empaneled by the bureau pursuant to Section 94882, shall review the institution's application for approval and its accreditation plan, and make a recommendation to the bureau regarding the institution's progress to achieving full accreditation.
- (3) The institution shall provide evidence of accreditation candidacy or pre-accreditation within two years of issuance of its provisional approval, and evidence of accreditation within five years of issuance of its provisional approval, with the scope of that accreditation covering the offering of at least one degree program.

# Minimum Operating Standards

(c) An institution required to comply with this section that fails to do so by the dates provided, as required, shall have its provisional approval to operate automatically suspended on the applicable date. The bureau shall issue an order suspending the institution and that suspension shall not be lifted until the institution complies with the requirements of this section. A suspended institution shall not enroll new students in any of its degree programs and shall execute a teach-out plan for its enrolled students.

(d) (1) The bureau shall, upon the timely submission of sufficient evidence that an unaccredited institution is making strong progress toward obtaining accreditation, grant an institution's request for an extension of time, not to exceed two years, to meet the requirements of this section.

(2) Evidence submitted to the bureau pursuant to paragraph (1) shall include, but is not limited to, an amended accreditation plan adequately identifying why preaccreditation, accreditation candidacy, or accreditation outlined in the original plan submitted to the bureau was not achieved, active steps the institution is taking to comply with this section, and documentation from an accrediting agency demonstrating the institution's likely ability to meet the requirements of this section.

(3) The bureau may establish policies and procedures to comply with the requirements in this subdivision. Establishment of these policies and procedures are exempt from Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), Chapter 4.5 (commencing with Section 11400), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(e) An institution issued a provisional approval under this section is required to comply with all other laws and regulations.

(f) The bureau shall adopt emergency regulations for purposes of implementing this section. The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare for purposes of Sections 11346.1 and 11349.6 of the Government Code. These emergency regulations shall become law through the regular rulemaking process within one year of the enactment of this section.

*Added by Stats. 2014, Ch. 840, §20. (SB 1247)*

*Amended by Stats. 2016, Ch. 593, §15 (SB 1192)*

## **5, CCR §71105 Application for Provisional Approval to Offer Degree Programs**

(a) For an application for approval to operate or a substantive change, the owner of an unaccredited institution also requesting provisional approval to offer a degree program shall submit to the Bureau, for its approval, a plan for achieving institutional accreditation by an accrediting agency recognized by the United States Department of Education, with the scope of that accreditation covering the offering of at least one degree program.

(b) The plan shall include:

- (1) Identification of the accrediting agency from which the institution will seek accreditation;
- (2) Identification of the accrediting agency's eligibility requirements;

# Minimum Operating Standards

- (3) Identification of the accrediting agency's minimum requirements for institutional accreditation covering at least one degree program offered by the institution with an outline of the process and timeline for complying within two years of provisional approval with the accrediting agency's requirements for submission of a completed application for initial accreditation with the required fee; and
- (4) An outline of the process and timeline whereby the institution will achieve full accreditation within five years of provisional approval, including all of the following, if applicable:
- (A) Attendance at the accrediting agency's required accreditation applicant workshop;
  - (B) Submission of financial statements as required by the accrediting agency;
  - (C) Submission of a self-evaluation report; and
  - (D) Hosting of a site visit by the accrediting agency.

*NOTE: Authority cited: Sections 94877, 94885.5 and 94888 Education Code Reference: Sections 94885 94885.5 94886 94887 and 94888 Education Code.*

## 5, CCR §71775 Pre-Enrollment Disclosure; Notice to Prospective Degree Program Students

(a) An unaccredited institution enrolling a student in a degree program that has received provisional approval shall, prior to execution of an enrollment agreement, provide the student with the following notice, which shall be in at least 12-point type in the same font as the enrollment agreement:

### **“Notice to Prospective Degree Program Students**

This institution is provisionally approved by the Bureau for Private Postsecondary Education to offer degree programs. To continue to offer this degree program, this institution must meet the following requirements:

- Become institutionally accredited by an accrediting agency recognized by the United States Department of Education, with the scope of the accreditation covering at least one degree program.
- Achieve accreditation candidacy or pre-accreditation, as defined in regulations, by (date two years from date of provisional approval), and full accreditation by (date five years from date of provisional approval).

If this institution stops pursuing accreditation, it must:

- Stop all enrollment in its degree programs, and
- Provide a teach-out to finish the educational program or provide a refund.

An institution that fails to comply with accreditation requirements by the required dates shall have its approval to offer degree programs automatically suspended.

Institutional Representative Initials: \_\_\_\_\_ Student Initials: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_”

(b) The student and an institutional representative shall initial and date the notice prior to executing an enrollment agreement. An initialed copy of the notice shall be given to the student and the original shall be retained in the enrolled student's records.

# Minimum Operating Standards

(c) The notice shall also be posted immediately preceding or following as to clearly pertain to the description of the degree program, including, but not limited to, one or more of the following; admissions requirements, length of program, courses offered or areas of focus. Such notice shall be included, at a minimum, in the following locations:

- (1) The institution's catalog where each degree program is described.
- (2) The institution's website where each degree program is described.
- (3) The institution's degree program brochures.

*Note: Authority cited: Sections 94877 and 94885.5, Education Code. Reference: Sections 94885, 94885.5, 94897, 94900, 94900.5, 94909, 94927.5 and 94932, Education Code.*

## **5, CCR §71471 Visiting Committees; Unaccredited Degree-Granting Institutions**

(a) The Bureau shall empanel a visiting committee to assess an unaccredited degree-granting institution's progress toward successfully achieving its accreditation plan submitted in accordance with either section 71105 or 71105.5.

(b) Upon notification of a visiting committee review pursuant to this section, an institution may challenge the committee by following the procedures in section 71455.

(c) The visiting committee shall review the institution's plan and initial documentation.

(d) The committee may request an update of the documentation submitted with the initial accreditation plan. The committee may, in its discretion, schedule a site visit.

(e) The Bureau's visiting committee shall prepare a report upon conclusion of the committee's work that shall include the following:

- (1) The committee's findings regarding the institution's progress toward accreditation;
- (2) The committee's assessment of the institution's ability to meet its stated accreditation goals in the time allotted;
- (3) Suggested corrections for the institution to achieve accreditation; and
- (4) The committee's recommendations on any action the Bureau should take.

*Note: Authority cited: Sections 94877, 94885.1, 94885.5 and 94888, Education Code. Reference: Sections 94882, 94885, 94885.1 and 94885.5, Education Code.*



# Minimum Operating Standards

## Instruction

### **CEC §94846 Instruction**

An institution's specific, formal arrangements in which its faculty presents a part of the curriculum.

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

### **5, CCR §71715 Instruction**

(a) Instruction shall be the central focus of the resources and services of the institution.

(b) The institution shall document that the instruction offered leads to the achievement of the learning objectives of each course.

(c) Direct instruction requires the physical presence of one or more students and one or more faculty members at the same location. Direct instruction includes instruction presented in a classroom, seminar, workshop, lecture, colloquium, laboratory, tutorial, or other physical learning settings consistent with the mission, purposes, and objectives of the institution.

(d) Distance education as defined in section 94834 of the Code, does not require the physical presence of students and faculty at the same location but provides for interaction between students and faculty by such means as telecommunication, correspondence, electronic and computer augmented educational services, postal service, and facsimile transmission. In addition to the other requirements of this chapter and the Act, an institution offering distance education shall:

(1) ensure that the educational program offered through distance education is appropriate for delivery through distance education methods;

(2) assess each student, prior to admission, in order to determine whether each student has the skills and competencies to succeed in a distance education environment;

(3) ensure that the materials and programs are current, well organized, designed by faculty competent in distance education techniques and delivered using readily available, reliable technology;

(4) provide for meaningful interaction with faculty who are qualified to teach using distance education methods;

(5) maintain clear standards for satisfactory academic progress;

(6) timely complete student evaluations of learning outcomes by duly qualified faculty, which are appropriate for use with the distance education methods used, and evaluated by duly qualified faculty.

(7) employ a sufficient number of faculty to assure that (A) the institution's response to, or evaluation of, each student lesson is returned to the student within 10 days after the lesson is received by the institution; and (B) the institution's response to, or evaluation of, each student project or dissertation is returned to the student within the time disclosed in the catalog; and

(8) shall maintain a record of the dates on which lessons, projects, and dissertations were received and responses were returned to each student.

*Note: Authority cited: Sections 94803, 94885 and 94887, Education Code. Reference: Sections 94834 and 94885, Education Code.*

# Minimum Operating Standards

## **CEC §94834 Distance Education**

Transmission of instruction to students at a location separate from the institution.

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

## **5, CCR §71716 Distance Educational Programs -Specific Provisions for Instruction Not in Real Time**

(a) An institution offering a distance educational program where the instruction is not offered in real time shall transmit the first lesson and any materials to any student within seven days after the institution accepts the student for admission.

(b) The student shall have the right to cancel the agreement and receive a full refund pursuant to section 71750 before the first lesson and materials are received. Cancellation is effective on the date written notice of cancellation is sent. The institution shall make the refund pursuant to section 71750. If the institution sent the first lesson and materials before an effective cancellation notice was received, the institution shall make a refund within 45 days after the student's return of the materials.

(c)(1) An institution shall transmit all of the lessons and other materials to the student if the student:

(A) has fully paid for the educational program; and

(B) after having received the first lesson and initial materials, requests in writing that all of the material be sent.

(2) If an institution transmits the balance of the material as the student requests, the institution shall remain obligated to provide the other educational services it agreed to provide, such as responses to student inquiries, student and faculty interaction, and evaluation and comment on lessons submitted by the student, but shall not be obligated to pay any refund after all of the lessons and material are transmitted.

(d) The enrollment agreement shall disclose the institution's and student's rights and duties under this section.

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

# Minimum Operating Standards

## Faculty Requirements

### **CEC §94841 Faculty**

The instructional staff of an institution, whether these persons are employees or independent contractors.

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

### **5, CCR §71720 Faculty**

(a) An Educational Program Leading to a Degree.

(1) An institution offering an educational program that leads to a degree shall employ duly qualified faculty sufficient in number to provide the instruction, student advisement, and learning outcomes evaluation necessary for the institution to document its achievement of its stated mission and objectives, and for students to achieve the specific learning objectives of each course offered;

(2) Each institution shall develop and implement written policies and procedures providing for the participation by duly qualified faculty in the conducting of research, development of curricula, academic planning, enforcement of standards of academic quality, pursuit of academic matters related to the institution's mission and objectives, establishment of criteria for contracting with new faculty, and evaluation of faculty credentials;

(3) In determining the number of faculty sufficient to satisfy subdivision (a)(1) of this section and to implement the policies established pursuant to subdivision (a)(2) of this section, the institution shall base its faculty requirements on all of the following factors:

(A) The educational level and number of students;

(B) The number of hours needed for direct interaction between students and faculty per course, quarter, semester, or other term;

(C) The number of hours needed to be spent on evaluating written materials prepared by students, such as distance education, papers, and examinations, per course, quarter, semester, or other term;

(D) The number of group meetings per course, quarter, semester, or other term;

(E) The faculty duties established by the institution as required under subdivision (a)(2) of this section; and

(F) The number of hours per week or units per term considered full-time for faculty in the institution.

(4) The faculty shall have sufficient expertise to support the institution's awarding of a degree identifying a specialty or major field of emphasis, demonstrated by, at a minimum:

(A) That the person possesses one of the following:

1. a degree from: an institution approved by the Bureau or previously approved by a predecessor agency of the Bureau; or an accredited institution in the United States or Canada; or other state approved institution that documents that the institution at which the faculty member earned his or her degree is equivalent to an institution that is approved by the Bureau; or an institution outside the United States or Canada and in addition provides a comprehensive

# Minimum Operating Standards

evaluation of the degree performed by a foreign credential evaluation service that is a member of the National Association of Credential Evaluation Services(NACES).

2. a credential generally recognized in the field of instruction.

(B) The degree, professional license, or credential possessed by the person shall be at least equivalent to the level of instruction being taught or evaluated;

(5) The institution's faculty as a whole shall possess a diverse educational background which shall be demonstrated in part by earned degrees from a variety of colleges and universities or by credentials generally recognized in the field of instruction;

(6) When contracting for educational services, the institution shall maintain control of, and responsibility for, all academic matters, and shall assure that the instruction and faculty satisfy the standards established by the Act and this chapter;

(7) The institution shall not employ or continue to employ any faculty who were adjudicated in a judicial or administrative proceeding as having violated any provision of the Act or this chapter or as having committed any act that would constitute grounds for the denial of a license under Section 480 of the Business and Professions Code;

(8) Each institution shall have a written Academic Freedom Policy which describes the latitude the institution allows faculty in the classroom so faculty will not inadvertently violate the principles of academic freedom. These policies shall be made available to any person upon request. The institution shall not take adverse action based on a staff member's exercise of academic freedom consistent with the institution's policy; and

(9) The institution shall maintain records documenting that each faculty member is duly qualified and was qualified to perform the duties to which the faculty member was assigned, including providing instruction, evaluating learning outcomes, evaluating graduate dissertations, theses, and student projects, and participating on doctoral committees.

(b) Instructors in an Educational Program Not Leading to a Degree.

(1) An institution shall employ instructors who possess the academic, experiential and professional qualifications to teach, including a minimum of three years of experience, education and training in current practices of the subject area they are teaching. If an instructor does not possess the required three years of experience, education and training in the subject area they are teaching, the institution shall document the qualifications the instructor possesses that are equivalent to the minimum qualifications.

(2) Each instructor shall maintain their knowledge by completing continuing education courses in his or her subject area, classroom management or other courses related to teaching.

(3) The institution shall not employ or continue to employ an instructor who was adjudicated in a judicial or administrative proceeding as having violated any provision of the Act or this chapter, or as having committed any act that would constitute grounds for the denial of a license under Section 480 of the Business and Professions Code.

*Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Section 94885, Education Code; and Section 480, Business and Professions Code.*

# Minimum Operating Standards

## Administration

### **5, CCR §70000(c) “Chief Academic Officer”**

Means the person primarily responsible for the administration of an institution’s academic affairs including the supervision of faculty, development of educational programs and curricula, and implementation of the institution’s mission, purpose and objectives.

*Note: Authority cited: Sections 94803, 94877, 94885, 94885.1 and 94885.5, Education Code.*

*Reference: Sections 94818, 94830, 94844, 94885, 94885.1, 94885.5 and 94923, Education Code*

### **5, CCR §70000(d) “Chief Executive Officer”**

Means the person primarily responsible for the overall administration of an institution, including the supervision of the chief academic officer and the chief operating officer. The chief executive officer is often, but need not be, called the “president.”

*Note: Authority cited: Sections 94803, 94877, 94885, 94885.1 and 94885.5, Education Code.*

*Reference: Sections 94818, 94830, 94844, 94885, 94885.1, 94885.5 and 94923, Education Code*

### **5, CCR §70000(e) “Chief Operating Officer”**

Means the person primarily responsible for the administration of an institution’s business operation, including finances, management, personnel, and contracting for goods, services, or property.

*Note: Authority cited: Sections 94803, 94877, 94885, 94885.1 and 94885.5, Education Code.*

*Reference: Sections 94818, 94830, 94844, 94885, 94885.1, 94885.5 and 94923, Education Code*

## **5, CCR §71730 Administration**

(a) Each institution shall have a chief executive officer, a chief operating officer and chief academic officer. One person may serve more than one function.

(b) The duties, responsibilities, and performance evaluation criteria for each administrator shall be set forth in a personnel manual or other writing maintained by the institution.

(c) An institution with one or more branch locations shall establish written institutional policies, consistent with subdivision (d), regarding the division and sharing of administrative responsibilities between the central administration at the main location and the administration at the branch locations.

(d) The administrative staffing at each branch location shall reflect the purposes, size, and educational operations at that location and at any satellite location for which the branch has administrative responsibilities.

(e) The chief academic officer shall possess a degree or equivalent acceptable experience at least equal to the highest qualifications required of the institution's faculty. Chief academic officers employed on the date of implementation of these regulations, who do not meet the qualifications for their positions, shall have three years to earn the necessary degrees or experience to qualify them for their position.

(f) The institution shall employ administrative personnel who have the expertise to ensure the achievement of the institution's mission and objectives and the operation of the educational programs.

## Minimum Operating Standards

(g) The institution shall not employ or continue to employ any administrative personnel who were adjudicated in a judicial or administrative proceeding as having violated any provision of the Act or this chapter or as having committed any act that would constitute grounds for the denial of a license under Section 480 of the Business and Professions Code.

*Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Section 94885, Education Code; and Section 480, Business and Professions Code*

# Minimum Operating Standards

## Library and Other Resources

### **5, CCR §71740 Library and Other Learning Resources**

- (a) A degree granting institution shall make available for student use a library and other learning resources.
- (b) An institution shall provide or make provisions for the library and other learning resources needed to support each educational program it offers, including resources such as reference works, periodicals, monographs, and media and equipment specific to the educational programs offered.
- (c) An institution shall describe onsite library and other learning resources, if any, that enable students to pursue inquiries, searches for information and documentation, and assignments connected with their study programs.
- (d) An institution that depends for library and other learning resources primarily on other institutions' collections and resources not in its possession shall do all of the following:
  - (1) Describe those library and other learning resources, in the application and catalog.
  - (2) Provide students and faculty with access to the regular services of a professional librarian or information specialist experienced in the electronic retrieval of information, who shall provide support for faculty in curriculum matters and actively serve as a resource guide for both graduate and undergraduate students.
  - (3) Assure that students have access to the library collections and resources of another institution, organization, or library.
  - (4) Document compliance with paragraphs (1), (2), and (3).

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

# Minimum Operating Standards

## Facilities and Equipment

### **5, CCR§70000(aa) “Significant Equipment”**

Means equipment that is necessary for achieving the stated educational objectives.

*Note: Authority cited: Sections 94803, 94877, 94885, 94885.1 and 94885.5, Education Code.*

*Reference: Sections 94818, 94830, 94844, 94885, 94885.1, 94885.5 and 94923, Education Code*

### **5, CCR §71735 Facilities and Equipment**

(a) An institution shall have sufficient facilities and necessary equipment to support the achievement of the educational objectives of all of the courses and educational programs in which students are enrolled. If an institution represents that the educational service will fit or prepare a student for employment in a particular occupation or as described in particular job titles, either of the following conditions shall be met:

(1) The equipment used for instruction or provided to the student shall be comparable in model type or features to equipment generally used in those occupations or job titles at the time the instruction is offered.

(2) The institution shall establish that the equipment used for instruction or provided to a student is not obsolete and is sufficient for instructional purposes to reasonably assure that a student acquires the necessary level of education, training, skill, and experience to obtain employment in the field of training and to perform the tasks associated with the occupation or job title to which the educational program was represented to lead.

(b) An institution's facilities, including heating and cooling, ventilation, lighting, classrooms, laboratories, and campus environs, shall be well-maintained. The institution shall maintain all valid permits required by any public agencies relating to the health and safety of the institution's facilities and equipment on file, and such permits shall be available to the Bureau upon request.

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



# Minimum Operating Standards

## Satellite Locations

### **CEC §94862 Satellite Location**

"Satellite location" means an auxiliary classroom or teaching site within 50 miles of the branch or main location.

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

### **5, CCR §71717 Satellite Locations**

(a) An institution offering instruction at a satellite location as defined by section 94862 of the Code shall only offer instruction for educational programs that are approved for the main campus or a branch.

(b) The institution shall not maintain any permanent student records there.

(c) No solicitation or enrollment of students shall occur at a satellite.

(d) Advertising indicating the location of a satellite shall indicate the nature of the classroom.

*Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Sections 94862 and 94885, Education Code.*

# Minimum Operating Standards

## Financial Resources

### 5, CCR §71745 Financial Resources

(a) The institution shall document that it has at all times sufficient assets and financial resources to do all of the following:

- (1) Provide all of the educational programs that the institution represented it would provide.
- (2) Ensure that all students admitted to its educational programs have a reasonable opportunity to complete the programs and obtain their degrees or diplomas.
- (3) Maintain the minimum standards required by the Act and this chapter.
- (4) Pay timely refunds as required by Article 13 of the Act.
- (5) Pay all operating expenses due within 30 days.
- (6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year when using generally accepted accounting principles, or for an institution participating in Title IV of the federal Higher Education Act of 1965, meet the composite score requirements of the U.S. Department of Education. For the purposes of this section, current assets does not include: intangible assets, including goodwill, going concern value, organization expense, startup costs, long-term prepayment of deferred charges, and non-returnable deposits, or state or federal grant or loan funds that are not the property of the institution but are held for future disbursement for the benefit of students. Unearned tuition shall be accounted for in accordance with general accepted accounting principles.

(b) At an institution's request, the Bureau may consider the financial resources of a parent company if the parent company, as defined by section 94853 of the Code, meets and maintains all of the following provisions:

- (1) consents in writing to be sued in California;
- (2) consents in writing to be subject to the jurisdiction of the Bureau with respect to the institution's regulation under the Act and this Chapter;
- (3) designates and maintains an agent for service of process, consistent with section 74190;
- (4) agrees in writing to pay any refund, claim, penalty, or judgment that the institution is obligated to pay; and
- (5) files financial reports, maintains financial records, and consents in writing to permit the inspection and copying of financial records to the same extent as is required of the institution.

(c) An institution shall provide to the Bureau its most current financial statements upon request.

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

# Minimum Operating Standards

## 5, CCR §74115 Financial Statements

(a) This section applies to every set of financial statements required to be prepared or filed by the Act or by this chapter.

(b) A set of financial statements shall contain, at a minimum, a balance sheet, an income statement, and a cash flow statement, and the preparation of financial statements, shall comply with all of the following:

(1) Audited and reviewed financial statements shall be conducted and prepared in accordance with the generally accepted accounting principles established by the American Institute of Certified Public Accountants by an independent certified public accountant who is not an employee, officer, or corporate director or member of the governing board of the institution.

(2) Financial statements prepared on an annual basis as required by section 74110(b) shall be prepared in accordance with the generally accepted accounting principles established by the American Institute of Certified Public Accountants. Nonprofit institutions shall provide annual financial statements as required under generally accepted accounting principles for nonprofit organizations.

(3) The financial statements shall establish that the institution meets the requirements for financial resources required by Section 71745.

(4) If an audit performed to determine compliance with any federal or state student financial aid program reveals any failure to comply with the requirements of the program and the noncompliance creates any liability or potential liability for the institution, the financial statements shall reflect the liability or potential liability.

(5) Any audits shall demonstrate that the accountant obtained an understanding of the institution's internal financial control structure, assessed any risks, and has reported any material deficiencies in the internal controls.

(c) Work papers for the financial statements shall be retained for five years from the date of the statements and shall be made available to the Bureau upon request.

(d) "Current" with respect to financial statements means completed no sooner than 120 days prior to the time it is submitted to the Bureau, and covering no less than the most recent complete fiscal year. If more than 8 months will have elapsed between the close of the most recent complete fiscal year and the time it is submitted, the fiscal statements shall also cover no less than five months of that current fiscal year.

*Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94885 and 94934, Education Code.*

# Minimum Operating Standards

## Cancellations, Withdrawals, and Refunds

### **CEC §94844 Institutional Charges**

“Institutional charges” means charges for an educational program paid directly to an institution.

### **CEC §94870 Total Charges**

“Total charges” means the sum of institutional and noninstitutional charges.

### **CEC §94919 Institution Participating In Federal Student Financial Aid Programs**

(a) An institution that participates in the federal student financial aid programs complies with this article by complying with applicable regulations of the federal student financial aid programs under Title IV of the federal Higher Education Act of 1965.

(b) The institution shall advise each student that a notice of cancellation shall be in writing, and that a withdrawal may be effectuated by the student's written notice or by the student's conduct, including, but not necessarily limited to, a student's lack of attendance.

(c) The institution shall also provide a pro rata refund of nonfederal student financial aid program moneys paid for institutional charges to students who have completed 60 percent or less of the period of attendance.

(d) Institutions shall refund 100 percent of the amount paid for institutional charges, less a reasonable deposit or application fee not to exceed two hundred fifty dollars (\$250), if notice of cancellation is made through attendance at the first class session, or the seventh day after enrollment, whichever is later.

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

### **CEC §94920 Mandatory Cancellation, Withdrawal, and Refund Policies**

An institution that does not participate in the federal student financial aid programs shall do all of the following:

(a) The institution shall advise each student that a notice of cancellation shall be in writing, and that a withdrawal may be effectuated by the student's written notice or by the student's conduct, including, but not necessarily limited to, a student's lack of attendance.

(b) Institutions shall refund 100 percent of the amount paid for institutional charges, less a reasonable deposit or application fee not to exceed two hundred fifty dollars (\$250), if notice of cancellation is made through attendance at the first class session, or the seventh day after enrollment, whichever is later.

(c) The bureau may adopt by regulation a different method of calculation for instruction delivered by other means, including, but not necessarily limited to, distance education.

(d) The institution shall have a refund policy for the return of unearned institutional charges if the student cancels an enrollment agreement or withdraws during a period of attendance. The refund policy for students who have completed 60 percent or less of the period of attendance shall be a pro rata refund.

# Minimum Operating Standards

(e) The institution shall pay or credit refunds within 45 days of a student's cancellation or withdrawal.

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

*Amended by Stats. 2011, Ch. 167, §2. (AB 1013)*

## **CEC §94921 Alternative Refund Calculations**

An institution offering an educational program for which the refund calculations set forth in this article cannot be utilized because of the unique way in which the educational program is structured, may petition the bureau for an alternative method of calculating tuition refunds.

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

## **5, CCR §70000(ab) "Tuition"**

Means the cost for instruction normally charged on a per unit or per hour basis. It does not include itemized fees paid to the Bureau or the cost of textbooks, supplies, transportation, or equipment.

## **5, CCR §71750 Withdrawals and Refunds**

(a) Every institution shall make refunds that are no less than the refunds required under the Act and this Division.

(b) An institution may not enforce any refund policy that is not specified in the catalog as required pursuant to section 94909(a)(8)(B) of the Code, and must refund all institutional charges upon a student's withdrawal. Withdrawal policy procedures pursuant to section 94909(a)(8)(B) of the Code shall include, at a minimum: the acceptable methods of delivery of a notice to withdraw; whether withdrawal can be accomplished by conduct, and if so, how; the position or positions to whom the notice to withdraw must be delivered; and the date that the notice to withdraw is considered effective, which shall be no later than the date received by the institution.

(c) A pro rata refund pursuant to section 94919(c) or 94920(d) or 94927 of the Code shall be no less than the total amount owed by the student for the portion of the educational program provided subtracted from the amount paid by the student, calculated as follows:

(1) The amount owed equals the daily charge for the program (total institutional charge, divided by the number of days or hours in the program), multiplied by the number of days student attended, or was scheduled to attend, prior to withdrawal.

(2) Except as provided for in subdivision (a)(3) of this section, all amounts paid by the student in excess of what is owed as calculated in subdivision (a)(1) shall be refunded.

(3) Except as provided herein, all amounts that the student has paid shall be subject to refund unless the enrollment agreement and the refund policy outlined in the catalog specify amounts paid for an application fee or deposit not more than \$250.00, books, supplies, or equipment, and specify whether and under what circumstances those amounts are non-refundable. Except when an institution provides a 100% refund pursuant to section 94919(d) or section 94920(b) of the Code, any assessment paid pursuant to section 94923 of the Code is non-refundable.

## Minimum Operating Standards

(4) For purposes of determining a refund under the Act and this section, a student shall be considered to have withdrawn from an educational program when he or she withdraws or is deemed withdrawn in accordance with the withdrawal policy stated in its catalog.

(d) If an institution has collected money from a student for transmittal on the student's behalf to a third party for a bond, library usage, or fees for a license, application, or examination and the institution has not paid the money to the third party at the time of the student's withdrawal or cancellation, the institution shall refund the money to the student within 45 days of the student's withdrawal or cancellation.

(e) An institution shall refund any credit balance on the student's account within 45 days after the date of the student's completion of, or withdrawal from, the educational program in which the student was enrolled. For purposes of this subdivision and section 94919(d) of the Code, "day" means calendar day.

(f) The institution shall maintain a cancellation and withdrawal log, kept current on a monthly basis, which shall include the names, addresses, telephone numbers, and dates of cancellations or withdrawal of all students who have cancelled the enrollment agreement with, or withdrawn from, the institution during the calendar year.

*Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Sections 94885, 94919 and 94920, Education Code.*

# Minimum Operating Standards

## Self-Monitoring Procedures

### **5, CCR §71760 Self-Monitoring Procedures**

Each institution shall develop and maintain adequate procedures used by the institution to assure that it is maintained and operated in compliance with the Act and this Division.

*Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Sections 94885, 94887 and 94888, Education Code.*

# Minimum Operating Standards

## Substantive Changes

### **CEC §94894 Substantive Change Defined**

The following changes to an approval to operate are considered substantive changes and require prior authorization:

- (a) A change in educational objectives, including an addition of a new diploma or a degree educational program unrelated to the approved educational programs offered by the institution.
- (b) A change in ownership.
- (c) A change in control.
- (d) A change in business organization form.
- (e) A change of location.
- (f) A change of name.
- (g) A significant change in the method of instructional delivery.
- (h) An addition of a separate branch more than five miles from the main or branch campus.

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

### **CEC §94896 Substantive Change for Institutions Approved by Means of Accreditation**

- (a) An institution that has been granted an approval to operate by means of accreditation shall only make a substantive change in accordance with the institution's accreditation standards.
- (b) The institution shall notify the bureau of the substantive change on a form provided by the bureau.

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

## Definitions:

### **CEC §94819 Branch Campus**

"Branch campus" means a site other than the main campus or a satellite location.

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

### **CEC §94821 Change in Business Organization Form**

"Change in business organization form" means a change of a business organization's original form, including, for example, a situation in which a sole proprietorship becomes a partnership or corporation, or when a business organization becomes a nonprofit public benefit corporation or forms a nonprofit public benefit corporation as a subsidiary to provide the educational programs for which the business organization has an approval to operate.

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



# Minimum Operating Standards

## **CEC §94822 Change in Control**

"Change in control" means a change in the ownership of an institution in which a person who previously did not own at least 25 percent of the stock or interest in the institution or its parent company acquires ownership of at least 25 percent of the stock or interest in the institution or its parent company. "Change in control" does not include an ownership change between family members involving less than 51 percent of the stock or interest in the institution.

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

## **CEC §94823 Change in Ownership**

"Change in ownership" means the acquisition by a person of more than 50 percent of an interest in or stock of a parent company.

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

## **CEC §94823.5 Change of Location**

"Change of location" means a move or relocation more than 10 miles from the site at which the institution offers instruction.

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

## **5, CCR §71600 Application for Significant Change in Method of Instructional Delivery**

(a) "...For the purposes of this section a "significant change in instructional delivery" is any change that alters the way students interact with faculty or access significant equipment...."

*Note: Authority cited: Sections 94803 and 94895, Education Code. Reference: Sections 94893, 94894, 94895, 94896 and 94930.5, Education Code.*

## **5, CCR §71650 Application for a Change in Educational Objectives**

(b) For an application to add a degree program:

(1) "Unrelated to the approved educational programs" as used in section 94894(a) of the Code includes the addition of a degree program where no degree at that level was previously approved, whether or not the proposed program would offer a degree in the same subject area as a previously approved non-degree program or lower level degree; and a program leading to licensure whether or not the proposed program is in the same subject area as a previously approved program that did not lead to licensure.

*Note: Authority cited: Sections 94803, 94877, 94885, 94885.5 and 94895, Education Code. Reference: Sections 94823.5, 94885, 94885.5, 94893, 94894, 94895, 94896 and 94930.5, Education Code.*

# Minimum Operating Standards

## Types of Licensing Applications:

### **Initial**

- Approval to Operate an Institution Non-Accredited
- Approval to Operate an Accredited Institution
- Verification of Exempt Status

### **Renewal**

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

### **Substantive Change**

- Addition of a Separate Branch
- Change of Business Organization/Control/Ownership
- Change of Educational Objective
- Change of Location
- Change in Method of Instructional Delivery
- Change of Name

## Approval by Other Government Agency

### **CEC §94892 Program Approval By Other Government Agency**

If an agency of this state other than the bureau or of the federal government provides an approval to offer an educational program and the institution already has a valid approval to operate issued by the bureau, that agency's educational program approval may satisfy the requirements of this article without any further review by the bureau. The bureau may incorporate that educational program into the institution's approval to operate when the bureau receives documentation signifying the conferral of the educational program approval by that agency.

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

# Minimum Operating Standards

## Non-Substantive Changes

### **5, CCR §71660 Notifications of Non-Substantive Changes**

An institution shall notify the Bureau of a non-substantive change including: change of location of less than 10 miles; addition of a program related to the approved programs offered by the institution; addition of a new branch five miles or less from the main or branch campus; addition of a satellite; and change of mailing address. All such notifications shall be made within 30 days of the change and sent to the Bureau.

*Note: Authority cited: Sections 94803 and 94885, Education Code. Reference: Sections 94823.5, 94893, 94894, 94895 and 94896, Education Code.*

# Minimum Operating Standards

## Prohibited Business Practices

### **CEC §94897 Prohibited Business Practices**

An institution shall not do any of the following:

- (a) Use, or allow the use of, any reproduction or facsimile of the Great Seal of the State of California on a diploma.
- (b) Promise or guarantee employment, or otherwise overstate the availability of jobs upon graduation.
- (c) Advertise concerning job availability, degree of skill, or length of time required to learn a trade or skill unless the information is accurate and not misleading.
- (d) Advertise, or indicate in promotional material, without including the fact that the educational programs are delivered by means of distance education if the educational programs are so delivered.
- (e) Advertise, or indicate in promotional material, that the institution is accredited, unless the institution has been accredited by an accrediting agency.
- (f) Solicit students for enrollment by causing an advertisement to be published in "help wanted" columns in a magazine, newspaper, or publication, or use "blind" advertising that fails to identify the institution.
- (g) Offer to compensate a student to act as an agent of the institution with regard to the solicitation, referral, or recruitment of any person for enrollment in the institution, except that an institution may award a token gift to a student for referring an individual, provided that the gift is not in the form of money, no more than one gift is provided annually to a student, and the gift's cost is not more than one hundred dollars (\$100).
- (h) Pay any consideration to a person to induce that person to sign an enrollment agreement for an educational program.
- (i) Use a name in any manner improperly implying any of the following:
  - (1) The institution is affiliated with any government agency, public or private corporation, agency, or association if it is not, in fact, thus affiliated.
  - (2) The institution is a public institution.
  - (3) The institution grants degrees, if the institution does not grant degrees.
- (j) In any manner make an untrue or misleading change in, or untrue or misleading statement related to, a test score, grade or record of grades, attendance record, record indicating student completion, placement, employment, salaries, or financial information, including any of the following:
  - (1) A financial report filed with the bureau.
  - (2) Information or records relating to the student's eligibility for student financial aid at the institution.
  - (3) Any other record or document required by this chapter or by the bureau.
- (k) Willfully falsify, destroy, or conceal any document of record while that document of record is required to be maintained by this chapter.
- (l) Use the terms "approval," "approved," "approval to operate," or "approved to operate" without stating clearly and conspicuously that approval to operate means compliance with

# Minimum Operating Standards

state standards as set forth in this chapter. If the bureau has granted an institution approval to operate, the institution may indicate that the institution is "licensed" or "licensed to operate," but may not state or imply either of the following:

(1) The institution or its educational programs are endorsed or recommended by the state or by the bureau.

(2) The approval to operate indicates that the institution exceeds minimum state standards as set forth in this chapter.

(m) Direct any individual to perform an act that violates this chapter, to refrain from reporting unlawful conduct to the bureau or another government agency, or to engage in any unfair act to persuade a student not to complain to the bureau or another government agency.

(n) Compensate an employee involved in recruitment, enrollment, admissions, student attendance, or sales of educational materials to students on the basis of a commission, commission draw, bonus, quota, or other similar method related to the recruitment, enrollment, admissions, student attendance, or sales of educational materials to students, except as provided in paragraph (1) or (2):

(1) If the educational program is scheduled to be completed in 90 days or less, the institution shall pay compensation related to a particular student only if that student completes the educational program.

(2) For institutions participating in the federal student financial aid programs, this subdivision shall not prevent the payment of compensation to those involved in recruitment, admissions, or the award of financial aid if those payments are in conformity with federal regulations governing an institution's participation in the federal student financial aid programs.

(o) Require a prospective student to provide personal contact information in order to obtain, from the institution's Internet Web site, educational program information that is required to be contained in the school catalog or any information required pursuant to the consumer information requirements of Title IV of the federal Higher Education Act of 1965, and any amendments thereto.

(p) Offer an associate, baccalaureate, master's, or doctoral degree without disclosing to prospective students prior to enrollment whether the institution or the degree program is unaccredited and any known limitation of the degree, including, but not limited to, all of the following:

(1) Whether a graduate of the degree program will be eligible to sit for the applicable licensure exam in California and other states.

(2) A statement that reads: "A degree program that is unaccredited or a degree from an unaccredited institution is not recognized for some employment positions, including, but not limited to, positions with the State of California."

(3) That a student enrolled in an unaccredited institution is not eligible for federal financial aid programs.

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

*Amended by Stats. 2011, Ch. 103, §1. (AB 611)*

*Amended by Stats. 2012, Ch.585, §1. (AB 2296)*

# Admissions and Enrollment Standards

## Student Admission Standards

### **CEC §94811 Ability-to-Benefit Student**

"Ability-to-benefit student" means a student who does not have a certificate of graduation from a school providing secondary education, or a recognized equivalent of that certificate.

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

### **CEC §94904 Ability to Benefit Students**

(a) Before an ability-to-benefit student may execute an enrollment agreement, the institution shall have the student take an independently administered examination from the list of examinations prescribed as of July 1, 2012, by the United States Department of Education pursuant to Section 484(d) of the federal Higher Education Act of 1965 (20 U.S.C. Sec. 1070a et seq.). The student shall not enroll unless the student achieves a score, as specified by the United States Department of Education, demonstrating that the student may benefit from the education and training being offered.

(b) If the United States Department of Education does not have a list of relevant examinations that pertain to the intended occupational training, the bureau may publish its own list of acceptable examinations and required passing scores.

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

*Amended by Stats. 2011, Ch. 167, §1. (AB 1013)*

## **5, CCR §71770 Admissions Standards and Transferred Credits Policy**

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

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

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

(b) The institution shall specify the maximum credit it will transfer from another institution for each educational program, and the basis upon which the transferred credit will be awarded.

(1) Except as limited by subdivision (c) of this section, a maximum of 75 percent of the units or credit that may be applied toward the award of a bachelor's degree may be derived from a combination of any or both of the following:

# Admissions and Enrollment Standards

(A) Units earned at institutions approved by the Bureau, public or private institutions of higher learning accredited by an accrediting association recognized by the U. S. Department of Education, or any institution of higher learning, including foreign institutions, if the institution offering the undergraduate program documents that the institution of higher learning at which the units were earned offers degree programs equivalent to degree programs approved by the Bureau or accredited by an accrediting association recognized by the U.S. Department of Education;

(B) Challenge examinations and standardized tests such as the College Level Placement Tests (CLEP) for specific academic disciplines.

(2) No more than 20% of graduate semester units or the equivalent in other units awarded by another institution may be transferred for credit toward a Master's degree. An institution may accept transfer credits only from the institutions of higher learning described in subsection (1)(A).

(3) No more than 30 graduate semester credits or its equivalent awarded by another institution may be credited toward a doctoral degree. This subdivision does not apply to graduate programs that lead to a profession or an occupation requiring state licensure where the licensing agency has a regulation permitting a different standard.

(c) If credit for prior experiential learning is to be granted, the policy for granting such credit shall be included in the institution's catalog.

(1) An institution may grant credit to a student for prior experiential learning only if:

(A) The prior learning is equivalent to a college or university level of learning;

(B) The learning experience demonstrates a balance between theory and practice and;

(C) The credit awarded for the prior learning experience directly relates to the student's degree program and is applied in satisfaction of some of the degree requirements.

(2) Each college or university level learning experience for which credit is sought shall be documented by the student in writing.

(3) Each college or university level learning experience shall be evaluated by faculty qualified in that specific subject area who shall ascertain (1) to what college or university level learning the student's prior experience is equivalent and (2) how many credits toward a degree may be granted for that experience.

(4) The faculty evaluating the prior learning shall prepare a written report indicating all of the following:

(A) The documents in the student's record on which the faculty member relied in determining the nature of the student's prior experience;

(B) The bases for determining that the prior experience (i) is equivalent to college or university level learning and (ii) demonstrates a balance between theory and practice; and

(C) The bases for determining (i) to what college or university level the experience is equivalent and (ii) the proper number of credits to be awarded toward the degree for that experience. (5)(A) The institution shall designate at least one administrator to be responsible for the review of faculty determinations regarding the award of credit for prior experiential learning.

(B) The administrator shall document the institution's periodic review of faculty evaluations to assure that the faculty written evaluations and awards of credit comply with this section and the institution's policies and are consistent.

## Admissions and Enrollment Standards

(6) The amount of credit awarded for prior experiential learning shall not be related to the amount charged the student for the assessment process.

(7)(A) Of the first 60 semester credits awarded a student in an undergraduate program, no more than 15 semester credits may be awarded for prior experiential learning.

(B) Of the second 60 semester units (i.e., credits 61 to 120) awarded a student in an undergraduate program, no more than 15 semester credits may be awarded for prior experiential learning.

(C) Of the first 30 semester credits awarded a student in a graduate program, no more than 6 semester credits may be awarded for prior experiential learning.

(D) Of the second 30 semester credits (i.e., credits 31 to 60) awarded a student in a graduate program, no more than 3 semester credits may be awarded for prior experiential learning.

(E) No credit for experiential learning may be awarded after a student has obtained 60 semester credits in a graduate program.

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

### **CEC §94905 Professions Requiring Licensure, Internships**

(a) During the enrollment process, an institution offering educational programs designed to lead to positions in a profession, occupation, trade, or career field requiring licensure in this state shall exercise reasonable care to determine if the student will not be eligible to obtain licensure in the profession, occupation, trade, or career field at the time of the student's graduation and shall provide all students enrolled in those programs with a written copy of the requirements for licensure established by the state, including any applicable course requirements established by the state. If the minimum course requirements of the institution exceed the minimum requirements for state licensure, the institution shall disclose this information, including a list of those courses that are not required for state licensure. The institution shall not execute an enrollment agreement with a student that is known to be ineligible for licensure, unless the student's stated objective is other than licensure.

(b) During the enrollment process, an institution may discuss internships and student jobs available to the student during the student's attendance at the institution. If the institution discusses internships and student jobs, the institution shall disclose the number of requests for internship and student job placement assistance received by the institution during the immediately preceding calendar year and the number of actual placements during that year.

(c) During the enrollment process, an institution offering educational programs designed to lead to positions in a profession, occupation, trade, or career field where voluntary licensure by a government agency is available, shall provide its students seeking to enroll in those programs with a written copy of the requirements for that voluntary licensure.

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

*Amended by Stats. 2016, Ch. 593, §17 (SB 1192)*



# Website

## Website Minimum Requirements

### **CEC §94913 Institutional Web Site Requirements**

(a) An institution that maintains an Internet Web site shall provide on that Internet Web site all of the following:

- (1) The school catalog.
- (2) A School Performance Fact Sheet for each educational program offered by the institution.
- (3) Student brochures offered by the institution.
- (4) A link to the bureau's Internet Web site.
- (5) The institution's most recent annual report submitted to the bureau.

(b) An institution shall include information concerning where students may access the bureau's Internet Web site anywhere the institution identifies itself as being approved by the bureau.

*Added by Stats. 2012, Ch. 585, §5. (AB 2296)*

### **5, CCR §74117 Websites Requirements**

In addition to the requirement in Section 94913(b) of the Code, an institution that maintains a website shall provide on the homepage of that website clear and conspicuous links to all the items required in Section 94913(a) of the Code.

*Note: Authority cited: Section 94877, Education Code. Reference Section 94913, Education Code.*

# School Catalog

## School Catalog Minimum Requirements

### **CEC §94908 Size of Text in Required Documents**

Any information or statement required by this article to be included in the catalog, School Performance Fact Sheet, or enrollment agreement shall be printed in at least the same size font as the majority of the text in that document.

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

### **CEC §94909 Minimum Requirements for School Catalog**

(a) Except as provided in subdivision (d), prior to enrollment, an institution shall provide a prospective student, either in writing or electronically, with a school catalog containing, at a minimum, all of the following:

(1) The name, address, telephone number, and, if applicable, Internet Web site address of the institution.

(2) Except as specified in Article 2 (commencing with Section 94802), a statement that the institution is a private institution and that it is approved to operate by the bureau.

(3) The following statements:

(A) "Any questions a student may have regarding this catalog that have not been satisfactorily answered by the institution may be directed to the Bureau for Private Postsecondary Education at (address), Sacramento, CA (ZIP Code), (Internet Web site address), (telephone and fax numbers)."

(B) "As a prospective student, you are encouraged to review this catalog prior to signing an enrollment agreement. You are also encouraged to review the School Performance Fact Sheet, which must be provided to you prior to signing an enrollment agreement."

(C) "A student or any member of the public may file a complaint about this institution with the Bureau for Private Postsecondary Education by calling (toll-free telephone number) or by completing a complaint form, which can be obtained on the bureau's Internet Web site (Internet Web site address)."

(4) The address or addresses where class sessions will be held.

(5) A description of the programs offered and a description of the instruction provided in each of the courses offered by the institution, the requirements for completion of each program, including required courses, any final tests or examinations, any required internships or externships, and the total number of credit hours, clock hours, or other increments required for completion.

(6) If the educational program is designed to lead to positions in a profession, occupation, trade, or career field requiring licensure in this state, a notice to that effect and a list of the requirements for eligibility for licensure.

(7) Information regarding the faculty and their qualifications.

(8) A detailed description of institutional policies in the following areas:

# School Catalog

(A) Admissions policies, including the institution's policies regarding the acceptance of credits earned at other institutions or through challenge examinations and achievement tests, admissions requirements for ability-to-benefit students, and a list describing any transfer or articulation agreements between the institution and any other college or university that provides for the transfer of credits earned in the program of instruction. If the institution has not entered into an articulation or transfer agreement with any other college or university, the institution shall disclose that fact.

(B) Cancellation, withdrawal, and refund policies, including an explanation that the student has the right to cancel the enrollment agreement and obtain a refund of charges paid through attendance at the first class session, or the seventh day after enrollment, whichever is later. The text shall also include a description of the procedures that a student is required to follow to cancel the enrollment agreement or withdraw from the institution and obtain a refund consistent with the requirements of Article 13 (commencing with Section 94919).

(C) Probation and dismissal policies.

(D) Attendance policies.

(E) Leave-of-absence policies.

(9) The schedule of total charges for a period of attendance and an estimated schedule of total charges for the entire educational program.

(10) A statement reporting whether the institution participates in federal and state financial aid programs, and if so, all consumer information that is required to be disclosed to the student pursuant to the applicable federal and state financial aid programs.

(11) A statement specifying that, if a student obtains a loan to pay for an educational program, the student will have the responsibility to repay the full amount of the loan plus interest, less the amount of any refund, and that, if the student has received federal student financial aid funds, the student is entitled to a refund of the moneys not paid from federal student financial aid program funds.

(12) A statement specifying whether the institution has a pending petition in bankruptcy, is operating as a debtor in possession, has filed a petition within the preceding five years, or has had a petition in bankruptcy filed against it within the preceding five years that resulted in reorganization under Chapter 11 of the United States Bankruptcy Code (11 U.S.C. Sec. 1101 et seq.).

(13) If the institution provides placement services, a description of the nature and extent of the placement services.

(14) A description of the student's rights and responsibilities with respect to the Student Tuition Recovery Fund. This statement shall specify that it is a state requirement that a student who pays his or her tuition is required to pay a state-imposed assessment for the Student Tuition Recovery Fund. This statement shall also describe the purpose and operation of the Student Tuition Recovery Fund and the requirements for filing a claim against the Student Tuition Recovery Fund.

(15) The following statement:

# School Catalog

## “NOTICE CONCERNING TRANSFERABILITY OF CREDITS AND CREDENTIALS EARNED AT OUR INSTITUTION

The transferability of credits you earn at (name of institution) is at the complete discretion of an institution to which you may seek to transfer. Acceptance of the (degree, diploma, or certificate) you earn in (name of educational program) is also at the complete discretion of the institution to which you may seek to transfer. If the (credits or degree, diploma, or certificate) that you earn at this institution are not accepted at the institution to which you seek to transfer, you may be required to repeat some or all of your coursework at that institution. For this reason you should make certain that your attendance at this institution will meet your educational goals. This may include contacting an institution to which you may seek to transfer after attending (name of institution) to determine if your (credits or degree, diploma, or certificate) will transfer.”

(16) A statement specifying whether the institution, or any of its degree programs, are accredited by an accrediting agency recognized by the United States Department of Education. If the institution is unaccredited and offers an associate, baccalaureate, master’s, or doctoral degree, or is accredited and offers an unaccredited program for an associate, baccalaureate, master’s, or doctoral degree, the statement shall disclose the known limitations of the degree program, including, but not limited to, all of the following:

(A) Whether a graduate of the degree program will be eligible to sit for the applicable licensure exam in California and other states or become certified or registered as required for the applicable profession, occupation, trade, or career field in California.

(B) A degree program that is unaccredited or a degree from an unaccredited institution is not recognized for some employment positions, including, but not limited to, positions with the State of California.

(C) That a student enrolled in an unaccredited institution is not eligible for federal financial aid programs.

(b) If the institution has a general student brochure, the institution shall provide that brochure to the prospective student prior to enrollment. In addition, if the institution has a program-specific student brochure for the program in which the prospective student seeks to enroll, the institution shall provide the program-specific student brochure to the prospective student prior to enrollment.

(c) An institution shall provide the school catalog to any person upon request. In addition, if the institution has student brochures, the institution shall disclose the requested brochures to any interested person upon request.

(d) An accredited institution is not required to provide a School Performance Fact Sheet to a prospective student who is not a California resident, not residing in California at the time of his or her enrollment, and enrolling in an accredited distance learning degree program offered by the institution, if the institution complies with all federal laws, the applicable laws of the state where the student is located, and other appropriate laws, including, but not limited to, consumer protection and student disclosure requirements.

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

*Amended by Stats. 2012, Ch. 585, §2 (AB 2296)*

*Amended by Stats. 2014, Ch. 840, § 25. (SB 1247)*

*Amended by Stats. 2016, Ch. 593, §18. (SB 1192)*

# School Catalog

## 5, CCR §71810 Catalog

(a) Each institution shall provide a catalog pursuant to section 94909 of the Code, which shall be updated annually. Annual updates may be made by the use of supplements or inserts accompanying the catalog. If changes in educational programs, educational services, procedures, or policies required to be included in the catalog by statute or regulation are implemented before the issuance of the annually updated catalog, those changes shall be reflected at the time they are made in supplements or inserts accompanying the catalog,

(b) The catalog shall contain the information prescribed by Section 94909 of the Code and all of the following:

- (1) The specific beginning and ending dates defining the time period covered by the catalog;
- (2) A statement of the institution's missions and purposes and the objectives underlying each of its educational programs;
- (3) If the institution admits students from other countries, whether visa services are provided or whether the institution will vouch for student status, and any associated charges;
- (4) Language proficiency information, including:
  - (A) the level of English language proficiency required of students and the kind of documentation of proficiency, such as the Test of English as a Foreign Language (TOEFL), that will be accepted; and
  - (B) Whether English language services, including instruction such as ESL, are provided and, if so, the nature of the service and its cost;
- (5) Whether any instruction will occur in a language other than English and, if so, the level of proficiency required and the kind of documentation of proficiency, such as the United States Foreign Service Language Rating System, that will be accepted;
- (6) The institution's policies and practices regarding any form of financial aid, including all consumer information which the institution is required to disclose to the student under any state or federal financial aid program;
- (7) The institution's policies and procedures for the award of credit for prior experiential learning, including assessment policies and procedures, provisions for appeal, and all charges that a student may be required to pay;
- (8) The institution's standards for student achievement;
- (9) A description of the facilities and of the types of equipment and materials that will be used for instruction;
- (10) A description of library and other learning resources and the procedures for student access to those resources;
- (11) If the institution offers distance education, the approximate number of days that will elapse between the institution's receipt of student lessons, projects, or dissertations and the institution's mailing of its response or evaluation.
- (12) A description of all student services;
- (13) Housing information including all of the following:
  - (A) Whether the institution has dormitory facilities under its control;
  - (B) The availability of housing located reasonably near the institution's facilities and an estimation of the approximate cost or range of cost of the housing; and

# School Catalog

(C) If the institution has no responsibility to find or assist a student in finding housing, a clear and conspicuous statement so indicating. A statement that the program is "non-residential" does not satisfy this subparagraph.

(14) Policies on student rights, including the procedure for addressing student grievances; and

(15) Policies on the retention of student records.

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

# School Performance Fact Sheet

## School Performance Fact Sheet Minimum Requirements

### **CEC §94908 Size of Text in Required Documents**

Any information or statement required by this article to be included in the catalog, School Performance Fact Sheet, or enrollment agreement shall be printed in at least the same size font as the majority of the text in that document.

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

### **CEC §94910 Minimum Requirements for School Performance Fact Sheet**

Except as provided in subdivision (d) of Section 94909 and Section 94910.5, prior to enrollment, an institution shall provide a prospective student with a School Performance Fact Sheet containing, at a minimum, the following information, as it relates to the educational program:

(a) Completion rates, as calculated pursuant to Article 16 (commencing with Section 94928).

(b) Placement rates for each educational program, as calculated pursuant to Article 16 (commencing with Section 94928), if the educational program is designed to lead to, or the institution makes any express or implied claim related to preparing students for, a recognized career, occupation, vocation, job, or job title.

(c) License examination passage rates for programs leading to employment for which passage of a state licensing examination is required, as calculated pursuant to Article 16 (commencing with Section 94928).

(d) Salary or wage information, as calculated pursuant to Article 16 (commencing with Section 94928).

(e) If a program is too new to provide data for any of the categories listed in this subdivision, the institution shall state on its fact sheet: "This program is new. Therefore, the number of students who graduate, the number of students who are placed, or the starting salary you can earn after finishing the educational program are unknown at this time. Information regarding general salary and placement statistics may be available from government sources or from the institution, but is not equivalent to actual performance data."

(f) All of the following:

(1) A description of the manner in which the figures described in subdivisions (a) to (d), inclusive, are calculated or a statement informing the reader of where he or she may obtain a description of the manner in which the figures described in subdivisions (a) to (d), inclusive, are calculated.

(2) A statement informing the reader of where he or she may obtain from the institution a list of the employment positions determined to be within the field for which a student received education and training for the calculation of job placement rates as required by subdivision (b).

(3) A statement informing the reader of where he or she may obtain from the institution a list of the objective sources of information used to substantiate the salary disclosure as required by subdivision (d).

(g) The following statements:

(1) "This fact sheet is filed with the Bureau for Private Postsecondary Education. Regardless of any information you may have relating to completion rates, placement rates, starting salaries, or license exam passage rates, this fact sheet contains the information as calculated pursuant to state law."

# School Performance Fact Sheet

(2) "Any questions a student may have regarding this fact sheet that have not been satisfactorily answered by the institution may be directed to the Bureau for Private Postsecondary Education at (address), Sacramento, CA (ZIP Code), (Internet Web site address), (telephone and fax numbers)."

(h) If the institution participates in federal financial aid programs, the most recent three-year cohort default rate reported by the United States Department of Education for the institution and the percentage of enrolled students receiving federal student loans.

(i) Data and information disclosed pursuant to subdivisions (a) to (d), inclusive, is not required to include students who satisfy the qualifications specified in subdivision (d) of Section 94909, but an institution shall disclose whether the data, information, or both provided in its fact sheet excludes students pursuant to this subdivision. An institution shall not actively use data specific to the fact sheet in its recruitment materials or other recruitment efforts of students who are not California residents and do not reside in California at the time of their enrollment.

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

*Amended by Stats. 2012, Ch. 585, §3 (AB 2296)*

*Amended by Stats. 2014, Ch. 840, § 26. (SB 1247)*

## 94928. Definitions

As used in this article, the following terms have the following meanings:

(a) "Cohort population" means the number of students that began a program on a cohort start date.

(b) "Cohort start date" means the first class day after the cancellation period during which a cohort of students attends class for a specific program.

(c) "On-time graduates" means the number of students who complete a program within 100 percent of the published program length. An institution may separately state completion information for students completing the program within 150 percent of the original contracted time, but that information may not replace completion information for students completing within the original scheduled time. Completion information shall be separately stated for each campus or branch of the institution.

(d) "Graduates available for employment" means the number of graduates minus the number of graduates unavailable for employment.

(e) (1) "Graduates employed in the field" means graduates who are gainfully employed in a single position for which the institution represents the program prepares its graduates, beginning within six months after a student completes the applicable educational program. For occupations for which the state requires passing an examination, the period of employment shall begin within six months of the announcement of the examination results for the first examination available after a student completes an applicable educational program.



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(2) The bureau shall define by July 1, 2014, specific measures and standards for determining whether a student is gainfully employed in a full-time or part-time position for which the institution represents the program prepares its graduates, including self-employment or conducting freelance work, and may set the standards for the hours per week and duration of employment and utilize any job classification methodology the bureau determines appropriate for this purpose, including, but not limited to, the United States Department of Labor's Standard Occupational Classification codes.

(3) This subdivision shall not prohibit the bureau from authorizing an institution to aggregate single positions held by a graduate for purposes of meeting the hours per week standards established by the bureau.

(f) "Graduates unavailable for employment" means graduates who, after graduation, die, become incarcerated, are called to active military duty, are international students that leave the United States or do not have a visa allowing employment in the United States, or are continuing their education at an accredited or bureau-approved postsecondary institution.

(g) "Students available for graduation" means the cohort population minus the number of students unavailable for graduation.

(h) "Students unavailable for graduation" means students who have died, been incarcerated, or called to active military duty.

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

*Amended by Stats. 2012, Ch. 585, §6 (AB 2296)*

*Amended by Stats. 2015, Ch. 258, §1 (SB 410)*

## **94929. Reporting of Completion Rate**

(a) An institution shall annually report to the bureau, as part of the annual report, and publish in its School Performance Fact Sheet, the completion rate for each program. Except as provided in subdivision (b), the completion rate shall be calculated by dividing the number of on-time graduates by the number of students available for graduation.

(b) In lieu of calculating graduation data pursuant to subdivision (a), an institution may report graduation data reported to, and calculated by, the Integrated Postsecondary Education Data System of the United States Department of Education.

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

*Amended by Stats. 2015, Ch. 258, §2. (SB 410)*

## **94929.5. Reporting of Student Performance Data**

(a) An institution shall annually report to the bureau, as part of the annual report, and shall publish in its School Performance Fact Sheet, all of the following:

(1) The job placement rate, calculated by dividing the number of graduates employed in the field by the number of graduates available for employment for each program that is either (1) designed, or advertised, to lead to a particular career, or (2) advertised or promoted with any claim regarding job placement.

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(2) The license examination passage rates for the immediately preceding two years for programs leading to employment for which passage of a state licensing examination is required, calculated by dividing the number of graduates who pass the examination by the number of graduates who take the licensing examination the first time that the examination is available after completion of the educational program. The institution shall use state agency licensing data to calculate license examination passage rates. If those data are unavailable, the institution shall calculate the license examination passage rate in a manner consistent with regulations adopted by the bureau.

(3) Salary and wage information, consisting of the total number of graduates employed in the field and the annual wages or salaries of those graduates stated in increments of five thousand dollars (\$5,000).

(4) If applicable, the most recent official three-year cohort default rate reported by the United States Department of Education for the institution and the percentage of enrolled students receiving federal student loans.

(b) Nothing in this section shall limit the bureau's authority to collect information from an institution to comply with this section and ensure, by regulation and other lawful means, that the information required by this section, and the manner in which it is collected and reported, is all of the following:

(1) Useful to students.

(2) Useful to policymakers.

(3) Based upon the most credible and verifiable data available.

(4) Does not impose undue compliance burdens on an institution.

(c) Data and information disclosed pursuant to paragraphs (1) to (3), inclusive, of subdivision (a) is not required to include students who satisfy the qualifications specified in subdivision (d) of Section 94909, but an institution shall disclose on its fact sheet and to the bureau whether its data, information, or both, excludes any students pursuant to this subdivision.

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

*Amended by Stats. 2012, Ch. 585, §7. (AB 2296)*

*Amended by Stats. 2014, Ch. 840, §31. (SB 1247)*

### **5, CCR §74112 Uniform Data - Annual Report, Performance Fact Sheet**

(a) Format. The format for the Performance Fact Sheet shall be in at least 12 pt. type, in an easily readable font, with 1.15 line spacing and all titles and column headings shall be in bold 14 pt. type, which shall also identify the program for which the Performance Fact Sheet pertains. The Performance Fact Sheet shall contain all and only the information required or specifically permitted by sections 94910 and 94929.5 of the Code or this chapter. A separate Performance Fact Sheet shall be prepared for each program.

(b) An institution offering educational programs that are too new to provide the required two years of data shall include the date the program began as well as the statement required by section 94910(e) of the Code. The Performance Fact Sheet shall also disclose the estimated date of availability for two full years of data for those programs.

# School Performance Fact Sheet

(c) Institutions approved under section 94874.8 of the Code, which do not include all required information per section 94874.8(a)(4) shall include on the Performance Fact Sheet the date of approval to operate and when the required data will be available.

(d) In addition to the definitions contained in section 94928 of the Code:

(1) "Number of Students Who Began the Program" means the number of students who began a program who were scheduled to complete the program within 100% of the published program length within the reporting calendar year, and excludes all students who cancelled during the cancellation period.

(2) "Number of On-time Graduates" means the number of students who completed the program within 100% of the published program length within the reporting calendar year.

(3) "Gainfully employed" means:

(A)(i) The graduate is employed in a job classification under the United States Department of Labor's Standard Occupational Classification codes, using the Detailed Occupation (six-digit) level, for which the institution has identified in its catalog and in its employment positions list required by section 94910(f)(2) of the Code that the program prepares its graduates; and  
(ii) The graduate is employed in a single position or concurrent aggregated positions totaling at least 30 hours per week for 21 calendar days, or totaling at least 20 hours per week for 21 calendar days with a statement signed by the graduate stating that he or she chose to seek part-time employment rather than fulltime employment after graduation; or

(B) The graduate is employed by the same employer that employed the graduate before enrollment, and any of the following conditions are met:

(i) the graduate is employed in an occupation with a different Detailed Occupation (six-digit) level Standard Occupational Classification code than applies to the position in which the graduate was employed before enrollment; or

(ii) the employer or the graduate provides a statement to the effect that the employment after graduation was the result of a promotion with increased pay, due at least in part to graduation from the program; or

(iii) the employer or the graduate provides a statement to the effect that the degree or the completed program was required as a condition of continued employment; or

(C) (i) The graduate is self-employed or working freelance as reasonably evidenced by, but not limited to, a business license, fictitious business name statement, advertising (other than business cards), website; or

(ii) an attestation signed by the graduate of self-employment or freelance work.

(e) Reporting periods:

(1) An Annual Report shall include data for all educational programs as defined in section 94837 of the Code for the previous one calendar year.

(2) A Performance Fact Sheet shall be current and available not later than December 1st, and shall report data for the previous two calendar years based upon the "number of students who began the program," as defined in subdivision (d)(1) of this section and were scheduled to graduate in the reported year(s).

(f) Total Charges. The institution's Annual Report and Performance Fact Sheet shall include the total charges for a student to complete the program within 100% of the program length. The institution must include the disclosure that there may be additional charges if the program isn't completed on-time.

# School Performance Fact Sheet

Total charges shall be disclosed in the Performance Fact Sheet in a format substantially similar to the format listed below (dates and numbers are for example only):

## Cost of Educational Program:

Total Charges for the program for students completing on-time in 20XX: \$50,000.

Total Charges may be higher for students that don't complete on-time.

Student's Initials: \_\_\_\_\_ Date: \_\_\_\_\_

**Initial only after you have had sufficient time to read and understand the information.**

(g) Student Loan/Debt Information.

(1) If the institution participates in federal financial aid programs, the institution shall include loan information in the institution's Annual Report and on the Performance Fact Sheet. The loan information shall include:

(A) The most recent three year cohort default rate, as reported by the United States Department of Education;

(B) The percentage of enrolled students receiving federal student loans;

(C) The average amount of federal student loan debt of those graduates who have federal student loan debt in the reporting year; and

(D) The percentage of graduates with federal student loans, as calculated by the institution.

Loan information shall be included in the Performance Fact Sheet in a format substantially similar to the format listed below (dates and numbers are for example only):

## Federal Student Loan Debt at (Name of Institution)

Percentage of students who defaulted on their federal student loans at this school: 28%<sup>1</sup>

Percentage of students enrolled in 20XX who took out federal student loans to pay for this program: 43%

Percentage of graduates in 20XX who took out federal student loans to pay for this program: 65%

Average federal student loan debt of 20XX graduates who took out federal student loans at this institution: \$26,000

<sup>1</sup>The percentage of students who defaulted on their federal student loans is called the Cohort Default Rate (CDR). It shows the percentage of this school's students who were more than 270 days (about 9 months) behind on their federal student loans within three years of when the first payment was due. This is the most recent CDR reported by the U.S. Department of Education.

Student's Initials: \_\_\_\_\_ Date: \_\_\_\_\_

**Initial only after you have had sufficient time to read and understand the information.**

# School Performance Fact Sheet

(2) Institutions that do not participate in federal financial aid programs shall include one of two statements in the Performance Fact Sheet in a format substantially similar to the following:

Students at (name of institution) are not eligible for federal student loans. The U.S. Department of Education has determined that this institution does not meet the criteria that would allow its students to participate in federal student aid programs.

or

(Name of Institution) is eligible, but chooses not to participate in federal student aid programs. So students here do not have federal student loans.

Student's Initials: \_\_\_\_\_ Date: \_\_\_\_\_

**Initial only after you have had sufficient time to read and understand the information.**

(h) Completion Rates. Reporting of completion rates for an institution's Annual Report and Performance Fact Sheet shall include, for each educational program, the number of students who began the program as defined in subdivision (d)(1) of this section, the number of students available for graduation, number of on-time graduates, and completion rate(s). An optional column may be added to include completion rate data for students completing within 150% of the published program length. For an institution reporting completion data pursuant to section 94929(b) of the Code, completion data shall be separately reported for each program and the Performance Fact Sheet shall disclose, if true, that the completion data is being reported for students completing within 150% of the published program length, and that data is not being separately reported for students completing the program within 100% of the published program length. Programs that are more than one year in length which are reporting 150% Completion Rate will provide the four calendar years of data.

Completion rates shall be included in the Performance Fact Sheet in a format substantially similar to the chart below, (dates, numbers, and other data shown are for example only):

**On-time Completion Rates (Graduation Rates)** (includes data for the two calendar years prior to reporting)

**Name of Educational Program** (Program Length)

Calendar Year	Number of Students Who Began the Program	Students Available for Graduation	Number of On-Time Graduates	On-Time Completion Rate
20XX	100	98	70	71%
20XY	80	80	55	69%

# School Performance Fact Sheet

## Students Completing Within 150% of the Published Program Length

Name of Educational Program (Program Length)

\*Included only if program is more than one year in length

Calendar Year	Number of Students Who Began the Program	Students Available for Graduation	150% Graduates	150% Completion Rate
20XX*	100	98	95	97%
20XY*	80	80	78	98%
20XZ	90	90	87	97%
20YA	87	85	74	87%

Student's Initials: \_\_\_\_\_ Date: \_\_\_\_\_

**Initial only after you have had sufficient time to read and understand the information.**

(i) Job Placement Rates.

(1) Any placement data required by sections 94910(b) and 94929.5(a) of the Code shall be reported for the number of students who began the program as defined in subdivision (d)(1) of this section for each reported calendar year.

(2) Placement is measured six months from the graduation date of each student. For programs that require passage of a licensing examination, placement shall be measured six months after the announcement of the examination results for the first examination available after a student completes an applicable educational program. Reporting of placement rates shall include for each educational program: the number of students who began the program, the number of graduates as defined in section 94842 of the Code, the graduates available for employment, graduates employed in the field and job placement rate(s).

(3) If the institution makes any claim related to preparing students for a job or regarding job placement, the list required by section 94910(f)(2) of the Code shall identify the employment positions by using the Detailed Occupation or six-digit level of the Standard Occupational Classification codes.

(4) Placement rate shall be calculated as follows: the number of graduates employed in the field as defined in section 94928(e)(1) of the Code as in conjunction with section 74112(d)(3) divided by the number of graduates available for employment as defined in section 94928(d) of the Code.

Job Placement rates shall be included in the Performance Fact Sheet in a format substantially similar to the chart below, (dates, numbers, and other data shown are for example only):

# School Performance Fact Sheet

**Job Placement Rates** (includes data for the two calendar years prior to reporting)

Name of Educational Program (Program Length)

Calendar Year	Number of Students Who Began the Program	Number of Graduates	Graduates Available for Employment	Graduates Employed in the Field	Placement Rate % Employed in the Field	Graduates Employed in the Field 20 to 29 hours per week	Graduates Employed in the Field at least 30 hours per week
20XX	100	70	70	55	79%	4	40
20XY	80	55	55	20	36%	8	33

Student's Initials: \_\_\_\_\_ Date: \_\_\_\_\_

**Initial only after you have had sufficient time to read and understand the information.**

(5) The following self-employment/freelance worker disclosure shall be initialed by students entering any programs in which the majority of graduates obtain jobs in this type of work:

This program may result in freelance or self-employment. \_\_\_\_\_

- The work available to graduates of this program is usually for freelance or self-employment.
- This type of work may not be consistent.
- The period of employment can range from one day to weeks to several months.
- Hours worked in a day or week may be more or less than the traditional 8 hour work day or 40 hour work week.
- You can expect to spend unpaid time expanding your networks, advertising, promoting your services, or honing your skills.
- Once graduates begin to work freelance or are self-employed, they will be asked to provide documentation that they are employed as such so that they may be counted as placed for our job placement records.
- Students initialing this disclosure understand that either a majority or all of this school's graduates are employed in this manner and understand what comprises this work style.

Student's Initials: \_\_\_\_\_ Date: \_\_\_\_\_

**Only initial after you have had sufficient time to read and understand the information.**

## School Performance Fact Sheet

(j) License Examination Passage Rates. If license examination passage rates are not available from the appropriate state agency, an institution shall collect the information directly from its graduates. If an institution demonstrates that, after reasonable efforts, it is unable to obtain the examination passage information from its graduates, the institution shall report the number of students it could not contact and note in a font the same size as the majority of the data on the Performance Fact Sheet, "License examination passage data is not available from the state agency administering the examination. We were unable to collect data from [enter the number] graduates."

Reporting of license examination passage rates for the Annual Report and the Performance Fact Sheet shall include, for each educational program: the number of graduates in the reported year, the number of documented graduates who passed the first available examination, number of documented graduates who failed the first available examination, the number of graduates for whom data is not available. An optional column may be added to separately report licensing examination data for graduates who take and pass the exam after failing initially. The Annual Report shall also include a description of the processes for attempting to contact those students.

For licensing examinations that are not continuously administered, license examination passage rates shall be included in the Performance Fact Sheet in a format substantially similar to the chart below, (dates, numbers, and other data shown are for example only):

**License Examination Passage Rates** (includes data for the two calendar years prior to reporting)

First Available Exam Date	Date Exam Results Announced	Number of Graduates in Calendar Year	Number of Graduates Taking Exam	Number Who Passed Exam	Number Who Failed Exam	Passage Rate
2/1/20XX	3/15/20XX	277	80	40	40	50%
6/1/20XX	7/15/20XX	277	100	75	25	75%
10/1/20XX	11/15/20XX	277	82	68	14	76%
2/1/20XY	3/20/20XX	304	80	40	40	50%
6/1/20XY	7/19/20XX	304	100	70	30	70%
10/1/20XY	11/19/20XX	304	92	62	30	67%

*License examination passage data is not available from the state agency administering the examination. We were unable to collect data from 32 graduates.*

Student's Initials: \_\_\_\_\_ Date: \_\_\_\_\_

**Initial only after you have had sufficient time to read and understand the information.**



# School Performance Fact Sheet

For licensing examinations that are continuously administered, license examination passage rates shall be included in the Performance Fact Sheet in a format substantially similar to the chart below, (dates, numbers, and other data shown are for example only):

**License Examination Passage Rates** (includes data for the two calendar years prior to reporting)

**Name of Educational Program** (Program Length)

Calendar Year	Number of Graduates in Calendar Year	Number of Graduates Taking Exam	Number Who Passed First Available Exam	Number Who Failed First Available Exam	Passage Rate
20XX	95	80	40	40	50%
20XY	109	100	75	25	75%

*License examination passage data is not available from the state agency administering the examination. We were unable to collect data from 10 graduates.*

Student's Initials: \_\_\_\_\_ Date: \_\_\_\_\_

**Initial only after you have had sufficient time to read and understand the information.**

# School Performance Fact Sheet

(k) Salary and Wage Information.

All Salary and Wage Information shall be reported to the Bureau pursuant to sections 94910(d) and 94929.5(a)(3) of the Code and shall be included in the Performance Fact Sheet, for each educational program, in a format substantially similar to the chart below, (dates, numbers, salaries, and other data shown are for example only).

## Salary and Wage Information (includes data for the two calendar years prior to reporting)

**Name of Educational Program** (Program Length)

*Annual Salary and Wages Reported for Graduates Employed in the Field*

Calendar Year	Graduates Available for Employment	Graduates Employed in the Field	\$15,000	\$20,001	\$25,001	\$30,001	No Salary Information Reported
			-	-	-	-	
			\$20,000	\$25,000	\$30,000	\$35,000	
20XX	100	70	5	40	6	3	16
20XY	80	55	5	7	3	5	35

A list of sources used to substantiate salary disclosures is available from the school. (Insert how student can obtain this information.)

Student's Initials: \_\_\_\_\_ Date: \_\_\_\_\_

**Initial only after you have had sufficient time to read and understand the information.**

(l) Definitions. Definitions for all terms contained on the Performance Fact Sheet shall be included as part of the Performance Fact Sheet, in the same format as required in subdivision (a).

The following are the definitions for the Performance Fact Sheet:

“Number of Students Who Began the Program” means the number of students who began a program who were scheduled to complete the program within 100% of the published program length within the reporting calendar year and excludes all students who cancelled during the cancellation period.

“Students Available for Graduation” is the number of students who began the program minus the number of students who have died, been incarcerated, or been called to active military duty.

“Number of On-time Graduates” is the number of students who completed the program within 100% of the published program length within the reporting calendar year.

“On-time Completion Rate” is the number of on-time graduates divided by the number of students available for graduation.

# School Performance Fact Sheet

“150% Graduates” is the number of students who completed the program within 150% of the program length (includes on-time graduates).

“150% Completion Rate” is the number of students who completed the program in the reported calendar year within 150% of the published program length, including on-time graduates, divided by the number of students available for graduation.

“Graduates Available for Employment” means the number of graduates minus the number of graduates unavailable for employment.

“Graduates Unavailable for Employment” means the graduates who, after graduation, die, become incarcerated, are called to active military duty, are international students that leave the United States or do not have a visa allowing employment in the United States, or are continuing their education in an accredited or bureau-approved postsecondary institution.

“Graduates Employed in the Field” means graduates who within six months after a student completes the applicable educational program are gainfully employed, whose employment has been reported, and for whom the institution has documented verification of employment. For occupations for which the state requires passing an examination, the six month period begins after the announcement of the examination results for the first examination available after a student completes an applicable educational program.

“Placement Rate Employed in the Field” is calculated by dividing the number of graduates gainfully employed in the field by the number of graduates available for employment.

“Number of Graduates Taking Exam” is the number of graduates who took the first available exam in the reported calendar year.

“First Available Exam Date” is the date for the first available exam after a student completed a program.

“Passage Rate” is calculated by dividing the number of graduates who passed the exam by the number of graduates who took the reported licensing exam.

“Number Who Passed First Available Exam” is the number of graduates who took and passed the first available licensing exam after completing the program.

“Salary” is as reported by graduate or graduate’s employer.

“No Salary Information Reported” is the number of graduates for whom, after making reasonable attempts, the school was not able to obtain salary information.

(n) The institution shall provide on a separate document along with the Performance Fact Sheet the same cancellation disclosure as that which is required to be included with the enrollment agreement by Section 94911(e)(1) of the Code. The separate document shall be substantially the same size as the Performance Fact Sheet and shall be captioned “STUDENT’S RIGHT TO CANCEL” using bold 14 pt. type.

*Note: Authority cited: Sections 94877, 94910, 94928, 94929.5, 94929.7, and 94929.8, Education Code. Reference: Sections 94874.8, 94902, 94910, 94911, 94928, 94929, 94929.5, 94929.7, 94929.8, 94934, and 94941, Education Code.*

# School Performance Fact Sheet

## **CEC §94912 Signature, Initials Required**

Prior to the execution of an enrollment agreement, the information required to be disclosed pursuant to subdivisions (a) to (d), inclusive, of Section 94910 shall be signed and dated by the institution and the student. Each of these items shall also be initialed and dated by the student.

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

# Enrollment Agreement

## Enrollment Agreement Minimum Requirements

### **CEC §94840 Enrollment Agreement**

Is a written contract between a student and institution concerning an educational program.

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

### **CEC §94902 General Enrollment Requirements**

(a) A student shall enroll solely by means of executing an enrollment agreement. The enrollment agreement shall be signed by the student and by an authorized employee of the institution.

(b) An enrollment agreement is not enforceable unless all of the following requirements are met:

(1) The student has received the institution's catalog and School Performance Fact Sheet prior to signing the enrollment agreement.

(2) At the time of the execution of the enrollment agreement, the institution held a valid approval to operate.

(3) Prior to the execution of the enrollment agreement, the student and the institution have signed and dated the information required to be disclosed in the Student Performance Fact Sheet pursuant to subdivisions (a) to (d), inclusive, of Section 94910. Each of these items in the Student Performance Fact Sheet shall include a line for the student to initial and shall be initialed and dated by the student.

(c) A student shall receive a copy of the signed enrollment agreement, in writing or electronically, regardless of whether total charges are paid by the student.

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

### **CEC §94906 Language of Enrollment Agreement**

(a) An enrollment agreement shall be written in language that is easily understood. If English is not the student's primary language, and the student is unable to understand the terms and conditions of the enrollment agreement, the student shall have the right to obtain a clear explanation of the terms and conditions and all cancellation and refund policies in his or her primary language.

(b) If the recruitment leading to enrollment was conducted in a language other than English, the enrollment agreement, disclosures, and statements shall be in that language.

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

### **CEC §94907 Mandatory Internal Dispute Resolution Prohibited**

An enrollment agreement shall not contain a provision that requires a student to invoke an internal institutional dispute procedure before enforcing any contractual or other legal rights or remedies.

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

# Enrollment Agreement

## **CEC §94908 Size of Text in Required Documents**

Any information or statement required by this article to be included in the catalog, School Performance Fact Sheet, or enrollment agreement shall be printed in at least the same size font as the majority of the text in that document.

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

## **CEC §94911 Minimum Requirements for Enrollment Agreements**

An enrollment agreement shall include, at a minimum, all of the following:

- (a) The name of the institution and the name of the educational program, including the total number of credit hours, clock hours, or other increment required to complete the educational program.
- (b) A schedule of total charges, including a list of any charges that are nonrefundable and the student's obligations to the Student Tuition Recovery Fund, clearly identified as nonrefundable charges.
- (c) In underlined capital letters on the same page of the enrollment agreement in which the student's signature is required, the total charges for the current period of attendance, the estimated total charges for the entire educational program, and the total charges the student is obligated to pay upon enrollment.
- (d) A clear and conspicuous statement that the enrollment agreement is legally binding when signed by the student and accepted by the institution.
- (e)(1) A disclosure with a clear and conspicuous caption, "STUDENT'S RIGHT TO CANCEL," under which it is explained that the student has the right to cancel the enrollment agreement and obtain a refund of charges paid through attendance at the first class session, or the seventh day after enrollment, whichever is later.
  - (2) The disclosure shall contain the institution's refund policy and a statement that, if the student has received federal student financial aid funds, the student is entitled to a refund of moneys not paid from federal student financial aid program funds.
  - (3) The text shall also include a description of the procedures that a student is required to follow to cancel the enrollment agreement or withdraw from the institution and obtain a refund.
- (f) A statement specifying that, if the student obtains a loan to pay for an educational program, the student will have the responsibility to repay the full amount of the loan plus interest, less the amount of any refund.
- (g) A statement specifying that, if the student is eligible for a loan guaranteed by the federal or state government and the student defaults on the loan, both of the following may occur:
  - (1) The federal or state government or a loan guarantee agency may take action against the student, including applying any income tax refund to which the person is entitled to reduce the balance owed on the loan.
  - (2) The student may not be eligible for any other federal student financial aid at another institution or other government assistance until the loan is repaid.
- (h) The transferability disclosure that is required to be included in the school catalog, as specified in paragraph (15) of subdivision (a) of Section 94909.

# Enrollment Agreement

(i) (1) The following statement: "Prior to signing this enrollment agreement, you must be given a catalog or brochure and a School Performance Fact Sheet, which you are encouraged to review prior to signing this agreement. These documents contain important policies and performance data for this institution. This institution is required to have you sign and date the information included in the School Performance Fact Sheet relating to completion rates, placement rates, license examination passage rates, salaries or wages, and the most recent three-year cohort default rate, if applicable, prior to signing this agreement."

(2) Immediately following the statement required by paragraph (1), a line for the student to initial, including the following statement: "I certify that I have received the catalog, School Performance Fact Sheet, and information regarding completion rates, placement rates, license examination passage rates, salary or wage information, and the most recent three-year cohort default rate, if applicable, included in the School Performance Fact sheet, and have signed, initialed, and dated the information provided in the School Performance Fact Sheet."

(j) The following statements:

(1) "Any questions a student may have regarding this enrollment agreement that have not been satisfactorily answered by the institution may be directed to the Bureau for Private Postsecondary Education at (address), Sacramento, CA (ZIP Code), (Internet Web site address), (telephone and fax numbers)."

(2) "A student or any member of the public may file a complaint about this institution with the Bureau for Private Postsecondary Education by calling (toll-free telephone number) or by completing a complaint form, which can be obtained on the bureau's Internet Web site (Internet Web site address)."

(k) The following statement above the space for the student's signature:

"I understand that this is a legally binding contract. My signature below certifies that I have read, understood, and agreed to my rights and responsibilities, and that the institution's cancellation and refund policies have been clearly explained to me."

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

*Amended by Stats. 2012, Ch. 585, §4. (AB 2296)*

## **CEC §94916 Statement on Loans to Students**

An institution extending credit or lending money to an individual for institutional and noninstitutional charges for an educational program shall cause any note, instrument, or other evidence of indebtedness taken in connection with that extension of credit or loan to be conspicuously marked on its face in at least 12-point type with the following notice:

"NOTICE"

"You may assert against the holder of the promissory note you signed in order to finance the cost of the educational program all of the claims and defenses that you could assert against this institution, up to the amount you have already paid under the promissory note."

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

*Amended by Stats. 2014, Ch. 840, §27. (SB 1247)*

# Enrollment Agreement

## **CEC §94917 Enforceability of Loans**

A note, instrument, or other evidence of indebtedness relating to payment for an educational program is not enforceable by an institution unless, at the time of execution of the note, instrument, or other evidence of indebtedness, the institution held an approval to operate.

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

## **CEC §94918 Compliance with Federal Truth in Lending Act**

In making consumer loans to students, an institution shall also comply with the requirements of the Federal Truth in Lending Act pursuant to Title 15 of the United States Code.

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

## **5, CCR §71716 Distance Educational Programs - Specific Provisions for Instruction Not in Real Time**

(a) An institution offering a distance educational program where the instruction is not offered in real time shall transmit the first lesson and any materials to any student within seven days after the institution accepts the student for admission.

(b) The student shall have the right to cancel the agreement and receive a full refund pursuant to section 71750 before the first lesson and materials are received. Cancellation is effective on the date written notice of cancellation is sent. The institution shall make the refund pursuant to section 71750. If the institution sent the first lesson and materials before an effective cancellation notice was received, the institution shall make a refund within 45 days after the student's return of the materials.

(c)(1) An institution shall transmit all of the lessons and other materials to the student if the student:

(A) has fully paid for the educational program; and

(B) after having received the first lesson and initial materials, requests in writing that all of the material be sent.

(2) If an institution transmits the balance of the material as the student requests, the institution shall remain obligated to provide the other educational services it agreed to provide, such as responses to student inquiries, student and faculty interaction, and evaluation and comment on lessons submitted by the student, but shall not be obligated to pay any refund after all of the lessons and material are transmitted.

(d) The enrollment agreement shall disclose the institution's and student's rights and duties under this section.

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



# Enrollment Agreement

## 5, CCR §71800 Enrollment Agreement

In addition to the requirements of section 94911 of the Code, an institution shall provide to each student an enrollment agreement that contains at the least the following information:

- (a) The name and address of the institution and the addresses where instruction will be provided.
- (b) Period covered by the enrollment agreement.
- (c) Program start date and scheduled completion date.
- (d) Date by which the student must exercise his or her right to cancel or withdraw, and the refund policy, including any alternative method of calculation if approved by the Bureau pursuant to section 94921 of the Code.
- (e) Itemization of all institutional charges and fees including, as applicable:
  - (1) tuition;
  - (2) registration fee (non-refundable);
  - (3) equipment;
  - (4) lab supplies or kits;
  - (5) Textbooks, or other learning media;
  - (6) uniforms or other special protective clothing;
  - (7) in-resident housing;
  - (8) tutoring;
  - (9) assessment fees for transfer of credits;
  - (10) fees to transfer credits;
  - (11) Student Tuition Recovery Fund fee (non-refundable);
  - (12) any other institutional charge or fee.
- (f) Charges paid to an entity other than an institution that is specifically required for participation in the educational program.

*Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Sections 94885, 94902, 94906, 94911 and 94927, Education Code.*

# Reporting Requirements and Fees

## Oversight Reporting:

### **CEC §94934.5**

(a) An institution with an approval to operate that knows that it is being investigated by an oversight entity other than the bureau shall report that investigation, including the nature of that investigation, to the bureau within 30 days of the institution's first knowledge of the investigation. An institution with an approval to operate that is the subject of a judgment by, a regulatory action by, increased oversight or monitoring by, or a settlement with, any oversight entity other than the bureau shall report it to the bureau within 30 days. Failure to comply with this section may subject the institution to an administrative citation pursuant to Section 94936.

(b) For the purposes of this section, "investigation" means any inquiry into possible violations of any applicable laws or accreditation standards.

(c) For the purposes of this section, "oversight entity" means all of the following:

(1) Any federal or state entity that provides financial aid to students of the institution or approves the institution for participation in a financial aid program.

(2) Any state or federal attorney general's office or department of justice.

(3) Any regulator that approves the operation of the institution.

(4) The federal Consumer Financial Protection Bureau or the federal Securities and Exchange Commission.

(5) Any accrediting agency.

(6) Any state professional licensing entity that exercises any programmatic or institutional approval over the institution.

## Annual Report:

### **CEC §94934 Annual Report**

(a) As part of the compliance program, an institution shall submit an annual report to the bureau, under penalty of perjury, signed by a responsible corporate officer, by July 1 of each year, or another date designated by the bureau, and it shall include the following information for educational programs offered in the reporting period:

(1) The total number of students enrolled by level of degree or for a diploma.

(2) The number of degrees, by level, and diplomas awarded.

(3) The degree levels and diplomas offered.

(4) The Student Performance Fact Sheet, as required pursuant to Section 94910.

(5) The school catalog, as required pursuant to Section 94909.

(6) The total charges for each educational program by period of attendance.

(7) A statement indicating whether the institution is, or is not, current in remitting Student Tuition Recovery Fund assessments.

(8) A statement indicating whether an accrediting agency has taken any final disciplinary action against the institution.

(9) Additional information deemed by the bureau to be reasonably required to ascertain compliance with this chapter.

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

# Reporting Requirements and Fees

## 5, CCR §74110 Annual Report

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

(1) Information regarding institutional branch campuses, including addresses and programs offered at each campus, if applicable;

(2) Information regarding satellite locations, including addresses and which campus(es) the satellite location is affiliated, if applicable;

(3) Name of institutional accreditors for each branch and satellite campus, and for each such campus at which any programs has programmatic accreditation, the names of the programmatic accreditor for each such program, and effective dates for each programmatic accreditation, if applicable;

(4) Information regarding participation in state and federal student loan and grant programs, including the total amount of funding received from each source for those students enrolled in an approved California school regardless of their state of residency;

(5) Information regarding participation in other public funding programs, including the amount of funding received from each public funding source; for purposes of this section, public funding is any financial aid paid on behalf of students or directly to an institution from any public source, such as the Workforce Investment Act, any veterans' financial aid programs pursuant to Section 21.4253 of Title 38 of the Code of Federal Regulations or any other financial aid program that is intended to help students pay education-related expenses including, tuition, fees, room and board, and supplies for education; and

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

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

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

(d) The annual report shall be electronically filed by submitting the information required by section 94934 of the Code and this section via the online form provided on the Bureau's website, electronically attaching, as directed, the School Performance Fact Sheet, the enrollment agreement, and the school catalog.

*Note: Authority cited: Sections 94877, 94929.5, 94929.7, 94934, and 94941, Education Code. Reference: Sections 94929.5, 94929.7, 94932, 94934, and 94941, Education Code.*

# Reporting Requirements and Fees

## Annual Fee and Applications:

### **CEC §94930.5 Fee Schedule**

Subject to section 94930, an institution shall remit to the bureau for deposit in the Private Postsecondary Education Administration Fund the following fees, in accordance with the following schedule:

(a) The following fees shall be remitted by an institution submitting an application for an approval to operate, if applicable:

(1) Application fee for an approval to operate: five thousand dollars (\$5,000).

(2) Application fee for the approval to operate a new branch of the institution: three thousand dollars (\$3,000).

(3) Application fee for an approval to operate by means of accreditation: seven hundred fifty dollars (\$750).

(b) The following fees shall be remitted by an institution seeking a renewal of its approval to operate, if applicable:

(1) Renewal fee for the main campus of the institution: three thousand five hundred dollars (\$3,500).

(2) Renewal fee for a branch of the institution: three thousand dollars (\$3,000).

(3) Renewal fee for an institution that is approved to operate by means of accreditation: five hundred dollars (\$500).

(c) The following fees shall apply to an institution seeking authorization of a substantive change to its approval to operate, if applicable:

(1) Processing fee for authorization of a substantive change to an approval to operate: five hundred dollars (\$500).

(2) Processing fee in connection with a substantive change to an approval to operate by means of accreditation: two hundred fifty dollars (\$250).

(d) (1) In addition to any fees paid to the bureau pursuant to subdivisions (a) to (c), inclusive, each institution that is approved to operate pursuant to this chapter shall remit both of the following:

(A) An annual fee for each campus designated by the institution as a main campus location in California, in an amount equal to 0.45 percent of the campus' total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars (\$2,500) and not to exceed sixty thousand dollars (\$60,000).

(B) An annual campus fee for each branch of the institution in an amount equal to 0.45 percent of the branch's total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars (\$2,500) and not to exceed sixty thousand dollars (\$60,000).

(2) The amount of the annual fees pursuant to paragraph (1) shall be proportional to the bureau's cost of regulating institutions under this chapter, but shall not exceed seven hundred fifty thousand dollars (\$750,000) for any institution.

## Reporting Requirements and Fees

(e) The bureau may assess both of the following fees, if applicable:

(1) An out-of-state institution registration fee in an amount of one thousand five hundred dollars (\$1,500).

(2) A request for inactive status fee in an amount of five hundred dollars (\$500).

(f) It is the intent of the Legislature that the fees established pursuant to this section be evaluated during the 2017–18 state budget process and, if necessary, adjusted by subsequent legislation based upon information provided to the Legislature by the department and the bureau.

(g) Notwithstanding subdivision (d), effective July 1, 2018, the annual fee for each campus described in subparagraphs (A) and (B) of paragraph (1) of subdivision (d) shall be in an amount equal to 0.55 percent of that campus' total gross revenue derived from students in California, but not to be less than two thousand five hundred dollars (\$2,500) and not to exceed sixty thousand dollars (\$60,000) for each campus.

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

*Amended by Stats. 2014, Ch. 840, §33. (SB 1247)*

*Amended by Stats. 2016, Ch. 593, §20 (SB 1192)*

### 5, CCR §74002 Definitions

(a) "Annual fee" or "annual institutional fee" is the fee required by subdivision (d) of section 94930.5 of the Code.

(b) "Annual gross revenue" means all revenue such as tuition, fees, and other charges derived by an institution, during its last fiscal year ending before the due date of an annual fee payment, from any source for any education, instruction, training, or any services incident thereto. "Annual gross revenue" does not include unearned tuition and refunds. An institution shall account for "annual gross revenue" in accordance with generally accepted accounting principles.

*Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Section 94930.5, Education Code.*

### 5, CCR §74006 Annual Fee

(a) An institution's annual fee is due within 30 days of the date on which the institution originally receives its approval to operate and each year thereafter on the anniversary of the date of the original approval.

(b) An institution shall pay its annual fee in addition to any other applicable fees.

(c) The annual institutional fee is based on the institution's annual revenue. For purposes of this article, annual revenue is annual gross revenue.

*Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94930.5 and 94931.5, Education Code.*

# Reporting Requirements and Fees

## Late Payment Fees:

### **CEC §94931 Late Payment**

(a) A fee that is not paid on or before the 30th calendar day after the due date for the payment of the fee shall be subject to a 25 percent late payment penalty fee.

(b) A fee that is not paid on or before the 90th calendar day after the due date for payment of the fee shall be subject to a 35 percent late payment penalty fee.

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

### **5, CCR §74000 Fees and Penalties - General Provisions**

(a) An institution shall pay the fees established by Article 17 of the Act. A failure to include a fee with an application or other request renders the application or request incomplete.

(b) All fees lawfully collected are non-refundable.

(c) A fee that is not paid timely is subject to penalty as set forth in section 94931 of the Code.

(d) The Bureau shall deny a renewal of an approval to operate if the institution fails to submit at the time it files its application for renewal of an approval to operate: all unpaid fees; penalty fees; penalties; orders for reimbursement of costs and expenses; and assessments for, and reimbursement of all payments made to students from, the Student Tuition Recovery Fund.

(e)(1) If an institution fails to pay any fee and any penalty fees timely, the Bureau may initiate proceedings to revoke the institution's approval to operate for failure to pay fees.

(2) Any proceeding to revoke an institution's approval to operate is subject to the provisions of Chapter 5 of the Administrative Procedures Act. If a hearing is requested, it shall be limited to the issues of whether any fee or penalty was owed and, if so, whether the fee or penalty were paid when originally due.

(3) The procedure specified in this subdivision is cumulative to any other right or remedy the Bureau may invoke against an institution which fails to pay its annual fee or a penalty fee when originally due. Nothing in this subdivision restricts the Bureau's authority to bring other administrative or judicial action against an institution that fails to pay its fees when due.

(4) An institution whose approval to operate was revoked because of nonpayment of an annual fee or penalty fee may seek to obtain approval to operate only by filing an application for a new approval to operate.

*Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94930.5, 94931.5, 94932 and 94933, Education Code.*

# Reporting Requirements and Fees

## Student Tuition Recovery Fund:

### 5, CCR §76000 Definitions

For purposes of this chapter, the following definitions apply:

- (a) "California resident" means a person who resides in California at the time the enrollment agreement is signed or when the person receives lessons at a California mailing address from an approved institution offering distance education.
- (b) "Closed institution" means an institution at which a closure has occurred.
- (c) "Economic loss" means pecuniary loss, which is the sum of the student's tuition, cost of equipment and materials required for the educational program as defined in section 94837 of the Code, and interest on any student loan used to pay for such charges, collection costs and penalties. Economic loss shall also include the amount the institution collected and failed to pay to third parties on behalf of the student for license fees or any other purpose. Economic loss does not include Student Tuition Recovery Fund assessments, room and board, supplies, transportation, application fees, or non-pecuniary damages such as inconvenience, aggravation, emotional distress, or punitive damages.
- (d) "Fund" means the Student Tuition Recovery Fund.
- (e) "Prepaid" describes any amount of money that an institution accepts in advance of rendering educational services.
- (f) "Qualifying institution" is an approved institution or an institution subject to the provisions of Article 14, commencing with section 94923 of the Code, and section 94874.1 of the Code.
- (g) "Residency Program" means an educational program as defined in section 94837 of the Code at an approved institution of which some portion of the instruction occurs as direct instruction as defined in section 71715(c).
- (h) "STRF" means Student Tuition Recovery Fund.
- (i) "Student Tuition Recovery Fund assessment" or "STRF assessment" means a state-imposed charge to fund this chapter that is required to be paid by a California resident student or a student enrolled in a residency program, who pays tuition to an institution.
- (j) "Teach-out institution" means the institution offering a teach-out to a former student of an institution that has ceased to operate.

*Note: Authority cited: Sections 94803, 94877 and 94923, Education Code. Reference: Sections 94874.1, 94923, 94926, 94927 and 94927.5, Education Code.*

### CEC §94870 Total Charges

"Total charges" means the sum of institutional and noninstitutional charges.

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

# Reporting Requirements and Fees

## 5, CCR §71485 Student Tuition Recovery Fund Assessments and Annual Fees as Condition of Renewal

Failure of an institution to have made current payments of the assessments to the Student Tuition Recovery Fund as required by chapter 7 of this Division, and annual fees as required by chapter 5 of this Division shall render the institution ineligible for renewal.

*Note: Authority cited: Sections 94803, 94890 and 94891, Education Code. Reference: Sections 94802, 94889, 94890, 94891 and 94930.5, Education Code.*

## 5, CCR §76020 Student Tuition Recovery Fund (STRF)

(a) The fund exists to relieve or mitigate economic losses suffered by a student in an educational program as defined in section 94837 of the Code at a qualifying institution, who is or was a California resident or was enrolled in a residency program, if the student enrolled in the institution, prepaid tuition, paid the assessment, and suffered loss as a result of any of the following:

- (1) The closure of the institution;
  - (2) The institution's failure to pay refunds or charges on behalf of a student to a third party for license fees or any other purposes, or to provide equipment or materials for which a charge was collected within 180 days before the closure of the institution;
  - (3) The institution's failure to pay or reimburse loan proceeds under a federally guaranteed student loan program as required by law or to pay or reimburse proceeds received by the institution prior to closure in excess of tuition and other costs;
  - (4) A significant decline in the quality or value of the educational program within the 30-day period before the closure of the institution or, if the decline began before that period, the period of decline determined by the Bureau, to a degree that results in the institution's failure to meet minimum operating or academic standards; and
  - (5) The student's inability to collect a judgment entered against a qualifying institution for a violation of the Act, subject to all of the following:
    - (A) The student has reasonably tried, and failed, to collect on the judgment. The Bureau will determine the reasonableness of the effort on a case-by-case basis;
    - (B) The Bureau receives the student's application within 4 years from the school's closure;
    - (C) The student has not received reimbursement or forgiveness from any other source.
- (b) A student whose total charges were paid by a third-party payer is not eligible to make a claim.

*Note: Authority cited: Sections 94803, 94877 and 94923, Education Code. Reference: Sections 94874.1, 94923, 94926, 94927 and 94927.5, Education Code.*



# Reporting Requirements and Fees

## 5, CCR §76120 Amount of STRF Assessment

(a) Each qualifying institution shall collect an assessment of zero dollars (\$0.00) per one thousand dollars (\$1,000) of institutional charges, rounded to the nearest thousand dollars, from each student in an educational program who is a California resident or is enrolled in a residency program. For institutional charges of one thousand dollars (\$1,000) or less, the assessment is zero dollars (\$0.00).

(b) Unless a student has a separate agreement to repay the third party, a student whose costs are paid to the institution by third-party payer shall not pay the STRF assessment to the qualifying institution.

(c) Except when an institution provides a 100% refund pursuant to section 94919(d) or section 94920(b) of the Code, the assessment is non-refundable.

*Note: Authority cited: Sections 94803, 94877 and 94923, Education Code. Reference: Sections 94923, 94843 and 94911(b), Education Code.*

## CEC §94801.5

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

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

(A) Evidence of accreditation.

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

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

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

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

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

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

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

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

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

# Reporting Requirements and Fees

## 5, CCR §76130 Collection and Submission of Assessments

(a) A qualifying institution shall collect the assessment from each student in an educational program at the time it collects the first payment from or on behalf of the student at or after enrollment. The assessment shall be collected for the entire period of enrollment, regardless of whether the student pays the institutional charges in increments.

(b) A qualifying institution shall complete the STRF Assessment Reporting Form (Rev. 2/10) and remit it with the STRF assessments collected from students to be received by the Bureau no later than the last day of the month following the close of the quarter as follows:

- (1) April 30 for the first quarter,
- (2) July 31 for the second quarter,
- (3) October 31 for the third quarter, and
- (4) January 31 for the fourth quarter. If the due date falls on a Saturday, Sunday or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau. If the due date falls on a Saturday, Sunday, or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.

(c) The STRF Assessment Reporting Form shall contain the following information:

- (1) Total number of students who signed enrollment agreements for educational programs during the reporting period; and
- (2) Total number of students eligible for STRF who signed enrollment agreements for educational programs during the reporting period; and
- (3) The total number of students who signed their enrollment agreement during the reporting period, were eligible for STRF, and who made their first payment during the reporting period; and
- (4) Current contact telephone number of the person preparing the form; and
- (5) A declaration dated and signed under penalty of perjury by the person preparing the form that the form and any attachments are true and correct.
- (6) Current contact telephone number of the person preparing the form; and
- (7) A declaration dated and signed under penalty of perjury by the person preparing the form that the form and any attachments are true and correct.

(d) In the event of a school closure, any collected assessments shall be remitted to the Bureau within seven days following the cessation of instruction.

(e) Submission of all prior reports and assessments required by this section is a condition of renewal.

*Note: Authority cited: Sections 94803, 94877 and 94923, Education Code. Reference: Section 94923, Education Code.*

# Reporting Requirements and Fees

## 5, CCR §76215 Student Tuition Recovery Fund Disclosures

(a) A qualifying institution shall include the following statement on both its enrollment agreement for an educational program and its current schedule of student charges:

"You must pay the state-imposed assessment for the Student Tuition Recovery Fund (STRF) if all of the following applies to you:

1. You are a student in an educational program, who is a California resident, or are enrolled in a residency program, and prepay all or part of your tuition either by cash, guaranteed student loans, or personal loans, and
2. Your total charges are not paid by any third-party payer such as an employer, government program or other payer unless you have a separate agreement to repay the third party.

You are not eligible for protection from the STRF and you are not required to pay the STRF assessment, if either of the following applies:

1. You are not a California resident, or are not enrolled in a residency program, or
2. Your total charges are paid by a third party, such as an employer, government program or other payer, and you have no separate agreement to repay the third party."

(b) In addition to the statement described under subdivision (a) of this section, a qualifying institution shall include the following statement on its current schedule of student charges:

"The State of California created the Student Tuition Recovery Fund (STRF) to relieve or mitigate economic losses suffered by students in educational programs who are California residents, or are enrolled in a residency programs attending certain schools regulated by the Bureau for Private Postsecondary and Vocational Education.

You may be eligible for STRF if you are a California resident or are enrolled in a residency program, prepaid tuition, paid the STRF assessment, and suffered an economic loss as a result of any of the following:

1. The school closed before the course of instruction was completed.
2. The school's failure to pay refunds or charges on behalf of a student to a third party for license fees or any other purpose, or to provide equipment or materials for which a charge was collected within 180 days before the closure of the school.

The school's failure to pay or reimburse loan proceeds under a federally guaranteed student loan program as required by law or to pay or reimburse proceeds received by the school prior to closure in excess of tuition and other costs.

3. There was a material failure to comply with the Act or this Division within 30 days before the school closed or, if the material failure began earlier than 30 days prior to closure, the period determined by the Bureau.

4. An inability after diligent efforts to prosecute, prove, and collect on a judgment against the institution for a violation of the Act."

However, no claim can be paid to any student without a social security number or a taxpayer identification number.

*Note: Authority cited: Sections 94803, 94877 and 94923, Education Code. Reference: Section 94923, Education Code.*

# Record Keeping

## Student Records:

### **CEC §94900 Required Student Records**

- (a) An institution shall maintain records of the name, address, e-mail address, and telephone number of each student who is enrolled in an educational program in that institution.
- (b) An institution shall maintain, for each student granted a degree or certificate by that institution, permanent records of all of the following:
  - (1) The degree or certificate granted and the date on which that degree or certificate was granted.
  - (2) The courses and units on which the certificate or degree was based.
  - (3) The grades earned by the student in each of those courses.

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

### **5, CCR §71920 Student Records**

- (a) The institution shall maintain a file for each student who enrolls in the institution whether or not the student completes the educational service.
- (b) In addition to the requirements of section 94900, the file shall contain all of the following pertinent student records:
  - (1) Written records and transcripts of any formal education or training, testing, or experience that are relevant to the student's qualifications for admission to the institution or the institution's award of credit or acceptance of transfer credits including the following:
    - (A) Verification of high school completion or equivalency or other documentation establishing the student's ability to do college level work, such as successful completion of an ability-to-benefit test;
    - (B) Records documenting units of credit earned at other institutions that have been accepted and applied by the institution as transfer credits toward the student's completion of an educational program;
    - (C) Grades or findings from any examination of academic ability or educational achievement used for admission or college placement purposes;
    - (D) All of the documents evidencing a student's prior experiential learning upon which the institution and the faculty base the award of any credit;
  - (2) Personal information regarding a student's age, gender, and ethnicity if that information has been voluntarily supplied by the student;
  - (3) Copies of all documents signed by the student, including contracts, instruments of indebtedness, and documents relating to financial aid;
  - (4) Records of the dates of enrollment and, if applicable, withdrawal from the institution, leaves of absence, and graduation; and
  - (5) In addition to the requirements of section 94900(b) of the Code, a transcript showing all of the following:
    - (A) The courses or other educational programs that were completed, or were attempted but not completed, and the dates of completion or withdrawal;

# Record Keeping

- (B) Credit awarded for prior experiential learning, including the course title for which credit was awarded and the amount of credit;
- (C) Credit for courses earned at other institutions;
- (D) Credit based on any examination of academic ability or educational achievement used for admission or college placement purposes;
- (E) The name, address, website address, and telephone number of the institution.
- (6) For independent study courses, course outlines or learning contracts signed by the faculty and administrators who approved the course;
- (7) The dissertations, theses, and other student projects submitted by graduate students;
- (8) A copy of documents relating to student financial aid that are required to be maintained by law or by a loan guarantee agency;
- (9) A document showing the total amount of money received from or on behalf of the student and the date or dates on which the money was received;
- (10) A document specifying the amount of a refund, including the amount refunded for tuition and the amount for other itemized charges, the method of calculating the refund, the date the refund was made, and the name and address of the person or entity to which the refund was sent;
- (11) Copies of any official advisory notices or warnings regarding the student's progress; and
- (12) Complaints received from the student.

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

# Record Keeping

## Faculty Records:

### **CEC §94900.5 Required Institutional Records**

An institution shall maintain, for a period of not less than five years, at its principal place of business in this state, complete and accurate records of all of the following information:

- (a) The educational programs offered by the institution and the curriculum for each.
- (b) The names and addresses of the members of the institution's faculty and records of the educational qualifications of each member of the faculty.
- (c) Any other records required to be maintained by this chapter, including, but not limited to, records maintained pursuant to Article 16 (commencing with Section 94928).

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

### **5, CCR §71720 Faculty**

(a) An Educational Program Leading to a Degree.

(1) An institution offering an educational program that leads to a degree shall employ duly qualified faculty sufficient in number to provide the instruction, student advisement, and learning outcomes evaluation necessary for the institution to document its achievement of its stated mission and objectives, and for students to achieve the specific learning objectives of each course offered;

(2) Each institution shall develop and implement written policies and procedures providing for the participation by duly qualified faculty in the conducting of research, development of curricula, academic planning, enforcement of standards of academic quality, pursuit of academic matters related to the institution's mission and objectives, establishment of criteria for contracting with new faculty, and evaluation of faculty credentials;

(3) In determining the number of faculty sufficient to satisfy subdivision (a)(1) of this section and to implement the policies established pursuant to subdivision (a)(2) of this section, the institution shall base its faculty requirements on all of the following factors:

- (A) The educational level and number of students;
- (B) The number of hours needed for direct interaction between students and faculty per course, quarter, semester, or other term;
- (C) The number of hours needed to be spent on evaluating written materials prepared by students, such as distance education, papers, and examinations, per course, quarter, semester, or other term;
- (D) The number of group meetings per course, quarter, semester, or other term;
- (E) The faculty duties established by the institution as required under subdivision (a)(2) of this section; and
- (F) The number of hours per week or units per term considered full-time for faculty in the institution.

(4) The faculty shall have sufficient expertise to support the institution's awarding of a degree identifying a specialty or major field of emphasis, demonstrated by, at a minimum:

- (A) That the person possesses one of the following:

# Record Keeping

1. a degree from: an institution approved by the Bureau or previously approved by a predecessor agency of the Bureau; or an accredited institution in the United States or Canada; or other state approved institution that documents that the institution at which the faculty member earned his or her degree is equivalent to an institution that is approved by the Bureau; or an institution outside the United States or Canada and in addition provides a comprehensive evaluation of the degree performed by a foreign credential evaluation service that is a member of the National Association of Credential Evaluation Services(NACES).

2. a credential generally recognized in the field of instruction.

(B) The degree, professional license, or credential possessed by the person shall be at least equivalent to the level of instruction being taught or evaluated;

(5) The institution's faculty as a whole shall possess a diverse educational background which shall be demonstrated in part by earned degrees from a variety of colleges and universities or by credentials generally recognized in the field of instruction;

(6) When contracting for educational services, the institution shall maintain control of, and responsibility for, all academic matters, and shall assure that the instruction and faculty satisfy the standards established by the Act and this chapter;

(7) The institution shall not employ or continue to employ any faculty who were adjudicated in a judicial or administrative proceeding as having violated any provision of the Act or this chapter or as having committed any act that would constitute grounds for the denial of a license under Section 480 of the Business and Professions Code;

(8) Each institution shall have a written Academic Freedom Policy which describes the latitude the institution allows faculty in the classroom so faculty will not inadvertently violate the principles of academic freedom. These policies shall be made available to any person upon request. The institution shall not take adverse action based on a staff member's exercise of academic freedom consistent with the institution's policy; and

(9) The institution shall maintain records documenting that each faculty member is duly qualified and was qualified to perform the duties to which the faculty member was assigned, including providing instruction, evaluating learning outcomes, evaluating graduate dissertations, theses, and student projects, and participating on doctoral committees.

(b) Instructors in an Educational Program Not Leading to a Degree.

(1) An institution shall employ instructors who possess the academic, experiential and professional qualifications to teach, including a minimum of three years of experience, education and training in current practices of the subject area they are teaching. If an instructor does not possess the required three years of experience, education and training in the subject area they are teaching, the institution shall document the qualifications the instructor possesses that are equivalent to the minimum qualifications.

(2) Each instructor shall maintain their knowledge by completing continuing education courses in his or her subject area, classroom management or other courses related to teaching.

## Record Keeping

(3) The institution shall not employ or continue to employ an instructor who was adjudicated in a judicial or administrative proceeding as having violated any provision of the Act or this chapter, or as having committed any act that would constitute grounds for the denial of a license under Section 480 of the Business and Professions Code.

*Note: Authority cited: Sections 94803, 94877 and 94885, Education Code. Reference: Section 94885, Education Code; and Section 480, Business and Professions Code.*



# Record Keeping

## Institutional Records:

### **CEC §94900.7 Record Requirements for Institutions Approved by Means of Accreditation**

The recordkeeping requirements of this article shall not apply to an institution that is accredited, if the recordkeeping requirements of the accrediting organization are substantially similar to the recordkeeping requirements of this article, as determined by the bureau.

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

### **5, CCR §71930 Maintenance of Records**

(a) An institution shall maintain all records required by the Act and this chapter. The records shall be maintained in this state.

(b)(1) In addition to permanently retaining a transcript as required by section 94900(b) of the Code, the institution shall maintain for a period of 5 years the pertinent student records described in Section 71920 from the student's date of completion or withdrawal.

(2) Notwithstanding (b)(1), the institution shall maintain records relating to federal financial aid programs as provided by federal law.

(c) A record is considered current for three years following a student's completion or withdrawal. A record may be stored on microfilm, microfiche, computer disk, or any other method of record storage only if all of the following apply:

(1) The record may be stored without loss of information or legibility for the period within which the record is required to be maintained by the Act;

(2) For a record that is current, the institution maintains functioning devices that can immediately reproduce exact, legible printed copies of stored records. The devices shall be maintained in reasonably close proximity to the stored records at the institution's primary administrative location in California. For a record that is no longer current, the institution shall be able to reproduce exact, legible printed copies within two (2) business days.

(3) The institution has personnel scheduled to be present at all times during normal business hours who know how to operate the devices and can explain the operation of the devices to any person authorized by the Act to inspect and copy records; and

(4) Any person authorized by the Act or this chapter to inspect and copy records shall be given immediate access to the document reproduction devices for the purpose of inspecting and copying stored records and shall, upon request, reimburse the institution for the reasonable cost of using the institution's equipment and material to make copies at a rate not to exceed ten cents (\$0.10) per page.

(d) The institution shall maintain a second set of all academic and financial records required by the Act and this chapter at a different location unless the original records, including records stored pursuant to subdivision (b) of this section, are maintained in a manner secure from damage or loss. An acceptable manner of storage under this subsection would include fire resistant cabinets.

# Record Keeping

(e) All records that the institution is required to maintain by the Act or this chapter shall be made immediately available by the institution for inspection and copying during normal business hours by the Bureau and any entity authorized to conduct investigations.

(f) If an institution closes, the institution and its owners are jointly and severally responsible to arrange at their expense for the storage and safekeeping in California of all records required to be maintained by the Act and this chapter for as long as those records must be maintained. The repository of the records shall make these records immediately available for inspection and copying, without charge except as allowed under subdivision (c)(4) of this section, during normal business hours by any entity authorized by law to inspect and copy records.

*Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94885, 94900 and 94900.5, Education Code.*

## Curriculum Records:

### **CEC §94828 Curriculum**

An organized set of courses or modules of instruction that are prerequisites to the award of a degree or diploma.

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

### **5, CCR §71710 Educational Program**

In order to meet its mission and objectives, the educational program defined in section 94837 of the Code shall be comprised of a curriculum that includes:

- (a) those subject areas that are necessary for a student to achieve the educational objectives of the educational program in which the student is enrolled;
- (b) subject areas and courses or modules that are presented in a logically organized manner or sequence to students;
- (c) course or module materials that are designed or organized by duly qualified faculty. For each course or module, each student shall be provided with a syllabus or course outline that contains:
  - (1) a short, descriptive title of the educational program;
  - (2) a statement of educational objectives;
  - (3) length of the educational program;
  - (4) sequence and frequency of lessons or class sessions;
  - (5) complete citations of textbooks and other required written materials;
  - (6) sequential and detailed outline of subject matter to be addressed or a list of skills to be learned and how those skills are to be measured;
  - (7) instructional mode or methods.
- (d) if degree granting, require research of an appropriate degree that utilizes a library and other learning resources;

## Record Keeping

(e) specific learning outcomes tied to the sequence of the presentation of the material to measure the students' learning of the material; and

(f) evaluation by duly qualified faculty of those learning outcomes.

*Note: Authority cited: Sections 94803, 94885 and 94877, Education Code. Reference: Sections 94837 and 94885, Education Code.*

# Record Keeping

## School Performance Fact Sheet Records

### **CEC §94929.7 Documentation of Performance Data**

(a) The information used to substantiate the rates and information calculated pursuant to Sections 94929 and 94929.5 shall do both of the following:

(1) Be documented and maintained by the institution for five years from the date of the publication of the rates and information.

(2) Be retained in an electronic format and made available to the bureau upon request.

(b) An institution shall provide a list of employment positions used to determine the number of graduates employed in the field for purposes of calculating job placement rates pursuant to this article.

(c) The bureau shall identify the specific information that an institution is required to document and maintain to substantiate rates and information pursuant to this section.

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

*Amended by Stats. 2012, Ch. 585, §8. (AB 2296)*

### **5, CCR §74112 Uniform Data – Annual Report, Performance Fact Sheet**

(m) Documentation supporting all data reported shall be maintained electronically by the institution for at least five years from the last time the data was included in either an Annual Report or a Performance Fact Sheet and shall be provided to the Bureau upon request; the data for each program shall include at a minimum:

(1) the list of job classifications determined to be considered gainful employment for the educational program;

(2) student name(s), address, phone number, email address, program completed, program start date, scheduled completion date, and actual completion date;

(3) graduate's place of employment and position, date employment began, date employment ended, if applicable, actual salary, hours per week, and the date employment was verified;

(4) for each employer from which employment or salary information was obtained, the employer name(s) address and general phone number, the contact person at the employer and the contact's phone number and email address, and all written communication with employer verifying student's employment or salary;

(5) for students who become self-employed, all documentation necessary to demonstrate self-employment;

(6) a description of all attempts to contact each student or employer;

(7) any and all documentation used to provide data regarding license examinations and examination results;

(8) for each student determined to be unavailable for graduation or unavailable for employment, the identity of the student, the type of unavailability, the dates of unavailability, and the documentation of the unavailability; and

## Record Keeping

(9) the name, email address, phone number, and position or title of the institution's representative who was primarily responsible for obtaining the students' completion, placement, licensing, and salary and wage data, the date that the information was gathered, and copies of notes, letters or emails through which the information was requested and gathered.

*Note: Authority cited: Sections 94877, 94910, 94928, 94929.5, 94929.7, and 94929.8, Education Code. Reference: Sections 94874.8, 94902, 94910, 94928, 94929, 94929.5, 94929.7, 94929.8, 94934, and 94941, Education Code.*

# Record Keeping

## Student Tuition Recovery Fund Records

### 5, CCR §76140 Record Keeping Requirements

(a) A qualifying institution shall collect and maintain records of student information to substantiate the data reported on the STRF Assessment Reporting Form and records of the students' eligibility under the Fund. Such records shall include the following for each student:

- (1) Student identification number,
- (2) First and last names,
- (3) Email address,
- (4) Local or mailing address,
- (5) Address at the time of enrollment,
- (6) Home address,
- (7) Date enrollment agreement signed,
- (8) Courses and course costs,
- (9) Amount of STRF assessment collected,
- (10) Quarter in which the STRF assessment was remitted to the Bureau, (11) Third-party payer identifying information,
- (12) Total institutional charges charged, and
- (13) Total institutional charges paid.

(b) The qualifying institution shall maintain the data required under this section in an electronic format that is readily available and open to inspection by the Bureau upon request. The institution shall make the records immediately available to a Bureau representative conducting a site inspection or, upon written request, shall provide a copy within 14 calendar days of the request. All records shall be provided to the Bureau in an intelligible and orderly manner and in an electronic format.

*Note: Authority cited: Sections 94803, 94877 and 94923, Education Code. Reference: Section 94923, Education Code.*

# Orderly School Closure and Teach-Outs

## Required Notices and Teach-Out Plan

### **CEC §94926 Procedures Prior to Closing, Teach-Out Plans**

At least 30 days prior to closing, the institution shall notify the bureau in writing of its intention to close. The notice shall be accompanied by a closure plan, which shall include, but not necessarily be limited to, all of the following:

- (a) A plan for providing teach-outs of educational programs, including any agreements with any other postsecondary educational institutions to provide teach-outs.
- (b) If no teach-out plan 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.
- (c) If the institution is a participant in federal student financial aid programs, it shall provide students information concerning these programs and institutional closures.
- (d) A plan for the disposition of student records.

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

### **CEC §94927 Institutions in Default of Enrollment Agreement**

An institution shall be considered in default of the enrollment agreement when an educational program is discontinued or canceled or the institution closes prior to completion of the educational program. When an institution is in default, student institutional charges may be refunded on a pro rata basis if the bureau determines that the school has made provision for students enrolled at the time of default to complete a comparable educational program at another institution at no additional charge to the students beyond the amount of the total charges in the original enrollment agreement. If the institution does not make that provision, a total refund of all institutional charges shall be made to students.

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

### **CEC §94866 Teach-Out**

"Teach-out" means the arrangements an institution makes for its students to complete their educational programs when the institution ceases to operate.

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

# Orderly School Closure and Teach-Outs

## 5, CCR §71930 Maintenance of Records

(f) If an institution closes, the institution and its owners are jointly and severally responsible to arrange at their expense for the storage and safekeeping in California of all records required to be maintained by the Act and this chapter for as long as those records must be maintained. The repository of the records shall make these records immediately available for inspection and copying, without charge except as allowed under subdivision (c)(4) of this section, during normal business hours by any entity authorized by law to inspect and copy records.

*Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94885, 94900 and 94900.5, Education Code.*

## 5, CCR §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, the institution shall notify the Bureau in writing of its intention to close and provide a closure plan. The closure plan shall include:

(1) The exact date and reason for the closure.

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

(3) A list of students who were enrolled at any time during the 60 days 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 the 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.

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



# Appendix A

## Resource Contact Information

Mailing Address:

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

Phone: (916) 431-6959  
Toll Free: (888) 370-7589  
Main Fax: (916) 263-1897

Web site: [www.bppe.ca.gov](http://www.bppe.ca.gov)

Annual Fee Email: [bppe.annualfee@dca.ca.gov](mailto:bppe.annualfee@dca.ca.gov)  
Annual Report Email: [bppe.annualreport@dca.ca.gov](mailto:bppe.annualreport@dca.ca.gov)  
Compliance Unit Email: [bppe.compliance@dca.ca.gov](mailto:bppe.compliance@dca.ca.gov)  
Enforcement Email: [bppe.enforcement@dca.ca.gov](mailto:bppe.enforcement@dca.ca.gov)  
General Email: [bppe@dca.ca.gov](mailto:bppe@dca.ca.gov)  
Licensing Email: [bppe.licensing@dca.ca.gov](mailto:bppe.licensing@dca.ca.gov)  
Student Tuition Recovery Fund/Closed Schools Email: [bppe.strfclosedschool@dca.ca.gov](mailto:bppe.strfclosedschool@dca.ca.gov)

**Annual Fees** - for information concerning institution's annual fees, please call (888) 370-7589, press 5 when prompted.

**Annual Report Unit** - for information concerning institution's annual reports, please call (888) 370-7589, press 6 when prompted.

**Enforcement Section** - To file a complaint against a school or to speak with an Enforcement Unit or Compliance Unit staff member, please call (888) 370-7589, press 3 when prompted.

**General information** - To obtain general information about the Bureau for Private Postsecondary Education or to check a school's approval status, please call (888) 370-7589, press 0 when prompted.

**Licensing Unit** - For information and questions about application processing and status or if you would like to speak with a Licensing Unit staff member, please call (888) 370-7589, press 4 when prompted.

**Student Transcripts or Student Records** - For information on obtaining student transcripts, student records or to speak with the Student Transcripts/Student Records staff member, please call (888) 370-7589, press 2 when prompted.

**Student Tuition Recovery Fund and Closed Schools Unit** - To obtain information on the Student Tuition Recovery Fund or Closed Schools, please call (888) 370-7589, press 5 when prompted.

# Appendix B



Business, Consumer Services and Housing Agency – Governor Edmund G. Brown Jr.

**Bureau for Private Postsecondary Education**

2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833  
P.O. Box 980818, West Sacramento, CA 95798-0818  
P (916) 431-6959 F (916) 263-1897 [www.bppe.ca.gov](http://www.bppe.ca.gov)



January 13, 2017

Campus Director  
Institution XYZ  
1234 Physical Address Way  
Sacramento, CA 95833

Subject: Announced Compliance Inspection  
Institution XYZ,  
Institution Code: 0000000, School Code: 0000000

Dear Campus Director:

The California Private Postsecondary Education Act of 2009 (CEC), §94932 and §94932.5, and Title 5, Division 7.5 of the California Code of Regulations (CCR), §75200, require the Bureau for Private Postsecondary Education (Bureau) to inspect institutions for compliance with statutory and regulatory requirements set out in the CEC and CCR.

Your institution has been identified for a compliance inspection. The compliance inspection is a two-step process. The first step requires the institution to submit specific documentation and information to the Bureau for review. The second step consists of an onsite inspection of the institution by a Compliance Inspector. If at the end of the compliance inspection there are minor violations a “Notice to Comply” will be issued and the institution will have 30 days to correct the violation(s) and/or submit a written notice of disagreement. If at the end of the 30 days the minor violations have not been corrected and/or the Bureau has not received a notice of disagreement the Notice to Comply will be forwarded for issuance of a citation. All non-minor and or material violations found during the compliance inspection will be forwarded to enforcement for further review.

The owner of the institution must be available during all portions of the compliance inspection or may designate an authorized individual on the general information form that has full authority to make any required changes for compliance with statutory and regulatory requirements.

Office Technician, Laura Cheah, has been assigned to assist you through the first step of the compliance inspection. Please direct all communications and questions to (916) 431-6959 or [bppe.compliance@dca.ca.gov](mailto:bppe.compliance@dca.ca.gov).

## Appendix B

Enclosed with this letter are forms that identify the submissions and responses required, during the first step of the compliance inspection. The forms must be signed by the owner and/or authorized designated individual.

- General Information (must be signed by owner)
- Student Tuition Recovery Fund (STRF) Minimum Requirements
- Institutional Website and Web Advertisements
- Catalog Minimum Requirements
- Enrollment Agreement Minimum Requirements
- Annual Report/School Performance Fact Sheet Minimum Requirements

Please follow the instructions set forth on each form, complete each form in its entirety and submit all required documentation to the address below. All submissions must be received by the Bureau no later than **January 27, 2017.**

**Bureau for Private Postsecondary Education  
2535 Capitol Oaks Dr., Ste. 400  
Sacramento, CA 95833**

Thank you in advance for your cooperation.

Sincerely,

MICHELE ALLEGER  
Enforcement Manager  
Compliance Unit

# Appendix B



Business, Consumer Services and Housing Agency – Governor Edmund G. Brown Jr.

## Bureau for Private Postsecondary Education

2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833  
P.O. Box 980818, West Sacramento, CA 95798-0818  
P (916) 431-6959 F (916) 263-1897 [www.bppe.ca.gov](http://www.bppe.ca.gov)



January 13, 2017

John Doe  
Institution XYZ  
1234 Physical Address Way  
Sacramento, CA 95833

Subject: Onsite Compliance Inspection  
Institution XYZ,  
Institution Code: 0000000, School Code: 0000000

Dear Mr. Doe:

In accordance with the California Education Code (Ed Code) section 94932.5 and Title 5, Division 7.5 of the California Code of Regulations (CCR), section 75200, the Bureau for Private Postsecondary Education is required to conduct compliance inspections for each of its approved institutions. At the end of the onsite compliance inspection should there be any outstanding minor violations; a Notice to Comply will be issued against **INSTITUTION XYZ**, pursuant to section 94935 of the Ed. Code. By no later than 30 days from the date of the inspection, **INSTITUTION XYZ** shall remedy all violations on the Notice to Comply or file a written notice of disagreement with the Bureau. A Notice to Comply shall not be issued for any minor violation that is corrected and verified prior to the completion of the inspection. Any material violations observed will be referred to enforcement for further investigation.

Your institution has been scheduled for an onsite compliance inspection on **February 03, 2017 at 8:30a.m.**

In preparation for the onsite compliance inspection, please review the attached "Pre-Arrival Checklist" which addresses the documentation and/or other resources that are to be assembled and made available for the Compliance Inspector and Bureau staff. Please note this list is not all inclusive, there may be additional items or information requested during the inspection.

Please be advised that Ed. Code section 94932.5 and CCR section 75200 provide that the Bureau shall perform announced and unannounced inspections of institutions at least every five years. The five-year period starts on the date of the last inspection.

Although the compliance inspection is thorough, it cannot be assumed to be all-inclusive. The absence of comments or findings regarding institutional practices, policies and procedures shall not be construed as acceptance or approval of those procedures or practices. Further, the absence of such comments or findings does not limit or lessen an institution's obligation to comply with the provisions of the California Private Postsecondary Act of 2009 and the regulations adopted thereto.

## Appendix B

Should you have any questions, please contact Compliance Unit Manager Michele Alleger directly at (916) 431-6959 or by e-mail at [bppe.compliance@dca.ca.gov](mailto:bppe.compliance@dca.ca.gov). Your anticipated cooperation is greatly appreciated.

Sincerely,

Michele Alleger  
Compliance Inspector

Enclosure: Deficiency Letter

SAMPLE

# Appendix B

## PREPARATION FOR THE ONSITE COMPLIANCE INSPECTION

***In order to conduct an efficient and effective onsite compliance inspection, we request the following:***

- A private room (“meeting room”) with accessible electrical outlets and sufficient desk space for the inspector to work comfortably;
- Owner/Authorized designated individual and personnel with knowledge of daily operations should be made available to the inspector and to provide a tour of the institution.

Upon arrival, the inspector will conduct a brief orientation with the institution’s administrator(s) to discuss the schedule and to request any additional documentation and/or resources needed.

***Please have the following materials assembled and ready for the inspector’s review:***

- All corrected deficiencies identified in deficiency letter sent to institution;
- Map of the institution;
- Institution’s organizational chart;
- Class schedules (including break times, names of instructors, subjects, room numbers, and number of students in each class);
- List of all current instructors separated by program;
- List of current students (by name) – separated by program to include program total;
- List of graduates within the last 24 months;
- List of all withdrawn/terminated students within the last 24 months;
- Copy of school catalog;
- Copy of enrollment agreement;
- Current advertising and promotional materials used by the institution in both the U.S. and international countries (e.g., brochures, audio scripts or telephone solicitations, internet content) for the last 5 years;
- Most current quarterly Student Tuition Recovery Fund (STRF) assessment/payment verification with a copy of the electronic substantiating data;
- School Performance Fact Sheet supporting data;
- The institution’s most recent, audited, or reviewed financial statements.

### ***File Review:***

As part of the inspection, the inspector will conduct a random review of the following files:

- Current students;
- Graduate students;
- Withdrawn or Terminated students

## Appendix B

Additionally, all faculty files and the Chief Academic Officer's (CAO) file should be organized and made immediately available for review.

***Exit Briefing:***

At the conclusion of the inspection, the inspector will conduct an exit briefing with the institution Owner/Authorized designated individual. During this time the inspector will review his/her findings and what will be required for the institution to come into compliance if any minor violations were found.

SAMPLE

# Appendix B



Business, Consumer Services and Housing Agency – Governor Edmund G. Brown Jr.  
**Bureau for Private Postsecondary Education**  
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833  
P.O. Box 980818, West Sacramento, CA 95798-0818  
P (916) 431-6959 F (916) 263-1897 [www.bppe.ca.gov](http://www.bppe.ca.gov)



January 13, 2017

John Doe, Director  
Institution XYZ  
1234 Physical Address Way  
Sacramento, CA 95833

Subject: Unannounced Compliance Inspection  
Institution XYZ,  
Institution Code: 0000000, School Code: 0000000

Dear John Doe:

Bureau staff will be conducting an unannounced inspection of your institution today. In accordance with the California Education Code (Ed Code) section 94932.5 the Bureau for Private Postsecondary Education is required to conduct compliance inspections for each of its approved institutions.

During the course of the inspection, the institution will be provided with an opportunity to remedy minor violations and material violations detected.

At the conclusion of the inspection, the Bureau shall issue a Notice to Comply for minor violations detected. The Notice to Comply is posted to the Bureau's website.

For the minor violations documented on a Notice to Comply the institution is allotted 30 days to remedy the violations and come into compliance. The institution shall provide a response that demonstrates compliance, or provide a Notice of Disagreement, within 30 days from the date of inspection. If material violations were not remedied by the end of the inspection, the Bureau shall issue an Enforcement Referral.

Although the compliance inspection is thorough, it cannot be assumed to be all-inclusive. The absence of comments or findings regarding institutional practices, policies and procedures shall not be construed as acceptance or approval of those procedures or practices. Further, the absence of such comments or findings does not limit or lessen an institution's obligation to comply with the provisions of the California Private Postsecondary Act of 2009 and the regulations adopted thereto.

Please see the following pages for an "Unannounced Compliance Inspection Checklist" which outlines items the Compliance Inspector and Bureau staff will need to review during the inspection. This list is not all inclusive, as other items or information may need to be reviewed as well.



## Appendix B

The Bureau was able to conduct a preliminary review of the institution's documents. Please see the "Preliminary Review" pages that outline the deficiencies found in our review. This information is to provide you the opportunity to address these deficiencies during the course of the inspection.

Should you have any questions, please contact Compliance Inspector Jessica Rodriguez directly at (916) 431-6953 or [Jessica.Rodriguez@dca.ca.gov](mailto:Jessica.Rodriguez@dca.ca.gov). Your cooperation is greatly appreciated.

Sincerely,

Michele Alleger  
Compliance Inspector

SAMPLE

## Appendix B

### UNANNOUNCED COMPLIANCE INSPECTION CHECKLIST

*In order to conduct an efficient and effective unannounced onsite compliance inspection, we request the following:*

- A private room (“meeting room”) with accessible electrical outlets and sufficient desk space for the inspector to work comfortably;
- Owner/Authorized designated individual and personnel with knowledge of daily operations will need to be made available to the inspector and to provide a tour of the institution.

Bureau staff will also need to conduct a student survey as part of the unannounced inspection, if there are any students present. Please note, this survey is anonymous and confidential, and as such all institution staff will be excused from the room, leaving just Bureau staff and students.

*Please assemble the following marked materials for the inspector’s review:*

- General Information form
- Student Tuition Recovery Fund (STRF) Minimum Requirements form with the most current quarterly STRF assessment/payment verification with a copy of the electronic substantiating data (see the description provided below in the STRF section);
- Annual Report/School Performance Fact Sheet Minimum Requirements form with 2014/2015 supporting data in an electronic format (see the description provided below in the School Performance Fact Sheet section);
- The institution’s most recent, audited or reviewed financial statements (see the description provided below in the Annual Report Minimum Requirements section);
- Copy of enrollment agreement;
- List of all current instructors separated by program;
- List of current students (by name) – separated by program to include program total;
- List of graduates within the last 24 months;
- List of all withdrawn/terminated students within the last 24 months;
- Current advertising and promotional materials used by the institution in both the U.S. and international countries (e.g., brochures, audio scripts or telephone solicitations, internet content) for the last 5 years;
- Class schedules (including break times, names of instructors, subjects, room numbers, and number of students in each class);
- Map of the institution;
- Institution’s organizational chart;
- Copy of school catalog;

## Appendix B

### ***File Review:***

As part of the unannounced inspection, the inspector will be conducting a random review of the following files:

- Current students;
- Graduate students;
- Withdrawn or Terminated students

Additionally, all faculty files and the Chief Academic Officer's (CAO) file should be organized and made immediately available for review.

### ***Exit Briefing:***

At the conclusion of the unannounced inspection, the inspector will conduct an exit briefing with the institution Owner/Authorized designated individual. During this time the inspector will review his/her findings and what will be required for the institution to come into compliance if any minor violations were found.

# Appendix B

## PRELIMINARY REVIEW

In our preliminary review we have determined the following deficiencies:

### CATALOG MINIMUM REQUIREMENTS

Item No.	Referenced Law	Deficiency - Requested Submission
2	5, CCR §71810(a)	<p><b>Catalog.</b>                      (a) Each institution shall provide a catalog pursuant to section 94909 of the Code, which shall be updated annually. Annual updates may be made by the use of supplements or inserts accompanying the catalog. If changes in educational programs, educational services, procedures, or policies required to be included in the catalog by statute or regulation are implemented before the issuance of the annually updated catalog, those changes shall be reflected at the time they are made in supplements or inserts accompanying the catalog.</p> <p><b>The institution did not provide a written statement describing their policy on annual updates made to the school catalog.</b></p> <p><i>To remedy this violation, the institution shall provide a written statement indicating their policy on how the institution's catalog is updated annually.</i></p>
3	CEC §94909(a)	<p><b>Minimum Requirements for School Catalog.</b>                      (a) Prior to enrollment, an institution shall provide a prospective student, either in writing or electronically, with a school catalog.</p> <p><b>The institution failed to provide a written statement describing their policy for providing prospective students with a school catalog.</b></p> <p><i>To remedy this violation, the institution shall provide a written statement addressing their policy for providing prospective students or the public a school catalog upon request prior to enrollment.</i></p>

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## SCHOOL PERFORMANCE FACT SHEET MINIMUM REQUIREMENTS

Item No.	Referenced Law	Deficiency - Requested Submission
1	5, CCR §74112(m)	<p><b>Uniform Data - Annual Report, Performance Fact Sheet.</b>            (m) Documentation supporting all data reported shall be maintained electronically by the institution for at least five years from the last time the data was included in either an Annual Report or a Performance Fact Sheet, and shall be provided to the Bureau upon request; and the data for each program shall include at a minimum:</p> <ol style="list-style-type: none"> <li>(1) the list of job classifications determined to be considered gainful employment for the educational program;</li> <li>(2) student name(s), address, phone number, email address, program completed, program start date, scheduled completion date, and actual completion dates;</li> <li>(3) graduate's place of employment and position, date employment began, date employment ended, if applicable, actual salary, hours per week, and the date employment was verified;</li> <li>(4) for each employer from which employment or salary information was obtained, the employer name(s) address and general phone number, the contact person at the employer and the contact's phone number and email address, and all written communication with employer verifying student's employment or salary;</li> <li>(5) for students who become self-employed, all documentation necessary to demonstrate self-employment;</li> <li>(6) a description of all attempts to contact each student. or employer;</li> <li>(7) any and all documentation used to provide data regarding license examinations and examination results;</li> </ol>

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		<p>(8) for each student determined to be unavailable for graduation or unavailable for employment, the identity of the student, the type of unavailability, the dates of unavailability, and the documentation of the unavailability; and</p> <p>(9) the name, email address, phone number, and position or title of the institution's representative who was primarily responsible for obtaining the students' completion, placement, licensing, and salary and wage data, the date that the information was gathered, and copies of notes, letters or emails through which the information was requested and gathered.</p> <p><b>The institution must provide the required 2014/2015 SPFS supporting data for each educational program offered.</b></p> <p><i>To remedy this violation, the institution must provide the 2014/2015 SPFS supporting data in an electronic format that includes all the nine data points, as mentioned above, for each educational program offered.</i></p>
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### ANNUAL REPORT MINIMUM REQUIREMENTS

Item No.	Referenced Law	Deficiency - Requested Submission
1	5, CCR §74110(b)	<p><b>Annual Report.</b>            (b) In addition to the information required by section 94934 provided under penalty of perjury, the institution shall have annual financial statements prepared for the institution's prior fiscal year and signed under penalty of perjury, and shall submit a hard copy under separate cover of such statements in conjunction with its annual report. The form, content and mode of preparation of financial statements shall comply with section 74115 of this Division. The Bureau may request that the institution immediately make available for inspection to a representative of the Bureau, these financial statements at the offices of the institution.</p> <p><b>Institution must provide current financial statements submitted for the prior fiscal year.</b></p> <p><i>To remedy this violation, the institution shall provide a copy of the annual financial statement for the institution's prior fiscal year.</i></p>

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## STUDENT TUITION RECOVERY FUND (STRF) MINIMUM REQUIREMENTS

Item No.	Referenced Law	Deficiency - Requested Submission
1	5, CCR §76130(b)	<p><b>Collection and Submission of Assessments.</b>            (b) A qualifying institution shall complete the STRF Assessment Reporting Form (Rev. 2/10) and remit it with the STRF assessments collected from students to be received by the Bureau no later than the last day of the month following the close of the quarter as follows:</p> <p>(1) April 30 for the first quarter,            (2) July 31 for the second quarter,            (3) October 31 for the third quarter, and            (4) January 31 for the fourth quarter.            If the due date falls on a Saturday, Sunday or State or federal holiday, the due date shall be extended to the next regular business day for the Bureau.</p> <p><b>The institution must provide copies of the STRF Assessment Reporting Forms submitted to the Bureau for 3<sup>rd</sup> and 4<sup>th</sup> Quarter 2016 reporting period.</b></p> <p><i>To remedy this violation, the institution must submit copies of the 3<sup>rd</sup> and 4<sup>th</sup> Quarter 2016 STRF Reporting Forms that were submitted to the Bureau.</i></p>
2	5, CCR §76140(a)	<p><b>Record-Keeping Requirements.</b>            (a) A qualifying institution shall collect and maintain records of student information to substantiate the data reported on the STRF Assessment Reporting Form and records of the students' eligibility under the Fund. Such records shall include the following for each student:</p> <p>(1) Student identification number,            (2) First and last names,            (3) Email address,            (4) Local or mailing address,            (5) Address at the time of enrollment,            (6) Home address,</p>

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	<p>(7) Date enrollment agreement signed,</p> <p>(8) Courses and course costs,</p> <p>(9) Amount of STRF assessment collected,</p> <p>(10) Quarter in which the STRF assessment was remitted to the Bureau,</p> <p>(11) Third-party payer identifying information,</p> <p>(12) Total institutional charges charged, and</p> <p>(13) Total institutional charges paid.</p> <p><b>The institution must submit complete records to substantiate the data reported on the 3<sup>rd</sup> and 4<sup>th</sup> Quarter 2016 STRF Assessment Reporting Forms.</b></p> <p><i>To remedy this violation, the institution must submit records in an electronic format to substantiate the data reported for the 3<sup>rd</sup> and 4<sup>th</sup> Quarter 2016 STRF Reporting Forms submitted to the Bureau. The records must have all of the 13 data points listed above.</i></p>
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## WEBSITE MINIMUM REQUIREMENTS

Item No.	Referenced Law	Deficiency – Requested Submission
1	CEC §94913 (a)(2) and 5, CCR §74117	<p><b>Institutional Web Site Requirements.</b>            (a) An institution that maintains an Internet Web site shall provide on that Internet Web site all of the following:</p> <p>(2) A School Performance Fact Sheet for each educational program offered by the institution.</p> <p><b>Website Requirements.</b>            In addition to the requirement in Section 94913(b) of the Code, an institution that maintains a website shall provide on the homepage of that website clear and conspicuous links to all the items required in Section 94913(a) of the Code.</p> <p><b>Institution website does not have current SPFS for each educational program.</b></p> <p><i>To remedy this violation, the institution shall update its website homepage to include a clear and conspicuous link to the SPFS for each educational program offered.</i></p>
2	CEC §94913 (a)(3) and 5, CCR §74117	<p><b>Institutional Web Site Requirements.</b>            (a) An institution that maintains an Internet Web site shall provide on that Internet Web site all of the following:</p> <p>(3) Student brochures offered by the institution.</p> <p><b>Website Requirements.</b>            In addition to the requirement in Section 94913(b) of the Code, an institution that maintains a website shall provide on the homepage of that website clear and conspicuous links to all the items required in Section 94913(a) of the Code.</p> <p><b>Institution website does not have brochures offered by the institution.</b></p> <p><i>To remedy this violation, the institution shall update its website homepage to include a clear and conspicuous link to any brochures offered.</i></p>