



APPEAL OF CITATION INFORMAL CONFERENCE
DECISION: CITATION MODIFIED

November 20, 2019

California Northstate University, LLC, Owner
 California Northstate University, LLC
 9700 West Taron Drive
 Elk Grove, CA 95757

Date of Issuance	Citation Number	Institution Code
November 20, 2019	1920015	41462826

On September 11, 2019, an informal telephone conference was held in the matter of Citation: Assessment of Fine and Order of Abatement No. 1920015 (Citation) against California Northstate University, LLC, Owner of California Northstate University, LLC (Institution). In attendance were Marina O'Connor, Licensing Chief, Norine Marks, Attorney and Paul Wagstaffe, Attorney.

Pursuant to Business and Professions Code, §148; California Education Code (CEC), section 94944; and Title 5 of California Code of Regulations (5, CCR), section 75020 and section 75040, the Bureau for Private Postsecondary Education (Bureau) renders the following decision relative to your appeal of the Citation No. 1920015.

It is the decision of the Licensing Chief that on November 13, 2019 Citation No. 1920015 is modified and makes the following change(s):

VIOLATION CODE SECTIONS

#	Below you will find the California Education Code (CEC) and/or Title 5 of the California Code of Regulations (5, CCR code) section(s) of law you are charged with violating.
1.	<p><u>Violation:</u> CEC Section 94894. Substantive Change Defined <i>The following changes to an approval to operate are considered substantive changes and require prior authorization:</i> <i>(a) A change in educational objectives, including an addition of a new diploma or a degree educational program unrelated to the approved educational programs offered by the institution.</i></p> <p>CEC Section 94896. Substantive Change for Institutions Approved by Means of Accreditation <i>(a) An institution that has been granted an approval to operate by means of accreditation shall only make a substantive change in accordance with the institution's accreditation standards.</i> <i>(b) The institution shall notify the bureau of the substantive change on a form provided by the bureau.</i></p> <p>On April 23, 2018, Bureau staff found that the Institution was advertising three programs not approved by the Bureau: Bachelor of Science Health Science-to-Doctor of Medicine (BS-MD), Bachelor of Science-to-Doctor of Pharmacy (BS-PharmD), and Pre-Medical Post Baccalaureate (PMPB).</p>

On August 23, 2018, the Bureau approved the PMPB Non-Degree program.

As of July 18, 2019, the Bureau has not received a Change of Educational Objectives Licensing application to obtain approval to offer the BS-MD and BS-PharmD program.

Order of Abatement:

The Bureau orders the Institution to cease offering the following programs: BS-MD and BS-PharmD. Additionally, if the Institution would like to offer the programs to the public, the Institution shall submit the Change of Educational Objectives Licensing application to the Bureau to obtain approval to offer the BS-MD and BS-PharmD programs.

Reason for modification: New evidence obtained.

The Bureau orders the Institution to cease offering the following programs:

- BS – MD
- BS – Pharm D

Additionally, if the Institution would like to offer the programs to the public; the Institution shall submit the change of Educational Objectives Licensing application to the Bureau to obtain approval to offer a BS program that leads to the BS - MD and a BS program that leads to the BS – Pharm D.

Assessment of Fine

The fine for this violation is \$1000.00

2.

Violation:

5, CCR Section 74112(a)(h)(i)(j)(k)(l)(m) – Uniform Data – Annual Report, Performance Fact Sheet

(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.

(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	95	97%
20XY	80	80	78	98%
*20XZ	90	90	87	97%
*20YA	87	85	74	87%

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.

(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%

Student's Initials: _____ Date: _____

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

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.*

"(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 ⁵
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 months 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; and the data for each program shall include at a minimum:

Violation: CEC Section 74112 (a): The Institution used the wrong format on the 2015/2016 SPFS for the Doctor of Medicine and Bachelor of Science in Health Sciences (BSHS). Additionally, In addition, the 2015/2016 SPFS for the Doctor of Pharmacy program, the Institution included a disclosure in the Job Placement Rates section, which is not allowed per 5, CCR Section 74112 (a).

Violation: 5, CCR Section 74112 (h): The 2015/2016 SPFS for the Doctor of Pharmacy program reported 150% Completion Rates but failed to report four years data.

Violation: 5, CCR Section 74112 (i)(1): The 2015/2016 SPFS for the BSHS program failed to contain the Job Placement Rates and Gainful Employment Categories.

Violation: 5, CCR Section 74112 (i)(3): Institution staff did not have access to the list of job classifications and corresponding SOC codes and were unable to provide the list to Bureau staff upon request.

Violation: 5, CCR Section 74112 (i)(4): The 2015/2016 SPFS for the Doctor of Pharmacy program failed to accurately report "Graduates Employed in the Field".

Violation: 5, CCR Section 74112 (j): The 2015/2016 SPFS for the BSHS program failed to contain the License Examination Passage Rates table.

Violation: 5, CCR Section 74112 (k): The 2015/2016 SPFS for the Doctor of Pharmacy program failed to accurately report "Graduates Employed in the Field" and Salary and Wage Information. Additionally, the 2015/2016 SPFS for the BSHS program failed to contain the Salary and Wage Information table.

Violation: 5, CCR Section 74112 (l): The 2015/2016 SPFS for the BSHS program failed to contain the required definitions.

Violation: 5, CCR Section 74112 (m): Institution staff did not have access to the supporting documentation for the 2015/2016 SPFS and was unable to provide it to Bureau staff upon request.

Order of Abatement:

The Bureau orders the Institution to maintain compliance with 5, CCR section 74112 and shall submit a written policy of how future compliance with 5, CCR section 74112 will be maintained.

Assessment of Fine

The fine for this violation is \$5000.00

Reason for modification: New substantive facts were presented at the conference.

The administrative fine for this violation has been modified from \$5,000.00 to \$3,500.00.

3.

Violation:

5, CCR Section 71930 (e) -Maintenance of Records

(e) All records that the institution is required to maintain by the Act or this chapter shall be made immediately available by the institution for inspection and copying during normal business hours by the Bureau and any entity authorized to conduct investigations.

CEC Section 94929.7(a)(2)

(a) The information used to substantiate the rates and information calculated pursuant to Sections 94929 and 94929.5 shall do both of the following:

(2) Be retained in an electronic format and made available to the bureau upon request.

Institution staff did not have access to the information requested by Bureau staff and could not make records immediately available for inspection and copying during the unannounced Compliance inspection.

Order of Abatement:

The Bureau orders the Institution to submit the supporting documentation for the 2015/2016 SPFS. In addition, the Institution shall submit a policy and procedure ensuring that the Institution has personnel/staff available during normal business hours to access the required documentation.

Assessment of Fine

The fine for this violation is \$501.00

TOTAL MODIFIED ADMINISTRATIVE FINE DUE: \$5,001.00

ORDER OF ABATEMENT

The Bureau orders that you comply with the orders described in the 'Violation Code Sections' of this document and submit evidence of compliance within **30 days** from the date of this decision.

PENALTY – ASSESSMENT OF A FINE

Payment of the administrative fine is due within 30 days from the date of this decision. Please complete the Payment of Fine form. Payment must be made to the Bureau by check, or money order. Please include the citation number on the payment of the fine assessment. Payment of the administrative fine shall not constitute an admission of the violation(s) charged and shall be represented as satisfactory resolution of the matter for purposes of public disclosure. Payments may be mailed to:

Cheryl Lardizabal, Discipline Citation Program
Bureau for Private Postsecondary Education
P.O. Box 980818
West Sacramento, CA 95798-0818

APPEAL OF CITATION

You *do not* have the right to request another Informal Conference to appeal this modified Citation. You *do*, however, have the right to appeal this affirmed or modified Citation through an Administrative Hearing. A hearing before an Administrative Law Judge will be scheduled and you will be notified of the hearing date. The hearing will be held pursuant to Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

If you do not wish to appeal this modified Citation you must withdraw your initial request for an Administrative Hearing, if one was made. Please complete and mail the enclosed Withdrawal – Request for Administrative Hearing within **30 Days** of the date of this decision.

EFFECTIVE DATE OF CITATION AND FINE ASSESSMENT

This modified Citation is effective on November 20, 2019. The Order of Abatement and payment are due by **December 20, 2019**.

Failure to abate the violation or to pay the administrative fine within the time allowed is grounds for denial of an application for an approval to operate or discipline. The Bureau will promptly take all appropriate action to enforce the Modified Citation and recover the civil penalties prescribed therein or found to be due after a hearing.

CONTACT INFORMATION

If you have any questions regarding this decision or desire further information, please contact Cheryl Lardizabal, Citation Analyst, at (916) 621-2591 or at Cheryl.Lardizbal@dca.ca.gov.

Christina Villanueva
Discipline Manager

Date

Enclosures

- Payment of Fine – Waiver of Appeal Rights
- Withdrawal- Request for Administrative Hearing
- Declaration of Service by Certified and First-Class Mail