



**Bureau for Private Postsecondary Education**  
**Notice of Advisory Committee Webex Meeting Agenda**

Thursday, August 26, 2021, 9:30 a.m.

**NOTE:** Pursuant to the provisions of Governor Gavin Newsom’s Executive Order N-08-21, dated June 11, 2021, neither a public location nor teleconference locations are provided.

**INSTRUCTIONS FOR OBSERVATION:**

WEBCAST: Webcast of the meeting will be available at 9:30 a.m. on August 26, 2021 and viewable [here](#).

**FOR PUBLIC COMMENT, PLEASE LOG ON TO THIS WEBSITE**

<https://dca-meetings.webex.com/dca-meetings/j.php?MTID=ma776cf7f77e1d3fabc4aaded4c4d6a09>

Event Number: 146 617 4428      Event Password: BPPE08262021 (27730826 from phones)

The preferred audio connection is via phone bridge. The phone number and access code will be provided as part of your connection to the meeting. General instructions for using Webex can be found at the end of the agenda.

**Important Notices to the Public:** The Bureau for Private Postsecondary Education will hold a meeting via Webex. Access information is provided above. General instructions for using Webex are attached at the bottom of the agenda.

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

The Advisory Committee Meeting is accessible to the physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Richie Barnard at (916) 574-8903, by emailing [richie.barnard@dca.ca.gov](mailto:richie.barnard@dca.ca.gov) or sending a written request to the Bureau for Private Postsecondary Education, P.O. Box 980818, West Sacramento, CA 95798-0818. Providing your request at least five business days before the meeting will help ensure availability of the requested accommodation.

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

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

### **Agenda**

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

1. Welcome, Introductions, and Establishment of a Quorum
2. Public Comment on Items not on the Agenda (Note: The Advisory Committee may not discuss or take action on any matter raised during this public comment section, except to decide whether to place the matter on the agenda of a future meeting (Government Code Sections 11125 and 11125.7(a)))
3. Review and Approval of May 27, 2021, Advisory Committee Meeting Minutes
4. Remarks by a Representative of the Department of Consumer Affairs, which may include updates pertaining to the Bureau's Operations, Human Resources, Department's Administrative Services, Enforcement, Information Technology, Communications and Outreach, as well as Regulatory and Policy Matters
5. Bureau Operations Update and Discussion related to the following:
  - a. Sunset Review and Alternative Fee Proposal
  - b. IT System Project
  - c. Accrediting Council for Independent Colleges and Schools (ACICS) Implications for Bureau Approved Institutions
  - d. Annual Report Update
  - e. Quality of Education Report
  - f. Compliance and Discipline Report
    - i. School Inspections by the Bureau
    - ii. Disciplinary Highlights and Resulting Actions Statistics
    - iii. Citation and Fines
  - g. Complaint and Investigation Report
    - i. Complaint and Investigation Statistics
  - h. Licensing Report
    - i. Licensing Applications Status Statistics
    - ii. Report on the Number of Institutions

- i. Office of Student Assistance and Relief (OSAR) Report
    - i. Overview of OSAR Activities Summary Report
    - ii. School Closure Outreach Update
  - j. Student Tuition Recovery Fund (STRF) Report
    - i. STRF Claims and Large Impact Closure Statistics
6. Status Update and Discussion related to the following Regulations:
  - a. Status on Application for Verification of Exempt Status (California Education Code (CEC) Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5; Title 5, California Code of Regulations (CCR) Section 71395)
  - b. Discussion on Draft Language for Labor Market Outcome Data Reporting (CCR Sections 74110(d)(e), and 74112(o), CEC Section 94892.6, Assembly Bill (AB) 1340 (Chiu, Chapter 519, Statutes of 2019))
  - c. Discussion on Draft Out-of-State Institution Registration Form (CCR Section 71396, CEC Section 94801.5, AB 1344 (Bauer-Kahan, Chapter 520, Statutes of 2019))
7. Update and Discussion on Senate Bill 118 (Committee on Budget and Fiscal Review, Chapter 29, Statutes of 2020) Prohibition on Use of Applicants' Criminal History in Admission Decisions (CEC Section 66024.5)
8. Discussion on the Bureau's Strategic Plan Framework and Goals
9. Future Agenda Items
10. Adjournment

**WELCOME, INTRODUCTIONS AND ESTABLISHMENT OF A QUORUM**

**Committee Member Roster**

**Katherine Lee-Carey, Chair**

- Institutional Representative (Appointed by DCA Director)

**Margaret Reiter, Vice-Chair**

- Consumer Advocate (Appointed by Senate Committee on Rules)

**Diana Amaya**

- Public Member (Appointed by Senate Committee on Rules)

**Kansen Chu**

- Public Member (Appointed by Speaker of the Assembly)

**Zima Creason**

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

**Melanie Delgado**

- Consumer Advocate (Appointed by DCA Director)

**Leigh Ferrin**

- Consumer Advocate (Appointed by Speaker of the Assembly)

**Joseph Holt**

- Institutional Representative (Appointed by DCA Director)

**David Vice**

- Institutional Representative (Appointed by DCA Director)

**Senator Steven Glazer (Sarah Mason)**

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

**Assemblymember Jose Medina (Kevin Powers)**

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

**PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA**

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

**Agenda Item 3**

**REVIEW AND APPROVAL OF MAY 27, 2021, ADVISORY COMMITTEE MEETING  
MINUTES**

ATTACHMENT:

Advisory Committee Draft Meeting Minutes from May 27, 2021



## Advisory Committee Meeting Minutes Thursday, May 27, 2021

### WebEx Meeting

#### Advisory Committee Members in Attendance

1. Diana Amaya
2. Kansen Chu
3. Zima Creason
4. Melanie Delgado
5. Leigh Ferrin
6. Joseph Holt
7. Katherine Lee-Carey
8. Kevin Powers (on behalf of Assemblymember Jose Medina)
9. Margaret Reiter
10. David Vice

#### Committee Members Absent

Senator Steven Glazer (Sarah Mason)

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

Deborah Cochrane, Bureau Chief  
Leeza Rifredi, Deputy Bureau Chief  
Beth Danielson, Bureau Enforcement Chief  
Robert Bayles, Bureau Education Administrator Chief  
David Dumble, Bureau Legislative/Regulation Specialist  
Carrie Holmes, DCA Board and Bureau Relations Deputy Director  
Yvette Johnson, Bureau Administration Chief  
Michael Kanotz, DCA Legal Counsel  
Linh Nguyen, DCA Legal Counsel  
Gregory Pruden, DCA Legislative Manger  
Ebony Santee, Bureau Licensing Chief  
Beth Scott, Bureau Enforcement Chief  
Scott Valverde, Office of Student Assistance and Relief (OSAR) Chief

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

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

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

No Public Comment.

### **Agenda #3 - Review and Approval of February 17, 2021, Advisory Committee Meeting Minutes**

Ms. Lee-Carey pointed out the repetitiveness in questioning hearing dates under the sunset review section. She suggested modifying the paragraphs for clarity.

Ms. Lee-Carey noted that “annuals” should be “annual” on page 4.

Ms. Lee-Carey stated that there is a comma typo on page 11 under agenda topic 6a.

#### **Public Comment**

No Public Comment.

Margaret Reiter moved to approve the minutes as amended; Diana Amaya seconded the motion. (Ms. Lee-Carey: Aye; Margaret Reiter: Aye; Leigh Ferrin: Aye; Diana Amaya: Aye; Kansen Chu: Aye; Joseph Holt: Aye; David Vice: Aye; Zima Creason: Abstain; Melanie Delgado: Abstain) The motion passed.

### **Agenda #4 - Review and Approval of March 17, 2021, Advisory Committee Meeting Minutes**

#### **Public Comment**

No Public Comment.

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



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

Carrie Holmes, Deputy Director for Board and Bureau Relations, provided an update. Ms. Holmes stated that the Committee still has one vacancy. She added that interested parties should apply online through the DCA Board Members Resources page.

Ms. Holmes explained that masks are still required at all DCA locations. She noted that DCA will continue to provide health guidance to boards and bureaus. She reported that boards and bureaus are looking ahead to what changes can be made permanent for efficiency and employee well-being. She provided examples of eliminating paper processes and maximizing telework.

Ms. Holmes reported that after the Governor's state of emergency order is lifted, DCA boards and bureaus will be required to follow all aspects of the Open Meetings Act. She encouraged all members of the public to visit DCA's COVID-19 webpage, for updates and resources.

### **Public Comment**

Angela Perry provided public comment.

## **Agenda #6 – Bureau Operations Update and Discussion**

### **Update on the Bureau's IT System Project**

Mr. Bayles provided an update report about the Bureau's IT system project. Mr. Bayles referred to page 24 of the meeting packet and outlined responses to some of the Committee's previous concerns, regarding the IT system project.

Ms. Reiter questioned if inspection results will be searchable by date on the website. Mr. Bayles responded that that search function has not been discussed, but that it would be considered.

Ms. Reiter questioned if a student could search for schools by program. Mr. Bayles pointed out that the new system will be using the classification of instructional programs (CIP) code(s) to identify specific programs, making it easier to pull data on a specific program.

Ms. Reiter questioned if a student could search and review schools based on placement rates. Mr. Bayles stated that a student can find placement rates from a school by checking the school's annual report, which is made available on the Bureau website. Ms. Reiter clarified the question asking if a student would be able to search schools offering a specific program and have them listed in order by placement rate. Mr. Bayles

responded that it is a long-term goal of the Bureau to provide comparable student outcome data.

Ms. Reiter stated that it would be helpful if non-jurisdictional complaint closures were categorized in a way to provide additional information on why the complaint was considered non-jurisdictional.

Ms. Reiter pointed out the importance of reviewing complaint remedies for students at a specific school to ensure they are being applied to the entire student population to avoid any potential trend of student harm at that school. Ms. Ferrin added that it would be helpful to determine how many complaints from a specific school it takes to be considered a trend or a systemic issue at school.

#### Public Comment

Vanessa Londo provided a public comment.

Melanie Vuynovich provided a public comment.

Ms. Perry provided a public comment.

#### Quality of Education Report

Mr. Bayles provided a report on the Quality of Education Unit (QEU). He outlined Attachment 6b, of the meeting packet.

#### Public Comment

No public comment.

#### Compliance and Discipline Report

Bureau Enforcement Chief, Beth Scott, provided a report on the Compliance and Discipline Units. She referenced Attachment 6c, of the meeting packet.

#### Public Comment

Ms. Londo provided a public comment.

Mo Crowley provided a public comment.

## Complaint and Investigation Report

Bureau Enforcement Chief, Beth Danielson, reported on the Complaint and Investigation Unit. She outlined Attachment 6d, of the meeting packet.

Ms. Reiter commented on the student impact section regarding Income Sharing Agreements (ISA) being reduced. She questioned, on what basis has an ISA school been allowed to continue to operate. Ms. Danielson commented that the ISA reductions noted in the student impact section involves an institution the Bureau is currently working with and that no additional details could be provided. Michael Kanotz, DCA Legal Counsel, said he would get back to the Committee on the status of ISA.

Mr. Holt questioned if the caseload of cases open and cases closed is reaching a constant state. Ms. Danielson responded that there is always room for improvement.

## Public Comment

Ms. Perry provided a public comment.

Ms. Londo provided a public comment.

## Licensing Report

Bureau Licensing Chief, Ebony Santee, reported on the Licensing Unit. She outlined Attachment 6e, of the meeting packet.

Mr. Holt questioned how much time staff is needed to complete a review of a “full approval application” compared to an “approval by means of accreditation application.” Ms. Santee indicated she did not have the exact numbers, but noted that the full approval process takes substantially more time.

Mr. Holt asked about the credentials of staff who review curriculum. Ms. Santee responded that some staff members have experience in writing academic curriculum and/or working in postsecondary education. She continued that a number of staff have graduate degrees that are tied into education. Mr. Bayles added that staff must have a minimum of a bachelor’s degree.

## Public Comment

No Public Comment.

### Office of Student Assistance and Relief (OSAR) Report

OSAR Chief, Scott Valverde, provided a report on OSAR. He covered Attachment 6f, of the meeting packet.

Diana Amaya questioned if there has been as much participation with virtual outreach efforts, as compared to in-person outreach efforts. Mr. Valverde responded that some virtual events have garnered more participation, and some have gone down. He noted that virtual one-on-one opportunities with students have often been more engaging.

### Public Comment

Ms. Perry provided a public comment.

### Student Tuition Recovery Fund (STRF) Report

Bureau Administration Chief, Yvette Johnson, provided a report on STRF. She covered Attachment 6g, of the meeting packet.

### Public Comment

Ms. Perry provided a public comment.

### **Agenda Item #7 - Status Updates on Regulations**

David Dumble provided a status update on Bureau regulations. He covered Attachment 7a, of the meeting packet.

Mr. Dumble provided an overview of the implementation of AB 1344 (CEC Section 94801.5; Title 5, CCR Section 71396). He referred to page 66 of the meeting packet.

Mr. Dumble explained that drafting the application form for Registration or Re-Registration of Out of State Institutions, without adding requirements beyond what is legislatively mandated, would help ensure the form is approved in a timely manner.

Ms. Reiter commented that the Bureau has until July 1, 2022 to get the new form approved. She recommended including in the application form, any additional requirements the Bureau deems necessary. She added that in order to meet the legislative mandate the Bureau needs to consider any additional requirements it deems necessary, to the form.

Bureau Chief, Deborah Cochrane, pointed out that the priority is to have the form completed and approved by the July 1, 2022 deadline. She requested that the

Committee provide feedback on the form and input on any additional requirements to include in the form.

Mr. Holt referred to Section 8, Item 3, of the draft form, in the meeting packet. He recommended asking for information pertaining to both the “institutional accreditor” and “programmatic accreditor.” He noted that many times warnings will be issued by programmatic accreditors prior to the issue being elevated to an institutional accreditor warning.

Mr. Vice noted that any addition to the form should only concern the quality of education being provided by the institution.

Ms. Reiter provided a document outlining her suggestions for additional requirements to be included in the form. She suggested that the Committee provide the Bureau with written feedback within a week or two after the meeting.

Ms. Lee-Carey commented that the Bureau and Committee should keep in mind that out-of-state institutions, applying for registration in California, have already gone through an extensive state and accreditor approval process. Mr. Holt noted that the level of rigor in the approval process varies widely from state to state. He added that approval standards in other states may fall below the minimum standards in California.

Ms. Lee-Carey questioned what chance there would be for the form to be approved in time, if the process was put on hold until after further discussion, at the August 2021 Committee meeting. Mr. Dumble commented that there is no way to provide a definitive answer, but it is less likely the form would be approved in time, if the process was put on hold until then.

Ms. Cochrane suggested that Committee members provide feedback in writing. She added that following review of the feedback, it could be determined whether any further discussion is necessary. Ms. Lee-Carey proposed that the Committee provide feedback to the Bureau by June 10, 2021.

#### Public Comment

Ms. Perry provided a public comment.

#### **Agenda Item #8 - Update and Discussion on the Bureau’s Sunset Review (SB 802)**

Gregory Pruden, DCA Legislative Manger, provided an update on the Bureau’s Sunset Review. He referred to Senate Bill 802, included in the meeting packet.

Ms. Lee-Carey questioned what the process for accepting or rejecting stakeholder recommendations to the bill. Mr. Pruden explained that the bill is still in the early stages and the amendment process is on-going. He noted that while some of the recommendations may not be in the current version of the bill, it does not mean those recommendations will not be included in later versions of the bill.

Ms. Reiter asked who is negotiating with the legislature on behalf of the Bureau. Mr. Pruden stated that it is a combination of members from Agency, DCA, and the Bureau.

Ms. Reiter questioned if there will be a limit on the number of terms a member will be able to serve on the Committee. Kevin Powers noted that question has not been resolved yet.

Ms. Reiter noted that some member positions have historically been difficult to keep filled. She pointed out that term limits could potentially make it more difficult to keep seats filled.

Ms. Lee-Carey asked how the public can get involved in the legislative process. Mr. Pruden commented that the public can reach out and provide feedback to their elected officials.

Mr. Powers noted that the public can access and track bills at [leginfo.legislature.ca.gov](http://leginfo.legislature.ca.gov). He added that members of the public can submit comments in writing when bills are in the hearing process.

#### Public Comment

Marcy Ceranek provided a public comment.

Ms. Perry provided a public comment.

#### **Agenda Item #9 - Discussion on Senate Bill 118 Prohibition on Use of Applicants' Criminal History in Admission Decisions (CEC Section 66024.5)**

Ms. Lee-Carey opened the floor to discussion.

Mr. Holt explained that the prohibition on use of applicants' criminal history in the admission process has the potential of harming students who are applying for career-based programs, when they will likely be unable to gain employment. He noted that having a criminal history can be a significant barrier to gaining employment in a variety of fields. He added that the prohibition becomes effective by law in July 2021.

Mr. Holt stated that one beneficial resolution to the issue would be to define what is included within the “professional degree” exception of the law.

Public Comment

Ms. Perry provided a public comment.

**Agenda #10 – Future Agenda Items**

Ms. Reiter commented on the need to review student disclosures as a whole, to determine how to make them more effective for students.

Public Comment

No public comment.

**Agenda #11 – Adjournment**

The meeting adjourned at 2:20 pm.

DRAFT

**Agenda Item 4**

**REMARKS BY A REPRESENTATIVE OF THE DEPARTMENT OF CONSUMER AFFAIRS**

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



**BUREAU OPERATIONS UPDATE RELATED TO THE FOLLOWING:**

- a.** Sunset Review and Alternative Fee Proposal
- b.** IT System Project
- c.** ACICS and Implications for Bureau Approved Institutions
- d.** Annual Report (AR) Report
- e.** Quality of Education Report
- f.** Compliance and Discipline Report
- g.** Complaint and Investigation Report
- h.** Licensing Report
- i.** Office of Student Assistance and Relief (OSAR) Report
- j.** Student Tuition Recovery Fund (STRF) Report

**SUNSET REVIEW AND ALTERNATIVE FEE PROPOSAL**

## BPPE – Alternative Fee Proposal Information

### Introduction

The Bureau of Private Postsecondary Education (BPPE) is in a very precarious financial position. BPPE will need to take out an \$8 million loan, payable in 24 months, to fund core operations. At current fee levels, the Department of Consumer Affairs (DCA) projects BPPE to bring in \$14.6 million in revenues in the 2021-22 Budget Year, nearly \$6.6 million short of its projected \$21.2 million in expenditures. The shortfall is projected to grow to \$7.6 million in 2022-23, *before* accounting for the required repayment of the \$8 million loan that year.

Nearly all BPPE's revenues come from annual fees paid by licensed institutions, with remaining revenues stemming from additional fees for particular services. In December 2019, BPPE commissioned a study of its fee structure, with a resulting report outlining a potential approach to setting fees at levels designed to recoup BPPE's operating costs. The project uncovered several ways in which the fees paid by institutions were not enough to cover the associated workload, yet the scale of the proposed fee increases raised concerns and questions from stakeholders.

In collaboration with BPPE, the DCA budget office has developed an alternative fee structure proposal for consideration. In short, the DCA/BPPE goals were to develop an approach that:

- *Takes critical and immediate steps towards addressing BPPE's solvency issues.*
- *Avoids some of the largest increases proposed through the fee study.*
- *Better reflects BPPE's baseline oversight costs.*
- *Assesses fees across large and small institutions reasonably and equitably.*

The fee increases now being proposed would **total a projected \$22.6 million in annual revenue**, including \$20.8 million in annual fees and at least \$1.8 million derived from other fees. This would be sufficient to cover BPPE's projected expenditures, with a modest reserve.

### **Annual Fee Structure**

**Recommendation:** BPPE recommends proceeding with a new fee model that incorporates two components charged to all institutions:

1. A base fee of \$3,500, which covers routine BPPE costs including regular communications, including billing, and mandated compliance visits; and
2. A revenue-based fee set at 0.775 percent of a school's revenue from the prior year. The minimum revenue fee would be \$1,000 and the maximum revenue fee would be \$80,000.

	<b>Current Fee Structure</b>	<b>Proposed Model</b>
Revenue-Based Fee	0.55 percent of revenue from CA students, with a minimum of \$2,500 and maximum of	0.775 percent of revenue from all students, with a minimum of \$1,000 and

	\$60,000 (max of \$750,000 across all locations)	maximum of \$80,000 (max of \$750,000 across all locations)
Base Fee, Added to Revenue-Based Fee	N/A	\$3,500
Revenue Generated	<b>\$12,900,000</b>	<b>\$20,800,000</b>

The proposed alternative annual institution fee model is estimated to bring in an additional \$7.9 million in revenue for BPPE annually, addressing BPPE's structural fund imbalance.

BPPE recommends this model because a percentage-based model most equitably shares fee burdens across institutions of all sizes, while also including a new, modest base fee addresses concerns that smaller schools may not be paying enough to cover basic costs of oversight. Compared to the current model, this approach spreads fee burdens more evenly across schools, such that BPPE would become somewhat less reliant on fees derived from the largest schools.

#### *Other Fees*

As outlined above, the fee study project uncovered several areas in which the fees charged to institutions were out of step with the workload associated with the task for which a fee was being paid.

**Recommendation:** DCA and BPPE have identified several areas in which more modest adjustments would be particularly warranted, as outlined below. The proposed increases shown in this table are projected to bring in \$1.8 million in additional revenue annually.

<b>Fee Type</b>	<b>Current Fee</b>	<b>Estimate of Associated Costs<sup>1</sup></b>	<b>DCA/BPPE Proposal</b>
Application for approval to operate a nonaccredited institution, <i>(degree or non-degree)</i>	\$5,000	\$14,085 for degree schools; \$12,566 for non-degree schools	<b>\$7,500 for all schools, limited to first two programs</b>
Substantive change to an initial application	\$0	\$3,791	<b>\$1,500</b>
Application for approval to operate by means of accreditation.	\$750	\$10,564	<b>\$1,000</b>
Fee for an application for verification of exempt status	\$250	\$1,407	<b>\$750</b>

<sup>1</sup> With the exception of the State Authorization Contract Fee, estimates of associated costs were calculated by Capitol Accounting Partners, LLC through the fee study conducted at BPPE's request and do not include support and service costs. The cost estimate for state authorization contracts was calculated by the DCA budget office based on BPPE workload, assuming an average of one complaint per institution.

Fee for a substantive change to an institution's approval to operate (change in objective) / per program	\$500	\$4,083	<b>\$1,500</b>
Out of State registration	\$1,500	\$1,500	<b>\$1,500<sup>2</sup></b>
Application for each new program approval at a nonaccredited institution, (degree or non-degree)	\$0	\$3,834	<b>\$1,500</b>
Fee for a substantive change to an institution's approval to operate (instructional delivery).	\$500	\$3,055	<b>\$1,000</b>
Fee for a substantive change to an institution approved by means of accreditation, (change in objective).	\$250	\$1,214	<b>\$500</b>
Fee for a substantive change to an institution approved by means of accreditation, (change in ownership).	\$250	\$1,121	<b>\$500</b>
Fee for a substantive change to an institution approved by means of accreditation, (Change in location)	\$250	\$1,121	<b>\$500</b>
Fee for a substantive change to an institution approved by means of accreditation, (Change in name)	\$250	\$1,121	<b>\$500</b>
Fee for a substantive change to an institution approved by means of accreditation, (Instructional delivery)	\$250	\$1,121	<b>\$500</b>
Fee for a substantive change to an institution approved by means of accreditation, (Additional branch)	\$250	\$1,121	<b>\$500</b>
Student Transcripts	\$0	\$25	<b>\$25<sup>3</sup></b>
State authorization contract fee	\$1,076	\$2,300	<b>\$2,000<sup>4</sup></b>

The DCA budget office and BPPE are available to answer any questions about the alternative fee proposal.

<sup>2</sup> BPPE does not recommend immediate changes to the out-of-state registration fee. However, AB 1344, effective July 2022, requires that BPPE collect additional information from registrants and analyze the information collected to inform registration determinations. These changes will increase the associated costs of out-of-state registrations. Because the bill is not yet operative, BPPE is unable to calculate associated costs at this point.

<sup>3</sup> BPPE recommends instituting a student transcript fee so long as the fee can be taken from STRF rather than charging affected students. This fee is projected to bring in \$270,000 in revenue annually.

<sup>4</sup> Per footnote 1, associated costs for state authorization contracts are estimated assuming one complaint per institution per year. Moving forward, the Legislature may want to consider a different fee model for state authorization contracts, requiring colleges to pay a base fee and allow BPPE to recoup additional costs of handling further complaints as warranted.

**IT SYSTEM PROJECT**

**ACICS AND IMPLICATIONS FOR BUREAU APPROVED INSTITUTIONS**

**Accrediting Council for Independent Colleges and Schools (ACICS) Implications for Bureau  
Approved Institutions**

On June 3, 2021, the U.S. Department of Education announced it was ending recognition of the Accrediting Council for Independent Colleges and Schools (ACICS)

- ACICS is appealing the Department’s decision
- Should ACICS lose the appeal, The Department will allow ACICS schools to continue to receive Title IV funds for 18 months while pursuing a different accreditor

BPPE Impact:

- ~20 Institutions approved to operate or registered as an out-of-state institution
- Collective enrollment = ~9,000 Students

<b>BPPE Institutions with (or seeking) ACICS Accreditation</b>	
<i>Category</i>	<i>Primary Concerns for the School related to BPPE</i>
1. Full-approval schools, non-degree	No changes required.
2. Full approval schools, degree-granting	Because the law requires degree-granting institutions to be accredited, these schools need to find a new accrediting agency or close their degree programs.
3. Degree-granting, approved by means of accreditation	Because the law requires degree-granting institutions to be accredited, these schools need to (1) find a new accrediting agency or (2) close their degree programs and apply for full approval.
4. Degree-granting schools seeking accreditation	With their demonstrated progress towards accreditation jeopardized, they may not have time to find new accrediting agency before losing provisional approval to operate. (SB 802 amendments address this.)
5. Out-of-state schools registered with BPPE	If these schools lose accreditation, they are no longer able to register or operate in California.

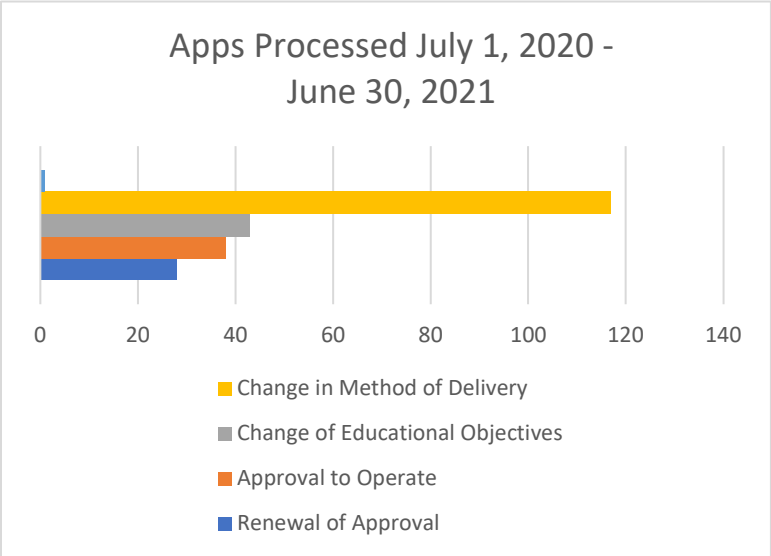


**ANNUAL REPORT (AR) REPORT**

**QUALITY OF EDUCATION REPORT**

**Applications Processed by QEU July 1, 2020 - June 30, 2021**

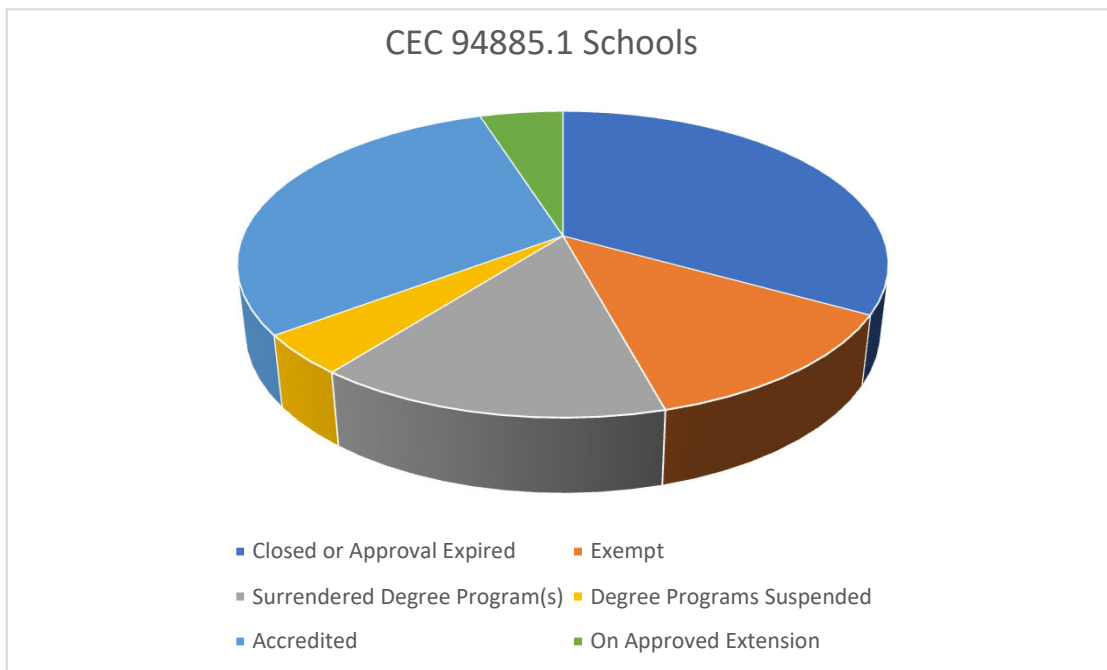
Renewal of Approval	28
Approval to Operate	38
Change of Educational Objectives	43
Change in Method of Delivery	117
<b>Total Number of Applications Processed</b>	<b>226</b>



## STATUS OF SB 1247 INSTITUTIONS

### CEC \*94885.1 Schools

Closed or Approval Expired	47
Exempt	18
Surrendered Degree Program(s)	21
Degree Programs Suspended	6
Accredited	43
<b>On Approved Extension</b>	<b><u>7</u></b>
Total	142

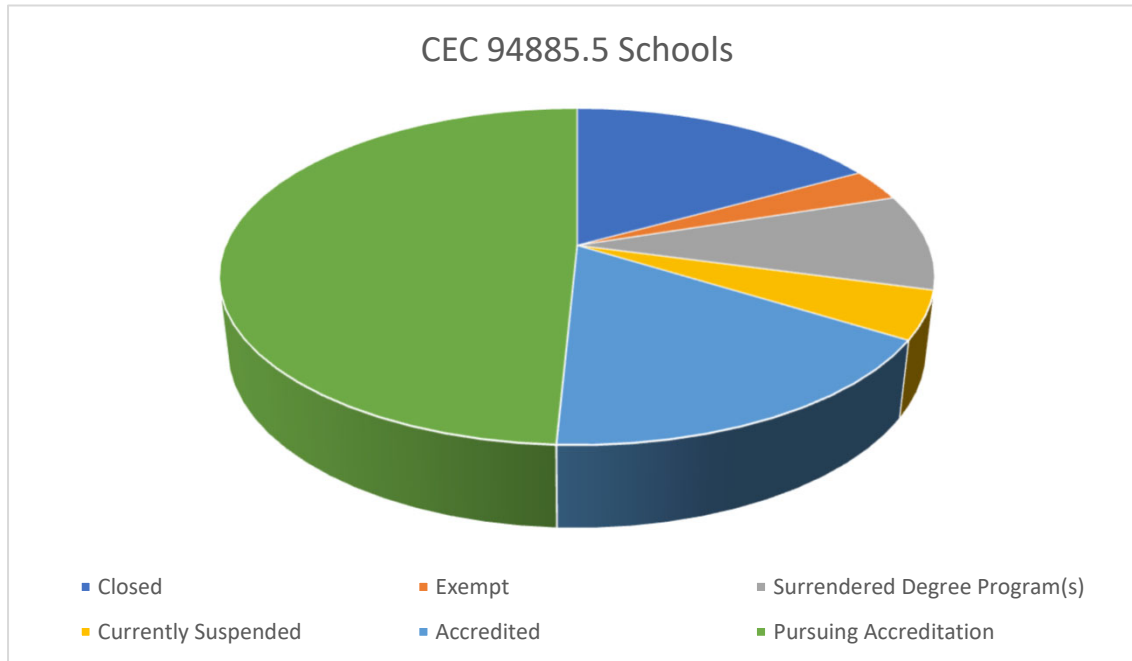


\* Unaccredited Institutions Approved as of Jan 1, 2015 and Offering Degree Programs.  
Deadline to Achieve Accreditation was July 1, 2020 Unless Extension was Approved

## STATUS OF SB 1247 INSTITUTIONS

### CEC \*94885.5 Schools

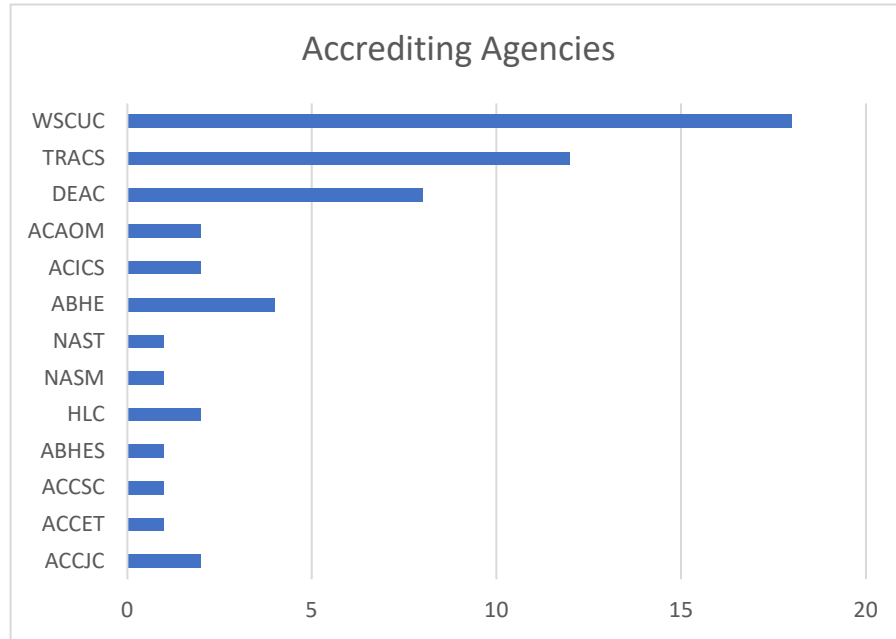
Closed	11
Exempt	2
Surrendered Degree Program(s)	6
Currently Suspended	3
Accredited	11
<b>Pursuing Accreditation</b>	<b><u>32</u></b>
Total	65



\*Unaccredited Institutions Provisionally-Approved After Jan 2015 to Offer Degree Programs.  
Must Achieve Pre-Accreditation Within Two Years.  
Must Achieve Accreditation Within Five Years.

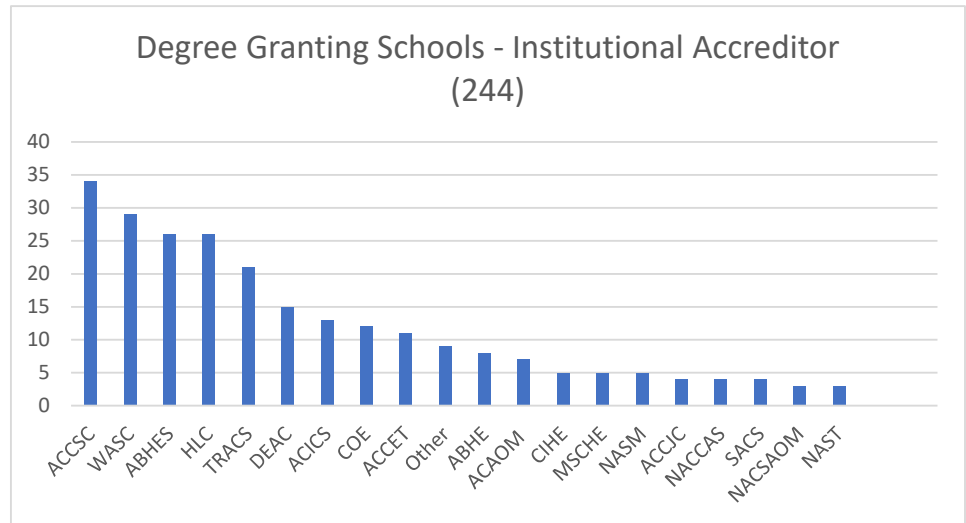
## SB 1247 Institutions that Achieved Accreditation & Accreditor Chosen

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



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

ACCSC	34
WASC	29
ABHES	26
HLC	26
TRACS	21
DEAC	15
ACICS	13
COE	12
ACCET	11
Other	9
ABHE	8
ACAOM	7
CIHE	5
MSCHE	5
NASM	5
ACCJC	4
NACCAS	4
SACS	4
NACSAOM	3
NAST	3



**COMPLIANCE AND DISCIPLINE REPORT**



**REPORTING AS OF: July 29, 2021**

Compliance Stats	2017 (Calendar)	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Jan. 1 - July 29)
<b>Total Completed Inspections</b>	85	155	305	128	95
<b>ACI - Announced Inspections</b>	51	63	63	42	54
<b>UCI - Unannounced Inspections</b>	34	92	242	86	41
<b>Notice To Comply Issued</b>	47	65	49	11	12
<b>Enforcement Referral Issued</b>	36	56	93	26	32
<b>Inspections Cancelled *</b>	N/A**	7	18	12	7

\*Causes for Cancellations:

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

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

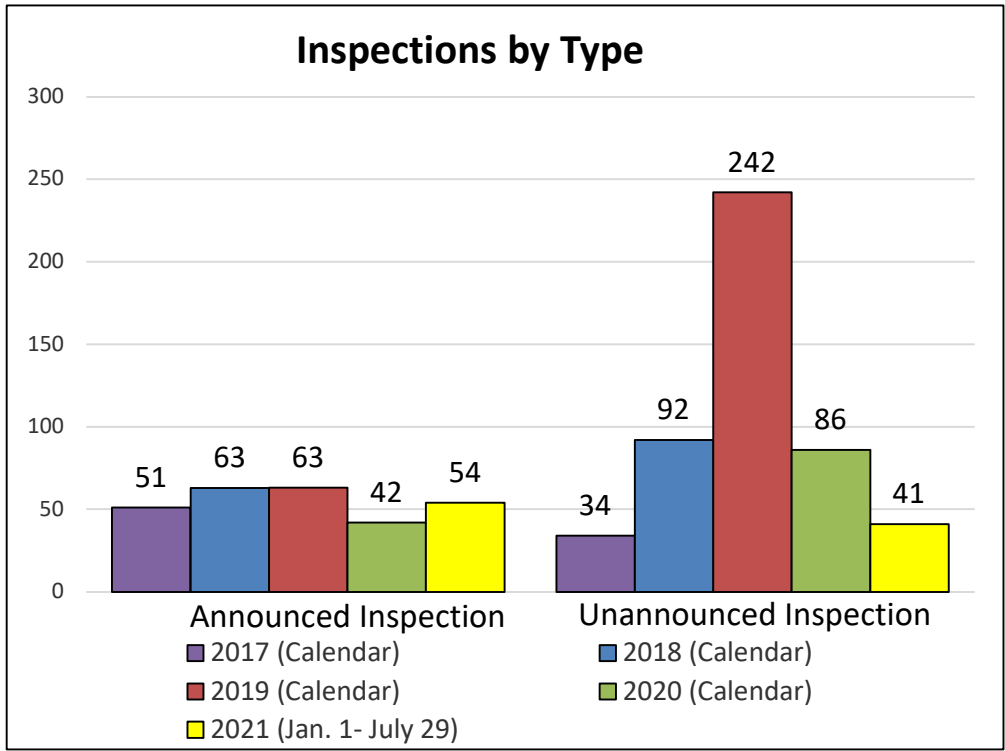
**2017  
(Calendar)  
Percentages:**  
Announced: 60.0  
Unannounced: 40.0

**2018  
(Calendar)  
Percentages:**  
Announced: 40.6  
Unannounced: 59.4

**2019  
(Calendar)  
Percentages:**  
Announced: 20.7  
Unannounced: 79.3

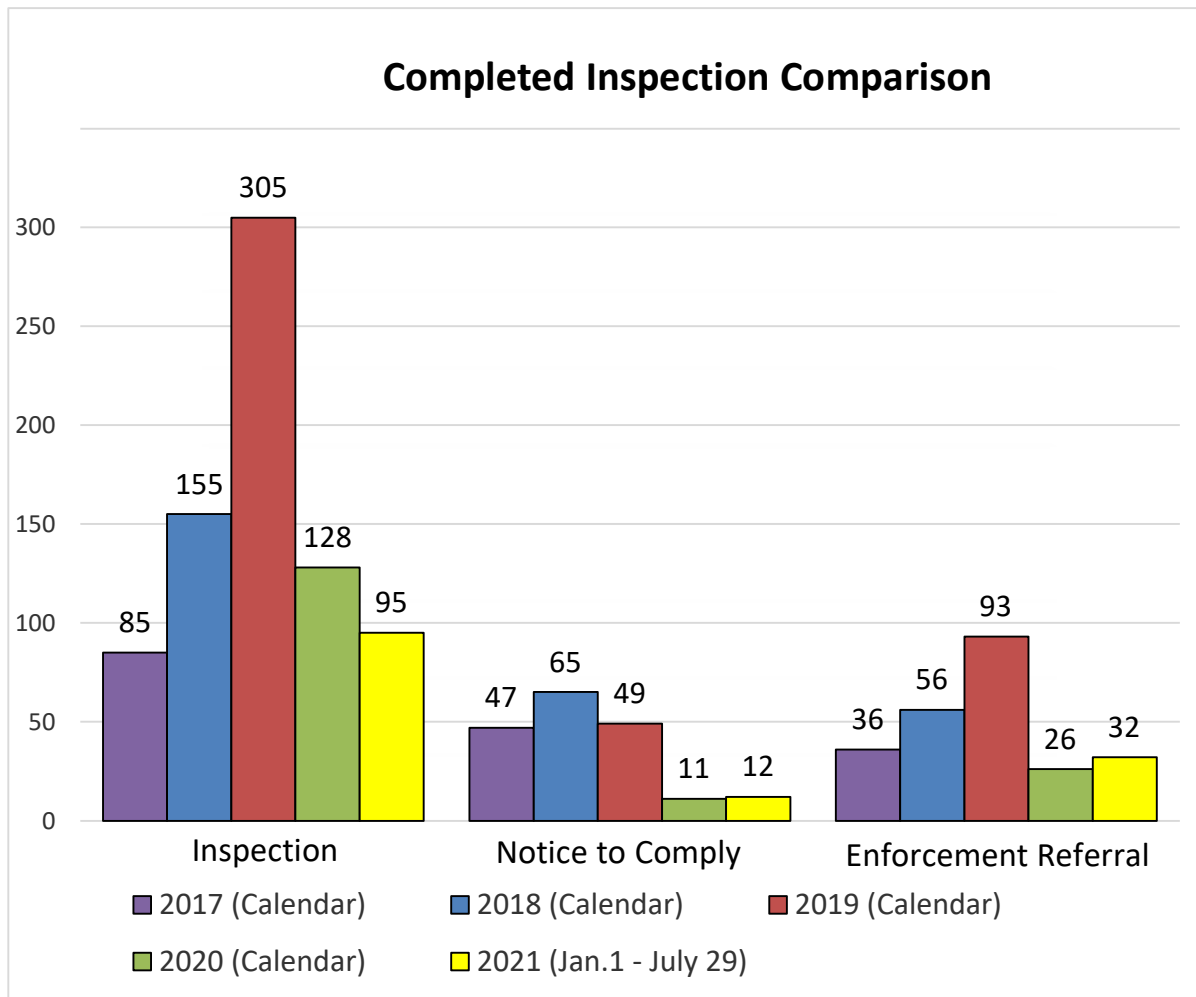
**2020  
(Calendar)  
Percentages:**  
Announced: 32.8  
Unannounced: 67.2

**2021  
(Jan.1 - July 29)  
Percentages:**  
Announced: 56.8  
Unannounced: 43.2



**2017 (Calendar) Total Inspections: 85**  
**2018 (Calendar) Total Inspections: 155**  
**2019 (Calendar) Total Inspections: 305**  
**2020 (Calendar) Total Inspections: 128**  
**2021 (Jan. 1 - July 29) Total Inspections: 95**

BPPE COMPLIANCE STATS



	2017 (Calendar)	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Jan.1 - July 29)
Announced Compliance Inspection (ACI)	51	63	63	42	54
Unannounced Compliance Inspection (UCI)	34	92	242	86	41
Total Compliance Inspections Completed (ACI + UCI)	85	155	305	128	95
Notice to Comply (NTC)	47	65	49	11	12
Enforcement Referral (ER)	36	56	93	26	32

**STATEMENT OF ISSUES**

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

BPPE DISCIPLINE STATS

## ACCUSATIONS

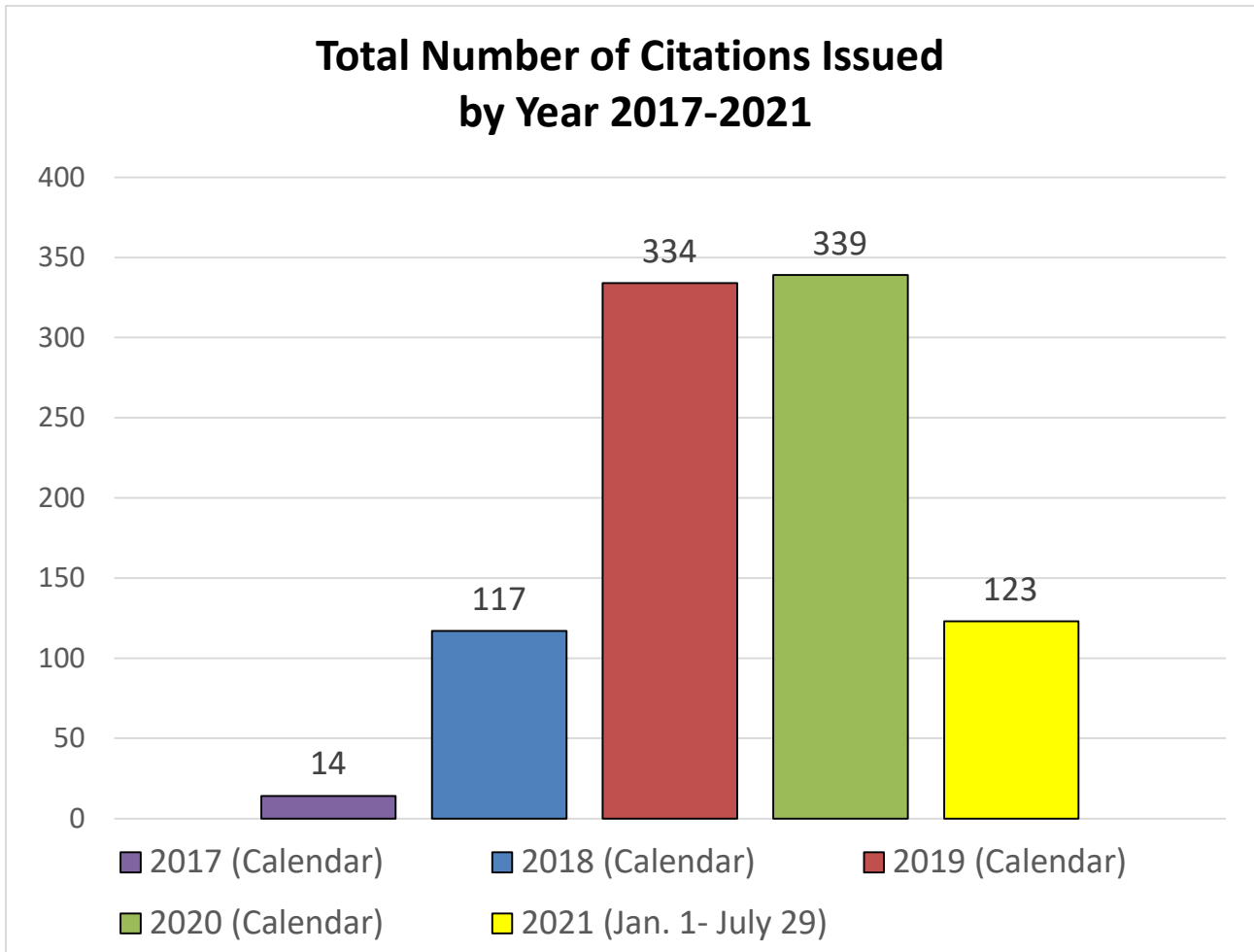
<b>Actions</b>	<b>2018</b> (Calendar)	<b>2019</b> (Calendar)	<b>2020</b> (Calendar)	<b>2021</b> (Jan. 1 - July 29)
Default: Revocation	1	0	5	2
PC 23	1	1	0	0
Proposed Decision: Probation Granted	0	1	0	0
Proposed Decision: Revocation	1	0	1	0
Rejected by DAG	0	3	0	1
Stipulated Settlement Probation	0	5	1	1
Stipulated Surrender	2	4	4	2
Stipulated Settlement - Public Reproval	0	0	1	0
Withdrawn By Bureau: Citation Issued	1	1	0	0
Withdrawn by Bureau: Renewal Granted	2	0	0	0
<b>Totals:</b>	<b>8</b>	<b>15</b>	<b>12</b>	<b>6</b>

<b>Automatic Suspensions</b>	<b>2018</b> (Calendar)	<b>2019</b> (Calendar)	<b>2020</b> (Calendar)	<b>2021</b> (Jan. 1- July 29)
Automatic Suspensions	1	4	13	0

<b>Emergency Decisions</b>	<b>2018</b> (Calendar)	<b>2019</b> (Calendar)	<b>2020</b> (Calendar)	<b>2021</b> (Jan. 1- July 29)
Emergency Decisions	4	1	1	0

<b>Pending with AG as of 07/29/2021</b>	<b>Total Transmitted</b>	<b>Total Served of Transmitted</b>
Accusations	8	6
Statement of Issues	2	1
<b>Totals:</b>	<b>10</b>	<b>7</b>

BPPE CITATION STATS



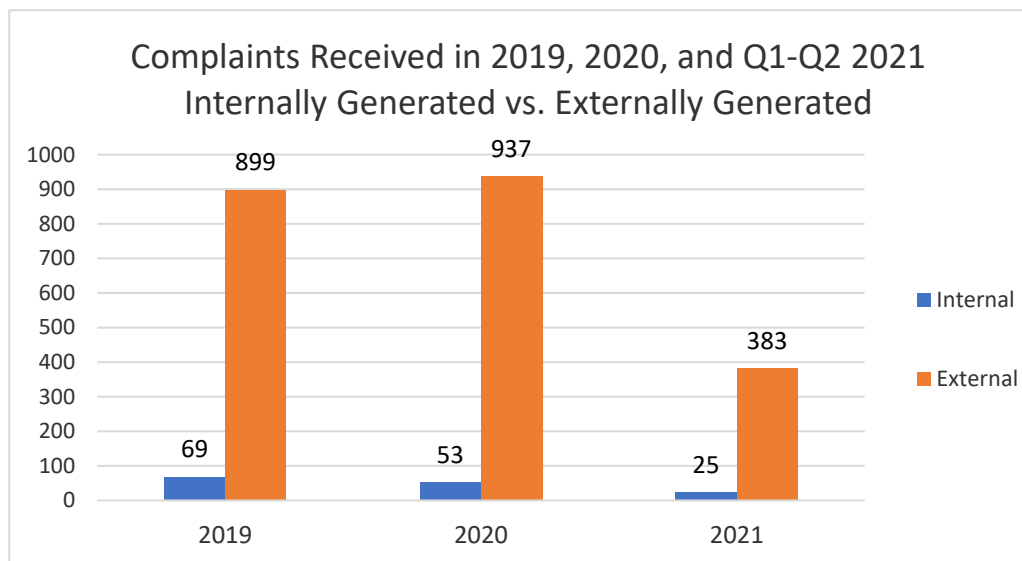
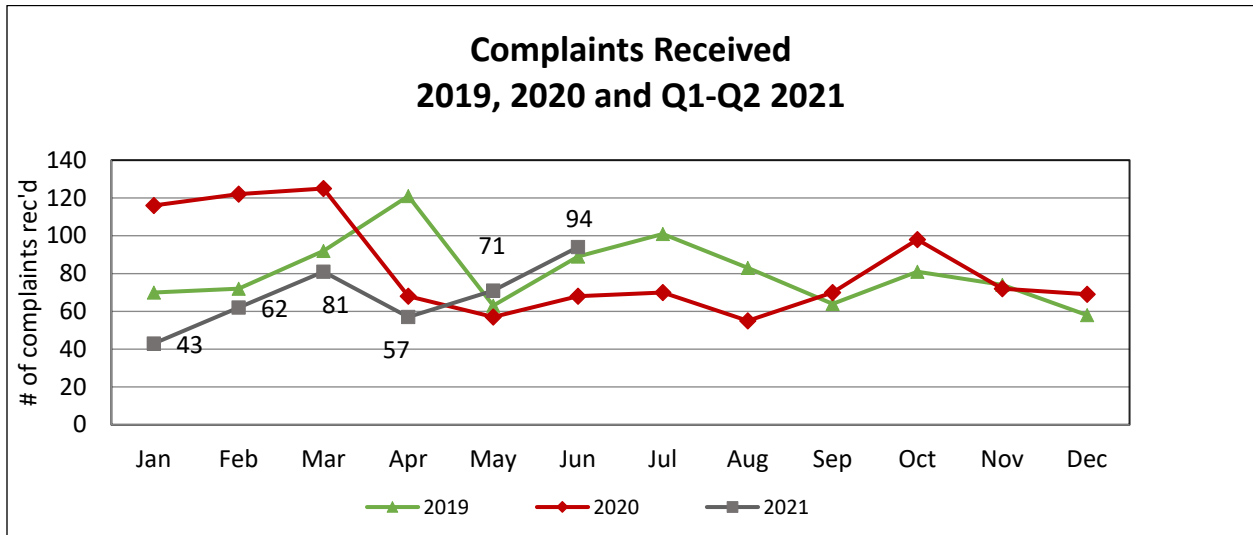
	2017 (Calendar)	2018 (Calendar)	2019 (Calendar)	2020 (Calendar)	2021 (Jan. 1-July 29)
<b>Citations Issued</b>	14	117	334	339	123
<b>Number of Schools Cited</b>	14	115	308	333	123

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

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

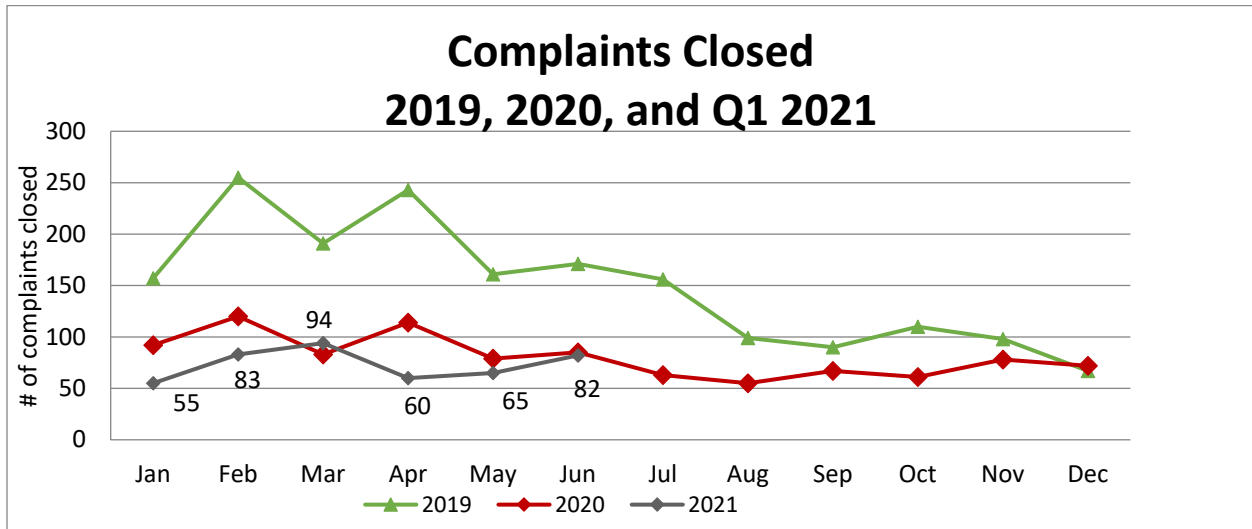
**COMPLAINT AND INVESTIGATION REPORT**

**COMPLAINT INVESTIGATIONS STATISTICS**  
**BPPE Advisory Committee Meeting**  
**August 26, 2021**



Q1-Q2 Complaints	
Total complaints received	408
Total schools receiving complaints	269
COVID related complaints received	60
COVID related complaints <b>closed</b>	56

**COMPLAINT INVESTIGATIONS STATISTICS**  
**BPPE Advisory Committee Meeting**  
**August 26, 2021**



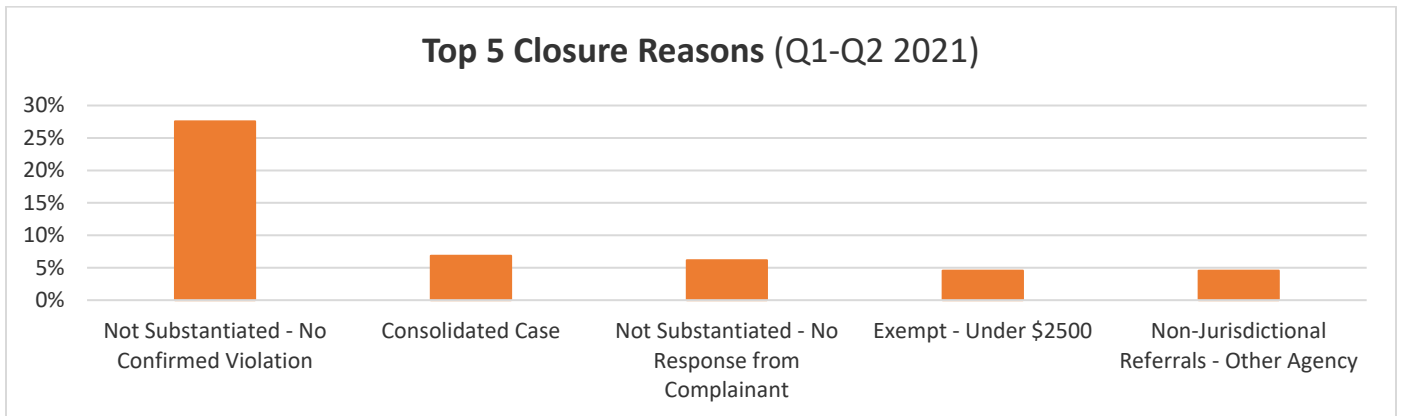
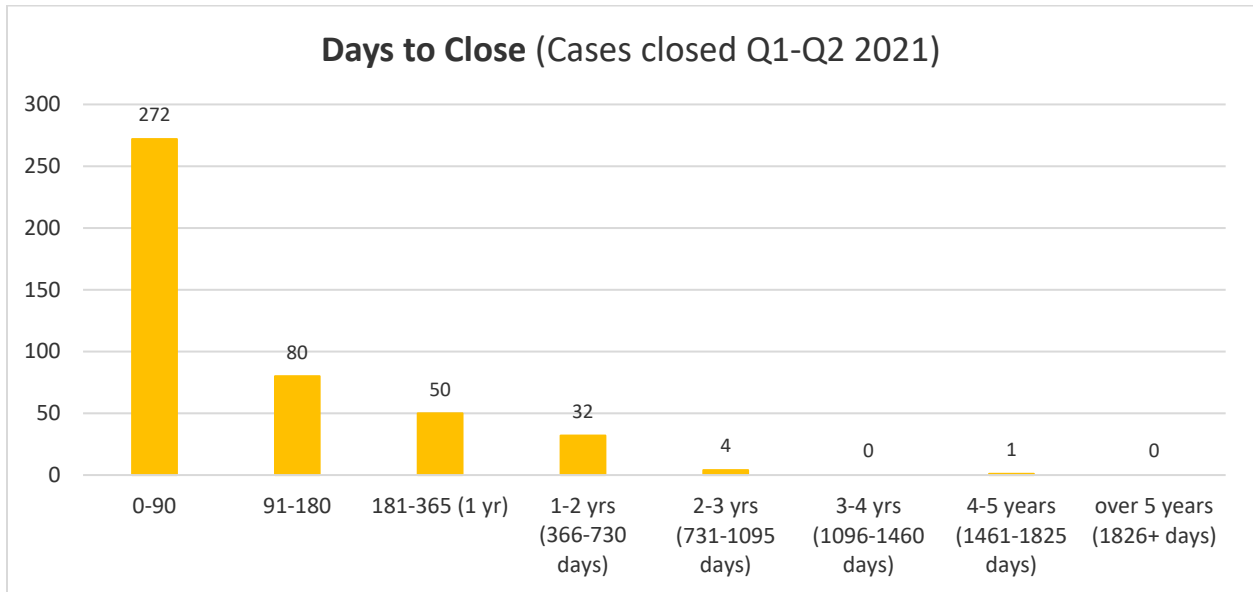
Q1 – Q2 Closed Complaints	
Month	2021
Jan	55
Feb	83
Mar	94
Apr	60
May	65
Jun	82
<b>Total</b>	<b>439</b>

CASE DISPOSITION - Q1-Q2	%	#
Referrals to Discipline Unit for further action*	8%	35
Compliance Obtained	2%	7
Mediated Settlement and Resolved by School	7%	32
Non-Jurisdictional - Closed Schools/STRF	4%	18
Non-jurisdictional - Referrals to Other Agency	10%	45
Exempt	12%	52
Duplicate Entry	4%	19
Consolidated Case	7%	30
Not Substantiated - No Confirmed Violation	28%	121
Not Substantiated - Insufficient Evidence to Confirm Violation	9%	41
Other Closure Reasons	3%	12
State Authorization Contract - Mediated Settlement	2%	7
State Authorization Contract - Unable to Resolve	4%	19
State Authorization Contract - Referred to Other Agency	0%	1
<b>TOTAL</b>	<b>100%</b>	<b>439</b>

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



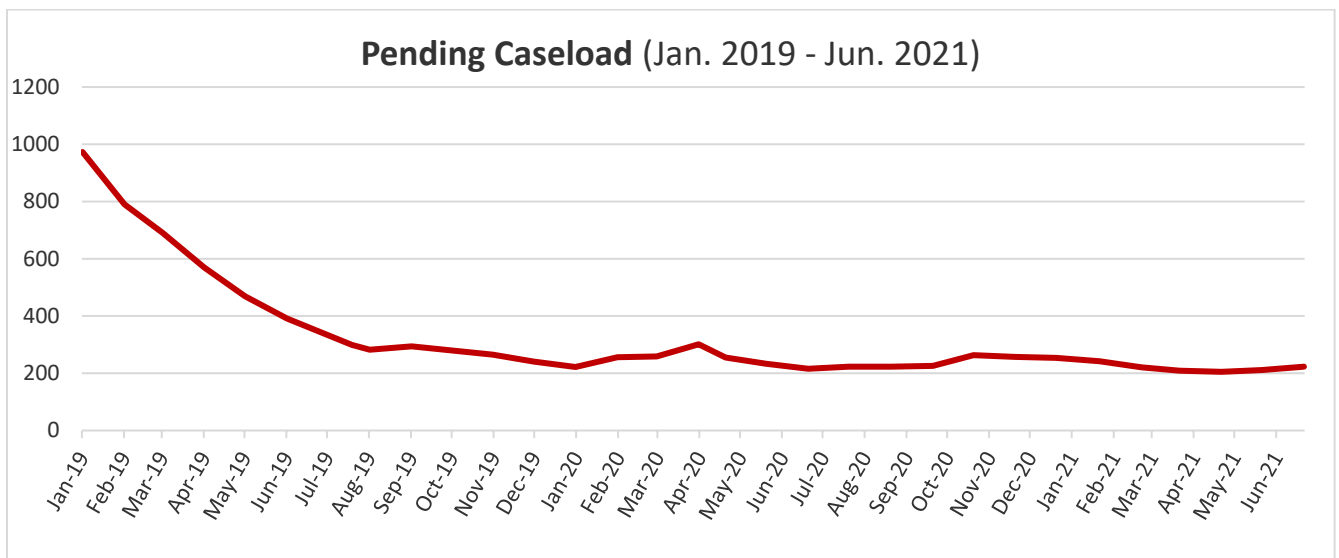
**COMPLAINT INVESTIGATIONS STATISTICS**  
**BPPE Advisory Committee Meeting**  
**August 26, 2021**



**COMPLAINT INVESTIGATIONS STATISTICS**  
**BPPE Advisory Committee Meeting**  
**August 26, 2021**

**PENDING CASELOAD AS OF 6/30/21**

CASE AGE	PENDING		EXT-STUDENT		URGENT	
	#	%	#	%	#	%
0-90	122	54.7%	82	55.4%	46	73.0%
91-180	40	17.9%	30	20.3%	10	15.9%
181-365 (1 yr)	32	14.3%	19	12.8%	4	6.3%
1-2 yrs (366-730 days)	18	8.1%	11	7.4%	3	4.8%
2-3 yrs (731-1095 days)	5	2.2%	3	2.0%	0	0.0%
3-4 yrs (1096-1460 days)	5	2.2%	3	2.0%	0	0.0%
4-5 years (1461-1825 days)	1	0.4%	0	0.0%	0	0.0%
over 5 years (1826+ days)	0	0.0%	0	0.0%	0	0.0%
<b>TOTAL</b>	<b>223</b>	<b>100%</b>	<b>148</b>	<b>100%</b>	<b>63</b>	<b>100%</b>
			66% of pending		28% of pending	



**COMPLAINT INVESTIGATIONS STATISTICS**  
**BPPE Advisory Committee Meeting**  
**August 26, 2021**

**Student Impact (January – June 2021)**

- Total of **\$37,914.00** in refunds to students or to their federal student aid account.
- Students received degree, diploma, proofs-of-training, certificate, license, and transcripts.
- Students re-enrolled in program.
- Students allowed to retake course at no additional cost.
- Students referred for Student Tuition Recovery Fund.
- Students placed in externships.
- Compliance obtained or school policy updated.

**LICENSING REPORT**

## Licensing Applications Status as of July 1, 2020 for Fiscal Year 20/21

Type	Received FY 20/21	Pending Assignment (Queue)	Under Review	Total Pending	Approved	Withdrawn or Abandoned	Denied	Total Closed	Average Days to Approve <sup>a</sup>
New Full Approval	45	15	45	60	30	8	8	46	321
New Accreditation	47	0	16	16	38	6	1	45	64
Renewal Full	78	0	102	102	20	7	5	32	421
Renewal Accreditation	75	0	43	43	52	8	1	61	148
Changes Full	212	0	70	70	208	19	10	237	126
Changes Accreditation	308	0	63	63	316	26	3	345	69
Verification of Exemption	258	0	36	36	207	0	73	280	68
Out of State Registration	31	0	5	5	23	1	0	24	64
<b>Totals:</b>	<b>1054</b>	<b>15</b>	<b>380</b>	<b>395</b>	<b>894</b>	<b>75</b>	<b>101</b>	<b>1070</b>	<b>160</b>

<sup>a</sup>Average Days to Approve is calculated from time assigned to analyst.

\*22 applications pending new term of accreditation.

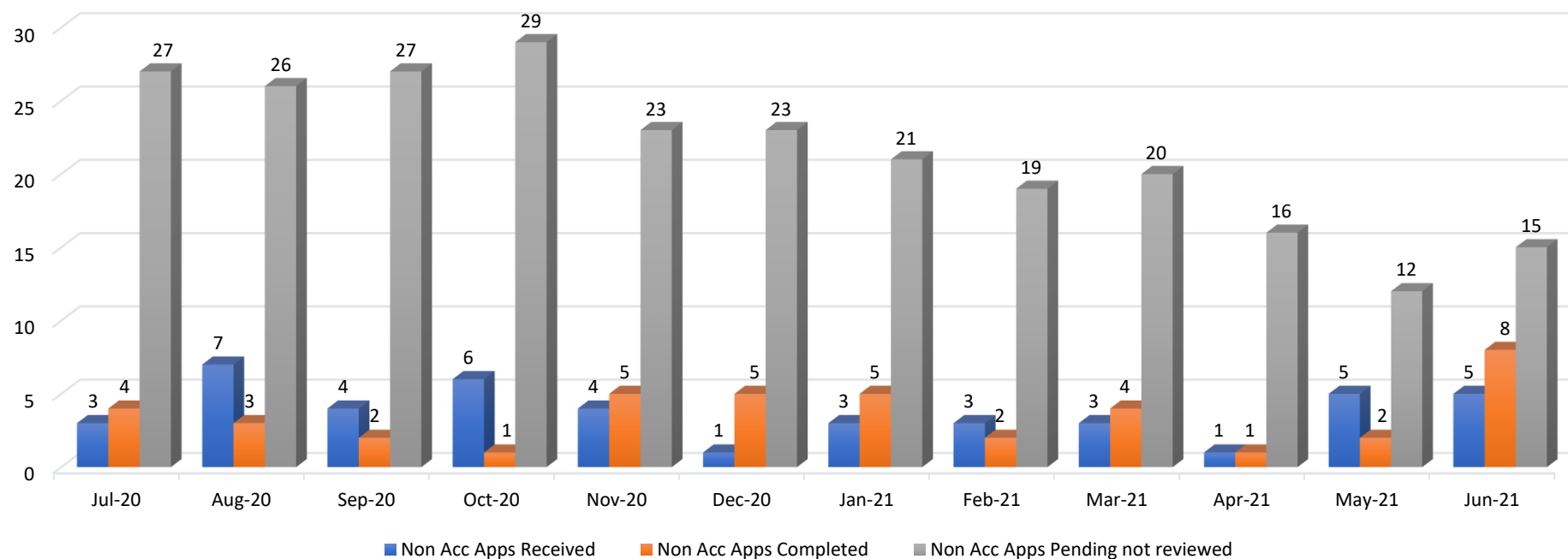
### Total Pending Applications by Date

Total pending applications on 7/1/2020:	390
Total pending applications on 1/1/2020:	435
Total pending applications on 1/1/2021:	454
Total pending applications on 5/1/2021:	437
Total pending applications on 7/1/2021:	395

### Oldest Pending Full Applications (as of 7/1/2021)

Oldest Full Apps in Queue:	5/19/2020	Application incomplete. 8/27/2021 due date
Oldest Full Apps Under Review:	1/30/2019	Application w/QEU. Response has been mailed
Oldest Renewal Full Apps Under Review:	4/10/2017	Discipline Issues
Median Date of Full Apps in Queue:	5/17/2021	

### 12 MONTH NEW NON ACC APP OVERVIEW



Month	Non Acc Apps Received	Non Acc Apps Completed	Non Acc Apps Pending not reviewed
Jul-20	3	4	27
Aug-20	7	3	26
Sep-20	4	2	27
Oct-20	6	1	29
Nov-20	4	5	23
Dec-20	1	5	23
Jan-21	3	5	21
Feb-21	3	2	19
Mar-21	3	4	20
Apr-21	1	1	16
May-21	5	2	12
Jun-21	5	8	15

<b>Total Number of Schools by Location Type &amp; Approval Type</b>				
<b>As of July 1, 2021</b>				
<b>Location Type</b>	<b>Mains</b>	<b>Branches</b>	<b>Satellites</b>	<b>Total Locations</b>
		<b>963</b>	<b>359</b>	<b>513</b>
<b>Approval Type</b>	<b>ABMA (Accredited)</b>	<b>Full (Non Accredited)</b>	<b>Conditional<sup>a</sup></b>	<b>Provisional<sup>b</sup></b>
	<b>411</b>	<b>519</b>	<b>1</b>	<b>32</b>

<sup>a</sup>Conditional Approvals are issued for a period up to six months when minor deficiencies exist but the institution is substantially in compliance with the requirements of the laws and regulations (California Code of Regulations section 71400(d)(1)).

<sup>b</sup>Provisional Approvals are issued to unaccredited institutions seeking approval to offer one or more degree programs and must satisfy the requirements under California Education Code section 94885.5.

		<b>10/30/2018</b>	<b>2/1/2019</b>	<b>5/3/2019</b>	<b>8/1/2019</b>	<b>10/1/2019</b>	<b>2/1/2020</b>
<b>Location Type</b>	Main	1,073	1,093	1,066	1,042	1,041	1043
	Branch	397	401	390	386	381	377
	Satellite	505	520	530	530	533	537
<b>Approval Type</b>	ABMA	440	442	431	433	438	435
	Full	598	607	592	568	563	570
	Conditional	21	0	1	1	0	0
	Provisional	14	44	42	39	40	38

<b>7/1/2020</b>	<b>11/1/2020</b>	<b>1/1/2021</b>	<b>5/1/2021</b>	<b>7/1/2021</b>
1018	1018	1032	956	963
374	370	372	364	359
542	528	529	518	513
422	421	428	408	411
558	559	566	513	519
0	2	0	1	1
38	36	38	34	32

Approved Out of  
State  
Registrations as  
of 5/1/2021  
**69**

**OFFICE OF STUDENT ASSISTANCE AND RELIEF (OSAR) REPORT**



# Office of Student Assistance and Relief

2020/21 State Fiscal Year

Data as of June 30, 2021



## CHART A: INFORMED CHOICE OUTREACH AND EDUCATIONAL ACTIVITIES

Student Outreach Activities	Event Type	Event Date	Event Location
California Transition Assistance Program Beale Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	7/9/2020	Yuba County, CA
California Transition Assistance Program Travis Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	7/10/2020	Travis Air Force Base, CA
California Transition Assistance Program March Air Reserve Base Virtual Workshop	Virtual Student Workshop / Presentation	8/7/2020	Riverside County, CA
California Transition Assistance Program Presidio of Monterey Virtual Workshop	Virtual Student Workshop / Presentation	8/10/2020	Monterey, CA
California Transition Assistance Program Fort Irwin Virtual Workshop	Virtual Student Workshop / Presentation	8/31/2020	Fort Irwin, CA
California Transition Assistance Program Homeport California, Camp Pendleton Virtual Workshop	Virtual Student Workshop / Presentation	9/9/2020	San Diego, CA
California Transition Assistance Program Marine Corps Recruit Depot Virtual Workshop	Virtual Student Workshop / Presentation	9/10/2020	San Diego, CA
California Transition Assistance Program Travis Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	9/18/2020	Travis Air Force Base, CA
California Transition Assistance Program Vandenberg Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	9/25/2020	Vandenberg Air Force Base, CA
California Transition Assistance Program Naval Air Station Lemoore Virtual Workshop	Virtual Student Workshop / Presentation	9/30/2020	Kings County, CA
California Transition Assistance Program MCAS Miramar Virtual Workshop	Virtual Student Workshop / Presentation	10/13/2020	MCAS Miramar, CA
California Transition Assistance Program Beale Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	10/14/2020	Yuba County, CA
California Transition Assistance Program Los Angeles Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	10/15/2020	Los Angeles, CA
California Student Opportunity and Access Program (Cal-SOAP) Virtual College Fair	Virtual College Fair	10/28/2020	San Diego, CA
California Transition Assistance Program Presidio of Monterey Virtual Workshop	Virtual Student Workshop / Presentation	11/5/2020	Monterey, CA
Natomas Unified School District How to Pay for College Workshop	Virtual Student Workshop / Presentation	11/12/2020	Sacramento, CA
California Transition Assistance Program Marine Corps Recruit Depot Virtual Workshop	Virtual Student Workshop / Presentation	11/19/2020	San Diego, CA
California Transition Assistance Program Homeport California, Camp Pendleton Virtual Workshop	Virtual Student Workshop / Presentation	11/23/2020	San Diego, CA
California Transition Assistance Program Travis Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	12/4/2020	Travis Air Force Base, CA
California Transition Assistance Program Fort Irwin Virtual Workshop	Virtual Student Workshop / Presentation	12/7/2020	Fort Irwin, CA

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

Student Outreach Activities	Event Type	Event Date	Event Location
Natomas Unified School District Researching Colleges Workshop	Virtual Student Workshop / Presentation	12/10/2020	Sacramento, CA
California Transition Assistance Program Naval Base Ventura Virtual Workshop	Virtual Student Workshop / Presentation	12/15/2020	Port Hueneme, CA
Info Hour With OSAR Virtual Workshop	Virtual Student Workshop / Presentation	12/22/2020	Sacramento, CA
California Transition Assistance Program Beale Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	1/14/2021	Yuba County, CA
California Transition Assistance Program Homeport California, Camp Pendleton Virtual Workshop	Virtual Student Workshop / Presentation	1/21/2021	San Diego, CA
California Transition Assistance Program Travis Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	1/22/2021	Travis Air Force Base, CA
Black College Expo	Virtual College Fair	2/19/2021	California
Black College Expo	Virtual College Fair	2/20/2021	California
California Transition Assistance Program Presidio of Monterey Virtual Workshop	Virtual Student Workshop / Presentation	2/22/2021	Monterey, CA
California Transition Assistance Program Fort Irwin Virtual Workshop	Virtual Student Workshop / Presentation	3/1/2021	Fort Irwin, CA
California Transition Assistance Program Los Angeles Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	3/3/2021	Los Angeles, CA
California Transition Assistance Program Naval Air Station Lemoore Virtual Workshop	Virtual Student Workshop / Presentation	3/17/2021	Kings County, CA
California Transition Assistance Program Marine Corps Recruit Depot Virtual Workshop	Virtual Student Workshop / Presentation	3/18/2021	San Diego, CA
California Transition Assistance Program Vandenberg Virtual Workshop	Virtual Student Workshop / Presentation	3/26/2021	Vandenberg Air Force Base, CA
California Transition Assistance Program MCAS Miramar Virtual Workshop	Virtual Student Workshop / Presentation	4/1/2021	MCAS Miramar, CA
Informational Meeting for Newberry School of Beauty Students	Virtual Student Workshop / Presentation	4/8/2021	Granada Hills, CA
California Transition Assistance Program Travis Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	4/9/2021	Travis Air Force Base, CA
National Association for College Admission Counseling (NACAC) Virtual College Fair	Virtual College Fair	4/10/2021	California
California Transition Assistance Program Beale Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	4/15/2021	Yuba County, CA
California Transition Assistance Program Homeport California, Camp Pendleton Virtual Workshop	Virtual Student Workshop / Presentation	4/15/2021	San Diego, CA
California Transition Assistance Program Presidio of Monterey Virtual Workshop	Virtual Student Workshop / Presentation	5/17/2021	Monterey, CA
California Transition Assistance Program Fort Irwin Virtual Workshop	Virtual Student Workshop / Presentation	6/1/2021	Fort Irwin, CA

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

Student Outreach Activities	Event Type	Event Date	Event Location
California Transition Assistance Program Education Pathway Virtual Workshop	Virtual Student Workshop / Presentation	6/1/2021	San Diego, CA
California Transition Assistance Program Los Angeles Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	6/3/2021	Los Angeles, CA
California Transition Assistance Program Naval Air Station Lemoore Virtual Workshop	Virtual Student Workshop / Presentation	6/23/2021	Kings County, CA
California Transition Assistance Program Marine Corps Recruit Depot Virtual Workshop	Virtual Student Workshop / Presentation	6/24/2021	San Diego, CA

**CHART B: CLOSED SCHOOL OUTREACH WORKSHOPS**

Student Outreach Activities	Event Type	Event Date	Event Location
Royale College of Beauty and Barbering Virtual School Closure Outreach Event	Virtual Student Workshop	8/25/2020	Temecula, CA
California University of Business and Technology Virtual Program Closure Outreach Event	Virtual Student Workshop	9/4/2020	Hacienda Heights, CA
Saint Leo University Virtual School Closure Outreach Event	Virtual Student Workshop	10/15/2020	San Diego, CA

**CHART C: OTHER CLOSED SCHOOL OUTREACH EFFORTS**

Student Outreach Activities	Outreach Type	Date Conducted	School Location
Glen Oaks College	Email Outreach	7/1/2020	Riverside, CA
Professional School of Psychology	Email Outreach	8/26/2020	Sacramento, CA
Basis International University	Email Outreach	9/16/2020	San Diego, CA
University of East West Medicine (Program Closure)	Email Outreach	9/16/2020	Sunnyvale, CA
160 California, LLC dba 160 Driving Academy (Branch Closure)	Email Outreach	9/23/2020	Yucca Valley, CA
Metis d/b/a of Kaplan, Inc.	Email Outreach	10/6/2020	San Francisco, CA
LA Barber College	Email Outreach	11/18/2020	Los Angeles, CA
Fashion Institute of Design & Merchandising (Branch Closure)	Email Outreach	11/18/2020	San Diego, CA
Park University (Branch Closure)	Email Outreach	11/18/2020	Fort Irwin, CA
John F Kennedy University	Email Outreach	12/11/2020	Pleasant Hill, CA

**CHART C: OTHER CLOSED SCHOOL OUTREACH EFFORTS (CONTINUED)**

Student Outreach Activities	Outreach Type	Date Conducted	School Location
Alliance School of Trucking	Email Outreach	12/21/2020	Chatsworth, CA
Golden State University (Program Closure)	Email Outreach	12/23/2020	Downey, CA
Blake Austin College	Email Outreach	1/20/2021	Vacaville, CA
Lifton Institute of Media Arts and Sciences	Email Outreach	1/21/2021	Castaic, CA
Southwestern California University	Email Outreach	2/18/2021	Los Angeles, CA
University of Herbal Medicine	Email Outreach	2/18/2021	Hayward, CA
Milan Institute (Branch Closure)	Email Outreach	2/25/2021	Bakersfield, CA
Kaplan International at Golden West College	Email Outreach	3/8/2021	Huntington Beach, CA
Kaplan International (Branch)	Email Outreach	3/8/2021	San Francisco, CA
Stockton Barber College	Email Outreach	3/18/2021	Stockton, CA
Holberton School	Email Outreach	3/26/2021	San Francisco, CA
New School of Cooking	Email Outreach	5/3/2021	Pasadena, CA
General Assembly	Email Outreach	5/28/2021	Santa Monica, CA
Instituto Hispano Americano	Email Outreach	6/10/2021	Bakersfield, CA
New School of Cooking	Email Outreach	6/11/2021	Pasadena, CA

# Office of Student Assistance and Relief

2021/22 State Fiscal Year

Data as of July 27, 2021



## **CHART A: INFORMED CHOICE OUTREACH AND EDUCATIONAL ACTIVITIES**

Student Outreach Activities	Event Type	Event Date	Event Location
California Transition Assistance Program Homeport California, Camp Pendleton Virtual Workshop	Virtual Student Workshop / Presentation	7/8/2021	Yuba County, CA
California Transition Assistance Program Travis Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	7/9/2021	Travis Air Force Base, CA
California Transition Assistance Program Beale Air Force Base Virtual Workshop	Virtual Student Workshop / Presentation	7/22/2021	Riverside County, CA

## **CHART B: OTHER CLOSED SCHOOL OUTREACH EFFORTS**

Student Outreach Activities	Outreach Type	Date Conducted	School Location
American Tech and Management University, Inc.	Email Outreach	7/6/2021	Pleasanton, CA
Advanced Computer Training Schools dba Alliance Career Training Schools	Email Outreach	7/6/2021	Salinas, CA
General Assembly (Branch)	Email Outreach	7/6/2021	Santa Monica, CA
Fashion Institute of Design & Merchandising (Branch)	Email Outreach	7/6/2021	San Francisco, CA
Heavy Equipment Colleges of America (Branch)	Email Outreach	7/8/2021	Fort Irwin, CA
Hackbright Academy	Email Outreach	7/14/2021	San Francisco, CA

**Office of Student Assistance and Relief  
AB-1346 / Corinthian Colleges Outreach Campaign**

December 30, 2020 to Date

<b>Total Email Messages Sent from OSAR to Former Corinthian Colleges Students<sup>1</sup></b>	
<b>57,279</b>	
<b>Total Email Messages Sent from CSAC to Former Corinthian Colleges Students<sup>2</sup></b>	
<b>41,087</b>	
<b>Total Number of Calls Received</b>	
<b>625</b>	
<b>Total Number of Emails Received</b>	
<b>600</b>	
<b>Total Number of Corinthian Colleges STRF Claims Received</b>	
<b>191</b>	
<b>Outreach for Previously Denied STRF Claims<sup>3</sup></b>	
<b>Number of Previously Denied STRF Claims</b>	<b>177</b>
<b>Email Correspondence Sent</b>	<b>149</b>
<b>Letters Sent<sup>4</sup></b>	<b>28</b>

<sup>1</sup> 57,279 email addresses from the student lists which the Bureau has in possession have been contacted via email.

<sup>2</sup> 41,087 students have been contacted on behalf of OSAR from lists which the California Student Aid Commission (CSAC) has in its possession.

<sup>3</sup> STRF Claims received from former Corinthian Colleges students that were previously denied due to enrollment dates that now may be eligible under AB-1346.

<sup>4</sup> Physical letters with our Corinthian College outreach message have been mailed to students who were either inaccessible via email or if it was determined that the students' email addresses were no longer in service.

Data as of July 29, 2021

**STUDENT TUITION RECOVERY FUND (STRF) REPORT**

# Student Tuition Recovery Fund (STRF) Claims

2020/2021 State Fiscal Year (07/01/2020 to 06/30/2021)

2021/2022 State Fiscal Year (07/01/2021 to Current)

STRF Claims Received		
State Fiscal Year	2020/2021	2021/2022
Claims Received	1,337	50

STRF Claims Closed		
State Fiscal Year	2020/2021	2021/2022
Claims Approved <sup>1</sup>	457	16
Claims Ineligible <sup>2</sup>	79	4
Claims Denied <sup>2</sup>	171	2
Unable to Contact <sup>3</sup>	138	0
<b>Total</b>	<b>845</b>	<b>22</b>

Current STRF Claims		
State Fiscal Year	2020/2021	2021/2022
In Queue	796	810
Analyst Review	153	160
Waiting for Student Response	198	196
Analyst's First Review Complete / Recommendation Pending	169	180
<b>Total</b>	<b>1316</b>	<b>1346</b>

STRF Claims Approved for Payment (Amount)		
State Fiscal Year	2020/2021	2021/2022
Amount	\$6,492,131.21	\$146,900.22

STRF Claims Pending Payment - State Controller's Office		
State Fiscal Year	2020/2021	2021/2022
Claims	15	55

## Definitions

Claims Approved <sup>1</sup>	Claims Approved For Payment/Paid
Ineligible / Denied <sup>2</sup>	Student Not Eligible For Payment and/or Claim Did Not Satisfy The Requirements of California Education Code §94923(b)(2)
Unable to Contact <sup>3</sup>	Staff Reached Out to Student via Phone, Email & Written Correspondence At Least Three Times

<b>Current Fund Balance:</b>	<b>\$15,751,227</b>
<b>Historical Fund Balances (State Fiscal Year Closing):</b>	
2020-21	\$15,817,000
2019-20	\$21,723,000
2018-19	\$25,100,695
2017-18	\$26,295,000
2016-17	\$28,497,000

Data as of: 08/02/2021



## Student Tuition Recovery Fund Claims

### Large Impact Closures 2021/2022 State Fiscal Year

	STRF Claims Received	STRF Claims Pending	Ineligible / Denied	Unable to Contact	Number of STRF Claims Approved <sup>1</sup>	Dollar Amount Approved for Payment	Educational Credit Dollar Amount Paid
ITT Tech	0	0	0	1	0	\$0	\$0
Heald <sup>2</sup>	4	4	0	0	3	\$20,294	\$0
WyoTech <sup>2</sup>	0	0	0	0	0	\$0	\$0
Everest <sup>2</sup>	1	1	0	0	1	\$0	\$0
Art Institute <sup>3</sup>	0	0	1	0	1	\$28,618	\$0
Argosy <sup>3</sup>	0	0	0	0	0	\$0	\$0
Silicon Valley	40	40	0	0	2	\$38,431	\$0
Brightwood <sup>4</sup>	0	0	0	0	1	\$458	\$0
Golf Academy <sup>4</sup>	0	0	0	0	0	\$0	\$0

### From School Closure to Current (Total Impact)

	STRF Claims Received	STRF Claims Pending	Ineligible / Denied	Unable to Contact	Number of STRF Claims Approved	Dollar Amount Approved for Payment	Educational Credit Dollar Amount Paid
ITT Tech	306	6	156	81	63	\$464,672	\$37,254
Heald <sup>2</sup>	478	253	84	63	78	\$729,899	\$28,535
WyoTech <sup>2</sup>	166	33	44	34	55	\$298,644	\$0
Everest <sup>2</sup>	554	208	127	107	112	\$462,612	\$0
Art Institute <sup>3</sup>	99	14	23	7	55	\$734,933	\$0
Argosy <sup>3</sup>	103	31	11	24	36	\$488,728	\$8,571
Silicon Valley	1083	801	3	5	274	\$5,047,485	\$0
Brightwood <sup>4</sup>	394	30	27	58	279	\$1,308,829	\$4,000
Golf Academy <sup>4</sup>	17	2	1	1	13	\$136,311	\$0

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

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

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

<sup>4</sup> Brightwood College and Golf Academy of America were operated by Education Corporation of America.

Data as of 08/02/2021

**STATUS UPDATES RELATED TO THE FOLLOWING REGULATIONS:**

- a.** Status on Application for Verification of Exempt Status  
(California Education Code (CEC) Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5; Title 5, CCR Section 71395)
- b.** Discussion on Draft Language for Labor Market Outcome Data Reporting  
(California Code of Regulations (CCR) Sections 74110(d)(e), and 74112(o), CEC Section 94892.6, AB 1340)
- c.** Discussion on Draft Out-of-State Institution Registration Form  
(CCR Section 71396, CEC Section 94801.5, AB 1344)

**ATTACHMENT:**

- 1. BPPE Regulation Summary
- 2. Draft Language for Labor Market Outcome Data Reporting (CCR Sections 74110(d)(e), and 74112(o), CEC Section 94892.6, AB 1340)
- 3. August 16, 2021 Issue Memo: Labor Market Outcomes on BPPE Website
- 4. Proposed Changes to Currently Drafted Out-of-State Registration Form (CCR Section 71396, CEC Section 94801.5, AB 1344)
- 5. Draft Application for Registration or Re-Registration of Out of State Institutions (CEC Sections 94801.5, 94850.5, and 94930.5; CCR Sections 71396, 74000, 76130, and 76215)

## BPPE Regulation Summary

Sec #	Short Title	Action	Description	Pre-Approve	Legal Review	Dept.	Agency	OAL	Notice	Hearing	OAL Final	File SoS
71395	Exempt	Amend	Verification of Exempt Status amends the form to reflect numerous statutory changes.		→	7/28/21						
74110, 74112	AB 1340	Adopt	Establish data collection system for student wage data.	Regulations in development								
71396	AB 1344	Adopt	Revise Out-of-State Registration Form	Regulations in development								

## Draft Language for Labor Market Outcome Data Reporting

74110 (d) The annual report and required supplementary documents, including the School Performance Fact Sheet, enrollment agreement, school catalog, and graduate identification data as specified in Section 74112(o) of this Division, shall be electronically filed by submitting the information required by section 94934 of the Code and this section via an online portal designated by the Bureau the online form provided on the Bureau's website, electronically attaching, as directed, the School Performance Fact Sheet, the enrollment agreement, and the school catalog.

74110 (e) It shall be considered a material violation if an institution's Annual Report submission is incomplete at the deadline for submission because it does not contain the School Performance Fact Sheet, the enrollment agreement, the school catalog, the financial statements required by Section 74110(b) of this division, or the graduate identification data.

74112 (o) The institution shall provide identification data for all students who graduated from a program on or after January 1, 2020, which shall include:

- 1) The graduate's name and federal taxpayer identification number, which is either the graduate's social security number (SSN) or individual taxpayer identification number (ITIN); if the graduate does not have an SSN or ITIN, the graduate's information shall be reported as "not available";
- 2) the date of graduation;
- 3) For the program in which the graduate was enrolled
  - a. The Standard Occupation Classification codes for which the institution has identified that the program prepares its graduates
  - b. Program name
  - c. Program length, as measured in clock hours or credit hours
- 4) the amount of federal student loan debt for those graduates with federal student loan debt, as reported under subdivision (g) of Section 74112 of Title 5 of the California Code of Regulations;
- 5) the graduate's race, gender, and ethnicity, if self-reported.

After 120 days have elapsed from the point at which the Bureau notifies institutions that the Director of Consumer Affairs has certified the readiness of the Bureau's computer system as required by Education Code section 94892.6, the graduate identification data collected by institutions shall be reported to the Bureau within the first annual report reporting cycle to occur. The first report shall include information collected on all students who graduated from January 1, 2020 through the end of the most recently completed calendar year. Subsequent graduate identification data reports shall include information about students who graduated in the most recently completed calendar year only.



## ISSUE MEMORANDUM

<b>DATE</b>	August 16, 2021
<b>TO</b>	Advisory Committee Members
<b>FROM</b>	Deborah Cochrane, Bureau Chief
<b>SUBJECT</b>	<b>Labor Market Outcomes on BPPE Website (California Education Code 949892.6)</b>

California Education Code 94892.6 requires the Bureau to collect information from institutions about each of their graduates, for the purposes of linking it with Education Development Department and publishing on its website “easily understood labor market measures... regarding the earnings levels of graduates and the student debt information” by program and by institution, two and five years after graduation.

Caroline Siegel-Singh, a Summer Fellow with the Governor’s Office who, worked in collaboration with Bureau staff, engaged stakeholders to solicit input on what types of outputs the Bureau may want to consider once data is collected and matched as required. Between July 25 – August 10, 2021, Ms. Siegel Singh interviewed 9 individuals representing student/consumer organizations, institutions, and researchers. Key themes regarding the website content and interface are below.

Suggestions regarding the website content:

- To be of greatest support to prospective students, the web interface must be simple and avoid being overly cluttered, with myriad data points. Multiple stakeholders mentioned the value to students, provided by a simple dashboard, such as the US Department of Education College Scorecard.
- The most helpful labor market measures named by stakeholders were median and average earnings. However, if there was only the option to use a single data point, there was an agreement that medians would be better and less impacted by outliers in the dataset. One interviewee also mentioned the utility of displaying the distribution of the earnings ranges (e.g., 25/50/75%).
- If a choice between providing actual earnings (raw) or earnings that are adjusted to account for a full year (annual), most interviewees felt that raw earnings would give prospective students the most accurate information regarding earnings capacity. There was concern that using annualized earnings would not provide an accurate metric to measure earnings potential.
- There was some support for discerning between program modality on the website, so that students could compare outcomes of in-person, hybrid, and online programs.

Suggestions regarding the website interface:

- Similar to the U.S. Department of Education’s College Scorecard, the Bureau may want to consider publishing a very small number of data points on the website but making a more robust set of data points available for download.
- Some interviewees urged the Bureau to be thoughtful about how new data points would be positioned or integrated with preexisting information (such as from the School Performance Fact Sheets) on a graduates’ earnings and debt. Potential duplication of efforts was a concern.
- One interviewee mentioned the importance of accessibility to prospective students, and for a mobile-friendly interface in particular.
- Interviewees strongly suggested that there be definitions for each datapoint to help students understand what specific values (such as “raw earnings”) would mean, and to provide context for students regardless of their data literacy.

## Proposed Changes to Currently Drafted Out-of-State Registration Form

Effective July 1, 2022, California Education Code 94801.5 (as modified by AB 1344) requires the Bureau to update its out-of-state registration form to collect additional information about institutions seeking to register with the Bureau, and directs BPPE to “exercis[e] its reasonable discretion” to “approve, reject, or condition registration based upon a review of all of the information provided to it.”

At the Bureau’ May 27, 2021 advisory committee meeting and in related communications subsequent to the meeting, committee members provided suggestions for how to modify the draft out-of-state registration form to collect information necessary to make determinations about whether to approve, reject, or condition registration of an applicant.

The Bureau has considered the suggestions provided and is proposing to amend the draft form as follows:

---

### **Page one:**

- Amend last sentence of opening paragraph: “Each registration and re-registration application carries a fee of \$1,500.00 . . .”
- Delete paragraph listing four items to be included in application. Replace with the following language: “All items directed to be submitted in this application must be included for the application to be considered complete. The Bureau reserves the right to ask for any supplemental information it deems relevant.”
- Amend “This is an application for re-registration. (The Bureau previously granted a registration. Number \_\_\_\_\_.)”

### **Section 6**

- Add to *Section 6*: “Attached is the institution’s Financial Responsibility Composite Scores for the past five years, as determined by the U. S. Department of Education, as well as any information regarding the institution’s placement on Heightened Cash Monitoring, if applicable.” “Documents are attached: \_\_\_\_\_ (initial)”

### **Section 7**

- Delete current *Section 7*: Replace with new Section 7: “Section 7 – Student Tuition Recovery Fund (STRF) Documentation
- Add “Attached is a copy of the current catalog for California students, showing the required STRF disclosures.”
- Add “Documents are attached: \_\_\_\_\_ (initial)”
- For institutions that use enrollment agreements, attached is a copy of a sample enrollment agreement for California students, showing the required Student Tuition Recovery Fund (STRF) disclosures.

- Add "Documents are attached: \_\_\_\_\_ (initial)"
- For institutions that do not use enrollment agreements, attached are documents showing how the required STRF notifications are made to California students.
- Add "Documents are attached: \_\_\_\_\_ (initial)"
- Attached are copies of the records required to be kept by 5 CCR 76140 for each student for the past five years.
- Add "Documents are attached: \_\_\_\_\_ (initial)"

### **Section 8**

- Amend *Section 8 number 1*: Has the institution, or a predecessor institution under substantially the same control or ownership, had its authorization or approval revoked or suspended by a state or ~~by~~ the federal government, or, within five years before submission of the registration or re-registration application, was subject to an enforcement action by a state or the federal government that resulted in the imposition of limits on enrollment or student aid, or is subject to such an action that is not final and that was ongoing at the time of submission of the registration or re-registration application
- Amend *Section 8 number 2*: Has the institution, or a controlling officer of, or a controlling interest or controlling investor in, the institution or in the parent entity of the institution, ~~had~~ been subject to any education, consumer protection, unfair business practice, fraud, or related enforcement action by a state or federal agency within five years prior to submitting the registration or re-registration application. If so, the institution shall provide the Bureau a copy of the operative complaint with the registration or re-registration application.
- Amend *Section 8 number 3*: "Is the institution currently on probation, show cause, or subject to other adverse action, or the equivalent thereof, by its institutional accreditor or by a programmatic accreditor, or has had its accreditation revoked or suspended within the five years prior to submitting the registration or re-registration application?"
- Amend *Section 8 number 4*: "Has the institution, within five years prior to submitting the registration or re-registration application, settled, or been adjudged to have liability for, a civil complaint alleging the institution's failure to provide educational services, including a complaint alleging a violation of Title IX of the federal Education Amendments of 1972 (Public Law 92-318) or a similar state law, or a complaint alleging a violation of a law concerning consumer protection, unfair business practice, or fraud, filed by a student or former student, an employee or former employee, or a public official, for more than two hundred fifty thousand dollars (\$250,000). The institution shall provide the Bureau a copy of the complaint filed by the plaintiff and a copy of the judgment or settlement agreement for any such judgment or settlement, and the Bureau shall consider, pursuant to 94801.5(a)(1)(H)(2), all material terms and aspects of the settlement, including, for



example, whether a student plaintiff remained enrolled or reenrolled at the institution?

- Add to *Section 8*: "5. Document if the institution currently contracts with any third parties for advertising, recruiting, instruction, or student services activities which, within the past five years, have settled, or been adjudged to have liability for, a civil complaint for more than two hundred fifty thousand dollars (\$250,000). The institution shall provide the bureau a copy of the contract."
- Add to new *Section 8*: "6. Document the number of known borrower defense claims by the institution's students filed with the Department of Education for each of the most recent five years available." "Documentation attached: \_\_\_\_\_ (initial)"
- Add to new *Section 8*: "7. Document the number of known student or employee complaints against the school concerning consumer protection, unfair business practice, or fraud filed with a governmental agency or non-profit private organization that receives such complaints, such as the Better Business Bureau, during each of the most recent five years available; provide a brief summary of each complaint and its resolution, including, how much, if any, was paid to or for the student or employee, for the institution as a whole and for California residents enrolled.
- Add to new *Section 8*: "8. Attach copies of the policies and procedures under which a student may withdraw from or cancel enrolment, and the institution's policy for refunds."



## Application for Registration or Re-Registration of Out of State Institutions

(California Education Code §§ 94801.5, 94850.5, 94930.5; Title 5, California Code of Regulations §§ 71396, 74000, 76130, 76215)

(\$1,500.00 fee to register and re-register)

Effective July 1, 2017, an out-of-state private postsecondary educational institution must register with the Bureau or is not authorized to enroll California students. (Ed. Code § 94801.5.) “Out-of-state private postsecondary educational institution” means a private entity without a physical presence in California that offers postsecondary distance education to California students for a fee, regardless of whether the entity has any affiliates located in California. (Ed. Code § 94850.5.) Non-public higher education institutions that are degree granting, non-profit, and accredited are exempt and need not register. (Ed. Code § 94801.5(b).) Each registration and re-registration application carries a fee of \$1,500.00 and is valid for ~~two~~ five years. (Ed. Code §§ 94930.5(e)(1), 94801.5(~~de~~)).

To register (or re-registration after expiration of a prior registration), the following must be included with the information required in this application:

- ~~1. Verification that the institution is accredited by an accrediting agency recognized by the United States Department of Education.~~
- ~~2. Verification that that the institution is approved to operate in the state where it maintains its main administrative location.~~
- ~~3. A copy of the institution’s (a) catalog and (b) enrollment agreement for its California students, including the required Student Tuition Recovery Fund disclosures.~~
- ~~4. A \$1,500.00 non-refundable registration fee.~~

All items directed to be submitted in this application must be included for the application to be considered complete. The Bureau reserves the right to ask for any supplemental information it deems relevant.

Check one of the following:

- This is an initial application for registration. (The Bureau has not previously granted a registration.)
- or
- This is an application for re-registration. (The Bureau previously granted a registration. Number \_\_\_\_\_)

**If this is an application for re-registration, check the following statements if accurate:**

- The institution certifies that it has remitted Student Tuition Recovery Fund assessments collected from its California students to the Bureau.
- The institution certifies that it has provided Student Tuition Recovery Fund disclosures to its California students in its catalog and enrollment agreement.

<b>SECTION 1 – OUT-OF-STATE INSTITUTION</b>				
Legal Name of Institution:				
Business Form (please check only one):				
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited Liability Company (LLC)	<input type="checkbox"/> Corporation (For-Profit)	<input type="checkbox"/> Corporation (Non-Profit)
DBA or Trade Name of Institution (If different than legal name):				
Institution's Main Administrative Address:				
City:	State:	Zip:		
Phone Number:				
Website Address:				
<b><u>OFFICE USE ONLY</u></b>				
Date Stamp	SAIL Application # _____	Institution Code	_____	
	Application Fee <u>Received</u> _____	Date _____	Revenue Code *****125700-2E	

<b>SECTION 2 - CONTACT PERSON FOR THIS APPLICATION</b>		
Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	

<b>SECTION 3 – INSTITUTION'S <u>CALIFORNIA</u> AGENT FOR SERVICE OF PROCESS WITHIN CALIFORNIA</b>		
Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	
<b><u>I confirm my contact information listed above and acknowledge that I am the designated agent for service of process.</u></b>		
<u>Signature:</u>	<u>Date:</u>	

<b>SECTION 4 – AFFILIATED INSTITUTION(S) IN CALIFORNIA (if any)</b>
Identify any affiliated institutions or affiliated institutional locations the out-of-state institution has in California. Attach additional sheets if necessary. An affiliate is an entity that is related to the out-of-state institution by financial interests or other means of control.

Legal Name of Affiliate Institution:				
Institution/School Code with the Bureau:				
Business Form (please check only one):				
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited Liability Company (LLC)	<input type="checkbox"/> Corporation (For-Profit)	<input type="checkbox"/> Corporation (Non-Profit)
DBA or Trade Name of Affiliate Institution or Affiliate Locations (if different than legal name):				
Affiliate Institution's California Address(es):				
City:		State:		Zip
Phone Number:			Fax Number:	

<b>SECTION 5 – ACCREDITATION</b>
Attached is verification of accreditation granted by the institution's accrediting agency that is recognized by the United States Department of Education.
Document is attached: _____ (initial)

<b>SECTION 6 – STATE AUTHORIZATION</b>
Attached is verification that the institution is approved to operate in the state of its main administrative location. <u>Attached is the institution's Financial Responsibility Composite Scores for the past five years, as determined by the U.S. Department of Education, as well as any information regarding the institution's placement on Heightened Cash Monitoring, if applicable."</u>
Document is attached: _____ (initial)
<u>Documents are attached: _____ (initial)</u>

<b>SECTION 7 – CATALOG AND ENROLLMENT AGREEMENT</b>
<b><u>SECTION 7 – STUDENT TUITION RECOVERY FUND (STRF) DOCUMENTATION</u></b>
Attached are <u>is a copy</u> <del>copies</del> of the current catalog and a sample enrollment agreement for California students, showing the required Student Tuition Recovery Fund (STRF) <u>STRF</u> disclosures.
Catalog <u>Documents</u> are attached: _____ (initial)
Enrollment Agreement attached: _____ (initial)
<u>For institutions that use enrollment agreements, attached are documents showing how the required STRF notifications are made to California students.</u>
<u>Documents are attached: _____ (initial)</u>
<u>For institutions that do not use enrollment agreements, attached are documents showing how the required STRF notifications are made to California students.</u>
<u>Documents are attached: _____ (initial)</u>

Attached are copies of the records required to be kept by 5 CCR 76140 for each student for the past five years.

Documents are attached: \_\_\_\_\_ (initial)

**SECTION 8 – EXPLANATION OF PRIOR OR PENDING ACTIONS**

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

Yes (statement attached)  No \_\_\_\_\_ (initial)

2. Has the institution, or a controlling officer of, or a controlling interest or controlling investor in, the institution or in the parent entity of the institution, had been subject to any education, consumer protection, unfair business practice, fraud, or related enforcement action by a state or federal agency within five years prior to submitting the registration or re-registration application. If so, the institution shall provide the Bureau a copy of the operative complaint with the registration or re-registration application.

Yes (statement attached)  No \_\_\_\_\_ (initial)

3. Is the institution currently on probation, show cause, or subject to other adverse action, or the equivalent thereof, by its institutional accreditor or by a programmatic accreditor, or has had its accreditation revoked or suspended within the five years prior to submitting the registration or re-registration application.

Yes (statement attached)  No \_\_\_\_\_ (initial)

4. Has the institution, within five years prior to submitting the registration or re-registration application, settled, or been adjudged to have liability for, a civil complaint alleging the institution's failure to provide educational services, including a complaint alleging a violation of Title IX of the federal Education Amendments of 1972 (Public Law 92-318) or a similar state law, or a complaint alleging a violation of a law concerning consumer protection, unfair business practice, or fraud, filed by a student or former student, an employee or former employee, or a public official, for more than two hundred fifty thousand dollars (\$250,000). The institution shall provide the Bureau a copy of the complaint filed by the plaintiff and a copy of the judgment or settlement agreement for any such judgment or settlement, and the Bureau shall consider, pursuant to 94801.5(a)(1)(H)(2), all material terms and aspects of the settlement, including, for example, whether a student plaintiff remained enrolled or reenrolled at the institution?

Yes (statement attached)  No \_\_\_\_\_ (initial)

5. Document if the institution currently contracts with any third parties for advertising, recruiting, instruction, or student services activities which, within the past five years, have settled, or been adjusted to have liability for, a civil complaint for more than two hundred fifty thousand dollars (\$250,000). The institution shall provide the bureau a copy of the contract.

Documentation attached: \_\_\_\_\_ (initial)

6. Document the number of known borrower defense claims by the institutions' students filled with the Department of Education for each of the most recent five years available.

Documentation attached: \_\_\_\_\_ (initial)

---

7. Document the number of known student or employee complaints against the school concerning consumer protection, unfair business practice, or fraud filed with a government agency or non-profit private organization that receives such complaints, such as the Better Business Bureau, during each of the most recent five years available; provide a brief summary of each complaint and its resolution, including how much, if any, was paid to and for the student or employee, for the institution as a whole and for California residents enrolled.

8. Attach copies of the policies and procedures under which a student may withdraw from or cancel enrollment, and the institution's policy for refunds.

Documentation attached: \_\_\_\_\_ (initial)

**SECTION 89 – CERTIFICATION UNDER PENALTY OF PERJURY**

I hereby certify, under penalty of perjury under the laws of the State of California, that I am a person authorized to act for and bind the applicant and that all statements, answers, and representations made on this form and any accompanying attachments are true, complete, and accurate to the best of my knowledge. By submitting this form and signing below, I am granting permission to the Bureau for Private Postsecondary Education to verify the information provided.

Authorized Signature:	Date:
Print of Type Name:	Title:

**NOTICE ON COLLECTION OF PERSONAL INFORMATION**

The information requested on this application is mandatory pursuant to Education Code sections 94801.5, 94850.5 and Title 5 CCR section 71396. Failure to provide all of the information requested will result in the application being rejected as incomplete. The information provided will be used to determine qualification of the applicant for registration by the Bureau for Private Postsecondary Education (Bureau) as an out-of-state private postsecondary educational institution. The information may be provided to other governmental agencies, or in response to a court order, subpoena, or public records request. You have a right of access to records containing personal information maintained by the Bureau unless the records are exempted from disclosure by law. For questions about this notice or access to your records, you may contact the Bureau for Private Postsecondary Education, P.O. Box 980818, West Sacramento, CA 95798, by phone at (916) 574-8900, or by email at [bppe@dca.ca.gov](mailto:bppe@dca.ca.gov).

**Agenda Item 7**

**UPDATE AND DISCUSSION ON SENATE BILL 118 PROHIBITION ON USE OF APPLICANTS' CRIMINAL HISTORY IN ADMISSION DECISIONS (CEC SECTION 66024.5)**

ATTACHMENT:

August 16, 2021 Issue Memo: Senate Bill 118 Prohibition on Use of Applicants' Criminal History in Admission Decisions (CEC Section 66024.5)



# MEMORANDUM

<b>DATE</b>	August 16, 2021
<b>TO</b>	Advisory Committee Members
<b>FROM</b>	Deborah Cochrane Bureau Chief, Bureau for Private Postsecondary Education
<b>SUBJECT</b>	Senate Bill 118 Prohibition on Use of Applicants’ Criminal History in Admission Decisions (CEC Section 66024.5)

**Introduction:**

The May 27, 2021 advisory committee meeting included discussion of Senate Bill 118 (SB 118), signed into law in 2020, which restricted a school’s ability to inquire about an applicants’ criminal background for use in the admissions process. Several members of the advisory committee expressed concerns that this provision could lead students to enroll in programs after which they would be unable to find jobs. If so, this could contribute to students being left with unaffordable student loans and hamper colleges’ efforts to help students secure employment.

While SB 118 did not modify state laws governing the Bureau directly, Bureau staff volunteered to explore the issue given the potential implications for regulated schools and impacted students. The question at the heart of the concerns was: Can schools reliably predict the impact of criminal backgrounds on future employment opportunities, such that placing conditions on admission or enrollment would be in students’ interest?

Specific fields of concern mentioned by advisory committee members related to professions licensed through the Department of Consumer Affairs (DCA). These included nursing, pharmacy, and security. One exception related to truck driving, and whether criminal backgrounds impacted the ability of would-be employees to acquire requisite fleet insurance.

This memo provides background on the issue and the Bureau’s efforts to understand the concerns.

**Background**

SB 118 is part of a larger movement, within California and nationally, to expand economic opportunity for formerly incarcerated individuals. The goal of state legislatures is to provide anti-recidivism and rehabilitation mechanisms to criminal offenders, to gain secure employment and meaningful careers, and reform back into society. A selected timeline of related California legislation is below:

- **2018 (enacted):** Assembly Bill 2138 (AB 2138), was enacted to open pathways to family-sustaining careers for millions of Californians who have had contact with the criminal justice system. Operative July 1, 2020, the bill prohibited DCA licensing boards from denying an



applicant's license based on prior convictions if the convictions occurred more than 7 years prior to the date of application, or they were not substantially related to the qualifications, functions or duties of the business or profession. Some exceptions to the 7-year timeframe were made for serious felonies and crimes for which registration is required.

- **2020 (enacted):** SB 118 prohibited a postsecondary educational institution, with the express exemption of all professional degree or law enforcement basic training courses and programs, from inquiring about a prospective student's criminal history on an initial application form or at any time during the application process, before the institution's final decision, as it relates to the prospective student's application for admission. Institutions must be in compliance by the fall term of the 2021–22 academic year.
- **2021 (pending):** SB 731 would implement a comprehensive system to prospectively and retroactively seal conviction and arrest records through a structured approach to sunseting conviction histories. The protections sought by SB 731 include automated sealing of all arrest records to that do not result in conviction; and providing a phased relief for conviction records by expanding record sealing to all sentences following completion of terms of incarceration, post-release supervision, and an additional period of time - provided the person has completed their sentence without any new felony convictions and has no new charges pending.
- **Ongoing:** Criminal justice reform proponents are working to operationalize and further define the language ("law enforcement" and "professional degree") of SB 118.

### **Review of Fields of Concern**

Bureau staff explored the extent to which applicants' criminal backgrounds impact key licensing boards and bureaus decisions regarding the granting or denial of licenses. As referenced earlier, most fields raised as potential causes for concern are ones licensed by DCA, and DCA licensing boards are restricted as a matter of policy (see AB 2138 above) in how they can consider criminal backgrounds in making licensing determinations. Beyond compliance with the law, Bureau staff heard from DCA entities that, among fields of interest to the advisory committee, most applicants with criminal backgrounds are in fact approved for licensure.

### ***DCA Boards and Bureaus***

- The Board of Pharmacy reports that 16 percent of applicants with criminal records were denied licensure in FY 19-20, amounting to less than 1 percent of all applicants.
- The Board of Registered Nursing (BRN) reports on its website that "a large majority of applicants with discipline or criminal conviction records are issued a license."
- At the Bureau of Security and Investigative Services (BSIS), about 10 percent of BSIS applicants with criminal records are denied licensure, amounting to 2 percent of all BSIS applicants.

- Board of Vocational Nursing and Psychiatric Technicians (BVNPT) reports that less than 15 percent of BVNPT applicants with criminal records are denied licensure, amounting to less than 2 percent of all BVNPT applicants.

### ***Non-DCA Employment Fields***

Beyond DCA, advisory committee members raised concerns about truck driving graduates' ability to secure fleet insurance, if they had criminal history. While trucking is not regulated by DCA, Bureau staff contacted truck driving companies to understand the extent to which job applicants' criminal histories precluded them from employment due to their inability to meet insurance company requirements. The Bureau heard that they review the overall record of the individual before making a determination, and rarely reject job applicants for this reason.

It is important for applicants to familiarize themselves with regards to what entities, outside DCA, AB 2138 applies to. For example, while AB 2138 does apply to the Department of Real Estate, other entities such as the Department of Social Services (DSS) and the Department of Insurance (DOI), etc., is not precluded from the use of information pertaining to criminal history in the denial process. However, no such fields were raised as cause for concern by advisory committee members, and the Bureau's research did not extend to these entities accordingly.

### **Conclusion**

The Bureau's exploration suggests that there is no reliable way to predict which applicants' criminal history will preclude licensure, and that the number of applicants directly affected by licensure denials may be small. Evidence from various licensing entities demonstrates that the use of criminal background in deciding an applicants' fitness for licensure is relatively narrow and increasingly limited as a matter of policy. As such, while often well intentioned, college-level efforts to screen out applicants with criminal histories may effectively inhibit these individuals' ability to secure quality employment.

Within or beyond the fields explored, it is possible that private employers may act discriminatorily towards a person with a criminal record during the hiring process. However, we are unable to assess the frequency with which this occurs and, as a matter of policy, the solution for employment discrimination cannot be the curtailing of educational options. It is also plausible that licensing boards' low rates of denial are, in part, a function of college-level screening efforts. For instance, a college applicant screened out prior to admission due to their incompatible criminal history will not ultimately be able to apply for licensure, and subsequently be denied, because they chose a different educational path. Should such applicants no longer be screened out prior to admission, denial rates within licensing boards could increase. Again, there is no way to know for sure whether this is the case, and the highly targeted and individualized nature of licensing boards' decisions renders it difficult if not impossible to predict, and thus account for, their determinations.

**Agenda Item 8**

**DISCUSSION ON THE BUREAU'S STRATEGIC PLAN FRAMEWORK AND GOALS**

ATTACHMENT:

August 16, 2021 Issue Memo: Draft Strategic Plan Framework  
and Goals for the Bureau for Private Postsecondary Education



## ISSUE MEMORANDUM

<b>DATE</b>	August 16, 2021
<b>TO</b>	Advisory Committee Members and Stakeholders
<b>FROM</b>	Deborah Cochrane, Bureau Chief
<b>SUBJECT</b>	<b>Draft Strategic Plan Framework and Goals for the Bureau for Private Postsecondary Education</b>

The Bureau for Private Postsecondary Education began the process of updating its strategic plan in late 2019, through surveys and interviews with Bureau staff and selected stakeholders. Identified themes formed the basis for strategic planning sessions facilitated by the California Department of Consumer Affairs’ SOLID Planning unit in 2020, and with new Bureau leadership beginning in April 2021.

The Bureau welcomes feedback from the advisory committee and public on the its draft mission statement, vision, values, and goals, designed to serve as guideposts for Bureau activities and operations through 2026.

### **Our Mission:**

The Bureau protects students and consumers in California and beyond, 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 providing support and financial relief to harmed students.

### **Our Vision:**

To be the national leader in regulating private postsecondary institutions and promoting a landscape of postsecondary educational opportunities that maximize a Californians' opportunity to receive a quality education.

### **Our Values:**

- *Consumer Protection.* The Bureau will make effective and informed decisions in the best interest and for the safety of consumers.
- *Accountability and Effectiveness.* The Bureau will take ownership and responsibility for its actions and results.
- *Quality and Integrity.* The Bureau will deliver consistently high-quality service, information, and support that reflects excellence and professionalism.
- *Inclusivity and Transparency.* The Bureau will be open to all voices and perspectives, actively encouraging the sharing of ideas and information throughout the organization and with the public, and being receptive to new ideas.

**Goal 1: Licensing**

*Educate institutions and other stakeholders on the statutes and regulations that govern private postsecondary education and ensure institutions meet minimum operating standards through the comprehensive review and processing of applications.*

- 1.1 Streamline applications and processes to facilitate a swifter licensing turnaround time and clearer communication with institutions.
- 1.2 Build out the online application system and update related policies and procedures to better support its utility.

**Goal 2: Enforcement**

*Protect the interests of students and consumers by monitoring colleges' compliance with relevant laws and regulations, taking enforcement actions when necessary, and conducting impartial, thorough, and efficient investigations of complaints submitted against approved, unapproved, and contracted institutions.*

- 2.1 Enhance training to ensure consistent, efficient, and effective investigations and investigation reports, that maximize opportunities for student relief and consumer protection.
- 2.2 Review and update investigation procedures to ensure they apply to all types of institutions that are approved by or contracted with the Bureau, to facilitate an appropriate complaint resolution.
- 2.3 Update disciplinary guidelines and protocols to ensure that discipline is appropriate, current, and has available all the tools necessary for efficient disciplinary actions.
- 2.4 Increase the frequency of high-quality, consistent compliance inspections, to promote institutional compliance with laws and regulations and increase student protection.

**Goal 3: Quality of Education**

*Promote education quality through the review of proposed and existing educational programs, the monitoring of accreditation plans and progress, and the evaluation of the efficacy of instructional methods and modes of delivery.*

- 3.1 Leverage opportunities for education specialists to learn from and contribute to the evolving field of distance education and to continue to keep up with changing technology.

- 3.2 Explore opportunities to promote best practices related to the delivery of a quality distance-education program across platforms and approaches.

**Goal 4: Regulations and Legislation**

*Identify, pursue, and implement legislative, regulatory, and procedural changes that strengthen and support the Bureau's mandates and mission, to protect consumers.*

- 4.1 Bolster communication channels to identify areas where statutory and regulatory changes are warranted and keep stakeholders, including staff, informed about relevant policy debate and progress.
- 4.2 Identify opportunities to address commonly misinterpreted sections of the statutes and regulations to promote consistency and streamlined processes.
- 4.3 Enhance internal processes to help facilitate streamlined processes for drafting and finalizing regulations, including the solicitation of stakeholder input.
- 4.4 Update the Bureau's regulations to align with contemporary higher education policies, procedures, and laws.

**Goal 5: Consumer Education and Support**

*Assist California students and address the needs of those students attending private colleges, through the Office of Student Assistance and Relief (OSAR) and beyond.*

- 5.1 Expand statewide awareness of the OSAR and the services it provides, to increase student protection.
- 5.2 Evaluate frequency and outreach of workshops to ensure all students who could benefit from OSAR's services, receive the information they need.
- 5.3 Provide timely relief and support to students harmed by school closures, to relieve financial stress and allow for the pursuit of new postsecondary educational opportunities.
- 5.4 Increase the number and diversity of outreach partners, to expand visibility and influence within the higher education community
- 5.5 Leverage data collected through institutions' annual reports, to provide prospective students with comprehensive information, to enable them to make better-informed decisions when selecting a school.

- 5.6 Explore opportunities to enhance the accessibility of information, resources, and activities on the Bureau's website.

**Goal 6: Organizational Effectiveness**

*Promote organizational success through efficient and productive engagement, collaboration, and coordination internally and with external information and stakeholders.*

- 6.1 Cultivate an organizational culture that is supportive, reflective, inclusive, fair, empowered, and accountable, in order to maintain a high-functioning team focused on fulfilling the Bureau's mission.
- 6.2 Improve internal connection, staff development, and performance management through cross-functional education, communication, and collaboration.
- 6.3 Improve the Bureau's capacity to gather and use data and evidence to shape Bureau operations, support student choice, and inform policy.
- 6.4 Enhance workshops and alternative, cost-effective opportunities to educate the industry on licensing and compliance requirements, to reduce noncompliance and promote consumer protection.
- 6.5 Evaluate staffing needs and structure, to ensure the Bureau is appropriately positioned to fulfill its mission to protect students and consumers.
- 6.6 Leverage the expertise and partnership of key stakeholders, including the Advisory Committee and other state entities, in understanding how the Bureau can best protect consumers, while supporting quality postsecondary education offerings.
- 6.7 Streamline administrative operations to facilitate remote work and collaboration, simplify institutional compliance, and enable timely and complete reporting of Bureau activities and outcomes.



**SUGGESTIONS FOR FUTURE AGENDA ITEMS**

**ADJOURNMENT**