

**Institutions Operating in California Without a Valid Approval to Operate Issued by the former Bureau for Private Postsecondary and Vocational Education (BPPVE)**

The California Private Postsecondary Education Act of 2009 (Act) provides that all institutions operating without a valid approval to operate on June 30, 2007 may continue to operate but shall comply with, and are subject to, the Act. It requires institutions, unless otherwise exempt, to apply for approval to operate within six months from the date the application for approval to operate becomes available.

Section 94809(c) of the Act requires institutions operating without a valid approval to operate, notify a student seeking to enroll of the status of the institution's pending application. The Bureau recommends the following language for the required notice: **"This institution's application for approval to operate has not yet been reviewed by the Bureau for Private Postsecondary Education."**

Please Note: If your institution does not have a valid approval to operate and continues to operate under the Act, the institution **may not** use the terms "approval," "approval to operate," or "approved to operate" without clearly stating that the institution's application for approval has not been reviewed by the Bureau for Private Postsecondary Education.

You may address any questions and correspondence to:  
Bureau for Private Postsecondary Education  
P.O. Box 980818  
West Sacramento, CA 95798

By E-mail to: [bppve@dca.ca.gov](mailto:bppve@dca.ca.gov)

By Telephone: 916-574-7720

**Please note: Regulations are pending, and when adopted, may impact the definitions for exemption.**

## **EXEMPTIONS**

Pursuant to the Private Postsecondary Education Act of 2009 (Education Code Section 94874), the following institutions are exempt from registration with the Bureau:

- (a) An institution that offers solely avocational or recreational educational programs.
- (b) An institution offering educational programs sponsored by a trade, business, professional, or fraternal organization, solely for that organization's membership.
- (c) An institution established, operated, and governed by the federal government or by the State of California.
- (d) An institution offering either of the following:
  - (1) Test preparation for examinations required for admission to a postsecondary educational institution.
  - (2) Continuing education or license examination preparation, if the institution or the program is approved, certified, or sponsored by (A) a government agency that licenses persons in a particular profession, occupation, trade, or career field, (B) a state-recognized professional licensing body that licenses persons in a particular profession, occupation, trade, or career field, or (C) a trade, business, or professional organization.
- (e) An institution owned, controlled, and operated and maintained by a religious organization lawfully operating as a nonprofit religious corporation.
- (f) An institution that does not award degrees and that solely provides educational programs for total charges of \$2,500 or less, when no part of the total charges is paid from state or federal student financial aid programs.
- (g) A law school that is accredited by the Council of the Section of Legal Education and Admissions to the Bar of the American Bar Association or a law school or law study program that is subject to the approval, regulation, and oversight of the Committee of Bar Examiners.
- (h) A nonprofit public benefit corporation that is qualified under Section 501(c)(3) of the Internal Revenue Code, organized specifically to provide workforce development or rehabilitation services, and accredited by an accrediting organization for workforce development or rehabilitation services recognized by the Department of Rehabilitation.
- (i) An institution that is accredited by the Western Association of Schools and Colleges.
- (j) An institution that satisfies all of the following criteria:
  - (1) The institution has been accredited, for at least 10 years, by an accrediting agency that is recognized by the U.S. Department of Education.
  - (2) The institution has operated continuously in this state for at least 25 years.
  - (3) During its existence, the institution has not filed for bankruptcy protection.
  - (4) The institution's cohort default rate on guaranteed student loans does not exceed 10 percent for the most recent three years.

- (5) The institution maintains a composite score of 1.5 or greater on its equity, primary reserve, and net income ratios.
- (6) The institution provides a pro rata refund of unearned institutional charges to students who complete 75 percent or less of the period of attendance.
- (7) The institution provides to all students the right to cancel the enrollment agreement and obtain a refund of charges paid through attendance at the second class session, or the 14th day after enrollment, whichever is later.
- (8) The institution submits to the Bureau copies of its most recent IRS Form 990, the institution's IPEDS Report, and its accumulated default rate.
- (9) The institution is incorporated and lawfully operates as a nonprofit public benefit corporation pursuant to the Corporations Code and is not managed or administered by an entity for profit.

Pursuant to the Private Postsecondary Education Act of 2009 (Education Code Section 94874.1), the following applies:

- (a) An institution that is accredited by a regional accrediting agency that is recognized by the United States Department of Education and is not an agency described in subdivision (i) of Section 94874, is exempt from this chapter, except Article 14 (commencing with Section 94923)

94927.5.

- (a) Prior to closing, an institution shall provide the bureau with the following:
  - (1) Pertinent student records, including transcripts, as determined by the bureau, pursuant to regulations adopted by the bureau.
  - (2) If the institution is an accredited institution, a plan for the retention of records and transcripts, approved by the institution's accrediting agency, that provides information as to how a student may obtain a transcript or any other information about the student's coursework and degrees completed.
- (b) Subdivision (a) applies to all private postsecondary institutions, including institutions that are otherwise exempt from this chapter pursuant to Article 4 (commencing with Section 94874).