XAVIER BECERRA
Attorney General of California
DIANN SOKOLOFF
Supervising Deputy Attorney General
CARTER OTT
Deputy Attorney General
State Bar No. 221660
1515 Clay Street, 20th Floor
P.O. Box 70550
Oakland, CA 94612-0550
Telephone: (510) 879-1349
Facsimile: (510) 622-2270
E-mail: Carter.Ott@doj.ca.gov
Attorneys for Complainant

BEFORE THE
DEPARTMENT OF CONSUMER AFFAIRS
FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION
STATE OF CALIFORNIA

In the Matter of the Statement of Issues Against: **A-1 TRUCK DRIVING SCHOOL INC. also known as A 1 Truck Driving School, Inc.** **Application for Renewal of Approval to Operate and Offer Educational Programs for Non-Accredited Institutions** **Institution Code: 0106221** Respondent.	Case No. 1002980 **STATEMENT OF ISSUES**

Complainant alleges:

PARTIES

1. Dr. Michael Marion, Jr. ("Complainant") brings this Statement of Issues solely in his official capacity as the Chief of the Bureau for Private Postsecondary Education, Department of Consumer Affairs.

2. On or about December 13, 2013, the Bureau for Private Postsecondary Education received an Application for Renewal of Approval to Operate and Offer Educational Programs for Non-Accredited Institutions from Respondent A-1 Truck Driving School Inc., also known as A 1 Truck Driving School, Inc. ("Respondent"), a California corporation. Between January 2014 and

July 2017, the Bureau and Respondent conferred regarding Respondent's application, including Respondent's transmittal of additional application materials. The Bureau denied the application via a Notice of Denial of Application for Renewal of Approval to Operate on or about August 15, 2017. On or about September 28, 2017, Respondent submitted to the Bureau a request for administrative hearing.

JURISDICTION

3. This Statement of Issues is brought before the Director of the Department of Consumer Affairs ("Director") for the Bureau, under the authority of the following laws. All section references are to the Education Code unless otherwise indicated.

4. **Section 94885, subdivision (a)** provides, in part:

"(a) The bureau shall adopt by regulation minimum operating standards for an institution that shall reasonably ensure that all of the following occur:

"(1) The content of each educational program can achieve its stated objective.

. . .

"(3) The facilities, instructional equipment, and materials are sufficient to enable students to achieve the educational program's goals.

. . .

"(7) That, upon satisfactory completion of an educational program, the institution gives students a document signifying the degree or diploma awarded.

. . .

"(9) The institution is maintained and operated in compliance with this chapter and all other applicable ordinances and laws."

5. **Section 94886** provides:

"Except as exempted in Article 4 (commencing with Section 94874) or in compliance with the transition provisions in Article 2 (commencing with Section 94802), a person shall not open, conduct, or do business as a private postsecondary educational institution in this state without obtaining an approval to operate under this chapter."

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6. **Section 94887** provides:

"An approval to operate shall be granted only after an applicant has presented sufficient evidence to the bureau, and the bureau has independently verified the information provided by the applicant through site visits or other methods deemed appropriate by the bureau, that the applicant has the capacity to satisfy the minimum operating standards. The bureau shall deny an application for an approval to operate if the application does not satisfy those standards."

STATUTORY AND REGULATORY PROVISIONS

7. **Section 94815** provides:

"'Annual report' means the yearly report required to be filed by institutions."

8. **Section 94906** provides:

"(a) An enrollment agreement shall be written in language that is easily understood. If English is not the student's primary language, and the student is unable to understand the terms and conditions of the enrollment agreement, the student shall have the right to obtain a clear explanation of the terms and conditions and all cancellation and refund policies in his or her primary language.

"(b) If the recruitment leading to enrollment was conducted in a language other than English, the enrollment agreement, disclosures, and statements shall be in that language."

9. **Section 94908** provides:

"Any information or statement required by this article to be included in the catalog, School Performance Fact Sheet, or enrollment agreement shall be printed in at least the same size font as the majority of the text in that document."

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10. **Section 94909** provides, in part:

"(a) Except as provided in subdivision (d), prior to enrollment, an institution shall provide a prospective student, either in writing or electronically, with a school catalog containing, at a minimum, all of the following:

. . .

"(3) The following statements:

. . .

"(C) 'A student or any member of the public may file a complaint about this institution with the Bureau for Private Postsecondary Education by calling (toll-free telephone number) or by completing a complaint form, which can be obtained on the bureau's Internet Web site (Internet Web site address).'

"(4) The address or addresses where class sessions will be held.

"(5) A description of the programs offered and a description of the instruction provided in each of the courses offered by the institution, the requirements for completion of each program, including required courses, any final tests or examinations, any required internships or externships, and the total number of credit hours, clock hours, or other increments required for completion.

. . .

"(7) Information regarding the faculty and their qualifications.

"(8) A detailed description of institutional policies in the following areas:

"(A) Admissions policies, including the institution's policies regarding the acceptance of credits earned at other institutions or through challenge examinations and achievement tests, admissions requirements for ability-to-benefit students, and a list describing any transfer or articulation agreements between the institution and any other college or university that provides for the transfer of credits earned in the program of instruction. If the institution has not entered into an articulation or transfer agreement with any other college or university, the institution shall disclose that fact.

"(B) Cancellation, withdrawal, and refund policies, including an explanation that the student has the right to cancel the enrollment agreement and obtain a refund of charges paid through attendance at the first class session, or the seventh day after enrollment, whichever is later. The text shall also include a description of the procedures that a student is required to follow to cancel the enrollment agreement or withdraw from the institution and obtain a refund consistent with the requirements of Article 13 (commencing with Section 94919).

"(C) Probation and dismissal policies.

"(D) Attendance policies.

"(E) Leave-of-absence policies.

"(9) The schedule of total charges for a period of attendance and an estimated schedule of total charges for the entire educational program.

"(10) A statement reporting whether the institution participates in federal and state financial aid programs, and if so, all consumer information that is required to be disclosed to the student pursuant to the applicable federal and state financial aid programs.

"(11) A statement specifying that, if a student obtains a loan to pay for an educational program, the student will have the responsibility to repay the full amount of the loan plus interest, less the amount of any refund, and that, if the student has received federal student financial aid funds, the student is entitled to a refund of the moneys not paid from federal student financial aid program funds.

"(12) A statement specifying whether the institution has a pending petition in bankruptcy, is operating as a debtor in possession, has filed a petition within the preceding five years, or has had a petition in bankruptcy filed against it within the preceding five years that resulted in reorganization under Chapter 11 of the United States Bankruptcy Code (11 U.S.C. Sec. 1101 et seq.).

"(13) If the institution provides placement services, a description of the nature and extent of the placement services.

. . .

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"(15) The following statement:

"'NOTICE CONCERNING TRANSFERABILITY OF CREDITS AND CREDENTIALS EARNED AT OUR INSTITUTION

"The transferability of credits you earn at (name of institution) is at the complete discretion of an institution to which you may seek to transfer. Acceptance of the (degree, diploma, or certificate) you earn in (name of educational program) is also at the complete discretion of the institution to which you may seek to transfer. If the (credits or degree, diploma, or certificate) that you earn at this institution are not accepted at the institution to which you seek to transfer, you may be required to repeat some or all of your coursework at that institution. For this reason you should make certain that your attendance at this institution will meet your educational goals. This may include contacting an institution to which you may seek to transfer after attending (name of institution) to determine if your (credits or degree, diploma, or certificate) will transfer.'

. . . ."

11. **Section 94910** provides:

"Except as provided in subdivision (d) of Section 94909 and Section 94910.5, prior to enrollment, an institution shall provide a prospective student with a School Performance Fact Sheet containing, at a minimum, the following information, as it relates to the educational program:

"(a) Completion rates, as calculated pursuant to Article 16 (commencing with Section 94928).

"(b) Placement rates for each educational program, as calculated pursuant to Article 16 (commencing with Section 94928), if the educational program is designed to lead to, or the institution makes any express or implied claim related to preparing students for, a recognized career, occupation, vocation, job, or job title.

"(c) License examination passage rates for programs leading to employment for which passage of a state licensing examination is required, as calculated pursuant to Article 16 (commencing with Section 94928).

"(d) Salary or wage information, as calculated pursuant to Article 16 (commencing with Section 94928).

"(e) If a program is too new to provide data for any of the categories listed in this subdivision, the institution shall state on its fact sheet: 'This program is new. Therefore, the number of students who graduate, the number of students who are placed, or the starting salary you can earn after finishing the educational program are unknown at this time. Information regarding general salary and placement statistics may be available from government sources or from the institution, but is not equivalent to actual performance data.'

"(f) All of the following:

"(1) A description of the manner in which the figures described in subdivisions (a) to (d), inclusive, are calculated or a statement informing the reader of where he or she may obtain a description of the manner in which the figures described in subdivisions (a) to (d), inclusive, are calculated.

"(2) A statement informing the reader of where he or she may obtain from the institution a list of the employment positions determined to be within the field for which a student received education and training for the calculation of job placement rates as required by subdivision (b).

"(3) A statement informing the reader of where he or she may obtain from the institution a list of the objective sources of information used to substantiate the salary disclosure as required by subdivision (d).

"(g) The following statements:

"(1) 'This fact sheet is filed with the Bureau for Private Postsecondary Education. Regardless of any information you may have relating to completion rates, placement rates, starting salaries, or license exam passage rates, this fact sheet contains the information as calculated pursuant to state law.'

"(2) 'Any questions a student may have regarding this fact sheet that have not been satisfactorily answered by the institution may be directed to the Bureau for Private Postsecondary Education at (address), Sacramento, CA (ZIP Code), (Internet Web site address), (telephone and fax numbers).'

"(h) If the institution participates in federal financial aid programs, the most recent three-year cohort default rate reported by the United States Department of Education for the institution and the percentage of enrolled students receiving federal student loans.

"(i) Data and information disclosed pursuant to subdivisions (a) to (d), inclusive, is not required to include students who satisfy the qualifications specified in subdivision (d) of Section 94909, but an institution shall disclose whether the data, information, or both provided in its fact sheet excludes students pursuant to this subdivision. An institution shall not actively use data specific to the fact sheet in its recruitment materials or other recruitment efforts of students who are not California residents and do not reside in California at the time of their enrollment."

12. **Section 94911** provides, in part:

"An enrollment agreement shall include, at a minimum, all of the following:

"(a) The name of the institution and the name of the educational program, including the total number of credit hours, clock hours, or other increment required to complete the educational program.

. . .

"(d) A clear and conspicuous statement that the enrollment agreement is legally binding when signed by the student and accepted by the institution.

"(e)(1) A disclosure with a clear and conspicuous caption, 'STUDENT'S RIGHT TO CANCEL,' under which it is explained that the student has the right to cancel the enrollment agreement and obtain a refund of charges paid through attendance at the first class session, or the seventh day after enrollment, whichever is later.

"(2) The disclosure shall contain the institution's refund policy and a statement that, if the student has received federal student financial aid funds, the student is entitled to a refund of moneys not paid from federal student financial aid program funds.

"(3) The text shall also include a description of the procedures that a student is required to follow to cancel the enrollment agreement or withdraw from the institution and obtain a refund.

"(f) A statement specifying that, if the student obtains a loan to pay for an educational program, the student will have the responsibility to repay the full amount of the loan plus interest, less the amount of any refund.

"(g) A statement specifying that, if the student is eligible for a loan guaranteed by the federal or state government and the student defaults on the loan, both of the following may occur:

"(1) The federal or state government or a loan guarantee agency may take action against the student, including applying any income tax refund to which the person is entitled to reduce the balance owed on the loan.

"(2) The student may not be eligible for any other federal student financial aid at another institution or other government assistance until the loan is repaid.

"(h) The transferability disclosure that is required to be included in the school catalog, as specified in paragraph (15) of subdivision (a) of Section 94909.

"(i)(1) The following statement: 'Prior to signing this enrollment agreement, you must be given a catalog or brochure and a School Performance Fact Sheet, which you are encouraged to review prior to signing this agreement. These documents contain important policies and performance data for this institution. This institution is required to have you sign and date the information included in the School Performance Fact Sheet relating to completion rates, placement rates, license examination passage rates, salaries or wages, and the most recent three-year cohort default rate, if applicable, prior to signing this agreement.'

"(2) Immediately following the statement required by paragraph (1), a line for the student to initial, including the following statement: 'I certify that I have received the catalog, School Performance Fact Sheet, and information regarding completion rates, placement rates, license examination passage rates, salary or wage information, and the most recent three-year cohort default rate, if applicable, included in the School Performance Fact sheet, and have signed, initialed, and dated the information provided in the School Performance Fact Sheet.'

"(j) The following statements:

"(1) 'Any questions a student may have regarding this enrollment agreement that have not been satisfactorily answered by the institution may be directed to the Bureau for Private

Postsecondary Education at (address), Sacramento, CA (ZIP Code), (Internet Web site address), (telephone and fax numbers).'

"(2) 'A student or any member of the public may file a complaint about this institution with the Bureau for Private Postsecondary Education by calling (toll-free telephone number) or by completing a complaint form, which can be obtained on the bureau's Internet Web site (Internet Web site address).'

"(k) The following statement above the space for the student's signature:

"'I understand that this is a legally binding contract. My signature below certifies that I have read, understood, and agreed to my rights and responsibilities, and that the institution's cancellation and refund policies have been clearly explained to me.'"

13. **Section 94913** provides:

"(a) An institution that maintains an Internet Web site shall provide on that Internet Web site all of the following:

"(1) The school catalog.

"(2) A School Performance Fact Sheet for each educational program offered by the institution.

"(3) Student brochures offered by the institution.

"(4) A link to the bureau's Internet Web site.

"(5) The institution's most recent annual report submitted to the bureau.

"(b) An institution shall include information concerning where students may access the bureau's Internet Web site anywhere the institution identifies itself as being approved by the bureau."

14. **Section 94916** provides:

"An institution extending credit or lending money to an individual for institutional and noninstitutional charges for an educational program shall cause any note, instrument, or other

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evidence of indebtedness taken in connection with that extension of credit or loan to be conspicuously marked on its face in at least 12-point type with the following notice:

"'NOTICE'

"'You may assert against the holder of the promissory note you signed in order to finance the cost of the educational program all of the claims and defenses that you could assert against this institution, up to the amount you have already paid under the promissory note.'"

15. **Section 94931, subdivision (a)** provides:

"(a) A fee that is not paid on or before the 30th calendar day after the due date for the payment of the fee shall be subject to a 25 percent late payment penalty fee."

16. **Section 94934** provides:

"(a) As part of the compliance program, an institution shall submit an annual report to the bureau, under penalty of perjury, signed by a responsible corporate officer, by July 1 of each year, or another date designated by the bureau, and it shall include the following information for educational programs offered in the reporting period:

"(1) The total number of students enrolled by level of degree or for a diploma.

"(2) The number of degrees, by level, and diplomas awarded.

"(3) The degree levels and diplomas offered.

"(4) The Student Performance Fact Sheet, as required pursuant to Section 94910.

"(5) The school catalog, as required pursuant to Section 94909.

"(6) The total charges for each educational program by period of attendance.

"(7) A statement indicating whether the institution is, or is not, current in remitting Student Tuition Recovery Fund assessments.

"(8) A statement indicating whether an accrediting agency has taken any final disciplinary action against the institution.

"(9) Additional information deemed by the bureau to be reasonably required to ascertain compliance with this chapter.

"(b) The bureau, by January 1, 2011, shall prescribe the annual report's format and method of delivery."

17. **California Code of Regulations, title 5, section 71475** provides, in part:

. . .

"(c) The application for renewal of approval to operate and offer educational programs for non-accredited institutions shall include all of the following:

"(1) The name, institution/school code and website address of the institution.

. . .

"(6) The form of business organization of the institution (e.g., sole proprietorship, general or limited partnership, for-profit corporation, nonprofit corporation, or Limited Liability Corporation). If the institution is incorporated, the institution shall also identify the state within which the institution is incorporated and the date of incorporation, and provide copies of the articles of incorporation and bylaws.

. . .

"(e) The institution shall submit at the time it applies for renewal current financial statements that meet the requirements of section 74115 as follows: (1) for an institution with annual gross revenues of $500,000 and over, statements shall be audited; (2) for an institution with annual gross revenues less than $500,000, statements shall be reviewed.

. . .

"(p) If an institution receives financial aid because its students qualify for it under any state or federal financial aid program, the application shall include a statement of its policies, practices, and disclosures regarding financial aid. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

"(q) The institution shall include in its application copies of advertising and other statements disseminated to the public in any manner by the institution or its representatives that concern, describe, or represent each of the following:

"(1) The institution.

"(2) Each educational program offered by the institution.

"(3) If advertising is broadcast by television or radio, the application shall also include a copy of the script.

"(r) The institution shall identify and describe, in the application, the educational program it offers, or proposes to offer. If the educational program is a degree program, the institution shall identify the full title which it will place on each degree awarded. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

"(s) The application shall include, in addition to the general title, such as "Bachelor of Arts" or "Master of Science", the name of a specific major field of learning involved. If there have been no substantive changes since the last submission, the institution may so state and is not required to submit documentation.

"(t) In addition, the institution shall list in the application, the following for each educational program offered unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

"(1) The admissions requirements, including minimum levels of prior education, preparation, or training;

"(2) If applicable, information regarding the ability-to-benefit examination as required by section 94904 of the Code.

"(3) The types and amount of general education required;

"(4) The title of the educational programs and other components of instruction offered, including a description of the level of the courses (e.g., below college level, undergraduate level, graduate level);

"(5) The mode of instruction;

"(6) The graduation requirements.

"(7) Whether the educational program is designed to fit or prepare students for employment in any occupation. If so, the application shall identify each occupation and job title to which the institution represents the educational program will lead.

"(u) For each educational program that the institution offers or proposes to offer, the application shall contain a statement that the educational program meets the requirements of

section 71710, as well as the following unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation:

"(1) A description of the educational program.

"(2) A description of the equipment to be used during the educational program.

"(3) A description of the number and qualifications of the faculty needed to teach the educational program.

"(4) A projection, and the bases for the projection, of the number of students that the institution plans to enroll in the educational program during each of the three years following the date the application was submitted.

"(5) A description of the learning, skills, and other competencies to be acquired by students who complete the educational program.

"(6) If licensure is a goal of an educational program, a copy of the approval from the appropriate licensing agency. A copy of the intent to approve conditioned solely upon institutional approval from the Bureau will also meet this requirement.

"(7) Upon request, the institution shall provide to the Bureau copies of the curriculum or syllabi required pursuant to section 71710.

"(v) If the institution offers an educational program, or a portion of it, in a language other than English, the application shall contain a description of all of the following for each educational program or portion thereof unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

"(1) The language in which each educational program will be offered.

"(2) A statement that the institution has contracted with sufficient duly qualified faculty who will teach each language group of students.

"(3) The language of the textbooks and other written materials to be used by each language group of students.

"(w)(1) The application shall contain a statement that the institution has and can maintain the financial resources required pursuant to section 71745.

"(2) The institution shall submit current, audited financial statements at the time it applies for approval to operate. Each set of financial statements shall comply with Section 74115 of this chapter.

. . .

"(dd)(1) The application shall contain a description of how records required by Article 9 of the Act or this chapter are or will be organized and maintained, the types of documents contained in student files, how the records are stored, and whether academic and financial records are maintained in separate files. The description shall include a statement of the institution's procedures for security and safekeeping of records unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

"(2) The description in the application shall include the name, physical address, email address, and telephone number of the custodian of records, and the physical addresses and telephone numbers of the offices or buildings where the records will be maintained unless there have been no substantive changes since the last submission. If there have been no substantive changes made the institution may so state and is not required to provide documentation.

. . . ."

18. **California Code of Regulations, title 5, section 71485** provides:

"Failure of an institution to have made current payments of the assessments to the Student Tuition Recovery Fund as required by chapter 7 of this Division, and annual fees as required by chapter 5 of this Division shall render the institution ineligible for renewal."

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19. **California Code of Regulations, title 5, section 71750, subdivision (c)** provides, in part:

"(c) A pro rata refund pursuant to section 94919(c) or 94920(d) or 94927 of the Code shall be no less than the total amount owed by the student for the portion of the educational program provided subtracted from the amount paid by the student, calculated as follows:

. . .

"(3) Except as provided herein, all amounts that the student has paid shall be subject to refund unless the enrollment agreement and the refund policy outlined in the catalog specify amounts paid for an application fee or deposit not more than $250.00, books, supplies, or equipment, and specify whether and under what circumstances those amounts are non-refundable. Except when an institution provides a 100% refund pursuant to section 94919(d) or section 94920(b) of the Code, any assessment paid pursuant to section 94923 of the Code is non-refundable."

20. **California Code of Regulations, title 5, section 71770** provides:

"(a) The institution shall establish specific written standards for student admissions for each educational program. These standards shall be related to the particular educational program. An institution shall not admit any student who is obviously unqualified or who does not appear to have a reasonable prospect of completing the program. In addition to any specific standards for an educational program, the admissions standards must specify as applicable that:

"(1) Each student admitted to an undergraduate degree program, or a diploma program, shall possess a high school diploma or its equivalent, or otherwise successfully take and pass the relevant examination as required by section 94904 of the Code.

"(2) Each student admitted into a post-baccalaureate degree program shall possess a bachelor's degree or its equivalent. If a graduate program leads to a profession or an occupation requiring state licensure and the licensing agency does not require that a member of the profession or occupation possess a Bachelor's degree or its equivalent, this subdivision does not apply.

"(b) The institution shall specify the maximum credit it will transfer from another institution for each educational program, and the basis upon which the transferred credit will be awarded.

"(1) Except as limited by subdivision (c) of this section, a maximum of 75 percent of the units or credit that may be applied toward the award of a bachelor's degree may be derived from a combination of any or both of the following:

"(A) Units earned at institutions approved by the Bureau, public or private institutions of higher learning accredited by an accrediting association recognized by the U. S. Department of Education, or any institution of higher learning, including foreign institutions, if the institution offering the undergraduate program documents that the institution of higher learning at which the units were earned offers degree programs equivalent to degree programs approved by the Bureau or accredited by an accrediting association recognized by the U.S. Department of Education;

"(B) Challenge examinations and standardized tests such as the College Level Placement Tests (CLEP) for specific academic disciplines.

"(2) No more than 20% of graduate semester units or the equivalent in other units awarded by another institution may be transferred for credit toward a Master's degree. An institution may accept transfer credits only from the institutions of higher learning described in subsection (1)(A).

"(3) No more than 30 graduate semester credits or its equivalent awarded by another institution may be credited toward a doctoral degree. This subdivision does not apply to graduate programs that lead to a profession or an occupation requiring state licensure where the licensing agency has a regulation permitting a different standard.

"(c) If credit for prior experiential learning is to be granted, the policy for granting such credit shall be included in the institution's catalog.

"(1) An institution may grant credit to a student for prior experiential learning only if:

"(A) The prior learning is equivalent to a college or university level of learning;

"(B) The learning experience demonstrates a balance between theory and practice and;

"(C) The credit awarded for the prior learning experience directly relates to the student's degree program and is applied in satisfaction of some of the degree requirements.

"(2) Each college or university level learning experience for which credit is sought shall be documented by the student in writing.

"(3) Each college or university level learning experience shall be evaluated by faculty qualified in that specific subject area who shall ascertain (1) to what college or university level learning the student's prior experience is equivalent and (2) how many credits toward a degree may be granted for that experience.

"(4) The faculty evaluating the prior learning shall prepare a written report indicating all of the following:

"(A) The documents in the student's record on which the faculty member relied in determining the nature of the student's prior experience;

"(B) The bases for determining that the prior experience (i) is equivalent to college or university level learning and (ii) demonstrates a balance between theory and practice; and

"(C) The bases for determining (i) to what college or university level the experience is equivalent and (ii) the proper number of credits to be awarded toward the degree for that experience.

"(5)(A) The institution shall designate at least one administrator to be responsible for the review of faculty determinations regarding the award of credit for prior experiential learning.

"(B) The administrator shall document the institution's periodic review of faculty evaluations to assure that the faculty written evaluations and awards of credit comply with this section and the institution's policies and are consistent.

"(6) The amount of credit awarded for prior experiential learning shall not be related to the amount charged the student for the assessment process.

"(7)(A) Of the first 60 semester credits awarded a student in an undergraduate program, no more than 15 semester credits may be awarded for prior experiential learning.

"(B) Of the second 60 semester units (i.e., credits 61 to 120) awarded a student in an undergraduate program, no more than 15 semester credits may be awarded for prior experiential learning.

"(C) Of the first 30 semester credits awarded a student in a graduate program, no more than 6 semester credits may be awarded for prior experiential learning.

"(D) Of the second 30 semester credits (i.e., credits 31 to 60) awarded a student in a graduate program, no more than 3 semester credits may be awarded for prior experiential learning.

"(E) No credit for experiential learning may be awarded after a student has obtained 60 semester credits in a graduate program."

21. **California Code of Regulations, title 5, section 71800** provides, in part:

"In addition to the requirements of section 94911 of the Code, an institution shall provide to each student an enrollment agreement that contains at the least the following information:

. . .

"(b) Period covered by the enrollment agreement.

. . .

"(d) Date by which the student must exercise his or her right to cancel or withdraw, and the refund policy, including any alternative method of calculation if approved by the Bureau pursuant to section 94921 of the Code.

"(e) Itemization of all institutional charges and fees including, as applicable:

"(1) tuition;

"(2) registration fee (non-refundable);

"(3) equipment;

"(4) lab supplies or kits;

"(5) Textbooks, or other learning media;

"(6) uniforms or other special protective clothing;

"(7) in-resident housing;

"(8) tutoring;

"(9) assessment fees for transfer of credits;

"(10) fees to transfer credits;

"(11) Student Tuition Recovery Fund fee (non-refundable);

"(12) any other institutional charge or fee.

"(f) Charges paid to an entity other than an institution that is specifically required for participation in the educational program."

22. **California Code of Regulations, title 5, section 71810, subdivision (b)** provides, in part:

. . .

"(b) The catalog shall contain the information prescribed by Section 94909 of the Code and all of the following:

. . .

"(3) If the institution admits students from other countries, whether visa services are provided or whether the institution will vouch for student status, and any associated charges;"

. . .

"(6) The institution's policies and practices regarding any form of financial aid, including all consumer information which the institution is required to disclose to the student under any state or federal financial aid program;

. . .

"(8) The institution's standards for student achievement;

. . .

"(13) Housing information including all of the following:

"(A) Whether the institution has dormitory facilities under its control;

"(B) The availability of housing located reasonably near the institution's facilities and an estimation of the approximate cost or range of cost of the housing; and

"(C) If the institution has no responsibility to find or assist a student in finding housing, a clear and conspicuous statement so indicating. A statement that the program is "non- residential" does not satisfy this subparagraph.

. . .

"(15) Policies on the retention of student records."

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23. **California Code of Regulations, title 5, section 74006** provides:

"(a) An institution's annual fee is due within 30 days of the date on which the institution originally receives its approval to operate and each year thereafter on the anniversary of the date of the original approval.

"(b) An institution shall pay its annual fee in addition to any other applicable fees.

"(c) The annual institutional fee is based on the institution's annual revenue. For purposes of this article, annual revenue is annual gross revenue."

24. **California Code of Regulations, title 5, section 74110** provides:

"(a) The annual report required by Section 94934 of the Code shall include the information required by sections 94929.5 and 94934 for all educational programs offered in the prior calendar year, and all of the following for the prior calendar year:

"(1) Information regarding institutional branch campuses, including addresses and programs offered at each campus, if applicable;

"(2) Information regarding satellite locations, including addresses and with which campus(es) the satellite location is affiliated, if applicable;

"(3) Name of institutional accreditors for each branch and satellite campus, and for each such campus at which any programs have programmatic accreditation, the names of the programmatic accreditor for each such program, and effective dates for each programmatic accreditation, if applicable;

"(4) Information regarding participation in state and federal student loan and grant programs, including the total amount of funding received from each source for those students enrolled in an approved California school regardless of their state of residency;

"(5) Information regarding participation in other public funding programs, including the amount of funding received from each public funding source; for purposes of this section, public funding is any financial aid paid on behalf of students or directly to an institution from any public source, such as the Workforce Investment Act, any veterans' financial aid programs pursuant to Section 21.4253 of Title 38 of the Code of Federal Regulations or any other financial aid program

that is intended to help students pay education-related expenses, including tuition, fees, room and board, and supplies for education; and

"(6) The total percentage of institutional income that comes from any public funding sources.

"(b) In addition to the information required by section 94934 and this section provided under penalty of perjury, the institution shall have annual financial statements prepared for the institution's prior fiscal year and signed under penalty of perjury, and shall submit a hard copy under separate cover of such statements in conjunction with its annual report. The form, content and mode of preparation of financial statements shall comply with Section 74115 of this Division. The Bureau may request that the institution immediately make available for inspection to a representative of the Bureau, these financial statements at the offices of the institution.

"(c) An institution shall file its annual report by December 1st. The Bureau may extend the period for filing if the institution demonstrates evidence of substantial need but in no case longer than 60 days. The institution shall not change the date of its filing its annual report because of a change in the fiscal year without the Bureau's approval.

"(d) The annual report shall be electronically filed by submitting the information required by section 94934 of the Code and this section via 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."

25. **California Code of Regulations, title 5, section 74112** provides:

"(a) Format. The format for the Performance Fact Sheet shall be in at least 12 pt. type, in an easily readable font, with 1.15 line spacing and all titles and column headings shall be in bold 14 pt. type, which shall also identify the program for which the Performance Fact Sheet pertains. The Performance Fact Sheet shall contain all and only the information required or specifically permitted by sections 94910 and 94929.5 of the Code or this chapter. A separate Performance Fact Sheet shall be prepared for each program.

"(b) An institution offering educational programs that are too new to provide the required two years of data shall include the date the program began as well as the statement required by

section 94910(e) of the Code. The Performance Fact Sheet shall also disclose the estimated date of availability for two full years of data for those programs.

"(c) Institutions approved under section 94874.8 of the Code, which do not include all required information per section 94874.8(a)(4), shall include on the Performance Fact Sheet the date of approval to operate and when the required data will be available.

"(d) In addition to the definitions contained in section 94928 of the Code:

"(1) 'Number of Students Who Began the Program' means the number of students who began a program who were scheduled to complete the program within 100% of the published program length within the reporting calendar year, and excludes all students who cancelled during the cancellation period.

"(2) 'Number of On-time Graduates' means the number of students who completed the program within 100% of the published program length within the reporting calendar year.

"(3) 'Gainfully Employed' means:

"(A)(i) The graduate is employed in a job classification under the United States Department of Labor's Standard Occupational Classification codes, using the Detailed Occupation (six-digit) level, for which the institution has identified in its catalog and in its employment positions list required by section 94910(f)(2) of the Code that the program prepares its graduates; and

"(ii) The graduate is employed in a single position or concurrent aggregated positions totaling at least 30 hours per week for 5 weeks (35 calendar days), or totaling at least 20 hours per week for 5 weeks (35 calendar days) with a statement signed by the graduate stating that he or she chose to seek part-time employment rather than fulltime employment after graduation; or

"(B) The graduate is employed by the same employer that employed the graduate before enrollment, and any of the following conditions are met:

"(i) the graduate is employed in an occupation with a different Detailed Occupation (six-digit) level Standard Occupational Classification code than applies to the position in which the graduate was employed before enrollment; or

"(ii) the employer or the graduate provides a statement to the effect that the employment after graduation was the result of a promotion with increased pay, due at least in part to graduation from the program; or

"(iii) the employer or the graduate provides a statement to the effect that the degree or the completed program was required as a condition of continued employment; or

"(C) The graduate is self-employed or working freelance as reasonably evidenced by, but not limited to, a business license, fictitious business name statement, advertising (other than business cards), website, or business receipts or other evidence of income from business; or an attestation signed by the graduate of self-employment or freelance work and dated after graduation.

"(e) Reporting periods:

"(1) An Annual Report shall include data for all educational programs as defined in section 94837 of the Code for the previous one calendar year.

"(2) A Performance Fact Sheet shall be current and available not later than December 1st, and shall report data for the previous two calendar years based upon the 'number of students who began the program,' as defined in subdivision (d)(1) of this section and were scheduled to graduate in the reported year(s).

"(f) Total Charges. The institution's Annual Report and Performance Fact Sheet shall include the total charges for a student to complete the program within 100% of the program length. The institution must include the disclosure that there may be additional charges if the program is not completed on-time.

"Total charges shall be disclosed in the Performance Fact Sheet in a format substantially similar to the format listed below (dates and numbers are for example only):

"**Cost of Educational Program:**

"Total Charges for the program for students completing on-time in 20XX: $50,000.

"Total Charges may be higher for students that do not complete on-time.

"Student's Initials: _____ Date: _____

"Initial only after you have had sufficient time to read and understand the information.

"(g) Student Loan/Debt Information.

"(1) If the institution participates in federal financial aid programs, the institution shall include loan information in the institution's Annual Report and on the Performance Fact Sheet. The loan information shall include:

"(A) The most recent three year cohort default rate, as reported by the United States Department of Education;

"(B) The percentage of enrolled students receiving federal student loans;

"(C) The average amount of federal student loan debt of those graduates who have federal student loan debt in the reporting year; and

"(D) The percentage of graduates with federal student loans, as calculated by the institution.

"Loan information shall be included in the Performance Fact Sheet in a format substantially similar to the format listed below (dates and numbers are for example only):

"Federal Student Loan Debt at (Name of Institution)

"Percentage of students who defaulted on their federal student loans at this school: 28%[1]

"Percentage of students enrolled in 20XX who took out federal student loans to pay for this program: 43%

"Percentage of graduates in 20XX who took out federal student loans to pay for this program: 65%

"Average federal student loan debt of 20XX graduates who took out federal student loans at this institution: $26,000

"[1] The percentage of students who defaulted on their federal student loans is called the Cohort Default Rate (CDR). It shows the percentage of this school's students who were more than 270 days (about 9 months) behind on their federal student loans within three years of when the first payment was due. This is the most recent CDR reported by the U.S. Department of Education.

"Student's Initials: _____ Date: _____

"Initial only after you have had sufficient time to read and understand the information.

"(2) Institutions that do not participate in federal financial aid programs shall include one of two statements in the Performance Fact Sheet in a format substantially similar to the following:

"Students at (name of institution) are not eligible for federal student loans. The U.S. Department of Education has determined that this institution does not meet the criteria that would allow its students to participate in federal student aid programs.

"or

"(Name of Institution) is eligible, but chooses not to participate in federal student aid programs. So students here do not have federal student loans.

"Student's Initials: _____ Date: _____

"Initial only after you have had sufficient time to read and understand the information.

"(h) Completion Rates. Reporting of completion rates for an institution's Annual Report and Performance Fact Sheet shall include, for each educational program, the number of students who began the program as defined in subdivision (d)(1) of this section, the number of students available for graduation, number of on-time graduates, and completion rate(s). An optional table may be added to include completion rate data for students completing within 150% of the published program length. For an institution reporting completion data pursuant to section 94929(b) of the Code, completion data shall be separately reported for each program and the Performance Fact Sheet shall disclose, if true, that the completion data is being reported for students completing within 150% of the published program length, and that data is not being separately reported for students completing the program within 100% of the published program length. Programs that are more than one year in length which are reporting 150% Completion Rate will provide four calendar years of data.

"Completion rates shall be included in the Performance Fact Sheet in a format substantially similar to the chart below (dates, numbers, and other data shown are for example only):

"**On-time Completion Rates (Graduation Rates)** (includes data for the two calendar years prior to reporting)

"**Name of Educational Program** (Program Length)

Calendar Year	*Number of Students Who Began the Program*	*Students Available for Graduation*	*Number of On-Time Graduates*	*On-Time Completion Rate*
20XX	100	98	70	71%
20XY	80	80	55	69%

"**Students Completing Within 150% of the Published Program Length**

"**Name of Educational Program** (Program Length)

Calendar Year	*Number of Students Who Began the Program*	*Students Available for Graduation*	*150% Graduates*	*150% Completion Rate*
20XX	100	98	70	71%
20XY	80	80	55	69%
*20XZ	90	90	87	97%
*20YA	87	85	74	87%

"*Included only if program is more than one year in length

"Student's Initials: _____ Date: _____

"**Initial only after you have had sufficient time to read and understand the information.**

"(i) Job Placement Rates.

"(1) Any placement data required by sections 94910(b) and 94929.5(a) of the Code shall be reported for the number of students who began the program as defined in subdivision (d)(1) of this section for each reported calendar year.

"(2) Placement is measured six months from the graduation date of each student. For programs that require passage of a licensing examination, placement shall be measured six months after the announcement of the examination results for the first examination available after a student completes an applicable educational program. Reporting of placement rates shall include for each educational program: the number of students who began the program, the

number of graduates as defined in section 94842 of the Code, the graduates available for employment, graduates employed in the field and job placement rate(s).

"(3) If the institution makes any claim related to preparing students for a job or regarding job placement, the list required by section 94910(f)(2) of the Code shall identify the employment positions by using the Detailed Occupation or six-digit level of the Standard Occupational Classification codes.

"(4) Placement rate shall be calculated as follows: the number of graduates employed in the field as defined in section 94928(e)(1) of the Code in conjunction with section 74112(d)(3) divided by the number of graduates available for employment as defined in section 94928(d) of the Code.

"Job Placement rates and related disclosures shall be included in the Performance Fact Sheet in a format substantially similar to the charts below, (dates, numbers, and other data shown are for example only):

"**Job Placement Rates** (includes data for the two calendar years prior to reporting)

"**Name of Educational Program** (Program Length)

Calendar Year	*Number of Students Who Began the Program*	*Number of Graduates*	*Graduates Available for Employment*	*Graduates Employed in the Field*	*Placement Rate % Employed in the Field*
20XX	100	70	70	55	79%
20XY	80	55	55	20	36%

"**Gainful Employment Categories** (includes data for the two calendar years prior to reporting)

"**Name of Educational Program** (Program Length)

"Part Time vs. Full Time Employment

	Graduates Employed in the field 20 to 29 hours per week	Graduates Employed in the field at least 30 hours per week	Total Graduates Employed in the Field
20XX	15	40	55
20XY	5	15	20

"Single Position vs. Concurrent Aggregated Positions

	Graduates Employed in the field in a single position	Graduates Employed in the field in concurrent aggregated positions	Total Graduates Employed in the Field
20XX	52	3	55
20XY	19	1	20

"Self-Employed/Freelance Positions

	Graduates Employed who are self-employed or working freelance	Total Graduates Employed in the Field
20XX	3	55
20XY	5	20

"Institutional Employment

	Graduates Employed in the field who are employed by the institution, an employer owned by the institution, or an employer who shares ownership with the institution	Total Graduates Employed in the Field
20XX	15	55
20XY	5	20

"Student's Initials: _____ Date: _____

"Initial only after you have had sufficient time to read and understand the information.

"(5) The following self-employment/freelance worker disclosure shall be initialed by students entering any programs in which the majority of graduates who obtain jobs obtain in this type of work:

"This program may result in freelance or self-employment.

"• The work available to graduates of this program is usually for freelance or self-employment.

"• This type of work may not be consistent.

"• The period of employment can range from one day to weeks to several months.

"• Hours worked in a day or week may be more or less than the traditional 8 hour work day ot 40 hour work week.

"• You can expect to spend unpaid time expanding your networks, advertising, promoting your services, or honing your skills.

"• Once graduates begin to work freelance or are self-employed, they will be asked to provide documentation that they are employed as such so that they may be counted as placed for our job placement records.

"• Students initialing this disclosure understand that either a majority or all of this school's graduates are employed in this manner and undestand what comprises that work style.

"Student's Initials: _____ Date: _____

"Only initial after you have had sufficient time to read and understand the information.

"(j) License Examination Passage Rates. If license examination passage rates are not available from the appropriate state agency, an institution shall collect the information directly from its graduates. If an institution demonstrates that, after reasonable efforts, it is unable to obtain the examination passage information from its graduates, the institution shall report the number of students it could not contact and note in a font the same size as the majority of the data on the Performance Fact Sheet, "License examination passage data is not available from the state agency administering the examination. We were unable to collect data from [enter the number] graduates."

"Reporting of license examination passage rates for the Annual Report and the Performance Fact Sheet shall include, for each educational program: the number of graduates in the reported year, the number of documented graduates who passed the first available examination, number of documented graduates who failed the first available examination, the number of graduates for whom data is not available. An optional column may be added to separately report licensing examination data for graduates who take and pass the exam after failing initially. The Annual Report shall also include a description of the processes for attempting to contact those students.

"For licensing examinations that are not continuously administered, license examination passage rates shall be included in the Performance Fact Sheet in a format substantially similar to the chart below, (dates, numbers, and other data shown are for example only):

"**License Examination Passage Rates** (includes data for the two calendar years prior to reporting)

"**Name of Educational Program** (Program Length)

First Available Exam Date	Date Exam Results Announced	Number of Graduates in Calendar Year	Number of Graduates Taking Exam	Number Who Passed Exam	Number Who Failed Exam	Passage Rate
2/1/20XX	3/15/20XX	277	80	40	40	50%
6/1/20XX	7/15/20XX	277	100	75	25	75%
10/1/20XX	11/15/20XX	277	82	68	14	76%
2/1/20XY	3/20/20XX	304	80	40	40	50%
6/1/20XY	7/19/20XX	304	100	70	30	70%
10/1/20XY	11/19/20XX	304	92	62	30	67%

"*License examination passage data is not available from the state agency administering the examination. We were unable to collect data from 32 graduates.*

"Student's Initials: _____ Date: _____

"**Initial only after you have had sufficient time to read and understand the information.**

"For licensing examinations that are continuously administered, license examination passage rates shall be included in the Performance Fact Sheet in a format substantially similar to the chart below (dates, numbers, and other data shown are for example only):

"**License Examination Passage Rates** (includes data for the two calendar years prior to reporting)

"**Name of Educational Program** (Program Length)

Calendar Year	*Number of Graduates in Calendar Year*	*Number of Graduates Taking Exam*	*Number Who Passed First Available Exam*	*Number Who Failed First Available Exam*	*Passage Rate*
20XX	95	80	40	40	50%
20XY	109	100	75	25	75%

"License examination passage data is not available from the state agency administering the examination. We were unable to collect data from 10 graduates.

"Student's Initials: _____ Date: _____

"**Initial only after you have had sufficient time to read and understand the information.**

"(k) Salary and Wage Information.

"All Salary and Wage Information shall be reported to the Bureau pursuant to sections 94910(d) and 94929.5(a)(3) of the Code and shall be included in the Performance Fact Sheet, for each educational program, in a format substantially similar to the chart below (dates, numbers, salaries, and other data shown are for example only).

"**Salary and Wage Information** (includes data for the two calendar years prior to reporting)

"**Name of Educational Program** (Program Length)

"*Annual Salary and Wages Reported for Graduates Employed in the Field*

Calendar Year	*Graduates Available for Employment*	*Graduates Employed in the Field*	*$15,000-$20,000*	*$20,001-$25,000*	*$25,001-$30,000*	*$30,001-$35,000*	*No Salary Information Reported*
20XX	100	70	5	40	6	3	16
20XY	80	55	5	7	3	5	35

"A list of sources used to substantiate salary disclosures is available from the school. (Insert how student can obtain this information.)

"Student's Initials: _____ Date: _____

"Initial only after you have had sufficient time to read and understand the information.

"(l) Definitions. Definitions for all terms contained on the Performance Fact Sheet shall be included as part of the Performance Fact Sheet, in the same format as required in subdivision (a).

"The following are the definitions for the Performance Fact Sheet:

"'Number of Students Who Began the Program' means the number of students who began a program who were scheduled to complete the program within 100% of the published program length within the reporting calendar year and excludes all students who cancelled during the cancellation period.

"'Students Available for Graduation' is the number of students who began the program minus the number of students who have died, been incarcerated, or been called to active military duty.

"'Number of On-time Graduates' is the number of students who completed the program within 100% of the published program length within the reporting calendar year.

"'On-time Completion Rate' is the number of on-time graduates divided by the number of students available for graduation.

"'150% Graduates' is the number of students who completed the program within 150% of the program length (includes on-time graduates).

"'150% Completion Rate' is the number of students who completed the program in the reported calendar year within 150% of the published program length, including on-time graduates, divided by the number of students available for graduation.

"'Graduates Available for Employment' means the number of graduates minus the number of graduates unavailable for employment.

"'Graduates Unavailable for Employment' means the graduates who, after graduation, die, become incarcerated, are called to active military duty, are international students that leave the United States or do not have a visa allowing employment in the United States, or are continuing their education in an accredited or bureau-approved postsecondary institution.

"'Graduates Employed in the Field' means graduates who beginning within six months after a student completes the applicable educational program are gainfully employed, whose employment has been reported, and for whom the institution has documented verification of employment. For occupations for which the state requires passing an examination, the six month period begins after the announcement of the examination results for the first examination available after a student completes an applicable educational program.

"'Placement Rate Employed in the Field' is calculated by dividing the number of graduates gainfully employed in the field by the number of graduates available for employment.

"'Number of Graduates Taking Exam' is the number of graduates who took the first available exam in the reported calendar year.

"'First Available Exam Date' is the date for the first available exam after a student completed a program.

"'Passage Rate' is calculated by dividing the number of graduates who passed the exam by the number of graduates who took the reported licensing exam.

"'Number Who Passed First Available Exam' is the number of graduates who took and passed the first available licensing exam after completing the program.

"'Salary' is as reported by graduate or graduate's employer.

"'No Salary Information Reported' is the number of graduates for whom, after making reasonable attempts, the school was not able to obtain salary information.

"(m) Documentation supporting all data reported shall be maintained electronically by the institution for at least five years from the last time the data was included in either an Annual Report or a Performance Fact Sheet and shall be provided to the Bureau upon request; the data for each program shall include at a minimum:

"(1) the list of job classifications determined to be considered gainful employment for the educational program;

"(2) student name(s), address, phone number, email address, program completed, program start date, scheduled completion date, and actual completion date;

"(3) graduate's place of employment and position, date employment began, date employment ended, if applicable, actual salary, hours per week, and the date employment was verified;

"(4) for each employer from which employment or salary information was obtained, the employer name(s) address and general phone number, the contact person at the employer and the contact's phone number and email address, and all written communication with employer verifying student's employment or salary;

"(5) for students who become self-employed, all documentation necessary to demonstrate self-employment;

"(6) a description of all attempts to contact each student or employer;

"(7) any and all documentation used to provide data regarding license examinations and examination results;

"(8) for each student determined to be unavailable for graduation or unavailable for employment, the identity of the student, the type of unavailability, the dates of unavailability, and the documentation of the unavailability; and

"(9) the name, email address, phone number, and position or title of the institution's representative who was primarily responsible for obtaining the students' completion, placement,

licensing, and salary and wage data, the date that the information was gathered, and copies of notes, letters or emails through which the information was requested and gathered.

"(n) The institution shall provide on a separate document along with the Performance Fact Sheet the same cancellation disclosure as that which is required to be included with the enrollment agreement by Section 94911(e)(1) of the Code. The separate document shall be substantially the same size as the Performance Fact Sheet and shall be captioned "STUDENT'S RIGHT TO CANCEL" using bold 14 pt. type."

26. **California Code of Regulations, title 5, section 74115, subdivision (b)(1)** provides:

"(b) A set of financial statements shall contain, at a minimum, a balance sheet, an income statement, and a cash flow statement, and the preparation of financial statements, shall comply with all of the following:

"(1) Audited and reviewed financial statements shall be conducted and prepared in accordance with the generally accepted accounting principles established by the American Institute of Certified Public Accountants by an independent certified public accountant who is not an employee, officer, or corporate director or member of the governing board of the institution."

27. **California Code of Regulations, title 5, section 76215** provides:

"(a) A qualifying institution shall include the following statement on both its enrollment agreement and school catalog:

"'The State of California established the Student Tuition Recovery Fund (STRF) to relieve or mitigate economic loss suffered by a student in an educational program at a qualifying institution, who is or was a California resident while enrolled, or was enrolled in a residency program, if the student enrolled in the institution, prepaid tuition, and suffered an economic loss. Unless relieved of the obligation to do so, you must pay the state-imposed assessment for the STRF, or it must be paid on your behalf, if you are a student in an educational program, who is a California resident, or are enrolled in a residency program, and prepay all or part of your tuition.

"You are not eligible for protection from the STRF and you are not required to pay the STRF assessment, if you are not a California resident, or are not enrolled in a residency program.'

"(b) In addition to the statement required under subdivision (a) of this section, a qualifying institution shall include the following statement in its school catalog:

"'It is important that you keep copies of your enrollment agreement, financial aid documents, receipts, or any other information that documents the amount paid to the school. Questions regarding the STRF may be directed to the Bureau for Private Postsecondary Education, 2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833, (916) 431-6959 or (888) 370-7589.

"To be eligible for STRF, you must be a California resident or enrolled in a residency program, prepaid tuition, paid or deemed to have paid the STRF assessment, and suffered an economic loss as a result of any of the following:

"1. The institution, a location of the institution, or an educational program offered by the institution was closed or discontinued, and you did not choose to participate in a teach-out plan approved by the Bureau or did not complete a chosen teach-out plan approved by the Bureau.

"2. You were enrolled at an institution or a location of the institution within the 120 day period before the closure of the institution or location of the institution, or were enrolled in an educational program within the 120 day period before the program was discontinued.

"3. You were enrolled at an institution or a location of the institution more than 120 days before the closure of the institution or location of the institution, in an educational program offered by the institution as to which the Bureau determined there was a significant decline in the quality or value of the program more than 120 days before closure.

"4. The institution has been ordered to pay a refund by the Bureau but has failed to do so.

"5. The institution has failed to pay or reimburse loan proceeds under a federal student loan program as required by law, or has failed to pay or reimburse proceeds received by the institution in excess of tuition and other costs.

"6. You have been awarded restitution, a refund, or other monetary award by an arbitrator or court, based on a violation of this chapter by an institution or representative of an institution, but have been unable to collect the award from the institution.

"7. You sought legal counsel that resulted in the cancellation of one or more of your student loans and have an invoice for services rendered and evidence of the cancellation of the student loan or loans.

"To qualify for STRF reimbursement, the application must be received within four (4) years from the date of the action or event that made the student eligible for recovery from STRF.

"A student whose loan is revived by a loan holder or debt collector after a period of noncollection may, at any time, file a written application for recovery from STRF for the debt that would have otherwise been eligible for recovery. If it has been more than four (4) years since the action or event that made the student eligible, the student must have filed a written application for recovery within the original four (4) year period, unless the period has been extended by another act of law.

"However, no claim can be paid to any student without a social security number or a taxpayer identification number.'"

FIRST CAUSE FOR DENIAL OF APPLICATION
(Institution Name)
(Educ. Code § 94887 and Cal. Code Regs., title 5, § 71475, subd. (c)(1))

28. Respondent's application is subject to denial because Respondent has failed to provide its institution's name consistently. In particular, Respondent's application materials refer to the institution as "A-1 Truck Driving School Inc." but its proposed enrollment agreement refers to the institution as "A-1 Truck and Bus Driving School, Inc." By referencing these different names, Respondent has failed to offer the name of the institution. (Cal. Code Regs., title 5, § 71475, subd. (c)(1)).

SECOND CAUSE FOR DENIAL OF APPLICATION
(Articles of Incorporation and Bylaws)
(Educ. Code § 94887 and Cal. Code Regs., title 5, § 71475, subd. (c)(6))

29. Respondent's application is subject to denial because Respondent failed to provide copies of its articles of incorporation and bylaws. (Educ. Code § 94887 and Cal. Code Regs., title 5, § 71475, subd. (c)(6)).

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THIRD CAUSE FOR DENIAL OF APPLICATION
(Enrollment Agreement)
(Educ. Code §§ 94887; 94906; 94908; 94909, subd. (a)(15); 94911, subds. (a), (d)-(k); and 94916; and Cal. Code Regs., title 5, § 71750; 71800, subds. (b) and (d); and 76215, subds. (a) and (b))

30. Respondent's application is subject to denial because Respondent failed to offer a compliant enrollment agreement. (Educ. Code §§ 94887; 94906; 94908; 94909, subd. (a)(15); 94911, subds. (a), (d)-(k); and 94916; and Cal. Code Regs., title 5, § 71750, subd. (c)(3); 71800, subds. (b), (d), (e), and (f); and 76215, subds. (a) and (b)). In particular:

a. Respondent's proposed enrollment agreement fails to contain a separate statement indicating how it provides the enrollment agreement, disclosures, and statements to students when they are unable to understand the terms and conditions of the enrollment agreement due to English not being their primary language. (Educ. Code § 94906).

b. The content of Respondent's proposed enrollment agreement is not printed in at least the same size font as the majority of the text in the document. (Educ. Code § 94908).

c. Respondent's proposed enrollment agreement offers different and inconsistent names for the institution. (Educ. Code § 94911, subd. (a)).

d. Respondent's proposed enrollment agreement fails to include identification of the clock hours required to complete the educational program. (Educ. Code § 94911, subd. (a)).

e. Respondent's proposed enrollment agreement fails to state the period covered by the enrollment agreement. (Cal. Code Regs., title 5, § 71800, subd. (b)).

f. Respondent's proposed enrollment agreement fails to state the date by which the student must exercise his or her right to cancel or withdraw. (Cal. Code Regs., title 5, § 71800, subd. (d)).

h. Respondent's proposed enrollment agreement references an "additional fee of $1,250.00 per week" "[i]f student is NOT completed by DMV testing date," but this fee is not included in the list of charges and fees. (Cal. Code Regs., title 5, §§ 71800, subds. (e) and (f)).

i. Respondent's proposed enrollment agreement includes statements regarding the Student Tuition Recovery Fund ("STRF") that are inconsistent with disclosures all enrollment agreements must include regarding STRF. (Cal. Code Regs., title 5, § 76215, subds. (a) and (b)).

j. Respondent's proposed enrollment agreement fails to contain the "STUDENT'S RIGHT TO CANCEL" disclosure or guidelines related to the "STUDENT'S RIGHT TO CANCEL." (Educ. Code § 94911, subd. (e)).

k. Respondent's proposed enrollment agreement fails to contain a statement specifying that, if the student obtains a loan to pay for an educational program, the student will have the responsibility to repay the full amount of the loan plus interest, less the amount of any refund. (Educ. Code § 94911, subd. (f)).

l. Respondent's proposed enrollment agreement fails to contain a statement specifying that, if the student is eligible for a loan guaranteed by the federal or state government and the student defaults on the loan, both of the following may occur: (1) the federal or state government or a loan guarantee agency may take action against the student, including applying any income tax refund to which the person is entitled to reduce the balance owed on the loan; (2) the student may not be eligible for any other federal student financial aid at another institution or other government assistance until the loan is repaid. (Educ. Code § 94911, subd. (g)).

m. Respondent's proposed enrollment agreement fails to contain the following statement: "NOTICE CONCERNING TRANSFERABILITY OF CREDITS AND CREDENTIALS EARNED AT OUR INSTITUTION. The transferability of credits you earn at (name of institution) is at the complete discretion of an institution to which you may seek to transfer. Acceptance of the (degree, diploma, or certificate) you earn in (name of educational program) is also at the complete discretion of the institution to which you may seek to transfer. If the (credits or degree, diploma, or certificate) that you earn at this institution are not accepted at the institution to which you seek to transfer, you may be required to repeat some or all of your coursework at that institution. For this reason you should make certain that your attendance at this institution will meet your educational goals. This may include contacting an institution to which you may seek to transfer after attending (name of institution) to determine if your (credits or degree, diploma, or certificate) will transfer." (Educ. Code §§ 94909, subd. (a)(15) and 94911, subd. (h)).

n. Respondent's proposed enrollment agreement fails to contain the following statements: (1) "Any questions a student may have regarding this enrollment agreement that have not been satisfactorily answered by the institution may be directed to the Bureau for Private Postsecondary Education at (address), Sacramento, CA (ZIP Code), (Internet Web site address), (telephone and fax numbers)."; (2) "A student or any member of the public may file a complaint about this institution with the Bureau for Private Postsecondary Education by calling (toll-free telephone number) or by completing a complaint form, which can be obtained on the bureau's Internet Web site (Internet Web site address)." (Educ. Code § 94911, subd. (j)).

o. Respondent's proposed enrollment agreement fails to contain the following statements: "Prior to signing this enrollment agreement, you must be given a catalog or brochure and a School Performance Fact Sheet, which you are encouraged to review prior to signing this agreement. These documents contain important policies and performance data for this institution. This institution is required to have you sign and date the information included in the School Performance Fact Sheet relating to completion rates, placement rates, license examination passage rates, salaries or wages, and the most recent three-year cohort default rate, if applicable, prior to signing this agreement"; immediately followed by a line for the student to initial, including the following statement: "I certify that I have received the catalog, School Performance Fact Sheet, and information regarding completion rates, placement rates, license examination passage rates, salary or wage information, and the most recent three-year cohort default rate, if applicable, included in the School Performance Fact sheet, and have signed, initialed, and dated the information provided in the School Performance Fact Sheet." (Educ. Code § 94911, subd. (i)).

p. Respondent's proposed enrollment agreement fails to contain a clear and conspicuous statement that the enrollment agreement is legally binding when signed by the student and accepted by the institution. (Educ. Code § 94911, subd. (d)).

q. Respondent's proposed enrollment agreement fails to contain the following statement above the space for the student's signature: "I understand that this is a legally binding contract. My signature below certifies that I have read, understood, and agreed to my rights and

responsibilities, and that the institution's cancellation and refund policies have been clearly explained to me." (Educ. Code § 94911, subd. (k)).

r. Respondent's proposed enrollment agreement fails to contain the following statement, which must be included and conspicuously marked on its face in at least 12-point type by all institutions that, like Respondent, intend to extend credit or lend money to an individual for institutional and noninstitutional charges: "NOTICE. You may assert against the holder of the promissory note you signed in order to finance the cost of the educational program all of the claims and defenses that you could assert against this institution, up to the amount you have already paid under the promissory note." (Educ. Code § 94916).

FOURTH CAUSE FOR DENIAL OF APPLICATION
(Federal Aid Policies and Disclosures)
(Educ. Code § 94887 and Cal. Code Regs., title 5, § 71475, subd. (p))

31. Respondent's application is subject to denial because Respondent's website refers to state financial aid programs, but Respondent's proposed application fails to include a statement of its policies, practices, and disclosures regarding financial aid. (Educ. Code § 94887 and Cal. Code Regs., title 5, § 71475, subd. (p)).

FIFTH CAUSE FOR DENIAL OF APPLICATION
(Advertising)
(Educ. Code § 94887 and Cal. Code Regs., title 5, § 71475, subd. (q))

32. Respondent's application is subject to denial because Respondent is advertising multiple educational programs not approved by the Bureau. (Educ. Code § 94887 and Cal. Code Regs., title 5, § 71475, subd. (q)).

SIXTH CAUSE FOR DENIAL OF APPLICATION
(Program Descriptions)
Educ. Code § 94887 and Cal. Code Regs., title 5, § 71475, subds. (r)-(t))

33. Respondent's application is subject to denial because, on its website, Respondent is advertising multiple education programs which Respondent's application does not describe, nor are approved by the Bureau. (Educ. Code § 94887 and Cal. Code Regs., title 5, § 71475, subds. (r)-(t)).

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SEVENTH CAUSE FOR DENIAL OF APPLICATION
(Instruction in Language Other than English)
(Educ. Code § 94887 and Cal. Code Regs., title 5, § 71475, subd. (v))

34. Respondent's application is subject to denial because Respondent's proposed catalog and enrollment agreement imply that Respondent may or will offer instruction in Spanish; however, Respondent's application fails to offer a description of the Spanish-language programs, a statement that Respondent has contracted with sufficient duly qualified faculty who will teach each language group of students, and the language of the textbooks and other written materials to be used by each language group of students. (Educ. Code § 94887 and Cal. Code Regs., title 5, § 71475, subd. (v)).

EIGHTH CAUSE FOR DENIAL OF APPLICATION
(Financial Statements)
(Educ. Code § 94887; and Cal. Code Regs., title 5, §§ 71475, subds. (e) and (w)(2) and 74115, subd. (b)(1))

35. Respondent's application is subject to denial because Respondent failed to provide compliant financial statements. (Educ. Code § 94887; and Cal. Code Regs., title 5, §§ 71475, subds. (e) and (w)(2) and 74115, subd. (b)(1))). In particular:

a. Respondent failed to offer audited or reviewed financial statements. (Cal. Code Regs., title 5, § 71475, subds. (e) and (w)(2)).

b. Respondent failed to offer a set of financial statements that were conducted and prepared by a certified public accountant. (Cal. Code Regs., title 5, §§ 71475, subd. (w)(2) and 74115, subd. (b)(1)).

NINTH CAUSE FOR DENIAL OF APPLICATION
(School Catalog)
(Educ. Code §§ 94887 and 94909, subds. (a)(3)(C), (a)(4), (a)(5), (a)(7)-(13); and Cal. Code Regs., title 5, §§ 71770; 71810, subds. (b)(3), (b)(6), (b)(8), (b)(13), and (b)(15); and 76215, subds. (a) and (b))

36. Respondent's application is subject to denial because Respondent failed to offer a compliant school catalog. (Educ. Code §§ 94887 and 94909, subds. (a)(3)(C), (a)(4), (a)(5),

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(a)(7)-(13); and Cal. Code Regs., title 5, §§ 71770; 71810, subd. (b)(6), (b)(8), (b)(13), (b)(15), and (c)(7); and 76215, subds. (a) and (b)). In particular:

a. Respondent's proposed catalog fails to contain the address or addresses where class sessions will be held. (Educ. Code § 94909, subd. (a)(4)).

b. Respondent's proposed catalog fails to contain a statement specifying whether the institution has a pending petition in bankruptcy, is operating as a debtor in possession, has filed a petition within the preceding five years, or has had a petition in bankruptcy filed against it within the preceding five years that resulted in reorganization under Chapter 11 of the United States Bankruptcy Code. (Educ. Code § 94909, subd. (a)(12)).

c. Respondent's proposed catalog fails to contain the following statement: "A student or any member of the public may file a complaint about this institution with the Bureau for Private Postsecondary Education by calling (toll-free telephone number) or by completing a complaint form, which can be obtained on the bureau's Internet Web site (Internet Web site address)." (Educ. Code § 94909, subd. (a)(3)(C)).

d. Respondent's proposed catalog fails to contain a detailed description of Respondent's admissions policies. (Educ. Code § 94909, subd. (a)(8)(A) and Cal. Code Regs., title 5, § 71770).

e. Respondent's proposed catalog fails to contain the institution's policies and procedures for the award of credit for prior experiential learning, including assessment policies and procedures, provisions for appeal, and all charges that a student may be required to pay. (Cal. Code Regs., title 5, § 71810, subd. (b)(3)).

f. Respondent's proposed catalog includes a description of four educational programs when Respondent seeks approval to renew for only one program. (Educ. Code § 94909, subd. (a)(5)).

g. Respondent's proposed catalog fails to state the schedule of total charges for a period of attendance and an estimated schedule of total charges for the entire educational program. (Educ. Code § 94909, subd. (a)(9)).

h. Respondent's proposed catalog fails to include requisite statements regarding the Student Tuition Recovery Fund ("STRF"). (Cal. Code Regs., title 5, § 76215, subds. (a) and (b)).

i. Respondent's proposed catalog states a refund policy inconsistent with the pro-rata refund students are entitled to under the law. (Educ. Code § 94909, subd. (a)(8)(B)).

j. Respondent's proposed catalog fails to list faculty qualifications. (Educ. Code § 94909, subd. (a)(7)).

k. Respondent's proposed catalog states that financial aid is not available, but Respondent's website refers to available financial aid programs. These statements are inconsistent and, as a result, Respondent's fails to clearly state whether it participates in federal and state financial aid programs, and if so, all consumer information that is required to be disclosed to the student pursuant to the applicable federal and state financial aid programs. (Educ. Code § 94909, subd. (a)(10)).

l. Respondent's proposed catalog fails to contain a statement specifying that, if a student obtains a loan to pay for an educational program, the student will have the responsibility to repay the full amount of the loan plus interest, less the amount of any refund, and that, if the student has received federal student financial aid funds, the student is entitled to a refund of the moneys not paid from federal student financial aid program funds. (Educ. Code § 94909, subd. (a)(11)).

m. Respondent's proposed catalog states that financial aid is not available, but Respondent's website refers to available financial aid programs. These statements are inconsistent and, as a result, Respondent's catalog fails to state its policies and practices regarding any form of financial aid, including all consumer information which the institution is required to disclose to the student under any state or federal financial aid program. (Cal. Code Regs., title 5, § 71810, subd. (b)(6)).

n. Respondent's proposed catalog fails to contain the institution's standards for student achievement. (Cal. Code Regs., title 5, § 71810, subd. (b)(8)).

o. Respondent's proposed catalog contains probation and dismissal policies that fail to provide options for students or identify how long a student may stay on probation for any other reason than attendance. (Educ. Code § 94909, subd. (a)(8)(C)).

p. Respondent's proposed catalog fails to state a description of the nature and extent of the placement services, if provided by Respondent. (Educ. Code § 94909, subd. (a)(13)).

q. Respondent's proposed catalog fails to contain housing information, including whether the institution has dormitory facilities under its control; the availability of housing located reasonably near the institution's facilities and an estimation of the approximate cost or range of cost of the housing; and if the institution has no responsibility to find or assist a student in finding housing, a clear and conspicuous statement so indicating. (Cal. Code Regs., title 5, § 71810, subd. (b)(13)).

r. Respondent's proposed catalog's policy on the retention of student records fails to specify if transcripts are retained indefinitely. (Cal. Code Regs., title 5, § 71810, subd. (b)(15)).

TENTH CAUSE FOR DENIAL OF APPLICATION
(Website)
(Educ. Code §§ 94887 and 94913)

37. Respondent's application is subject to denial because Respondent's proposed Internet website is not compliant. (Educ. Code §§ 94887 and 94913). In particular:

a. Respondent's proposed website fails to provide the school catalog. (Educ. Code § 94913, subd. (a)(1)).

b. Respondent's proposed website fails to provide a School Performance Fact Sheet for each educational program offered by the institution. (Educ. Code § 94913, subd. (a)(2)).

c. Respondent's proposed website fails to provide student brochures offered by the institution. (Educ. Code § 94913, subd. (a)(3)).

d. Respondent's proposed website fails to provide a link to the Bureau's website.

e. Respondent's proposed website fails to provide the institution's most recent annual report submitted to the Bureau. (Educ. Code § 94913, subd. (a)(4)).

f. Respondent's proposed website fails to include information concerning where students may access the Bureau's website where the institution identifies itself as being approved by the Bureau. (Educ. Code § 94913, subd. (b)).

ELEVENTH CAUSE FOR DENIAL OF APPLICATION
(School Performance Fact Sheet)
(Educ. Code §§ 94887 and 94910; and Cal. Code Regs., title 5, § 74112)

38. Respondent's application is subject to denial because Respondent failed to submit its 2015 and 2016 School Performance Fact Sheet. (Educ. Code §§ 94887 and 94910; and Cal. Code Regs., title 5, § 74112).

TWELFTH CAUSE FOR DENIAL OF APPLICATION
(Recordkeeping)
(Educ. Code §§ 94887 and 94900, subd. (b); and
Cal. Code Regs., title 5, § 71475, subd. (dd))

39. Respondent's application is subject to denial because Respondent's proposed policy for retention of student records fails to specify if student transcripts will be retained indefinitely. (Educ. Code §§ 94887 and 94900, subd. (b); and Cal. Code Regs., title 5, § 71475, subd. (dd)).

THIRTEENTH CAUSE FOR DENIAL OF APPLICATION
(Payment of Penalty for Late Paid Annual Fees)
(Educ. Code §§ 94887 and 94931, subd. (a); and
Cal. Code Regs., title 5, §§ 71485 and 74006)

40. Respondent's application is subject to denial because Respondent failed to pay the twenty-five percent penalty for failure to pay the 2017 Annual Fee on or before the 30th calendar day after the due date. (Educ. Code §§ 94887 and 94931, subd. (a); and Cal. Code Regs., title 5, §§ 71485 and 74006).

FOURTEENTH CAUSE FOR DENIAL OF APPLICATION
(Annual Report)
(Educ. Code §§ 94887, 94815, and 94934; and
Cal. Code Regs, title 5, §§ 74110 and 74112)

41. Respondent's application is subject to denial because Respondent failed to submit an Annual Report for 2015. (Educ. Code §§ 94887, 94815, and 94934; and Cal. Code Regs, title 5, §§ 74110 and 74112).

PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters alleged in this Statement of Issues, and that following the hearing, the Director of the Department of Consumer Affairs issue a decision:

1. Denying Respondent's Application for Renewal of Approval to Operate and Offer Educational Programs for Non-Accredited Institutions; and

2. Taking such other and further action as deemed necessary and proper.

DATED: 1/25/18

DR. MICHAEL MARION, JR.
Bureau Chief
Bureau for Private Postsecondary Education
Department of Consumer Affairs
State of California
Complainant

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