



Advisory Committee Meeting Minutes
Monday, October 15, 2012

Department of Consumer Affairs
Hearing Room
1625 North Market Boulevard
Sacramento, California, 95834

Advisory Committee Members in Attendance:

Shawn Crawford, Institutional Representative, Chair
Margaret Reiter, Student Advocate, Vice Chair
Katherine Lee-Carey, Institutional Representative
Marie De La Parra, Past Student of Institutions

Advisory Committee Members Absent:

Marvin Andrade, Public
Ken McEldowney, Consumer Advocate
Mitchell Fuerst, Institutional Representative

Bureau Staff in Attendance:

Laura Metune, Bureau Chief
Joanne Wenzel, Deputy Bureau Chief
Laura Freedman, Legal Counsel, Department of Consumer Affairs
Leeza Rifredi, Staff Services Manager I
Michele Alleger, Staff Services Manager I
Fayne Boyd, Staff Services Manager I
Yvette Johnson, Staff Services Manager I
Susan Hargrove, Associate Governmental Program Analyst
Drew Saeteune, Education Specialist
Seyed Dibaji-Foroshani, Education Specialist
Julissa Silva-Garcia, Staff Service Analyst
Louman Cheung, Staff Service Analyst

Call to Order

This meeting was called to order by Shawn Crawford, Advisory Committee Member Chair, at 10:15 a.m., October 15, 2012, at the Department of Consumer Affairs, Hearing Room 1625 North Market Boulevard, Sacramento, CA 95834.

Agenda Item # 1 - Welcome and Introductions

Mr. Crawford welcomed the public and Committee.
Advisory Committee Members introduced themselves.

Agenda Item # 2– Introduction of Bureau Chief Laura N. Metune

Mr. Crawford welcomed and introduced Laura Metune, Bureau Chief.

- Ms. Metune provided a brief history of her education and experience. She stated that her leadership style is one of openness and inclusion. She stated she looks forward to communicating with the Bureau’s stakeholders and to increase the frequency of Advisory Committee Meetings.

Agenda Item #3 – Bureau’s Operations Update

(a.) Introductions of Bureau Management

Ms. Metune introduced the Bureau staff in attendance.

Ms. Metune provided the history and context to Bureau staffing and the organizational structure. She stated the Act became effective in January of 2010, but it wasn’t until October of 2010, with the passage of the 2010-11 Budget Act, that the Bureau as appropriated funding to support operations and that the Bureau was fully staff by May 2012. She also provided a quick overview of each unit, how backlogs are being addressed, and provided the number of approved institutions regulated by the Bureau.

Advisory Committee Discussion:

None received.

Public Comment:

The following comments were received regarding the application processing timeframes.

- Tricia Grey, O’Reilly School of Technology;
- Kristen Kim, Yuin University;
- Linda Simonyan, United Medical Institute;
- Sylvia Tran

Ms. Metune offered to follow up on their pending applications.

(b.) Presentation and Discussion of Strategic Plan

Ms. Metune provided a Strategic Plan overview. She identified the common themes:

- Consumer Protection
- Outreach
- Backlog
- Increase of application processing timeframes
- Building relationships government and non-government agencies

Advisory Committee Discussion:

- The Committee asked questions about the new database, non-government agencies and the 180 day application processing timeframe.

Public Comment:

None received.

(c.) Update on Enforcement Unit

Ms. Metune provided an Enforcement update. She provided statistical information on compliance inspections, complaints, and disciplinary actions.

Advisory Committee Discussion:

- The Committee inquired if there was a pattern of non-compliance. Ms. Metune responded that the minor issues include the ability to benefit assessment, the collection of STRF, and proper documentation, and the major non-compliance issue is institutions operating without approval.

Public Comment:

None received.

(d.) Update on Distance Education Requirements

Ms. Wenzel provided an overview of the Distance Education requirements and disclosures.

Advisory Committee Discussion:

- The Committee requested clarification regarding the standards used to determine if a student would benefit from distance learning and consortium agreements.

Public Comment:

None received.

Agenda Item # 4 - Regulatory Update

(a.) Student Tuition Recovery Fund- Proposed Regulatory Rate Change

Ms. Metune introduced the proposal to amend Student Tuition Recovery Fund (Fund), Title 5 of the California Code of Regulations section 76120. She explained that this rate reduction is necessary to remain in compliance with California Education Code section 94923, which limits the Fund to 25 million dollars. She provided information on the current Fund condition and an estimate of the Fund by the end of October 2012. She stated the amendment would reduce the STRF assessment rate from two dollar and fifty cents per thousand institutional charges to fifty cents per one thousand dollars. She provided statistics information regarding the STRF claims.

Ms. Metune indicated that she reached out to the Advisory Committee Members that were unable to attend the meeting. Mitchell Fuerst and Ken McEldowney responded to her request and both indicated support the STRF fee reduction.

Advisory Committee Discussion:

- The Committee had concerns regarding the payment of STRF claims, if students were aware the STRF is available and monitoring the STRF account.
- Ms. Reiter indicated support for the STRF to remain close to the cap, should a large institution close.
- Mr. Crawford asked that a consideration be made available for institutions to pay STRF on behalf of the student.

Public Comment:

None received.

(b). AB 2296 (Block) Overview of Bureau Regulatory Requirements

Kevin Powers, Legislative Aide to the Assemblymen Marty Block and Ed Howard, Senior Counsel, Children's Advocacy Institute and the Center for Public Interest Law, University of San Diego School of Law provided an overview of AB 2296.

Advisory Committee Discussion:

- The Committee members expressed general support for the passage of AB 2296. However, Ms. Carey and Mr. Crawford expressed concerns about duplication of efforts from accrediting agency and the U.S. Department of Education requirements that create conflicting and sometimes confusing disclosures for students. Ms. Carey and Mr. Crawford requested that these issues be considered in the drafting of regulations.

Public Comment:

- Linda Simonyan, United Medical Institute, she stated that with the different reporting requirements of the accreditation agencies and the Bureau, it is confusing for the students.
- Robert Johnson, Director of CAPPs, requested that consideration be made for the schools that must collect this information.

Agenda #6 – Adjournment

The meeting was adjourned at 11:45 am.