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3 **DEPARTMENT OF CONSUMER AFFAIRS**
4 **STATE OF CALIFORNIA**
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6 In the Matter of the Automatic
7 Suspension of Approval to Operate
8 Degree Granting Programs Directed to:

Case No. 1006239

DECISION

9 Golden State University
10 9047 E. Florence Avenue, #L
11 Downey, CA 90241

12 Applicant.

13 **INTRODUCTION**

14 Effective August 24, 2020, the Bureau for Private Postsecondary Education
15 (Bureau) automatically suspended the approval to operate degree programs issued to
16 Golden State University (University). The Bureau determined that the University was
17 subject to automatic suspension of approval to operate for failing to submit evidence to
18 the Bureau of having achieved full accreditation by July 1, 2020.

19 The Director of the Department of Consumer Affairs received a timely appeal of
20 the Bureau's suspension order from the University. The Director, or her designee, is
21 required to hear such appeals at an informal office conference. (Cal. Code Regs., tit. 5,
22 71410, subd. (b).)

23 An informal office conference was held on October 1, 2020, before the
24 Director's designee, Attorney Danielle Rogers. Sunny Kim, President of the
25 University, and Katherine Hernandez appeared on behalf of the University while
26 Dianne Arechiga, Education Specialist, and Robert Bayles, Education
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1 Administrator, appeared on behalf of the Bureau. At the conclusion of the informal
2 office conference, the matter was submitted for a final decision.

3 After considering the evidence and argument submitted by the University and the
4 Bureau the Bureau's order is **AFFIRMED**.

5 **FACTUAL AND PROCEDURAL BACKGROUND**

6 Bureau records reflect that the University received an initial approval to operate
7 on or before January 1, 2015. The University was required to submit evidence of
8 having achieved accreditation candidacy or pre-accreditation by July 1, 2017 and full
9 accreditation by July 1, 2020. The University achieved pre-accreditation status with the
10 Accreditation Commission for Acupuncture and Oriental Medicine (ACAOM) on or
11 about August, 15, 2015.

12 On June 24, 2019, the Bureau requested an update regarding the University's
13 accreditation progress. (Bureau Exhibit 3.) Effective June 30, 2019, ACAOM denied
14 the University's initial accreditation. (Bureau Exhibit 2.) On January 29, 2020, the
15 Bureau mailed a second letter to the University informing the University of the
16 opportunity to request an extension to achieve accreditation.¹ (Bureau Exhibit 5.) On
17 May 1, 2020, the Bureau emailed a letter to the Institution informing the University of
18 the opportunity to request, by June 1, 2020, an extension to achieve accreditation.
19 (Bureau Exhibit 9.) On May 15, 2020, the Bureau received the University's request for
20 extension to achieve pre-accreditation or candidacy. (Bureau Exhibit 10.)

21 On June 29, 2020 the Bureau notified the University that its request for
22 extension was denied because the request did not demonstrate that the institution had
23 made strong progress toward achieving accreditation. (Ed. Code, § 94885.1, subds.
24 (d)(1) and (d)(2); Bureau Exhibit 11.)

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27 ¹ Apparently, this letter was returned to the Bureau unclaimed, but the Bureau resent it to the
28 University on or about March 11, 2020.

1 The Bureau is required to suspend an institution that does not meet the above
2 accreditation deadline. (Ed. Code, § 94885.1, subd. (e).) As a result of the lack of
3 completion of the required steps by the July 1, 2020 deadline, the Bureau, on August
4 19, 2020, sent the University an Order Suspending Approval to Operate Degree
5 Granting Programs (Order). This Order: (1) automatically suspended the University's
6 ability to operate its degree programs; (2) directed the University to cease enrolling
7 students in any of its degree programs; (3) required the University to submit a degree
8 closure plan within 30 days to the Bureau; and (4) required the University to notify all
9 students in writing of the suspension and inform them of their rights during this time.

10 11 **LEGAL STANDARDS**

12 The University was required to submit evidence to the Bureau of having
13 achieved full accreditation by July 1, 2020. Education Code section 94885.1 provides:

14 (e) Any institution that fails to comply with the requirements
15 of this section by the dates provided, as required, shall have
16 its approval to operate automatically suspended on the
17 applicable date. The bureau shall issue an order suspending
18 the institution and that suspension shall not be lifted until the
19 institution complies with the requirements of this section. A
20 suspended institution shall not enroll new students in any of
21 its degree programs, and shall execute a teach-out plan for
22 its enrolled students.

23 Under Education Code section 94885.1(d)(1), "[t]he bureau shall, upon the timely
24 submission of sufficient evidence that an unaccredited institution is making strong
25 progress toward obtaining accreditation, grant an institution's request for an extension
26 of time, not to exceed two years, to meet the requirements of this section."

27 A suspended institution shall not enroll new students in any of its degree
28 programs, and shall execute a teach-out plan for its enrolled students. (Ed. Code, §
94885.1, subd. (e); Cal. Code. Regs., tit. 5, §§ 71410, 74250.)

The closure plan must include the following elements:

1 (1) The exact date the institution stopped enrolling new
2 students in its degree programs.

3 (2) A list of contact information for all students currently
4 enrolled in each degree program.

5 (3) A teach-out plan that includes a plan for the disposition of
6 student records and is compliant with the provisions of
7 section 94927 of the Code.

8 (4) A copy of the notification to be provided to students
9 pursuant to subdivision (b) of this section. (Cal. Code. Regs.,
10 tit. 5, 74250, subd. (a)(1)-(4).)

11 The notice to students must include the following elements:

12 (1) That the institution has received a notice of suspension
13 from the Bureau and may no longer offer degree programs.

14 (2) A teach-out plan, which shall provide, at minimum, the
15 following information:

16 (A) The name and location of the institution(s) that is (are)
17 providing the teach-out.

18 (B) The date upon which instruction at the teach-out
19 institution(s) will begin.

20 (C) How and when payments will be made to the new
21 institution and any relevant financial information.

22 (D) Whom to contact at the new institution(s).

23 (3) That the student has a right to choose not to participate
24 in the teach-out, and instead seek a refund for any classes
25 the student is currently enrolled in or has not yet completed.
26 (Cal. Code. Regs., tit. 5, 74250, subd. (b)(1)-(3).)

27 **DISCUSSION**

28 The University was required to have achieved full-accreditation by July 1, 2020.
(Ed. Code, 94885.1, subd. (b)(3).) The University did not submit evidence to the
Bureau of having met the statutory requirement because it did not demonstrate by July

1 1, 2020 that it had achieved full accreditation. Even if the Bureau provided an
2 extension to the University of the statutory maximum of two years, the Bureau
3 submitted persuasive evidence that showed the University would not have been able to
4 have complete the steps necessary to achieve full accreditation within that timeframe.
5 (Ed. Code, § 94885.1, subd. (d)(1); see September 23, 2020 letter from ACAOM to
6 Dianne Arechiga of the Bureau.) Specifically, the University did not provide an
7 amended accreditation plan that would have adequately identified why accreditation
8 will not be achieved by the deadline as outlined in the original plan or amended plan
9 submitted to the Bureau. The University did not provide the active steps it was taking
10 to comply with the accreditation requirements of California Education Code section
11 94885.1. Lastly, the University did not provide documentation from an accrediting
12 agency demonstrating the institution's likely ability to meet the requirements of
13 California Education Code section 94885.1, if the maximum two-year extension was
14 granted.

15 Since the University did not satisfy the statutory deadline, the Bureau
16 appropriately suspended the University's approval to operate degree programs.

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18 **DECISION**

19 The Bureau's Order Suspending Approval to Operate Degree Granting Programs is
20 **AFFIRMED.**

21 DATED: October 30, 2020

22 BY: *Danielle Y. Rogers*
23 DANIELLE Y. ROGERS
24 Department of Consumer Affairs
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DECLARATION OF SERVICE VIA FIRST CLASS MAIL and E-MAIL

Case Name: **Golden State University**
Case No.: **1006239**

I am employed in the County of Sacramento, State of California. I am over the age of 18 and not a party to the within action; my business address is Department of Consumer Affairs, Legal Affairs Division, 1625 North Market Blvd., Suite S-309, Sacramento, California 95834.

On October 30, 2020, I served the following document(s):

1. DECISION

by placing the envelope for collection and mailing, following our ordinary business practices, addressed to the persons at the addresses listed below. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

I also served the documents listed above via e-mail and First-Class Mail,

addressed as follows:

Golden State University
9047 E. Florence Avenue, #L
Downey, CA 90241

Department of Consumer Affairs Bureau for
Private Postsecondary Education
Cheryl.Lardizabal@dca.ca.gov
Christina.Villanueva@dca.ca.gov

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on October 30, 2020, at Sacramento, California.



Tara Stratton