



Advisory Committee Meeting Minutes Wednesday, May 24, 2023

WebEx Meeting

Advisory Committee Members in Attendance

1. Kansen Chu
2. Tess Dubois-Carey
3. Leigh Ferrin
4. Joseph Holt
5. Robert Boykin
6. Kevin Powers
7. Margaret Reiter

Committee Members Absent

Melanie Delgado
Senator Richard Roth

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

Deborah Cochrane, Bureau Chief
Linh Nguyen, DCA Legal Counsel
Daniel Rangel, Bureau Enforcement Chief
Elizabeth Elias, Bureau Enforcement Chief
Ebony Santee, Bureau Education Administrator
Scott Valverde, Office of Student Assistance and Relief Chief
Yvette Johnson, Bureau Administration Chief
David Dumble, Bureau Legislative/Regulation Specialist
Judie Bucciarelli, DCA Executive Office
Jeff Alameida, DCA Information System Specialist
Jason Piccione, DCA Chief Information Officer

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

Committee Chair, Joseph Hot 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 16, 2023, Advisory Committee Meeting Minutes

Kansen Chu moved to approve the February 16, 2023, meeting minutes; Tess Dubois-Carey seconded the motion.

Public Comment

No Public Comment.

Vote

(Joseph Holt: Aye; Leigh Ferrin: Aye; Robert Boykin: Aye; Kansen Chu: Aye; Tess Dubois-Carey: Aye; Margaret Reiter: Aye) The motion passed.

Agenda #4 - Remarks by Representative of the Department of Consumer Affairs

Judie Bucciarelli, DCA Executive Office, provided an update on the Department of Consumer Affairs (Department).

Ms. Bucciarelli reported on legislation passed last year amending provisions of the Bagley Keene Open Meeting Act. She stated that the legislation extended the ability for state bodies to conduct public meetings virtually through July 1, 2023. She noted absent the passing of new legislation that DCA's boards and bureaus will not be allowed to conduct meetings virtually following July 1. She added that recently introduced Senate Bill (SB) 544 removes certain teleconference requirements from the Open Meeting Act, but DCA boards and bureaus should be prepared to conduct in-person meetings in the interim.

Ms. Bucciarelli stated that the DCA's 2021-2022 Annual Report is available on the DCA website. She explained that the report includes a new design and additional reporting metrics such as military licensing data.

Public Comment

One member of the public provided a comment.

Agenda #5 – Bureau Operations Update and Discussion

Update on the Bureau's IT System Project

Jason Piccione, DCA Chief Information Officer, provided an update on the Bureau's IT system project. He noted the update will primarily focus on the processing of Student Tuition Recovery Fund (STRF) claims. He introduced Jeff Alameida, DCA Information System Specialist, to provide an in-depth report on the new processes.

Mr. Alameida reported that recent efforts have been devoted to developing and deploying the STRF claims online application portal and review processes. He stated that the online STRF claim portal is now live. He added that post-release refinements and enhancements are continually being added, and all high priority issues have been resolved.

Ms. Reiter asked about the status of the school search function based on comments made at the last Advisory Committee meeting. Mr. Alameida responded that the comments were recorded and will be addressed. He noted that the new school search function will not be deployed until all data from the legacy software has been converted into the new software.

Mr. Alameida outlined the STRF claims slide presentation in Attachment 5(a).

Ms. Reiter commented that it could be helpful to students to include more information on what STRF is on the STRF webpage. She added it might also be beneficial to allow students to register after going through the online claim process without having to register to begin the process. She referred to the slide picturing the user dashboard and suggested making the "new application" button more apparent. She also stated it would be useful if Bureau staff are alerted when a student provides additional information following the initial submission of an application.

Ms. Ferrin commented that it would be helpful if students receive confirmation emails throughout the entire process. She noted that it would also be helpful if more clarity is provided regarding the date the application is submitted to ensure there isn't any confusion between the date of registration or when the application was started and the date when it is completed. She added at a future meeting she would like to hear feedback from the Bureau on the back-office processes.

Ms. Reiter asked how easy it is to make changes to the process now that it is live. Mr. Piccione responded that the time and effort to make a change would depend on the complexity of the change needed. He explained that a simple change in text would be an easy and would be a

quick fix, but a change to the workflow would be more complex and take more time to implement.

Public Comment

One member of the public provided a comment.

Licensing Report

Ebony Santee, Bureau Education Administrator, reported on the Licensing Unit. She outlined Attachment 5(b).

Ms. Dubois-Carey suggested distinguishing between complete and incomplete applications in the data on processing times.

Mr. Holt commented on the previous suggestion of analyzing the time an application is with an institution and the time an application is under review by the Bureau. He suggested looking at the totality of that data to determine where efficiencies could be improved.

Public Comment

No public comment.

Quality of Education Report

Ms. Santee reported on the Quality of Education Unit. She outlined Attachment 5(c).

Public Comment

No public comment.

Annual Report (AR) Report

Elizabeth Elias, Bureau Enforcement Chief, reported on the Annual Report (AR) Unit. She outlined Attachment 5(d).

Ms. Reiter asked what actions have been taken against institutions that have not submitted an Annual Report. Ms. Elias referred to the upcoming Discipline Report and noted an increase in the number of citations issued in the last quarter.

Ms. Ferrin asked why the number of institutions that did not initiate submitting an Annual Report has dropped. Ms. Elias responded that it is partly attributed to outreach efforts but primarily attributed to disciplinary actions the Bureau has taken against institutions that have not submitted the report.

Ms. Reiter suggested including in the report the number of institutions that complete and do not complete the report by the due date.

Public Comment

One member of the public provided a comment.

Compliance and Discipline Report

Ms. Elias reported on the Compliance and Discipline Unit. She outlined Attachment 5(e).

Ms. Reiter suggested including in the report a definition of “accusations” and “statement of issues.”

Ms. Reiter asked what remedies the Bureau is seeking with citations being issued for failure to submit an Annual Report. Ms. Elias responded that failure to submit an Annual Report is considered a Class A violation which can result in a fine of up to \$5,000 for each year an institution fails to submit the report.

Public Comment

No public comment.

Complaint and Investigation Report

Daniel Rangel, Bureau Enforcement Chief over complaints and investigations, reported on the Complaint and Investigation Unit. He outlined Attachment 5(f).

Ms. Reiter asked what efforts are being made to better categorize the type of complaints received. Mr. Rangel responded that there has been active discussion on how to categorize complaints, and all input is being considered. Ms. Reiter suggested more discussion on this topic at the next meeting.

Ms. Reiter questioned if there are any plans to modify the online complaint system to allow complainants to add additional information to a previously submitted complaint without needing to open a new complaint. Mr. Rangel responded that he was not aware of any plans to do that, but he would look into it.

Public Comment

No public comment.

Office of Student Assistance and Relief (OSAR) Report

Scott Valverde, OSAR Chief, reported on the OSAR Unit. He outlined Attachment 5(g).

Ms. Ferrin commented that it could be helpful to share data on the efficacy of different outreach methods. She provided an example of data on how many STRF claims are filed following an email campaign. Mr. Valverde stated that staff has considered how to determine the impact of outreach efforts. He noted that a survey is being piloted internally to help determine the impact.

Ms. Reiter suggested adding something on the Bureau website to let students know that OSAR can assist with filing a complaint.

Public Comment

No public comment.

Student Tuition Recovery Fund (STRF) Report

Yvette Johnson, Bureau Administration Chief, provided a report on STRF. She covered Attachment 5(h).

Ms. Ferrin noted the number of pending claims and asked whether the online portal would help increase efficiencies. Ms. Johnson confirmed that efficient processing is one of the goals of the new system. Ms. Reiter further noted the number of pending claims, and Ms. Johnson pointed out that the queue is large but has been steadily decreasing.

Mr. Holt commented on the need for further discussion regarding Silicon Valley University and the large claims being paid out to international students, which seems a distortion of the intent of the program. Ms. Cochrane noted that the Bureau has previously provided the committee with information about the closure, and that staff have worked to implement the law while also balancing other operational changes in the program.

Public Comment

No public comment.

Agenda Item #6 - Status Updates and Discussion on Regulatory Proposals

David Dumble, Bureau Legislative/Regulation Specialist, provided a status update on Bureau regulatory matters. He covered Attachment 6(a), 6(b), and 6(c)

Identifying Date of Closure (Title 5 California Code of Regulation (5 CCR) sections 76240 and 76245, California Education Code (CEC) section 94926.5, Senate Bill (SB) 1433 (2022))

Ms. Reiter suggested adding “120 days prior” to provide clarity in 76240(a)(4).

Ms. Reiter suggested adding a requirement in 76240(a)(6) that the institution provides the Bureau with a copy of the proposed notice the institution will send to students.

Ms. Reiter commented that 76240(b)(3) and 76240(b)(3)(e) should include the scenario where a student initially chooses to participate in an arranged teach-out but then decides later to not finish the teach-out.

Ms. Reiter noted that the first sentence under 76245 should clarify the intent to call out when an institution does not provide the Bureau with the date of closure.

Ms. Ferrin suggested adding in 76240(a)(3) a requirement to update contact information if it changes.

Ms. Ferrin suggested adding a requirement for the institution to include the date of last instruction in closure notices sent to students.

Regulatory Changes to Address Conflicts Related to Approval of Public Institutions (5 CCR section 75020, CEC section 94949.8, SB 1433 (2022))

Ms. Reiter commented that it could be helpful to clarify the Bureau’s authority in 75020(a).

Ms. Reiter suggested adding language in 75020(d) to cover those who do not have an address of record on file with the Bureau.

Proposed Changes to Application Signature Requirements (various regulatory sections)

Ms. Reiter suggested adding a box to check on applications that clarify a digital signature is as legally effective as any other signature.

Ms. Reiter referenced the importance of having signatories sign under penalty of perjury to hold a corporation and those behind a corporation accountable. She stressed the importance of upholding the statutes primary intent of protecting the public.

Public Comment

Two members of the public provided a comment.

Agenda #7 – Update on Verifying the Exempt Status of Private Postsecondary Educational Institutions

Ms. Cochrane and Ms. Santee outlined the memo in the meeting packet titled Verifying the Exempt Status of Private Postsecondary Educational Institutions.

Ms. Reiter stated that “bona fide” legally means good faith. She added that illegitimate institutions could be treated as unlicensed institutions. She noted that it would be helpful if there was more language to address the issue.

Ms. Reiter commented that statutory changes may be needed to address institutions that offer stackable programs. Mr. Holt agreed that statutory changes may be needed to address the issue of nefarious owners potentially gaming the system by deceptively stacking programs at additional costs.

Ms. Ferrin suggested including in the application a request for information that Bureau has frequently found problematic in the past. She added that could save staff time by allowing them to verify information provided as opposed to needing to investigate it.

Mr. Holt suggested including a question to determine if the owner(s) own any Bureau approved institutions.

Ms. Ferrin suggested reviewing complaints received on exempt institutions and utilizing that data in the review of verification for exemption applications. Mr. Holt added that the process for reviewing a verification of exempt status application could follow similar steps that staff follow when receiving a complaint for unlicensed activity.

Ms. Reiter suggested utilizing different standards of review based on how long an organization has been in existence.

Ms. Reiter commented that statutory change may be needed to address instances when an entity makes false and misleading statements in a verification for exempt status application.

Ms. Ferrin commented that it could be helpful to have statutory language outlining what organizations can use the words school, college, or university in its business name.

Ms. Reiter stated it could be helpful to add information on the Bureau website summarizing the different types of institutions the Bureau regulates and the types it does not. She added that a link to Bureau approved institutions could be included in the summary.

Public Comment

Two members of the public provided a comment.

Agenda #8 – Future Agenda Items

Ms. Reiter requested a timeline for when additional categories for complaints or disciplinary actions will be added to the new IT software.

Ms. Reiter requested Bureau staff feedback on the functionality of the STRF claim portal.

Ms. Reiter requested a onetime summary comparison of the number of complaints received prior to the pandemic and current complaints received.

Ms. Reiter suggested a postmortem on what lessons were learned from Silicon Valley to avoid a similar situation in the future.

Public Comment

No public comment.

Agenda #9 – Adjournment

The meeting adjourned at 2:20 pm.