



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

Wednesday, August 17, 2016, at 9:30 a.m.
Department of Consumer Affairs
First Floor Hearing Room
1625 North Market Blvd., Sacramento, CA 95834

The Bureau plans to webcast this meeting on its website. Webcast availability cannot, however, be guaranteed due to limitations on resources or technical difficulties that may arise. If you wish to participate or to have a guaranteed opportunity to observe, please plan to attend at the physical location. To view the Advisory Committee meeting, please visit the Bureau for Private Postsecondary Education (Bureau) website, <http://www.bppe.ca.gov>. Select 'About Us', then 'Meetings' and the 'Webcast' link will be posted in the webcast column.

Agenda

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

1. Welcome, Introductions and Establishment of a Quorum
2. Public Comment on Items not on the Agenda (Note: The Committee may not discuss or take action on any matter raised during this public comment section, except to decide whether to place the matter on the agenda of a future meeting (Government Code Sections 11125 and 11125.7(a).)
3. Approval of Minutes – May 17, 2016
4. Remarks by Awet Kidane, Director, Department of Consumer Affairs, which may include updates pertaining to the Bureau's Operations, Human Resources, Department's Administrative Services, Enforcement, Information Technology, Communications and Outreach, as well as Regulatory and Policy Matters.
5. Bureau Operations Update related to the following:
 - a. Strategic Plan – Joanne Wenzel and Robert Bayles
 - b. Enforcement Report – Yvette Johnson and Robert Bayles
 - c. Licensing Report – Leeza Rifredi
 - d. Student Tuition Recovery Fund (STRF) and Student Outreach – Leeza Rifredi
 - e. Task Force Report – Joanne Wenzel

6. Informational Report on the Status of Accrediting Council for Independent Colleges and Schools' (ACICS) Recognition by the Department of Education – Joanne Wenzel
7. Regulatory Status Update related to the following:
 - a. Reports (Title 5, California Code of Regulations Sections 74110, 74112)
 - b. Student Tuition Recovery Fund (Title 5, California Code of Regulations Sections 76000, 76020, 76120, 76130, 76200, 76210, 76212, and 76215)
 - c. Compliance Inspection and Complaint Prioritization (Title 5, California Code of Regulations Sections 75200 (proposed changes), 75210 and 75300 (new))
8. Discussion of Possible Amendments to Title 5, California Code of Regulations Section 70000(k), Regarding English as a Second Language Programs
9. Upcoming Rulemaking Packages related to the following:
 - a. Applications (Title 5, California Code of Regulations, Chapter 2, Sections 71100 through 71660)
 - b. Institutional Operating Standards (Title 5, California Code of Regulations, Chapter 3, Sections 71700 through 71865)
10. Future Agenda Items
11. Discuss Potential Meeting Dates for 2017
12. Adjournment

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

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

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

WELCOME, INTRODUCTIONS AND ESTABLISHMENT OF A QUORUM

Committee Member Roster

Shawn Crawford, Chair

- Institutional Representative (Appointed by DCA Director)

Margaret Reiter, Vice-Chair

- Consumer Advocate (Appointed by Senate Committee on Rules)

Diana Amaya

- Public Member (Appointed by Senate Committee on Rules)

Tamika Butler

- Public Member (Appointed by Speaker of the Assembly)

Mitchell Fuerst

- Institutional Representative (Appointed by DCA Director)

Sylton Hurdle

- Employer Member (Appointed by DCA Director)

Gabrielle Elise Jimenez

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

Katherine Lee-Carey

- Institutional Representative (Appointed by DCA Director)

Ken McEldowney

- Consumer Advocate (Appointed by DCA Director)

Assemblymember Jose Medina

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

Senator Jerry Hill

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

Marie Roberts De La Parra

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

Patrick Uetz

- Consumer Advocate (Appointed by Speaker of the Assembly)

Agenda Item 2

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

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

APPROVAL OF MINUTES – MAY 17, 2016

ATTACHMENT:

Advisory Committee Draft Meeting Minutes from May 17, 2016



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

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Advisory Committee Meeting Minutes
Tuesday, May 17, 2016

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

Advisory Committee Members in Attendance

1. Ken McEldowney (via noticed teleconference site)
2. Katherine Lee-Carey
3. Shawn Crawford
4. Marie Roberts De La Parra
5. Patrick Uetz
6. Diana Amaya
7. Margaret Reiter
8. Mitchell Fuerst (arrived after Agenda Item #3)

Committee Members Absent

Tamika Butler
Laura Metune (for Assemblymember Jose Medina)
Senator Jerry Hill (Appointed by the Senate Committee on Rules)

Bureau for Private Postsecondary Education (Bureau) and DCA Staff in Attendance

Joanne Wenzel, Bureau Chief
Alyson Cooney, Deputy Bureau Chief
Norine Marks, Legal Counsel, Department of Consumer Affairs
Mina Hamilton, Legal Counsel, Department of Consumer Affairs
Leeza Rifredi, Licensing Chief
Robert Bayles, Enforcement Chief
Benjamin Triffo, Legislative Analyst, Department of Consumer Affairs
Kent Gray, Legislative/Regulatory Analyst
Nicole Principe, Personnel Liaison

Call to Order

Mr. Crawford called the meeting was to order at 9:43.

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

Mr. Crawford welcomed the Advisory Committee, BPPE Staff, DCA Staff, and the public to the meeting. Staff Counsel as noted as present. A quorum was established.

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

There was no public comment.

Agenda #3 - Approval of Minutes – February 17, 2016

Mr. McEldowney moved to approve the minutes; Ms. De La Parra seconded the motion. (Mr. McEldowney: Aye; Ms. Lee-Carey: Aye; Mr. Crawford: Aye; Ms. De La Parra: Aye; Mr. Uetz: Aye; Ms. Amaya: Aye; Ms. Reiter: Abstain). The motion passed.

Agenda #4 - Remarks by Awet Kidane, Director, Department of Consumer Affairs (DCA)

Mr. Kidane congratulated the Task Force for work on the Task Force Report, and for considering the public comments and incorporating them into the report. Mr. Kidane encouraged the Advisory Committee to take into consideration the most recent letter from the Public Advocates. He noted that it raised good points and should be part of the discussion.

Mr. Kidane discussed Information Technology (IT) issues, noting that it is a topic of interest for the Department of Consumer Affairs, the Bureau, and the Advisory Committee. First, on the issue of BreEZe [The DCA's new licensing and enforcement system], the DCA and IT staff are involved in a process that allows individual departments, boards and bureaus to assess what their business needs are to match the product with their needs. Second, Mr. Kidane is working with the Bureau to add a digital means of obtaining transcripts for larger institutions when they close.

Mr. Kidane noted that the March 28, 2016 Sunset Hearing reflected that the Bureau – with the advisement of the Advisory Committee – had made great strides compared to the previous sunset hearing. He noted that he and the Bureau are working with the Senate and Assembly to incorporate good ideas into Senate Bill 1192.

Mr. Kidane noted that the goal of the Bureau's fee audit was to look at fees a holistic and fair way to reflect the work done by the Bureau.

Mr. Kidane addressed questions from the Advisory Committee:

Mr. McEldowney stated that he is glad that Mr. Kidane addressed the Public Advocates letter. Mr. McEldowney asked if there is a mandate for institutions to provide transcripts digitally. Ms. Wenzel advised that there is no mandate; the institutions are to provide a "custodian of records" for the records but sometimes the Bureau is the keeper of the records of last resort.

Ms. Reiter had a couple of questions about IT issues. She thought that before things came to a halt with BreZE, that the Bureau had pulled together what it thought it needed. She asked if that was correct, and if so, whether the next thing to do is an update?

Mr. Kidane stated that Ms. Reiter's statements are somewhat correct. The process prescribed by the "Stage/Gate Model" for IT projects requires an assessment of business process mapping from all of the boards and bureaus. The Bureau has been mapping out and engineering their processes, so in that sense, the Bureau is a step ahead, but the priorities of who goes first has to be determined.

Ms. Reiter asked if Mr. Kidane can recommend that the Bureau's processes be dealt with as a priority.

Mr. Kidane stated that he has recommended that, but he is seeking clarity about the process mapping and re-engineering that Ms. Wenzel has done. The Bureau is his priority.

Ms. Rieter asked if Mr. Kidane contemplated or already has a vehicle by which the department could seek the digital transcript issue as part of a Legislative change. She also inquired if not, would he or the Bureau recommend it.

Mr. Kidane stated that there is no current vehicle and it has not been contemplated as a Legislative change, but the recommendation can be discussed.

Ms. Reiter noticed that is the Sunset bill (SB 1192) has a provision for an enforcement monitor and she asked if he or the Bureau have any preliminary thoughts about that provision.

Mr. Kidane stated that, as reflected in his responses to the respective committees, he is open to not a monitor but a position focused on student outreach and to act in an advisory role (i.e., to look at industry data, trends, etc.) He has ideas that he has shared with the Senate and the Assembly. He sees a need not for an enforcement monitor but for a person that serves more roles depending on the needs of the Bureau at any given time.

Ms. Reiter stated that from a big picture perspective, she has had frustrations because it looks as if the Bureau is not the first to bring prosecutions and investigations into problem, big

schools, but she does not like the idea of an enforcement monitor and has found the role to generally be unhelpful.

Public Comments:

Angela Perry, representing Public Advocates, thanked the Bureau, the Department of Consumer Affairs, and Mr. Kidane for soliciting their input on the Task Force report. Ms. Perry was pleased that the Task Force members took in consideration their input, and took the time to look at their proposed amendments. She hoped that the Advisory Committee members will further improve the Task Force report. Ms. Perry thanked the Task Force for their time and dedication that it took to create the report.

No further public comment.

Agenda #5 - Presentation of Revised Task Force Report Provided by Task Force on High-Demand Technology Fields Established Pursuant to California Education Code Section 94880.1, Pursuant to Advisory Committee's February 17, 2016, Recommendations for Modifications to the Report

Mr. Crawford welcomed Task Force representatives Ms. Kim Rust, Ms. Liz Simon, and Mr. John Carreon.

Mr. Crawford noted that all Task Force members have been provided a copy of the revised Task Force report and the copy of the May 4, 2016 Public Advocates letter.

Mr. Carreon stated that each of the Public Advocates' issues were reviewed extensively, and there have been edits made to the Task Force Report. For the first item, the Task Force added a requirement for a more robust admissions procedure. They agreed with Public Advocates and removed the modified SPFS. Ms. Perry attended the Task Force meeting and the mandatory refund issue was addressed; the statute provides a very beneficial refund policy and the Task Force did not believe it needed to be changed.

For the second item regarding increased inspections, the Task Force believed that the statute and regulations give the Bureau broad authority to conduct visits when complaints arise, and the Task Force did not see any reason to change that structure.

Ms. Simon agrees with the changes to the report. She noted that all Bureau regulations continue to apply to these high-technology programs. There is no changed standard for these types of programs and that is clear in the Task Force report.

Ms. Rust has nothing to add.

Mr. Crawford thanked the Task Force for their hard work.

Mr. Crawford asked for comments from the Advisory Committee about the report.

Ms. Reiter had three items she would like to discuss. She appreciated the hard work by the Task Force. She recognizes that there are some good recommendations in the report. She found a number of areas with insufficient facts to support the recommendations. She noted that one way to deal with it is to reject the recommendations. Another way to deal with it to include a paragraph indicating that the Task Force did not look at certain things, which she will mention.

She suggested that on page 9, it would be clear for the Legislature if the report stated “all regulations and statutes may apply,” rather than list specific statutes and regulations.

She noted the recommendation about the defined admissions procedure. She is confused about the meaning of “pre-work”; one school used “pre-work” as that done after the student is enrolled; but she understands the Task Force to be talking about doing some kind of work before the student enrolls.

Mr. Carreon stated that “pre-work” is meant to refer to an assignment or project done before enrollment to test abilities.

Mr. Crawford asked Ms. Wenzel if the report can be approved with revisions that have been reviewed and discussed at this meeting.

Ms. Wenzel stated that the revisions must be very specific. The Advisory Committee needs to review and approve, modify, or reject the report. The approved report needs to go to the Legislature by July 1, 2016. She noted that this is the last Advisory Committee meeting before the July 1 deadline. If modifications are made, they need to be specific so that the modifications can be made to the report and be submitted to the Legislature. So the report could be approved today with specific modifications if the Advisory Committee decides to go that way.

Ms. Reiter suggested going through each point to determine if a modification needs to be made. She also suggested that if it must be done before July 1, there could be another meeting to review the modifications.

Mr. Crawford suggested moving it through today.

Ms. Wenzel has a concern with a special meeting due to the struggle on having a quorum.

Ms. Reiter stated that the Bureau has had deadlines which have been missed in the past so she suggested that maybe this can be another deadline that cannot be met by July 1st.

Mr. Crawford moved the meeting forward with Ms. Reiter’s comments regarding the language for “pre-work” in recommendation #1.

Recommendation #1

Mr. Carreon recommended the language: “Admissions testing ability to succeed in the desired program” in place of the term “pre-work.”

Ms. Carey stated that on page 12 of the revised report, “pre-work” does not need to be more defined since it already states what the four assessments are in Recommendation #1. If Ms. Reiter has concerns that it is not specific enough to the high-technology program, in recommendation #1, it should include “...each student has the skills and competencies to succeed in the specific high-technology environment.” She stated that pre-work can be different for every school. The goal is to have the students be successful. She does not feel that it needs to be further defined.

Ms. Simon agreed with Ms. Carey and suggested that “pre-Work” under recommendation #1 should be changed to “admissions assignment” or “an assignment related to the program.”

Ms. Reiter suggested, “successful completion of a task showing the ability to do the tasks that will be in the program.”

Ms. Simon suggested, “tasks related to the program content.”

Mr. Crawford stated “assignment” is preferred to “tasks.”

Ms. Rust recommended the word “assess” for consistency with the regulations.

Mr. Carreon noted that “assessment” is already in Recommendation #1.

Ms. Wenzel read back the proposed change to Recommendation #1: “Require High Tech Programs to have defined admissions processes to assess each student prior to admissions in order to determine whether each student has the skills and competence to succeed in the education environment. Assessment may include:

- Interviews
- Assignments related to the program content
- On-campus orientation
- Class observation sessions

No further comments from the Task Force, Advisory Committee, or the Public.

Motion: Ms. Carey moved to approve to modify as read; Ms. De La Parra seconded. (Ms. De La Parra: Aye; Mr. Uetz: Aye; Ms. Amaya: Aye; Ms. Reiter: Aye; Mr. Crawford: Aye; Ms. Carey: Aye; Mr. Fuerst: Aye; Mr. McEldowney: Aye) The motion carries.

Approach and Methods for Protecting Students and Fostering Growth (Page 9 of Report)

Ms. Simon revisited the first point that Ms. Reiter made regarding the paragraph under “Approach and Methods for Protecting Students and Fostering Growth.

Ms. Reiter stated that she would like the assumption that all institutions, regardless of the curriculum, must comply with the Bureau’s laws to be stated as a recommendation.

Ms. Carey agrees that the specific three regulatory laws should not be referenced when all laws apply.

Mr. Carreon stated that the three items were listed to address Mr. McEldowney’s concerns.

Ms. Reiter stated that the three items listed should be deleted but the paragraph does not need to be changed into a recommendation.

Mr. Carreon agreed with Ms. Reiter.

Moving forward, Ms. Reiter has issues with Recommendation #2.

Mr. Crawford noted that with each revision that is being proposed, the committee will have discussion and public comment, and then vote on each revision to confirm that they are in complete agreement.

Mr. Crawford returned back to the revision proposed on page 9 and asked if “should” is deleted to it would read, “As such, the Task Force determined that all the existing BPPE statutes and regulations that apply to covered institutions also apply to High Technology Programs.”

Mr. Carreon did not think “should” be removed since they are recommendations.

Ms. Carey noted the main point of the comment is to inform that all present laws do apply.

Ms. Wenzel noted that this is the Task Force assumption: all institutions are covered by the Bureau.

Mr. Crawford clarified that the revisions are that an “s” will be added to “statute,” the word “should” is deleted, and the three specified items are deleted.

Ms. Carey understood that if there is a high tech program that is under the Bureau, all laws apply to it, but if program is not approved or is exempt, the laws do not apply.

Ms. Reiter stated that based on what Ms. Carey said, she feels that it is a recommendation from the Task Force.

Ms. Wenzel proposed the changes as follows: “As such, the Task Force determined that that all of the existing BPPE statutes and regulations that apply to covered institutions also apply to High Technology Programs.

No public comment.

Motion: Ms. Carey moved to modify the revised text on page 9 in accordance to Ms. Wenzel’s proposal; Ms. Reiter seconded. (Ms. De La Parra: Aye; Mr. Uetz: Aye; Ms. Amaya: Aye; Ms. Reiter: Aye; Mr. Crawford: Aye; Ms. Carey: Nay; Mr. Fuerst: Nay; Mr. McEldowney: Aye) The motion carries.

Task Force Recommendation #2

Ms. Reiter recommended that wherever in addition to placing information about the rigor involved in the program in the course catalog, the information should be placed on the school’s website or any other web presence.

Ms. Simon was fine with the proposal, but stated that students do not enroll via the website. She was unsure what “web presence” is supposed to add and needs clarification.

Ms. Reiter stated that they are making recommendations that will cover the “bad schools.” She stated that by the time a student gets to the catalog or program description, they are far along in the thought process on whether to enroll.

Mr. Carreon noted that “web presence” may be too much.

Ms. Reiter proposed that students should be immediately aware of the rigor involved in a program upon visiting a schools website or seeing its advertising – such that – there is a prominent detailed section on the website including a description of the program and the rigor involved – and then also include a link to that prominent detailed section in advertising.

Ms. Carey noted that statutes and regulations made the catalog the location for this type of information.

Ms. Reiter stated that Recommendation #2 is mentioned elsewhere in the report and that it should be changed wherever it is mentioned.

Mr. Crawford stated that if the motion passes, it will carry throughout the document.

Mr. Uetz stated that there are two suggested additional recommended edits that the Public Advocates have provided. He asked if there was going to be a comprehensive motion for the section.

Mr. Crawford stated the pending proposal is not comprehensive; it is to move the meeting through the report.

No further comments from the Task Force on this item.

Public Comments:

Angela Perry from Public Advocates stated that the section should also be amended to include a mandatory refund period expansion minimum of 10% of the program length with a maximum of one week due to the rigor of the programs. She stated a written disclosure is insufficient.

Motion: Ms. Reiter moved to revise Recommendation #2 & 3 on page 12 to include the additional language “and on the website” for the sentence in Recommendation #2 and replacement of Appendix “B” to “A.” Ms. Carey seconded. (Ms. De La Parra: Aye; Mr. Uetz: Aye; Ms. Amaya: Aye; Ms. Reiter: Aye; Mr. Crawford: Aye; Ms. Carey: Aye; Mr. Fuerst: Aye; Mr. McEldowney: Aye) The motion carries.

Mr. McEldowney moved that the two Public Advocates recommendations are to be moved to numbers 5 & 6 on page 12.

Mr. Uetz did not think the second recommendation was appropriate at this point, because it was different in character.

Mr. Carreon noted that it is the disclosure section.

Mr. Uetz stated that a single recommendation regarding the expansion of the mandatory refund period should be discussed.

Mr. Crawford noted that Ken moved to incorporate the two proposed amendments from the May 4th Public Advocates letter as revised by Margaret.

Ms. Carey asked why seven days is not sufficient for the cancellation policy.

Mr. Crawford noted that Public Advocates would like to see a longer refund period.

Mr. Carreon stated that Ms. Perry wants to ensure that the students get a full week to decide to cancel and notes the statute refers to seven (7) days to cancel.

Ms. Reiter stated that since students enroll early enough, they would only have the first day of class to cancel.

Ms. Carey stated that most schools apply the seven (7) days after they start class. She mentioned the other recommendation regarding inspections.

Ms. Wenzel stated that the Bureau has options of who they visit and how many times they visit. The Task Force felt it was important to give the Bureau this discretion.

Ms. Rust stated that a goal is provide high tech training opportunities to students around the state. The student has up to seven days to cancel after signing the enrollment agreement. Schools need to have the financial resources required by the bureau. There are costs for the training; there will be no funds to do this if they extend the refund policy for a twelve-week program.

Mr. Crawford noted that the recommendation would be to take the language from Section 94920(b) for covered institutions and modify it for high tech programs "...if notice of cancellation is made through attendance of the fifth class session or the seventh day after enrollment, whichever is later."

Ms. Wenzel proposed the revised language of the recommendation: "Expand the mandatory cancellation period for students of high technology programs through midnight of the 5th class day or the 7th day after enrollment, whichever is later."

Mr. Carreon noted that since it is such a short program to make it clear that it is the 5th class day, so it's clear for the students.

Ms. Reiter was concerned that all existing rules are to apply except for here. She states that it should include "...after the 7th day after enrollment, whichever is later". She states that Mr. McEldowney's motion is still on the floor and asks if he accepts that be his motion.

Mr. McEldowney says yes.

Ms. Amaya asked why through midnight?

Ms. Simon noted that there are multiple methods to notify of the cancellation. It can be done in person but it can be done by email or calling.

No further comment.

Mr. McEldowney moves to expand the mandatory cancellation period for students of high technology programs through midnight of the 5th class day or the 7th day after enrollment, whichever is later. Ms. Carey seconded. (Ms. De La Parra: Aye; Mr. Uetz: Aye; Ms. Amaya: Aye; Ms. Reiter: Aye; Mr. Crawford: Nay; Ms. Carey: Nay; Mr. Fuerst: Nay; Mr. McEldowney: Aye) The motion carries.

-BREAK IN MEETING-

Mr. McEldowney went back to the increased inspections discussion.

The Advisory Committee has discussion on where to include the increased inspections or if it needs to be included.

Mr. McEldowney recommended that the Bureau conduct more frequent inspections of high technology programs.

Mr. Crawford noted the issue with defining how frequent an inspection needs to happen.

Mr. McEldowney stated it should be more frequent than other schools, maybe every year or so, maybe closer, maybe longer.

Ms. Wenzel advised that the Bureau conducts at least one announced and one unannounced in a 5-year period. She asks Mr. McEldowney how the inspections should be prioritized due to the workload to include additional inspections for high technology programs.

Ms. Carey and Ms. De La Parra did not feel the recommendation is necessary since there is already discretion in what the Bureau can do.

Public comments:

Angela Perry felt this is a middle ground and that student' interests are protected. She supports this amendment.

Laura Brown on behalf of the California Coalition for accredited career schools opposed the proposed amendment. She felt that creating new standards for these types of schools goes outside of the regulatory regime they already have.

Motion: Mr. McEldowney moves to propose the Task Force suggest the Bureau ensure compliance inspections and complaint investigation of high technology programs be prioritized under Recommendation #6, (e), Mr. Uetz seconded. (Ms. De La Parra: Aye; Mr. Uetz: Aye; Ms. Amaya: Aye; Ms. Reiter: Aye; Mr. Crawford: Abstain; Ms. Carey: Nay; Mr. Fuerst: Nay; Mr. McEldowney: Aye) The motion carries.

Task Force Recommendation #4

Ms. Reiter recommended deleting Recommendation #4 to have the student sign that they received the disclosure; she feels it doesn't accomplish the purpose of the student receiving the information, and can actually be harmful to the student.

Mr. Fuerst asked Ms. Reiter: "What else can the school do?"

Ms. Reiter noted that she is not suggesting that that the school be prohibited from providing the information.

Ms. De La Parra felt that the school must be required to have the student sign to ensure that the student is agreeing to participate in the program. She feels that having the enrollment agreement signed will protect the student.

Ms. Reiter explained that having somebody sign that they received something does not mean that they received it. The school can still get a signature, but it should not have the state imprimatur.

Mr. Carreon would like to clarify that they have it in the report because it follows the initial disclosure requirements, and to ensure that the student received the information.

Mr. Crawford noted that the primary reason to include the recommendation is that high tech institutions differentiate themselves from traditional programs in terms of time commitment and program rigor. He stated that he is grappling with Ms. Reiter not wanting the disclosure.

Ms. Reiter stated that is not what she said.

Mr. Crawford continued that Ms. Reiter would like to delete the recommendation.

Ms. Reiter reads the recommendation. She stated that she is not suggesting that they get rid of the disclosures. She stated that she wants to make sure that the student receives the information and that is the goal. She stated that the recommendation does not serve the goal to ensure students receive the information, but serves as a defense mechanism for the school by having the student sign. She feels there is no service to the recommendation.

Ms. Reiter moves to delete Recommendation #4.

The motion fails for lack of a second.

Task Force Recommendation #6

Ms. Reiter questioned the expedited approval, recommendation #6. She stated that it is unclear how the evaluator will get paid. She thinks that recommendation #6 should state, "The Bureau [to] consider the feasibility of using evaluators to expedite application process" but isn't sure how to word the rest of the recommendation.

Ms. Wenzel commented that the Quality of Education Unit evaluates the curriculum and sometimes they have to seek subject matter experts for guidance. The Task Force attempted to expedite the process by the schools providing their own subject matter experts, perhaps even the ones the Bureau uses. This is to ensure a valid curriculum.

Ms. Simon stated that the evaluators won't be paid. She noted that they should be independent from the school without financial ties to the school. She noted that Kim helped

them research how it is done in other states and they modeled this recommendation after those programs.

Ms. Reiter asked if the evaluators are doing this for free.

Ms. Simon stated, yes. Ms. Simon stated that this is something that they do now and also in several other states.

Ms. Reiter asked if it can be clear in the recommendation that there is no compensation received for the evaluators.

Ms. De La Parra stated that all Advisory Members are sitting in the meetings and they are not receiving payment. She is unsure what the difference is for an evaluator taking on the same type of role.

Ms. Reiter would like it made clear that the evaluators are not being compensated. She would like Recommendation #6(v.) changed to: "An evaluator must not be compensated for their evaluation and must have expertise."

Mr. Crawford asked what if the evaluator is an instructor, and is being compensated for teaching.

Ms. Carey noted the issue with travel costs. It's one thing to say that they are not being tied financially to the institution but theoretically you can be reimbursed for travel costs but that should not count as compensation. She would not feel comfortable setting something up to appear as being as compensated. As long as there is no conflict or no financial tie to the institution that should be sufficient.

After Ms. Carey's comments, Ms. Reiter suggested that it be changed to: "The Bureau shall consider the feasibility of using evaluators to expedite the application process." She wants the Bureau to figure out if there a way to hire an evaluator so they are not influenced by the school or compensated by the school. She feels that it would be a conflict for the evaluator.

Ms. Wenzel asked how that is different from Quality of Education reviewing the applications that are sitting in que. The point of the process it to expedite the curriculum reviews.

Motion: Ms. Reiter moves to include the additional language about "the independence of the evaluator: on page 21. Mr. Uetz, seconded. (Ms. De La Parra: Nay; Mr. Uetz: Aye; Ms. Amaya: Aye; Ms. Reiter: Aye; Mr. Crawford: Aye; Ms. Carey: Aye; Mr. Fuerst: Nay; Mr. McEldowney: Aye) The motion carries.

No further comment from the Advisory Committee, Task Force or the public.

Motion: Ms. Reiter moves that there be a paragraph of the topics that the Task Force did not look consider, namely:

“The Task Force did not consider the following:

- The percentage of high tech jobs that are currently vacant that require a degree?
- What is the number of students graduating each year in those fields where there are high vacancies?
- What percentage of students going to the high tech programs, which testimonies were provided, had degrees before they entered the program?
- What percentage of the jobs reported in the testimony for graduates of these programs at Dev Bootcamp and General Assembly were on the job for longer than 21 days, 45 days, or more than one day?
- Whether there are other high tech fields such as bio tech health fields or other areas that also have a high need for employees and demonstrated shortages of employees?
- Whether there are longer programs or accredited programs offering high technology programs that would not fit within the definition the Task Force used?
- The cost of high technology programs?
- The source of credit if needed by students to pay for the programs and the default rate of such credit?
- Advertising used to attract students to these programs or what can be done by public institutions to increase their high technology programs and what additional funding would be necessary for them to do so?

Mr. McEldowney excused himself from the meeting. [Quorum is not lost.]

Mr. Uetz asked Ms. Reiter the reasoning behind her recommendation.

Ms. Reiter felt that when recommending something to the Legislature, she feels it is important that the recommendations be based on as much data as possible. She feels that there are gaps in the underlining information that would support some of the recommendations.

Ms. De La Parra felt that Ms. Reiter wants an additional document of what the Task Force didn't do and what that focus can be; she feels there is two different spectrums, can and cannot.

Ms. Reiter felt that the impetus was coding programs, boot camps. When the Legislature wrote the statute they broadly used programs that are high tech, innovative subject matters and high demand. She is trying to say this was the focus but there were other things that weren't focused on.

Ms. Simon stated that high technology programs were intended to include an expansive list of the topics that Ms. Reiter mentioned. She felt that this is not an exhaustive list and not all about coding boot camps but is broader. She noted that there are different processes for

accredited and non-accredited and that is why the Task Force did not focus on those for the purpose for this definition. She stated that it may need to be clarified that it be broader than just coding.

Mr. Carreon stated that anything technology driven for any sector is wide open; coding is just one of the examples.

Ms. Reiter questioned whether the typical program being under 600 hours, not accredited or with and Title IV financial aid, is intended to be for typical programs or intended to be more broadly applied.

Mr. Carreon answered that accredited institutions are treated separate under the Bureau's statutes and regulations. The 600 hours were chosen because of the Title IV financial aid; everything was strictly specified under the Bureau.

Ms. Reiter would like to amend her motion to add "...and programs over 600 hours that were accredited or received Title IV financial aid." These are the things that we looked at and these are the things we didn't look at.

Mr. Crawford stated there is Ms. Reiter's pending motion to add what the Task Force did not consider with numerous bullet points.

The motion fails for lack of a second.

Mr. Carreon asks if there is anything else that needs to be addressed, and excused himself from the meeting.

No further comment.

Mr. Crawford moves to propose an edit in the first sentence of the conclusion to say "many months" and not "several months." Ms. Reiter seconded. (Ms. De La Parra: Aye; Mr. Uetz: Aye; Ms. Amaya: Aye; Ms. Reiter: Aye; Mr. Crawford: Aye; Ms. Carey: Aye; Mr. Fuerst: Aye) The motion carries.

Public Comments:

Angela Perry thanked the members of the Task Force and the Bureau. She appreciates the time and the effort and feels that something great has been accomplished.

Agenda #6 - Review and Approve, Modify or Reject Revised Task Force Report due to the Legislature by July 1, 2016, Pursuant to California Education Code 94880.1 (b)

Ms. Lee-Carey moved to approve as modified with all technical edits to be completed and conducted by the Bureau staff. Ms. De La Parra moved to second the motion. (Ms. Carey: Aye; Mr. Crawford: Aye; Ms. De La Parra: Aye; Mr. Uetz: Aye; Ms. Amaya: Aye; Mr. Fuerst: Aye; Ms. Reiter: Abstain). The motion passed.

No further comment.

Agenda #7 - Presentation of Bureau's Fee Audit, Discussion, and Possible Action on Amendments to Fee Schedule in Education Code Section 94930.5, Pursuant to Education Code Sections 94880(c) and 94931.5

Dan Edds, Capital Accounting Partners, presented the Bureau's Free Audit (Draft) Report.

Mr. Edds explained that the scope of the report included the following: calculate the full cost of processing applications for institutions; calculate the costs for supporting services (such as aligning staff work with the actual fees that are being charged); and develop revenue and fee projections for the next 5 years.

Mr. Edds detailed that the report was based on fiscal year (FY) 2015-2016 and partial FY 2016-2017 budget data. He noted that identifying core business processes was fundamental to the report. He added that ample time was devoted to working with staff through formal and informal group interviews. He described that the work included determining relationships between business processes and specific fees and allocating costs to individual fees. He stated that the pricing aspect of the cost analysis included determining a pricing model and projecting revenues based on the model.

Mr. Crawford asked what the period of time was that Mr. Edds performed the fee audit with the Bureau and staff. Mr. Edds stated the process begun in late February 2016. He added that the process went fairly quickly due to the Bureau's prompt responses to information requests. Mr. Crawford asked Mr. Edds to clarify that the entire process took 3 months. Mr. Edds confirmed that the process took approximately 3 months.

Mr. Edds continued with outlining the fiscal state of the Bureau. He reported that the Bureau has \$13,897,292 in projected expenses and \$9,810,134 in projected revenues for FY 2016/2017. He continued that the Bureau has a reserve of \$3,550,000, but that with a \$4,087,158 difference of projected revenue and expense the Bureau will be left with a revenue shortfall of \$537,158 for FY 2016/2017. He concluded that the Bureau is in a serious state of financial risk unless something changes within the next year.

Mr. Crawford stated that he has a concern with basing projections on static data when the Bureau operates in a dynamic environment. He questioned how the projections were calculated, and if expected increases in efficiency were factored in to the projection. Mr. Edds clarified that expense projections were calculated based on data extracted from both FY 2015-2016 and FY 2016-2017, and that revenue were based on a 2 year average. He added that budget staff agreed with the findings and projections. He stated that the scope of the project did not include potential effects of process improvements or increases in efficiency.

Mr. Edds outlined the projected revenue required to build up enough reserves to cover 6 months of operating expenses over a 5 year period. He explained that based on projected expenses and revenues of \$13,898,292 for FY 2016/2016 the Bureau would need an additional \$1,388,729 to begin building up the reserve. Mr. Crawford asked how it was determined that 6 months of operating expenses in reserves is required, and why over a 5 year period. Mr. Edds noted that certain scenarios may occur that warrant the need for the reserve. He added that based on data 6 months of reserves was deemed sufficient and that a 5 year period is standard in order to spread costs out over time.

Mr. Edds explained that all institutions pay an annual maintenance fee at 0.75% of their gross revenues from California based students with a cap of \$25,000. He pointed out that of the 880 institutions paying the fee 197 pay less than a \$1,000 and 29 pay less than \$100. He added that 729 institutions pay less than the \$25,000 cap, and therefore pay the fee at a rate of 0.75%. He also pointed out that the remaining 151 institutions, with combined gross revenues of 2.6 billion dollars, pay an average rate of 0.16%.

Mr. Edds continued by suggesting what might have led to the current fiscal situation. He stated that initially when fees were set the Bureau was going through a transition and expenses were not well understood. He also noted that due to the rise of regulatory mandates the Bureau has been expending reserves.

Mr. Edds detailed changes needed to move towards long term sustainability. He listed some new or reconfigured fees including a new transcript fee, a reconfigured fee that takes into account the differences in applications for degree and non-degree granting institutions, and a fee for additional programs in the initial application for approval. He outlined proposed changes to the annual maintenance fee that included raising the cap to \$40,000, changing gross revenue reported by institutions to include all students regardless of location, and setting a minimum annual fee.

Mr. Crawford questioned how the \$40,000 cap was established. Mr. Edds replied that compliance and enforcement costs were taken into consideration when setting the price, but ultimately it came down to setting a price that worked best given the circumstances.

Katherine Lee-Carey asked if the structure of an institution regarding a main campus verses a branch was taken into consideration when setting the cap. Mr. Edds responded that the

analysis was based on institutions as a whole because the Bureau does not have gross revenue data on individual branches.

Mitchell Fuerst commented that the structure of an institution should not result in increased fees from some institutions.

Mr. Edds concluded his presentation with the following recommendations: bring all fees into closer alignment with full cost; establish a minimum for the annual fee; raise the cap on the annual fee; and adopt a revised fee schedule.

Ms. Reiter questioned if the new suggested transcript fee would apply in an instance when a transcript cannot be found. Ms. Wenzel replied that there is cost involved in researching a transcript request even if the transcript could not be found. Ms. Reiter asked about the recommendation to reconfigure the fees to distinguish between initial applications for degree and non-degree granting institutions. Ms. Wenzel responded that there is generally more work involved in the degree granting application process that warrants a reconfiguration of the fee.

Public Comments:

A representative from the Fashion Institute of Design and Merchandising commented on the use of gross revenue as a measure for calculating the annual fee. He stated that revenue is often used to improve an institution to benefit students. He stated that cost and fees should be more directly aligned, and that there could be a more equitable way to allocate fees besides adjusting the annual fee based on gross revenues of an institution. He agreed with Mr. Fuerst's assertion that an increase in fees for institutions will be passed on as an increase in costs for students.

Committee member Patrick Uetz left the meeting causing the Committee to lose quorum.

Legal counsel advised that there is no "meeting" under the Bagley-Keen Open Meeting Act due to the loss of a quorum.

Agenda #11 - Adjournment

Meeting Adjourned 3:15 p.m.

Agenda Item 4

REMARKS BY AWET KIDANE, DIRECTOR, DEPARTMENT OF CONSUMER AFFAIRS

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

BUREAU OPERATIONS UPDATE RELATED TO THE FOLLOWING:

- a. Strategic Plan – Joanne Wenzel and Robert Bayles**
- b. Enforcement Report – Yvette Johnson and Robert Bayles**
- c. Licensing Report – Leeza Rifredi**
- d. Student Tuition Recovery Fund (STRF) and Student Outreach – Leeza Rifredi**

ATTACHMENT:

- A. California Bureau of Private Postsecondary Education Strategic Plan 2015-2020
- B. Complaint Investigation Statistics
- C. Licensing Applications Status as of June 30, 2016 for Fiscal year 15/16
- D. Active Student Tuition Recovery Fund Claims for Fiscal year 15/16



CALIFORNIA BUREAU FOR PRIVATE POSTSECONDARY EDUCATION

**STRATEGIC PLAN
2016–2020**

APPROVED: JOANNE WENZEL, CHIEF
APRIL 2016

TABLE OF CONTENTS

Advisory Committee Members of the Bureau for Private Postsecondary Education.....	1
Message From The Bureau Chief.....	3
About the California Bureau for Private Postsecondary Education.....	4
Mission.....	6
Vision.....	6
Values.....	6
Strategic Goal Areas.....	7
Goal 1: Licensing.....	9
Goal 2: Complaints.....	10
Goal 3: Discipline.....	11
Goal 4: Compliance.....	12
Goal 5: Quality of Education.....	13
Goal 6: Regulations and Legislation.....	14
Goal 7: Outreach and Consumer Education.....	15
Goal 8: Organizational Effectiveness.....	16
Strategic Planning Process.....	17



Advisory Committee Members of the Bureau for Private Postsecondary Education

Shawn Crawford, Institutional Representative, Chair

Margaret Reiter, Consumer Advocate, Vice-Chair

Diana Amaya, Public Member

Tamika Butler, Public Member

Mitchell Fuerst, Institutional Representative

Senator Jerry Hill, Ex Officio Member

Sylton Hurdle, Employer Member

Katherine Lee-Carey, Institutional Representative

Ken McEldowney, Consumer Advocate

Assemblymember Jose Medina, Ex Officio Member

Marie Roberts De La Parra, Past Student of an Institution

Patrick Uetz, Consumer Advocate

David Wood, Past Student of an Institution

Edmund G. Brown Jr., Governor

**Alexis Podesta, Acting Secretary, Business Consumer
Services and Housing Agency**

Awet Kidane, Director, Department of Consumer Affairs

**Joanne Wenzel, Bureau Chief, Bureau for Private
Postsecondary Education**

▶ MISSION



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

Message From the Bureau Chief

It is with great pleasure that I present the Bureau for Private Postsecondary Education's (Bureau's) 2016–2020 Strategic Plan. In support of our mission, we have developed a realistic and achievable plan that focuses on accountability and attainable goals. This document will serve as a guide for the Bureau to continue to move forward as an effective and efficient organization.

I would like to thank the Bureau's Advisory Committee, staff, managers, and other stakeholders for their contributions to this document. Their willingness to provide feedback and ideas is greatly appreciated.

As Bureau Chief, I look forward to working with our stakeholders as we strive to achieve the Bureau's vision: To be the national leader in regulating private postsecondary institutions and maximize Californians' confidence that institutions approved by the Bureau provide a quality education.

Joanne Wenzel, Bureau Chief

Bureau for Private Postsecondary Education
Department of Consumer Affairs



About the California Bureau for Private Postsecondary Education

Beginning January 1, 1998, regulation of private postsecondary educational institutions was carried out by the Bureau for Private Postsecondary and Vocational Education (BPPVE), within the Department of Consumer Affairs (Department or DCA). On June 30, 2007, following criticisms of inadequate student protection and overly burdensome regulations, the Legislature and the Governor allowed the BPPVE to sunset. Between July 1, 2007, and December 31, 2009, private postsecondary educational institutions were unregulated.

Effective January 1, 2010, Assembly Bill 48 (Portantino, Chapter 310, Statutes of 2009) established the California Private Postsecondary Education Act (Act) and created the Bureau for Private Postsecondary Education (Bureau or BPPE) within the Department to provide oversight of private postsecondary educational institutions operating in California.

Specifically, the Act directs the Bureau to:

- Create a structure that provides an appropriate level of oversight, including approval of private postsecondary educational institutions and programs;
- Establish minimum operating standards for California private postsecondary educational institutions to ensure quality education for students;
- Provide consumers a meaningful opportunity to have complaints resolved;
- Ensure that private postsecondary educational institutions offer accurate information to prospective students on institutional and student performance, thereby promoting competition between institutions that rewards educational quality and employment success;
- Create opportunities for stakeholders to have a voice and be heard in the operations of and rulemaking process by the Bureau; and,
- Proactively combat unlicensed institutions.



The Bureau oversees and has statutory authority over private postsecondary educational institutions operating with a physical presence in California except for those specifically exempted by the Act. Nevertheless, exempt institutions may seek Bureau approval. If they seek approval and are approved by the Bureau, they are then subject to the Bureau's authority as any other non-exempt institution. The Bureau exercises its oversight authority through its various divisions.

▶ MISSION

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

▶ VISION

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

▶ VALUES

Accountability

Consumer Protection

Effectiveness

Quality

Integrity

Transparency

Consistency

Strategic Goal Areas

1. LICENSING

The Bureau promotes and enforces licensing standards for institutions by conducting application workshops and through the comprehensive review and approval or denial of applications.

2. COMPLAINTS

The Bureau protects the interests of students and consumers through the intake and investigation of complaints submitted against institutions while thoroughly and efficiently investigating complaints.

3. DISCIPLINE

The Bureau initiates disciplinary actions against institutions for violations of the law or regulations resulting in student harm and provides due process for institutions to respond to disciplinary actions.

4. COMPLIANCE

The Bureau enforces compliance of approved institutions with statutes and regulations by conducting announced and unannounced compliance inspections, and by providing technical assistance where and when appropriate.

5. QUALITY OF EDUCATION

The Bureau promotes the quality of educational programs through the qualitative review of new or renewal applications, approval and monitoring of accreditation plans, and changes to educational objectives for non-accredited institutions.

6. REGULATIONS AND LEGISLATION

The Bureau enforces statutes, promulgates and enforces regulations, and develops and implements procedures that strengthen and support the Bureau's mandates and mission.

7. OUTREACH AND CONSUMER EDUCATION

The Bureau seeks to keep students, institutions, and stakeholders informed of the private postsecondary industry and of related laws and regulations through community outreach events, the Bureau's website, and informational workshops.

8. ORGANIZATIONAL EFFECTIVENESS

Overall organizational effectiveness refers to business operations for the entire Bureau.



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

Goal 1: Licensing

The Bureau promotes and enforces licensing standards for institutions by conducting application workshops and through the comprehensive review and approval or denial of applications.

- 1.1** Amend the regulations to create an application that clearly identifies all the information that an institution needs to submit in order to reduce multiple communications with the institutions requesting additional information.
- 1.2** Continue to work toward the elimination of the application backlog, reduce the applicants' financial burden, and increase consumer protection.
- 1.3** Reduce Licensing's processing timeframes and duplications of effort by collaborating with other Bureau units for application-related information.
- 1.4** Identify key communication strategies and time points to improve customer service to applicants.
- 1.5** Develop an environment that encourages Licensing staff to promote solution-based process improvements in order to give employees ownership of and accountability for their work.

Goal 2: Complaints

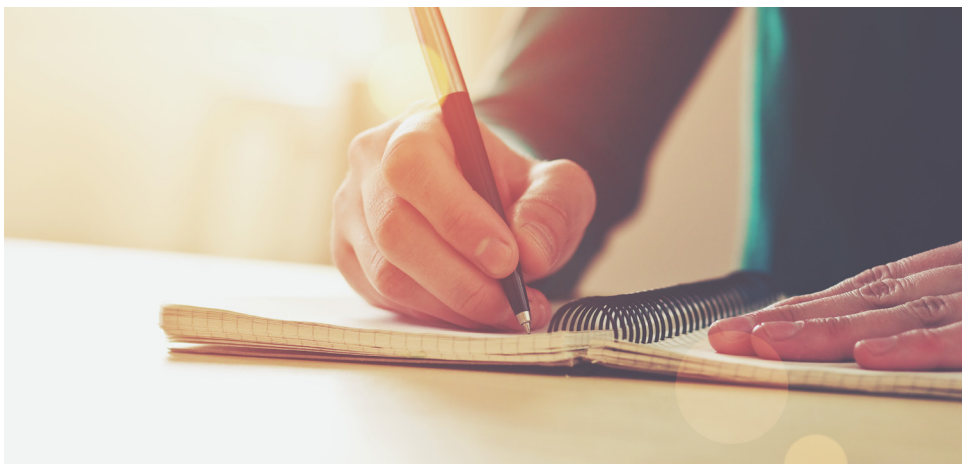
The Bureau protects the interests of students and consumers through the intake and investigation of complaints submitted against institutions while thoroughly and efficiently investigating complaints.

- 2.1** Review (and update if needed) Bureau processes for following up with complainants as well as the information provided to complainants about the nature, status, and resolution of complaints to be transparent with complainants.
- 2.2** Review (and update if needed) Bureau processes for following up with institutions regarding the information provided to institutions about the nature, status, and resolution of complaints to provide transparency to institutions and provide institutions an opportunity to review their internal procedures in order to stay in compliance.
- 2.3** Identify training needs and expand on training that was implemented in 2015 for the Complaints Unit in order to reduce complaint resolution time.
- 2.4** Develop an environment that encourages Complaints Unit staff to promote solution-based process improvements in order to give employees ownership of and accountability for their work.
- 2.5** Collaborate with the DCA Office of Information Services to develop a complaint prioritization reporting system.
- 2.6** Review and update complaint intake and assignment processes to consolidate complaints against institutions, in as much as possible, to a single point of contact to improve efficiency.
- 2.7** Improve efficiency by reducing the amount of time investigation reports spend in the Complaint Investigation Manager Review phase by improving the quality of investigation reports.

Goal 3: Discipline

The Bureau initiates disciplinary actions against institutions for violations of the law or regulations resulting in student harm and provides due process for institutions to respond to disciplinary actions.

- 3.1** Develop and implement written procedures for post-citation follow-up to delineate staff roles and responsibilities, provide better consumer protection, and verify compliance with orders of abatement.
- 3.2** Develop and implement written procedures for post-discipline follow-up to delineate the roles and responsibilities for verification of compliance with disciplinary decisions.
- 3.3** Increase the Bureau's frequency and efforts to collect fines levied through citations or other disciplinary actions to improve the effectiveness of the disciplinary program and further protect consumers.
- 3.4** Explore additional tools to implement action for equitable relief, where appropriate, for increased consumer protection.
- 3.5** Review and modify processes and procedures related to the frequency of citation committee meetings in order to avoid bottlenecks in the citation process.



Goal 4: Compliance

The Bureau enforces compliance of approved institutions with statutes and regulations by conducting announced and unannounced compliance inspections, and by providing technical assistance where and when appropriate.

- 4.1** Revise processes and train staff for conducting uniform compliance inspections to promote fairness and objectivity for institutions.
- 4.2** Increase the number of annual compliance inspections, while maintaining inspection quality and consistency, to mitigate the risk of noncompliance by institutions.
- 4.3** Collaborate with the DCA Office of Information Services to create and implement an inspection prioritization system to identify the order in which institutions should be inspected, making the best use of the Bureau's resources.
- 4.4** Develop a compliance academy for all new inspectors to provide consistent training and guidance for completing inspections to improve the consistency of compliance inspections.
- 4.5** Improve efficiency by reducing the amount of time compliance inspection reports spend in the Manager Review phase.
- 4.6** Explore alternative methods for administering student surveys during compliance inspections and for compiling the results in order to reduce the manual workload.

Goal 5: Quality of Education

The Bureau promotes the quality of educational programs through the qualitative review of new or renewal applications, approval and monitoring of accreditation plans, and changes to educational objectives for non-accredited institutions.

- 5.1 Educate other units on the roles and responsibilities of the Quality of Education Unit (QEU) to provide awareness of the QEU's roles as well as opportunities for collaboration.
- 5.2 Create opportunities for Compliance, Complaints Investigation, and QEU staff to collaborate to reduce duplication of efforts, share knowledge, and increase consumer protection.
- 5.3 Enhance the application-review procedures by collaborating with the Licensing Unit to incorporate review methods from both the licensing and QEU units that will improve consistency, eliminate redundancies, and increase productivity within both units.
- 5.4 Continue to train Education Specialists on statutes, regulations, and accreditation requirements to increase efficiency, knowledge, and improve continuity.



Goal 6: Regulations and Legislation

The Bureau enforces statutes, promulgates and enforces regulations, and develops and implements procedures that strengthen and support the Bureau's mandates and mission.

- 6.1 Review (and amend as necessary) regulations for applications and minimum operating standards to reduce multiple communications with the institutions for additional information and to stay current on industry standards.
- 6.2 Improve and increase external/internal outreach when changes are made to statutes and regulations in order to reduce confusion and increase compliance with the law.
- 6.3 Modify the website to include information educating stakeholders about the regulatory process.
- 6.4 Increase stakeholder input during the regulatory process so the Bureau can obtain feedback necessary to make appropriate decisions.
- 6.5 Promulgate regulations to implement the complaint prioritization statute.



Goal 7: Outreach and Consumer Education

The Bureau seeks to keep students, institutions, and stakeholders informed of the private postsecondary industry and of related laws and regulations through community outreach events, the Bureau’s website, and informational workshops.

- 7.1** Explore additional opportunities to increase consumer awareness of the Bureau’s role so consumers can understand their rights and make informed decisions before enrolling in a school.
- 7.2** Develop annual report training for institutions to improve their understanding of how to provide accurate information to consumers and the Bureau.
- 7.3** Evaluate and improve the effectiveness of the existing workshops to increase compliance with statutes and regulations in order to safeguard consumer protection.
- 7.4** Provide information and outreach in additional languages to meet the diverse needs of California students.
- 7.5** Develop online training for institutions based on Frequently Asked Questions, violations commonly cited, and common deficiencies in applications to provide additional resources for institutions to obtain information and guidance.
- 7.6** Develop online resources to aid consumers in making informed educational choices.
- 7.7** Evaluate and expand current outreach materials in order to provide students with a more balanced perspective on private postsecondary institutions.
- 7.8** Revisit closed institution outreach materials to provide students with a balanced perspective of their options.

Goal 8: Organizational Effectiveness

Overall organizational effectiveness refers to business operations for the entire Bureau.

- 8.1** Improve internal communication to increase consistency and eliminate silos throughout the Bureau.
- 8.2** Continue to train staff on the accurate interpretation and application of the statutes and regulations so that employees are consistent in providing accurate guidance to stakeholders.
- 8.3** Reduce the impact from turnover to increase Bureau-wide productivity and effectiveness.
- 8.4** Develop an environment that encourages staff to promote solution-based process improvements in order to give employees ownership of and accountability for their work.
- 8.5** Develop a needs assessment survey for staff to determine training necessary to carry out job duties in order to further develop staff.
- 8.6** Develop and assign subject matter experts (by industry type) within each unit to provide each unit with a “go to” person for knowledge in a specific industry.
- 8.7** Prepare for the replacement of the Schools Automated Information Link database to meet the Bureau’s current and future needs.
- 8.8** Identify and eliminate redundancies and inefficiencies in Bureau processes by creating Bureau-wide process action teams composed of staff from different units to review Bureau processes.
- 8.9** Develop methods to promote Bureau-wide employee engagement to retain quality employees.

Strategic Planning Process

To understand the environment in which the Bureau operates and identify factors that could impact the Bureau's success, the California Department of Consumer Affairs' SOLID Unit conducted an environmental scan of the internal and external environments by collecting information through the following methods:

- An online survey sent to Bureau stakeholders, which included institution representatives, professional associations, students, and members of the public, in December 2015. The online survey received 177 responses.
- An online survey sent to all Bureau employees in December 2015. This survey received responses from 43 employees.
- Focus groups conducted with Bureau executives and management teams in December 2015.
- Phone interviews with seven members of the Bureau's Advisory Committee Members in December 2015 and January 2016.

The most significant themes and trends identified from the environmental scan were discussed by the Bureau's executive team during a strategic planning session facilitated by SOLID on January 20, 2016. This information guided the Bureau in the development of its strategic objectives outlined in this 2016–2020 strategic plan.





**CALIFORNIA BUREAU FOR
PRIVATE POSTSECONDARY EDUCATION**

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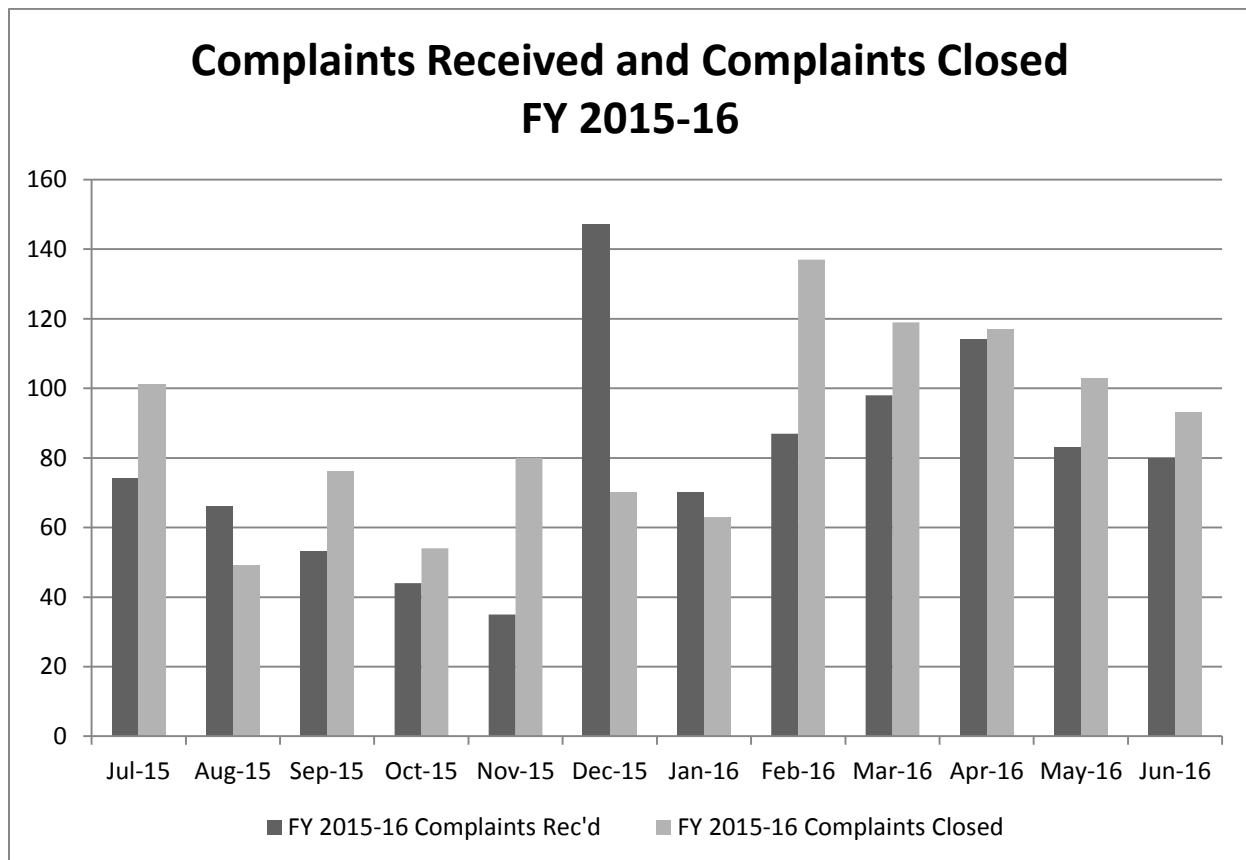
Prepared by
SOLID Planning Solutions

California Department of Consumer Affairs
1747 N. Market Blvd., Suite 270
Sacramento, CA 95834

This strategic plan is based on stakeholder information and discussions facilitated by SOLID for the California Bureau for Private Postsecondary Education (Bureau) in November and December 2015 and January 2016. Subsequent amendments may have been made after Bureau adoption of this plan.

COMPLAINT INVESTIGATIONS STATISTICS

BPPE Advisory Committee Meeting
August 17, 2016



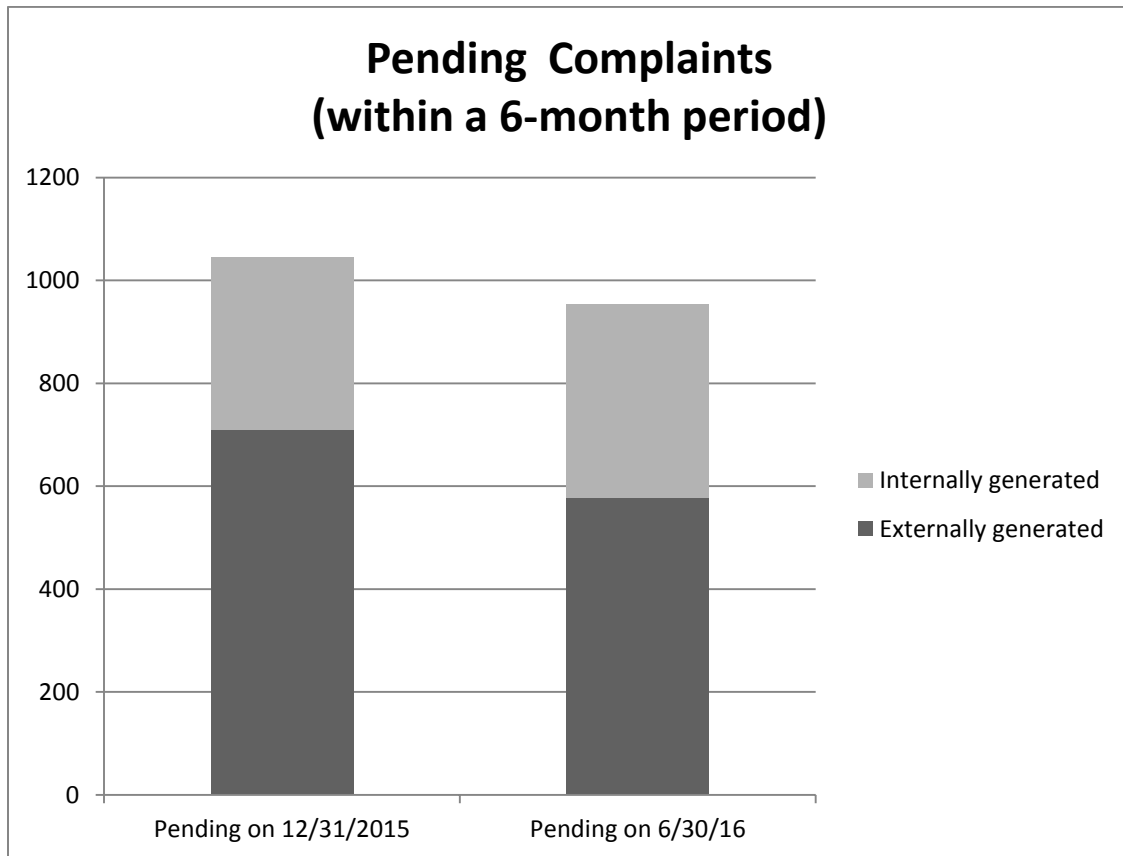
Source: CPEI Monthly Statistical Reports

Summary:

- Received 951 complaints.
- Closed 1062 complaints (11.7% more than received).
- Note: The sharp rise in the number of complaints in December 2015 was due to a systems issue that resulted in online complaints not being forwarded to the Enforcement email inbox from mid-August through November 2015.

COMPLAINT INVESTIGATIONS STATISTICS

BPPE Advisory Committee Meeting
August 17, 2016



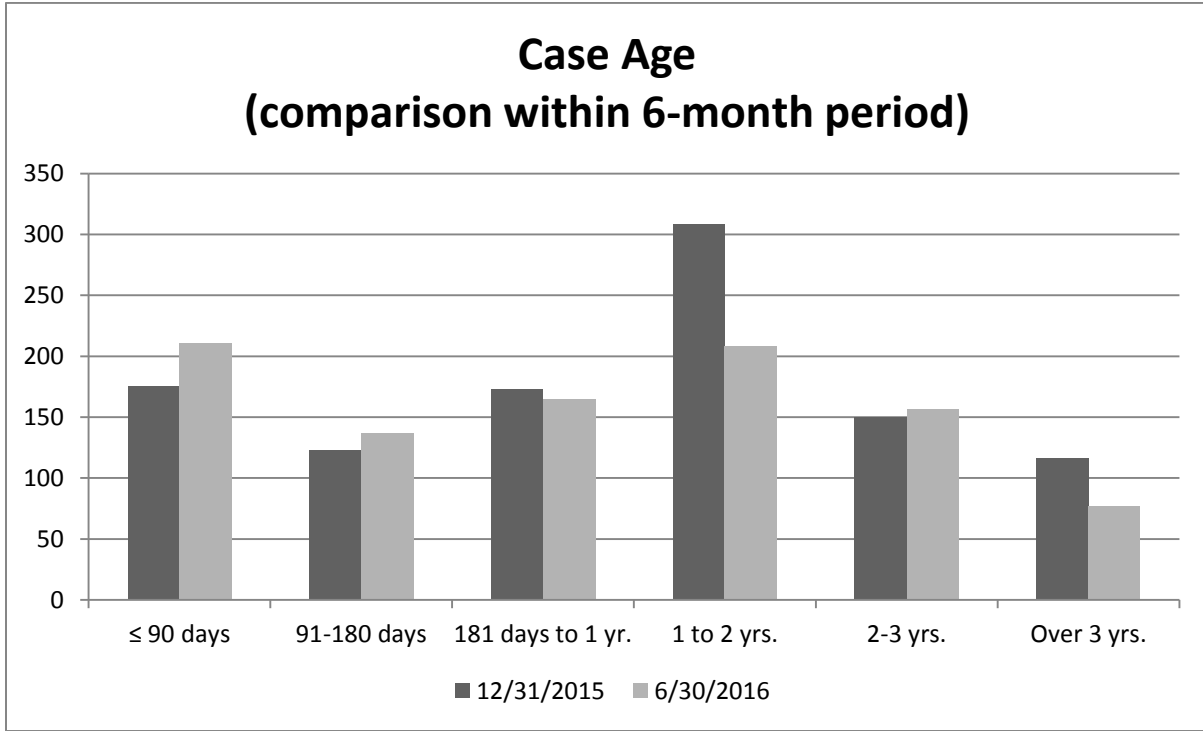
Source: BPPE Complaint Investigations Weekly Statistical Reports

Summary:

- Increase in percentage of internally generated complaints:
 - 32% on 12/31/15
 - 40% on 6/30/16
- 8.7% decrease in the number of pending complaints within 6 months.

COMPLAINT INVESTIGATIONS STATISTICS

BPPE Advisory Committee Meeting
August 17, 2016



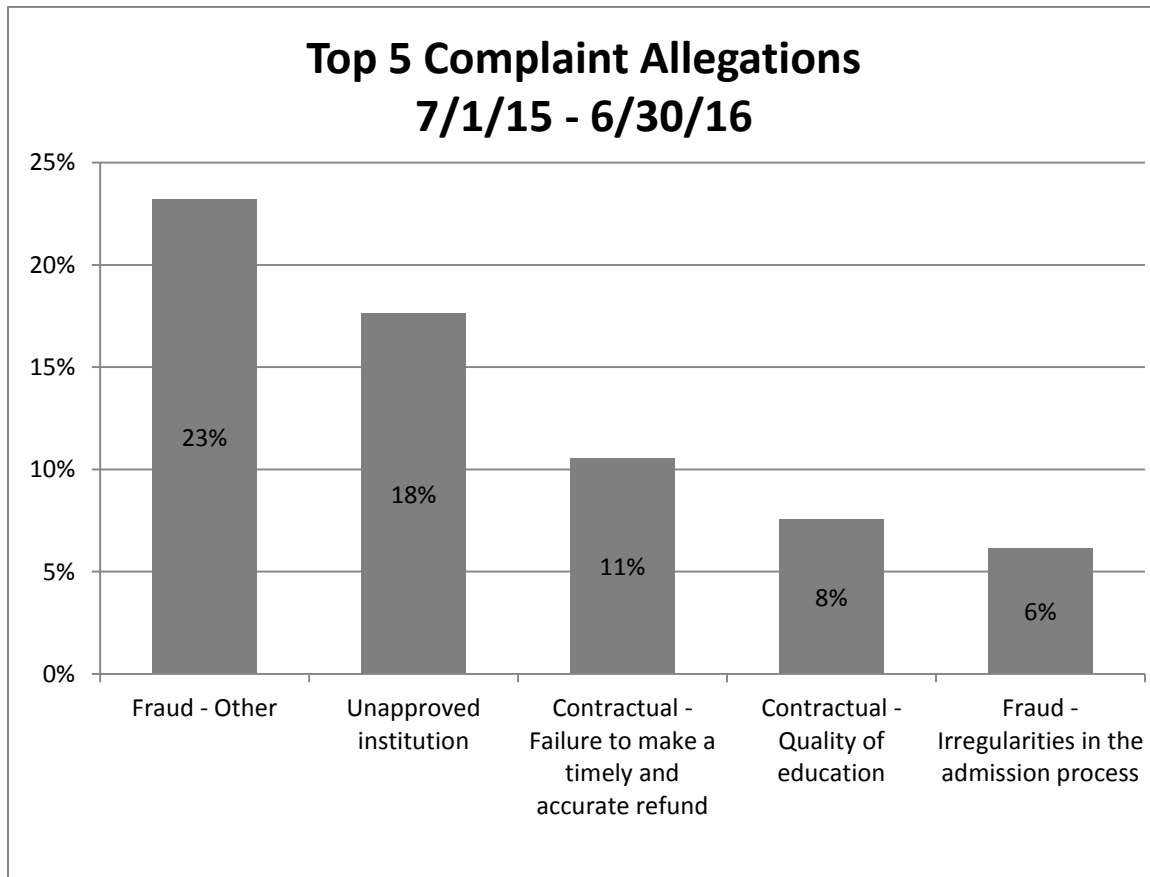
Source: BPPE Complaint Case Tracking Log

Highlight:

- February – July 2016: 47% reduction in the number of open complaints received prior to 2014 (from 240 in mid-February, to 128 in mid-July).

COMPLAINT INVESTIGATIONS STATISTICS

BPPE Advisory Committee Meeting
August 17, 2016



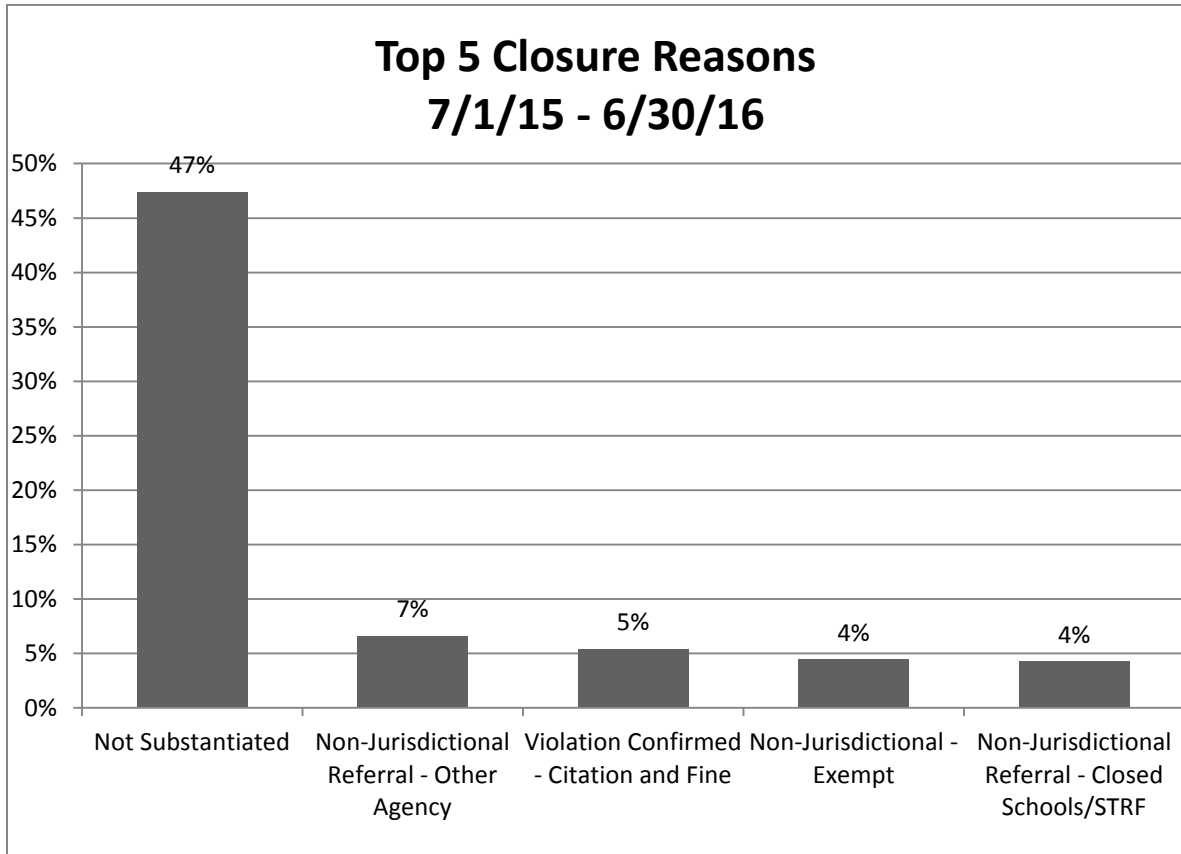
Source: SAIL Enforcement Workload Analysis

Notes:

- “Fraud – Other” category in SAIL serves as a “catch-all” for allegations for which SAIL does not have a specific category.
- The most common allegations under “Fraud – Other” are inaccurate, falsified, or missing records and the selling of hours.
- On 6/14/16, the Complaint Investigations Unit submitted to OIS its recommended list of more specific and accurate allegation categories and closure reason categories.

COMPLAINT INVESTIGATIONS STATISTICS

BPPE Advisory Committee Meeting
August 17, 2016



Source: SAIL Enforcement Workload Analysis

Compliance Unit Historical Activity - Fiscal Year												
Type Compliance Inspector Activity	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	Historical Total
Total Compliance Inspections (UCI + ACI) Completed	6	175	277	259	220	166	12	0				398
Notice to Comply	0	66	114	110	109	97	12					218
Enforcement Referral	6	175	276	259	96	96	6					198

Annual Compliance Unit Monthly Activity Tracker													
Type Compliance Inspector Activity	15-Jul	15-Aug	15-Sep	15-Oct	15-Nov	15-Dec	16-Jan	16-Feb	16-Mar	16-Apr	16-May	16-Jun	Year-to-date
Announced Compliance Inspection (ACI)	20	6	17	13	6	2	12	11	10	7	7	5	116
Unannounced Compliance Inspection (UCI)	1	0	7	3	4	6	5	5	3	8	4	4	50
Total Compliance Inspections Completed per Month	21	6	24	16	10	8	17	16	13	15	11	9	166
Accredited (UCI)	0	0	6	2	2	4	5	5	2	5	3	2	36
Non-Accredited (UCI)	2	0	1	1	2	1	0	0	1	3	1	2	14
Accredited (ACI)	4	1	5	1	1	1	1	2	2	2	0	3	23
Non-Accredited (ACI)	15	5	12	12	5	2	11	9	8	5	7	2	93
* Notice to Comply	10	3	7	6	6	7	10	13	10	9	9	7	97
* Enforcement Referral	8	6	17	11	5	5	10	6	9	8	5	6	96
Total ACI to date	902	908	925	938	940	942	954	965	975	982	989	994	
Total UCI to date	76	76	83	86	90	96	101	106	109	117	121	125	
Total Inspections to date	978	984	1008	1024	1030	1038	1055	1071	1084	1099	1110	1119	
* Total Active Inspectors	8	8	8	8	10	9	9	8	7	6	6	6	
Average Inspectors to Inspections	2.63	0.75	3.00	2.00	1.00	0.89	1.89	2.00	1.86	2.50	1.83	1.50	1.78

* Operational Definitions

Enforcement Referral:	formal complaint of potential alleged material violations that generates an investigation
Notice to Comply:	public record of outstanding minor violations at the end of an inspection
Active Inspector:	an inspector who is readily available for inspections for more than half the month

Most Common Violations Cited – January through July 2016

<u>*Notice to Comply</u>	<u>**Reasons for Referral to Enforcement</u>
71720. Faculty Qualifications and Continuing Education – failure to maintain documentation of continuing education	71745. Financial Resources – failure to maintain ratio of current assets to current liabilities of 1.25 to 1.00 or meet USDOE composite score requirements Failure to meet 30-day operating expense test
94911. Enrollment agreement not meeting minimum requirements or in conflict with catalog.	94902. General Enrollment Requirements-No signature of student and/or school representative
94909. Catalog not meeting minimum requirements-missing statements or disclosures	94910. Minimum Requirements for SPFS - lack of back-up documentation or documentation is incomplete
76140. STRF Record Keeping Requirements-failure to maintain 13 required elements as supporting documentation	94913. Institution Website Requirements – one or more elements not posted
71920. Student Records - Transcripts of graduated students not complete Documentation or HS graduation or equivalent not maintained.	71770. Admission Standards – Admitting students without HS grad or equivalent Transfer of credit policy issues School is involved in administering ATB exam

*A Notice to Comply is issued at the conclusion of a compliance inspection for minor violations

**An Enforcement Referral is generated as a result of more serious violations discovered as a result of a compliance inspection, which require additional time and resources to investigate.

Licensing Applications Status as of June 30, 2016 for Fiscal Year 15/16

Type	Received FY 15/16	Under Review	Pending Assignment	Total Pending	Approved	Withdrawn or Abandoned	Denied	Total Closed	Average Days to Approve
New Full Approval	52	86	27	113	71	32	29	132	396
New Accreditation	74	23	0	23	62	12	6	80	108
Renewal Full	32	84	62	146	73	16	39	128	397
Renewal Accreditation	53	14	0	14	63	6	3	72	131
Changes Full	153	68	6	74	141	28	20	189	120
Changes Accreditation	269	36	0	36	261	32	7	300	42
Exemption	211	17	0	17	123	3	93	219	36
Totals:	844	328	95	423	794	129	197	1120	183

* Average Days to Approve is calculated from time assigned to analyst.

New Full Oldest Pending: 11/5/2015

Renewal Full Oldest Pending: 5/29/2013

* 37 of 62 renewal in backlog were received in 2013

On 7/1/2015 the total pending applications was:	713	In this fiscal year Licensing reduced the backlog by: 40%
On 7/1/2016 the total pending applications was:	423	

Student Tuition Recovery Fund Claims

Claims Received During 15/16 Fiscal Year			
628			
Claims Closed during 15/16 Fiscal Year			
Claims Paid	295	Amount	\$1,319,116
Claims Ineligible	117		
Claims Denied	63		
Current Active Claims Status			
Assigned to Analyst First Review			24
Pending Additional Information From Student			249
Second Review after receipt of Additional Information			4
Sent to State Controller's Office for Payment			68
Total in Process			345

Transcript Request for 15/16 Fiscal Year

Corinthian Schools		9617
All Other Schools		1379
Total Number of Transcript Request:		10,996
Percentage Not Found:		11%
Reasons:	Non-Degree programs prior to 2000.	
	School campus was not located in California.	
	BPPE is not the custodian of the transcript.	

Institutions Closed During 15/16 Fiscal Year

Main Locations	42
Branch Locations	62
Satellite Locations	105
Total Number of Students at time of Closure: 5490	

Total Number of STRF Claims Received: 439

Outreach Events Attended in 15/16 Fiscal Year

2015		
September	Sacramento	Feria de Educacion
October	Pomona	SoCal College Fair
	Los Angeles	LA Cash for College
	Sacramento	CASFSA Annual Conference
November	Los Angeles	STEAM Expo
December	Carson	Latino College Expo
2016		
February	Los Angeles	Black College Expo
	Los Angeles	Black College Expo
	Sacramento	Steps to College

Agenda Item 6

**INFORMATIONAL REPORT ON THE STATUS OF ACCREDITING COUNCIL FOR
INDEPENDENT COLLEGES AND SCHOOLS' (ACICS) RECOGNITION BY THE
DEPARTMENT OF EDUCATION – JOANNE WENZEL**

ATTACHMENTS:

- A. Letter to Institutions – July 1, 2016
- B. Letter to Students – July 27, 2016
- C. July 14, 2016 Stakeholder Meeting PowerPoint Presentations



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



July 1, 2016

Name
 Institution
 Address
 City, CA Zip

Dear Institution Contact Name:

The Bureau for Private Postsecondary Education (Bureau) is writing to alert you that the Accrediting Council for Independent Colleges and Schools (ACICS), one of the nation's largest accreditors, is at risk of losing its recognition by the Department of Education (Department) pursuant to 34 Code of Federal Regulations (CFR) Part 602, based on the following recent and foreseeable events:

- On or about June 14, 2016, Department staff recommended to the Senior Department Official (SDO) at the Department and the National Advisory Committee on Institutional Quality and Integrity (NACIQI) that ACICS's petition for renewal of recognition by the Department be denied for several reasons.
- On June 23, 2016, NACIQI voted to recommend to the Department that re-recognition be denied.
- The ultimate decision will come from the SDO at the Department within 90 days from June 23, 2016, or by September 21, 2016, but it may come earlier.
- If the Department decides to deny re-recognition, ACICS will have the opportunity to appeal the decision to the Secretary of Education. If ACICS appeals the decision, the loss of recognition will be stayed during the appeal, but there is no set timeframe for when a decision on the appeal must be made, and the Bureau has no knowledge at this time regarding whether ACICS intends to appeal to the Secretary.

Here are four links to detailed information regarding the above from the Department:

Full Office of Postsecondary Education staff

report: <https://opeweb.ed.gov/aslweb/finalstaffreports.cfm>

Blog: <http://blog.ed.gov/2016/06/college-accreditation-changes-mean-students/>

FAQ: <http://www2.ed.gov/admins/finaid/accred/faqs-accrediting-agencies.doc>

Infographic: <http://www2.ed.gov/admins/finaid/accred/accreditor-federal-recognition-process-steps.pdf>

What does this mean for your school's approval to operate in California?

The Bureau's records indicate that your institution is Approved By Means of Accreditation (ABMA), with your accreditor listed as ACICS. This means that your ABMA is dependent on ACICS's continued ability to accredit your school as an accrediting agency recognized by the United States Department of Education. See, the California Private Postsecondary Education Act of 2009 (Act), Education Code sections 94890, 94813, and 94814.

Accordingly, **ACICS's loss of recognition by the Department will remove the basis for the institution's accreditation status, and the Bureau may have to initiate proceedings to revoke your school's ABMA.**

However, the Bureau will currently accept applications for full approval from your institution or alternatively, applications for ABMA with a new accreditor. If your school has no degree granting programs, you may apply for full approval; even if your school has degree granting programs, you may still apply for full approval, but ultimately will have to comply with the requirement for institutional accreditation. The Bureau cannot guarantee that the applications will be granted or processed prior to the potential loss of ACISC's recognition by the Department. The Bureau does not waive its right to move for emergency relief to restrict enrollment or for other relief pursuant to the Act and regulations.

What information does the Bureau require from you?

This is an unprecedented situation, and the Bureau is currently analyzing and processing the issues to address the situation and to do all it can to protect students from potential harm. As part of the process, and because the Bureau has a mandate to protect students and ensure minimum operating standards at your institution, it requires the following information from you. Please complete the attached pages, make a copy for your records if you wish, and return the document to the Bureau.

How can you get more information from the Bureau about this situation?

The Bureau will be hosting a stakeholder meeting on Thursday, July 14, 2016, at 1:00 pm in Sacramento (see details below). The meeting will include a one-hour informational session followed by a licensing workshop (if institutions express enough interest in the workshop). This is a public meeting and everyone is encouraged to attend. The intent is to provide information and gather input from stakeholders through an open discussion concerning this situation.

Topic: ACICS

Date and Time: Thursday, July 14, 2016, at 1:00 pm through 6:00 pm (depending on interest in licensing workshop).

Location: 1625 N Market Blvd., Room 102 South, Sacramento, CA 95834 (DCA HQ Hearing Room, 1st Floor)

We appreciate your assistance with this process. If you have any questions please do not hesitate to contact me at the telephone number and email address below.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joanne Wenzel', with a stylized flourish at the end.

Joanne Wenzel
Chief, Bureau for Private Postsecondary Education
(916) 431-6905
Joanne.Wenzel@dca.ca.gov

PLEASE COMPLETE THE FOLLOWING AND RETURN BY JULY 8, 2016 TO:

Bureau for Private Postsecondary Education

2535 Capitol Oaks Dr., Suite 400

Sacramento, CA 95833 Attention: Richie Barnard

OR by US. Postal Service at:

P.O. Box 980818

West Sacramento, CA 95798-0810 Attention: Richie Barnard

OR by email at: Richie.Barnard@dca.ca.gov

1. Was the institution aware of ACICS's potential loss of recognition by the Department prior to this letter? Please circle one: YES NO.
2. Has the institution made a decision to seek accreditation with another accreditor recognized by the Department? Please circle one: YES NO.
 - If YES, which accreditor? _____.
 - If YES, has the institution applied to the other accreditor yet? Please circle one: YES NO.
 - If YES, please list the steps the institution has taken toward accreditation and the dates of those steps: _____.
3. Does the institution currently provide any degree granting programs? Please circle one: YES NO.
 - If YES, please indicate how many: _____.
4. Does the institution currently offer any programs where graduates need to have graduated from an accredited school recognized by the Department for licensure in the particular profession?
 - If YES, please indicate the programs or attach an additional sheet with the programs listed: _____.
5. Please provide a copy of your school's most recent student roster for each location. Please indicate the students name, program, contact information, enrollment date and expected graduation date. (Electronic or hard copy.)
6. Does your institution intend to send a representative to the Bureau's stakeholder meeting planned for Thursday, July 14, 2016? Please circle one: YES NO.
 - If YES, please indicate your interest in attending the licensing workshop portion of the meeting from approximately 2 pm – 6 pm. Please circle one: YES NO.
 - IF YES, please indicate any specific questions that you would like the Bureau to address at the informational session and/or licensing workshop:

_____.

Dear Student,

You are receiving this letter because the California Bureau for Private Postsecondary Education (Bureau) approves and licenses the school you attend. The Bureau provides California state oversight of your school.

The Bureau is reaching out to you because your school is currently accredited by the Accrediting Council of Independent Colleges and Universities (ACICS). ACICS is currently facing possible discipline or loss of recognition by the United States Department of Education (Department). It was recently recommended to the Department that ACICS no longer be recognized as a national accrediting agency.

The entire process of determining if ACICS continues to be recognized could take months or even years and in the end ACICS's accrediting ability may or may not change. If the Department's final determination is to not recognize ACICS, the Department has the option to allow all schools that were accredited by ACICS to remain eligible for federal financial aid for up to 18 months.

The Bureau has no role in the Department's decision, but this decision could have an impact on your school and on you. The Department's concerns with ACICS should not be seen as a reflection on your school and the timeline for this process is uncertain.

How this Impacts Your School:

- Potential loss of accreditation.
- Potential loss of federal funding.
- Potential loss of approval by the Bureau.

How This Impacts You:

- If ACICS loses its accrediting ability, then your school will no longer be accredited unless alternative accreditation is obtained.
- Your school's lack of accreditation could keep you from being licensed if the license requires you to graduate from an accredited school.
- It may also affect your job placement and your financial aid.
- It could mean that your school is no longer authorized to operate in California.

What Can You Do:

- Talk with your school administrators and learn how they plan to help their students.
- If you are enrolled in a program that leads to licensure, call or check the website of the licensing agency and determine if graduating from an accredited institution is a requirement
- Know your rights as a student. Visit the Bureau's website (www.bppe.ca.gov) or call at (888) 370-7589.

ACICS will continue to be recognized until a final decision is made and any appeals are heard. In the meantime, your school may already be working to become accredited by another accrediting agency.

For more information, go to the following links.

- Full Office of Postsecondary Education staff report: <https://opeweb.ed.gov/aslweb/finalstaffreports.cfm>
- Blog: <http://blog.ed.gov/2016/06/college-accreditation-changes-mean-students/>
- FAQ: <http://www2.ed.gov/admins/finaid/accred/faqs-accrediting-agencies.pdf>
- Infographic: <http://www2.ed.gov/admins/finaid/accred/accreditor-federal-recognition-process-steps.pdf>



Department of Consumer Affairs

Bureau for Private Postsecondary Education

Stakeholder Meeting
ACICS Accredited Institutions
July 14, 2016

Disclaimer

Everything we discuss today is based upon the Bureau's understanding of the facts and possible outcomes as they are currently.

There may be things that happen that we can't currently anticipate or interpretations of statute may change. We commit to sharing any new or different information with you as quickly and efficiently as possible.

AGENDA

1. INTRODUCTION
2. OVERVIEW
3. IMPACT ON CALIFORNIA APPROVAL TO OPERATE
4. OPTIONS
5. Q & A
6. LICENSING WORKSHOP

OVERVIEW

June, 2016
United States
Department
Staff
Recommend
Denial of Re-
recognition of
ACICS

June, 2016
NACIQI
recommends
denial of re-
recognition
of ACICS

Within 90 days
of NACIQI
recommendation
Senior
Department
Official makes
decision
(9/22/16)

Within 30
days of the
SDO decision
ACICS may
file an appeal

Secretary
decides on
appeal – no
time period

ACICS may
file for stay

Considerations:

ACICS may voluntarily withdraw recognition at any time
The entire process could take weeks, months, or even years

Impact on approval if ACICS is Denied Re-Recognition

Approval by Means of Accreditation (ABMA)

Emergency Action to stop enrollment.

Administrative action against the approval to operate because of the loss of the basis for the approval.

"Full Approval"

Investigation in to the institutions capacity to meet the minimum operating standards.

In both situations the Bureau is mandated to consider the institutions ability to meet minimum operating standards. Three immediate areas of concern are:

- the impact of loss of accreditation on financial resources
- the offering of degree programs by unaccredited institutions
- the impact on students enrolled in programs leading to occupations that require graduation from accredited institutions.

OPTIONS

Full Approval to Operate

Full Approval to operate instead of ABMA may:

- prevent questions about State Authorization by the Department or other potential accreditors
- eliminate any reason for the Bureau to take an action because of the loss of basis of the approval.

Become Accredited by a Different Accreditor

If your institution has dual accreditation you may want to explore options of the secondary accreditor taking over institutional accreditation.

Seek accreditation of a different accreditor with an appropriate scope of accreditation.

Questions & Answers

Question

What steps are required for institutions that have already applied for new accreditation?

Answer

No steps are required.

Institutions in this situation might want to consider the information you receive here today and take other actions such as applying for full approval if you are ABMA.

Questions & Answers

Question

What steps does an institution take that was approved by means of accreditation through ACICS? Does an institution ABMA apply for full approval (again)?

Answer

Yes, institutions that desire to change their approval type from ABMA to Non-accredited approval (full approval) must submit an application for approval to operate an institution non-accredited.

Questions & Answers

Question

A) If an institution wants to apply for “full approval” when should they apply?

B) How long will it take?

Answer

A) The choice to apply for “full approval” and the timing of that application are a business decision of the institution.

B) It depends on the quality of the application submitted.

Questions & Answers

Question

When will the accreditation regulation be implemented for colleges? What plans are in place to regulate unaccredited universities and seminaries.

Answer

January 1, 2015.

(CEC section 94885(b), 94885.1 and 94885.5 and 5, CCR section 71105.5)

Questions & Answers

Question

If ACICS does not prevail, will schools currently in teach-out be expected to seek another accreditor if they will complete the teach-out and close prior to the conclusion of the 18 months?

Answer

This is complicated and I encourage you to contact the Bureau in order to discuss specific details.

Questions & Answers

Question

Should an institution start the application process for “full approval” before the DOE makes a decision within 90 days?

Answer

That is a business decision for the institution.

I encourage you to consider the information that you receive here today.

Questions & Answers

Question

How is the Bureau addressing compliance for language training.

Answer

Language schools are not treated differently. If you believe there is something unique to your institution please contact the Bureau in order to discuss the specific situation.

Questions & Answers

Question

How will this affect institutions who get approval through other DCA boards?

Answer

While the Bureau is in the process of identifying those institutions and programs that require approval of other oversight entities, we encourage you to contact the other oversight agency in order to determine how the institution and/or programs may be impacted.

Questions & Answers

Question

Is it okay to pursue two approaches to protect students, meaning apply for a “full approval” while also working through accreditation?

Answer

Yes

Questions & Answers

Question

How should institutions make a decision to seek accreditation with another accreditor recognized by the Department?

Answer

The Bureau has not gone through this process but would recommend that you begin by taking a look at your institution and find an accreditor with a scope of accreditation that can accommodate your institution. Some considerations may be organization type, mission and objectives as well as programs offered.

Questions & Answers

Question

How is it best to advise our students about the current situation surrounding ACICS?

Answer

Quickly, clearly and honestly. This is a complicated situation but your students must be advised of the situation.

To that end, the Bureau will be reaching out with a letter to your student population. The note will closely mirror the information that was sent to the institutions and is found on the website for the USDOE.

CONTACTING THE BUREAU

Richie Barnard (ACICS Questions) 916-431-6930
richie.barnard@dca.ca.gov

Joanne Wenzel (Chief) 916-431-6905
joanne.wenzel@dca.ca.gov

Leeza Rifredi (Deputy) 916-431-6908
leeza.rifredi@dca.ca.gov

Yvette Johnson (Enforcement Chief) 916-431-6915
yvette.johnson@dca.ca.gov

Robert Bayles (Compliance Chief) 916-431-6937
robert.bayles@dca.ca.gov

Main Phone Line: (916) 431-6959
Toll Free: (888) 370-7589



REGULATORY STATUS UPDATE RELATED TO THE FOLLOWING:

- a. Reports (Title 5, California Code of Regulations Sections 74110, 74112)**
- b. Student Tuition Recovery Fund (Title 5, California Code of Regulations Sections 76000, 76020, 76120, 76130, 76200, 76210, 76212, and 76215)**
- c. Compliance Inspection and Complaint Prioritization (Title 5, California Code of Regulations Sections 75200 (proposed changes), 75210 and 75300 (new))**

Agenda Item 8

DISCUSSION OF POSSIBLE AMENDMENTS TO TITLE 5, CALIFORNIA CODE OF REGULATIONS SECTION 70000(K), REGARDING ENGLISH AS A SECOND LANGUAGE PROGRAMS

ATTACHMENT:

A. Proposed Language to Amend Section 70000 of Division 7.5 of Title 5

**DEPARTMENT OF CONSUMER AFFAIRS
BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**

PROPOSED LANGUAGE

New language is underlined. Deleted language is ~~strikeout~~.

(1) Amend Section 70000 of Division 7.5 of Title 5 of the California Code of Regulations to read as follows:

§ 70000. Definitions.

(a) “Academic Freedom” means the degree to which faculty at an institution are allowed latitude with respect to their discussions with students and the positions they take. Under such a policy, a faculty member can articulate or even advocate positions or concepts which may be controversial in nature without fear of retribution or reprisal.

(b) “Act” means The California Private Postsecondary Education Act of 2009.

(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, purposes and objectives.

(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.”

(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.

(f) “Code” means the California Education Code.

(g) “Credential” means publicly demonstrated skills and experiences whose achievement has been recognized by an official credential or award given by a professional association. This recognition can also be achieved if there is a general acceptance and recognition of those credentials by members of the profession or industry in the field in which the person will teach.

(h) “Credit” means a measure of college or university level instruction that is evaluated by duly qualified faculty; it is also the same as “unit” or “unit of credit.”

(i) “Degree program” means an educational program leading to the award of an academic degree as defined in section 94830 of the Code.

(j) “Duly qualified faculty” or “faculty member” means a person or people who satisfy the requirements of section 71720.

(k)(1) “Education offered for purpose of personal entertainment, pleasure or enjoyment” means education offered for purposes of play, amusement or relaxation, including education offered for the purpose of teaching the fundamentals, skills or techniques of a hobby or activity. ~~It does not include education that in any manner does any of the following:~~

~~(1) Enables a student to qualify for any immigration status, for which an institution is permitted to issue a Certificate of Eligibility for Nonimmigrant Student Status by the United States Immigration and Customs Enforcement.~~

~~(2) Facilitates the development of learning skills or language proficiency to assist a student to:~~

~~(A) learn English as a second language, unless the institution exclusively enrolls students for an intensive English program that is touristic in nature, and provides for transportation, housing, and cultural and recreational activities; or~~

~~(B) enhance language skills for any business or occupational purpose.~~

(2) Notwithstanding subparagraph (1) of this subsection, “Education offered for purpose of personal entertainment, pleasure or enjoyment” includes education which facilitates the development of learning skills or language proficiency to assist a student to learn English as a second language, if the institution complies with all of the following requirements:

(A) Obtains and maintains compliance with mandatory accreditation with an accreditor recognized by the United States Department of Education;

(B) Maintains a refund policy consistent with the mandates of the institution’s United States Department of Education-recognized accrediting body;

(C) Is certified by the federal Student and Exchange Visitor Program (SEVP);

(D) Provides only English language instruction and/or other education offered for the purpose of personal entertainment, pleasure or enjoyment;

(E) Does not receive any state or federal student financial aid;

(F) Does not provide any financial aid to students;

(G) Does not provide any institutional loans to students;

(H) Does not facilitate or broker any private loans with third parties for students;

(I) Does not offer any degree-granting programs; and

(J) Does not make any promises or representations that courses lead to employment.

(3) “Education offered for purpose of personal entertainment, pleasure or enjoyment” does not include education that in any manner does any of the following:

~~(3)~~(A) Assists a student to prepare for a test administered in conjunction with any undergraduate or graduate educational program, unless the test is designed to measure or improve English language proficiency.

~~(4)~~(B) Is an educational service offered to lead to any employment in any occupation or job title.

~~(5)~~(C) Is represented to enable a student to use already existing knowledge, training, or skills, other than language skills, in the pursuit of an occupation or to develop new or enhance existing knowledge, training, or skills, other than language skills, in connection with any occupation or job title.

(l) “Financial aid officer” means any person involved in administering the participation of the institution or any of its students in any federal or state student loan or grant program, including any person who assists students to apply for, disburses the proceeds of, or regularly explains student rights and obligations under, loans or grants subject to any federal or state program.

(m) “Full-time study” means the equivalent of, if measured in credit hours, 24 semester or trimester, or 36 quarter hours, or if measured in clock hours, 900 hours, to be completed within 30 weeks of instruction.

(n) “Innovative method of instruction” or “unique method of instruction” means a new method of instruction, not previously generally recognized by accredited and approved degree granting institutions, as a reasonable approach to teaching a specific curriculum.

(o) “Institution director” means the person who is responsible for administering the daily operations of the institution and has supervisory authority over all other administrators and instructors.

(p) “Instructor” means a person who is responsible to conduct one or more classes or components of an institution's educational program.

(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.

(r) "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.

(s) "Pre-accreditation" or "candidacy" as used in sections 94885.1 and 94885.5 of the Code means that an institution has submitted a completed application for initial accreditation with the required fee, which was accepted by the accreditor.

(t) "Prior experiential learning" or "college level learning experience" means learning of a postsecondary nature as documented learning from a related profession, college level equivalent tests, military training or other college level equivalent experience.

(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.

(v) "Quarter" means at least 10 weeks of instruction or its equivalent as described in subdivision (w)(2) of this section.

(w) "Quarter unit" means either of the following:

(1) At least ten (10) hours of college or university level instruction during a quarter plus a reasonable period of time outside of instruction which an institution requires a student to devote to preparation for planned learning experiences, such as preparation for instruction, study of course material, or completion of educational projects; or

(2) Planned learning experiences equivalent to the learning and preparation described in paragraph (1) as determined by duly qualified faculty responsible for evaluating learning outcomes for the award of unit credits.

(x) "Recreational Education" means education offered for the purpose of teaching the fundamentals, skills or techniques of sports or games.

(y) "Semester" means at least 15 weeks of instruction or its equivalent as described in subdivision (z)(2) of this section.

(z) “Semester unit” means either of the following:

(1) At least fifteen (15) hours of college or university level instruction during a semester plus a reasonable period of time outside of instruction which an institution requires a student to devote to preparation for planned learning experiences, such as preparation for instruction, study of course material, or completion of educational projects; or

(2) Planned learning experiences equivalent to the learning and preparation described in paragraph (1) as determined by duly qualified faculty responsible for evaluating learning outcomes for the award of unit credits.

(aa) “Significant equipment” means equipment that is necessary for achieving the stated educational objectives.

(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.

(ac) “Unit” or “unit of credit” means a measure of college or university level instruction that is evaluated by duly qualified faculty.

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.

UPCOMING RULEMAKING PACKAGES RELATED TO THE FOLLOWING:

- a. Applications (Title 5, California Code of Regulations, Chapter 2, Sections 71100 through 71660)**
- b. Institutional Operating Standards (Title 5, California Code of Regulations, Chapter 3, Sections 71700 through 71865)**

FUTURE AGENDA ITEMS

DISCUSS POTENTIAL MEETING DATES FOR 2017

ADJOURNMENT