



**BPPPE**

Bureau for Private Postsecondary Education

**COMPLIANCE WORKSHOP**

Excerpts from the  
**California Private Postsecondary Education Act of 2009**  
- and -  
**California Code of Regulations - Division 7.5 Private  
Postsecondary Education**

Business, Consumer Services and Housing Agency – Governor Gavin Newsom

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**94832 Diploma**

“Diploma” means a recognized educational credential, other than a degree, awarded by an institution that signifies satisfactory completion of the requirements of a postsecondary educational program below the associate’s level. A diploma is also known as a certificate.

**94854 Period of Attendance**

“Period of attendance” means a semester, quarter, or trimester for educational programs measured in credit hours and the entire educational program if measured in clock hours.

**94885 Minimum Operating Standards**

(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.
- (2) The institution maintains specific written standards for student admissions for each educational program and those standards are related to the particular educational program.
- (3) The facilities, instructional equipment, and materials are sufficient to enable students to achieve the educational program’s goals.
- (4) The institution maintains a withdrawal policy and provides refunds.
- (5) The directors, administrators, and faculty are properly qualified.
- (6) The institution is financially sound and capable of fulfilling its commitments to students.
- (7) That, upon satisfactory completion of an educational program, the institution gives students a document signifying the degree or diploma awarded.
- (8) Adequate records and standard transcripts are maintained and are available to students.
- (9) The institution is maintained and operated in compliance with this chapter and all other applicable ordinances and laws.

(b) Except as provided in Section 94885.1, an institution offering a degree must satisfy one of the following requirements:

- (1) Accreditation by an accrediting agency recognized by the United States Department of Education, with the scope of that accreditation covering the offering of at least one degree program by the institution.
- (2) An accreditation plan, approved by the bureau, for the institution to become fully accredited within five years of the bureau’s issuance of a provisional approval to operate to the institution. The provisional approval to operate to an unaccredited degree-offering institution shall be in compliance with Section 94885.5.

### **94885.5 Accreditation Required for Degree Granting Institutions**

(a) If an institution that has not been accredited by an accrediting agency recognized by the United States Department of Education seeks to offer one or more degree programs, the institution shall satisfy the following requirements in order to be issued a provisional approval to operate from the bureau:

(1) The institution may not offer more than two degree programs during the term of its provisional approval to operate.

(2) The institution shall submit an accreditation plan, approved by the bureau, for the institution to become fully accredited within five years of issuance of its provisional approval to operate. The plan shall include, at a minimum, identification of an accreditation agency recognized by the United States Department of Education, from which the institution plans to seek accreditation, and outline the process by which the institution will achieve accreditation candidacy or pre-accreditation within two years, and full accreditation within five years, of issuance of its provisional approval.

(3) The institution shall submit to the bureau all additional documentation the bureau deems necessary to determine if the institution will become fully accredited within five years of issuance of its provisional approval to operate.

(b) If an institution is granted a provisional approval to operate pursuant to subdivision (a), the following is required:

(1) Students seeking to enroll in that institution shall be notified in writing by the institution, prior to the execution of the student's enrollment agreement, that the institution's approval to operate is contingent upon it being subsequently accredited.

(2) Within the first two years of issuance of the provisional approval, a visiting committee, empaneled by the bureau pursuant to Section 94882, shall review the institution's application for approval and its accreditation plan, and make a recommendation to the bureau regarding the institution's progress to achieving full accreditation.

(3) The institution shall provide evidence of accreditation candidacy or pre-accreditation within two years of issuance of its provisional approval, and evidence of accreditation within five years of issuance of its provisional approval, with the scope of that accreditation covering the offering of at least one degree program.

(c) An institution required to comply with this section that fails to do so by the dates provided, as required, shall have its provisional approval to operate automatically suspended on the applicable date. The bureau shall issue an order suspending the institution and that suspension shall not be lifted until the institution complies with the requirements of this section. A suspended institution shall not enroll new students in any of its degree programs and shall execute a teach-out plan for its enrolled students.

(d)

(1) The bureau shall, upon the timely submission of sufficient evidence that an unaccredited institution is making strong progress toward obtaining accreditation, grant an institution's request for an extension of time, not to exceed two years, to meet the requirements of this section.

(2) Evidence submitted to the bureau pursuant to paragraph (1) shall include, but is not limited to, an amended accreditation plan adequately identifying why preaccreditation, accreditation candidacy, or accreditation outlined in the original plan submitted to the bureau was not achieved, active steps the institution is taking to comply with this section, and documentation

from an accrediting agency demonstrating the institution's likely ability to meet the requirements of this section.

(3) The bureau may establish policies and procedures to comply with the requirements in this subdivision. Establishment of these policies and procedures are exempt from Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), Chapter 4.5 (commencing with Section 11400), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(e) An institution issued a provisional approval under this section is required to comply with all other laws and regulations.

(f) The bureau shall adopt emergency regulations for purposes of implementing this section. The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare for purposes of Sections 11346.1 and 11349.6 of the Government Code. These emergency regulations shall become law through the regular rulemaking process within one year of the enactment of this section.

#### **94893 Authorization Required for Substantive Change**

If an institution intends to make a substantive change to its approval to operate, the institution shall receive prior authorization from the bureau. Except as provided in subdivision (a) of Section 94896, if the institution makes the substantive change without prior bureau authorization, the institution's approval to operate may be suspended or revoked.

#### **94894 Substantive Change Defined**

The following changes to an approval to operate are considered substantive changes and require prior authorization:

- (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.
- (b) A change in ownership.
- (c) A change in control.
- (d) A change in business organization form.
- (e) A change of location.
- (f) A change of name.
- (g) A significant change in the method of instructional delivery.
- (h) An addition of a separate branch more than five miles from the main or branch campus.

#### **94896 Substantive Change for Institutions Approved by Means of Accreditation**

- (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.
- (b) The institution shall notify the bureau of the substantive change on a form provided by the bureau.

## 94897 Prohibited Business Practices

An institution shall not do any of the following:

- (a) Use, or allow the use of, any reproduction or facsimile of the Great Seal of the State of California on a diploma.
- (b) Promise or guarantee employment, or otherwise overstate the availability of jobs upon graduation.
- (c) Advertise concerning job availability, degree of skill, or length of time required to learn a trade or skill unless the information is accurate and not misleading.
- (d) Advertise, or indicate in promotional material, without including the fact that the educational programs are delivered by means of distance education if the educational programs are so delivered.
- (e) Advertise, or indicate in promotional material, that the institution is accredited, unless the institution has been accredited by an accrediting agency.
- (f) Solicit students for enrollment by causing an advertisement to be published in "help wanted" columns in a magazine, newspaper, or publication, or use "blind" advertising that fails to identify the institution.
- (g) Offer to compensate a student to act as an agent of the institution with regard to the solicitation, referral, or recruitment of any person for enrollment in the institution, except that an institution may award a token gift to a student for referring an individual, provided that the gift is not in the form of money, no more than one gift is provided annually to a student, and the gift's cost is not more than one hundred dollars (\$100).
- (h) Pay any consideration to a person to induce that person to sign an enrollment agreement for an educational program.
- (i) Use a name in any manner improperly implying any of the following:
  - (1) The institution is affiliated with any government agency, public or private corporation, agency, or association if it is not, in fact, thus affiliated.
  - (2) The institution is a public institution.
  - (3) The institution grants degrees, if the institution does not grant degrees.
- (j) In any manner make an untrue or misleading change in, or untrue or misleading statement related to, a test score, grade or record of grades, attendance record, record indicating student completion, placement, employment, salaries, or financial information, including any of the following:
  - (1) A financial report filed with the bureau.
  - (2) Information or records relating to the student's eligibility for student financial aid at the institution.
  - (3) Any other record or document required by this chapter or by the bureau.
- (k) Willfully falsify, destroy, or conceal any document of record while that document of record is required to be maintained by this chapter.
- (l) Use the terms "approval," "approved," "approval to operate," or "approved to operate" without stating clearly and conspicuously that approval to operate means compliance with state standards as set forth in this chapter. If the bureau has granted an institution approval to operate, the institution may indicate that the institution is "licensed" or "licensed to operate," but may not state or imply either of the following:

(1) The institution or its educational programs are endorsed or recommended by the state or by the bureau.

(2) The approval to operate indicates that the institution exceeds minimum state standards as set forth in this chapter.

(m) Direct any individual to perform an act that violates this chapter, to refrain from reporting unlawful conduct to the bureau or another government agency, or to engage in any unfair act to persuade a student not to complain to the bureau or another government agency.

(n) Compensate an employee involved in recruitment, enrollment, admissions, student attendance, or sales of educational materials to students on the basis of a commission, commission draw, bonus, quota, or other similar method related to the recruitment, enrollment, admissions, student attendance, or sales of educational materials to students, except as provided in paragraph (1) or (2):

(1) If the educational program is scheduled to be completed in 90 days or less, the institution shall pay compensation related to a particular student only if that student completes the educational program.

(2) For institutions participating in the federal student financial aid programs, this subdivision shall not prevent the payment of compensation to those involved in recruitment, admissions, or the award of financial aid if those payments are in conformity with federal regulations governing an institution's participation in the federal student financial aid programs.

(o) Require a prospective student to provide personal contact information in order to obtain, from the institution's Internet Web site, educational program information that is required to be contained in the school catalog or any information required pursuant to the consumer information requirements of Title IV of the federal Higher Education Act of 1965, and any amendments thereto.

(p) Offer an associate, baccalaureate, master's, or doctoral degree without disclosing to prospective students prior to enrollment whether the institution or the degree program is unaccredited and any known limitation of the degree, including, but not limited to, all of the following:

(1) Whether a graduate of the degree program will be eligible to sit for the applicable licensure exam in California and other states.

(2) A statement that reads: "A degree program that is unaccredited or a degree from an unaccredited institution is not recognized for some employment positions, including, but not limited to, positions with the State of California."

(3) That a student enrolled in an unaccredited institution is not eligible for federal financial aid programs.

#### **94900 Required Student Records**

(a) An institution shall maintain records of the name, address, e-mail address, and telephone number of each student who is enrolled in an educational program in that institution.

(b) An institution shall maintain, for each student granted a degree or certificate by that institution, permanent records of all of the following:

(1) The degree or certificate granted and the date on which that degree or certificate was granted.

(2) The courses and units on which the certificate or degree was based.

- (3) The grades earned by the student in each of those courses.

#### **94900.5 Required Institutional Records**

An institution shall maintain, for a period of not less than five years, at its principal place of business in this state, complete and accurate records of all of the following information:

- (a) The educational programs offered by the institution and the curriculum for each.
- (b) The names and addresses of the members of the institution's faculty and records of the educational qualifications of each member of the faculty.
- (c) Any other records required to be maintained by this chapter, including, but not limited to, records maintained pursuant to Article 16 (commencing with Section 94928).

#### **94904 Ability to Benefit Students**

(a) Except as provided in subdivision (c), before an ability-to-benefit student may execute an enrollment agreement, the institution shall have the student take an independently administered examination from the list of examinations prescribed by the United States Department of Education pursuant to Section 484(d) of the federal Higher Education Act of 1965 (20 U.S.C. Sec. 1070a et seq.). The student shall not enroll unless the student achieves a score, as specified by the United States Department of Education, demonstrating that the student may benefit from the education and training being offered.

(b) If the United States Department of Education does not have a list of relevant examinations that pertain to the intended occupational training, the bureau may publish its own list of acceptable examinations and required passing scores.

(c) The bureau shall, on or before July 1, 2016, review the list of examinations prescribed by the United States Department of Education. If the bureau determines there is no examination on the list appropriate for ability-to-benefit students with limited English proficiency, the bureau shall approve an alternative examination for these students. When approving the alternative examination, the bureau may consider the Comprehensive Adult Student Assessment System examination.

#### **94909 Minimum Requirements for School Catalog**

(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:

- (1) The name, address, telephone number, and, if applicable, Internet Web site address of the institution.

- (2) Except as specified in Article 2 (commencing with Section 94802), a statement that the institution is a private institution and that it is approved to operate by the bureau.

- (3) The following statements:

- (A) "Any questions a student may have regarding this catalog 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)."

(B) "As a prospective student, you are encouraged to review this catalog prior to signing an enrollment

agreement. You are also encouraged to review the School Performance Fact Sheet, which must be provided to you prior to signing an enrollment agreement."

(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.

(6) If the educational program is designed to lead to positions in a profession, occupation, trade, or career field requiring licensure in this state, a notice to that effect and a list of the requirements for eligibility for licensure.

(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.

(14) A description of the student's rights and responsibilities with respect to the Student Tuition Recovery Fund. This statement shall specify that it is a state requirement that a student who pays his or her tuition is required to pay a state-imposed assessment for the Student Tuition Recovery Fund. This statement shall also describe the purpose and operation of the Student Tuition Recovery Fund and the requirements for filing a claim against the Student Tuition Recovery Fund.

(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.”

(16) A statement specifying whether the institution, or any of its degree programs, are accredited by an accrediting agency recognized by the United States Department of Education. If the institution is unaccredited and offers an associate, baccalaureate, master's, or doctoral degree, or is accredited and offers an unaccredited program for an associate, baccalaureate, master's, or doctoral degree, the statement shall disclose the known limitations of the degree program, including, but not limited to, all of the following:

(A) Whether a graduate of the degree program will be eligible to sit for the applicable licensure exam in California and other states or become certified or registered as required for the applicable profession, occupation, trade, or career field in California.

(B) A degree program that is unaccredited or a degree from an unaccredited institution is not recognized for some employment positions, including, but not limited to, positions with the State of California.

(C) That a student enrolled in an unaccredited institution is not eligible for federal financial aid programs.

(b) If the institution has a general student brochure, the institution shall provide that brochure to the prospective student prior to enrollment. In addition, if the institution has a program-specific student brochure for the program in which the prospective student seeks to enroll, the institution shall provide the program-specific student brochure to the prospective student prior to enrollment.

(c) An institution shall provide the school catalog to any person upon request. In addition, if the institution has student brochures, the institution shall disclose the requested brochures to any interested person upon request.

(d) An accredited institution is not required to provide a School Performance Fact Sheet to a prospective student who is not a California resident, not residing in California at the time of his or her enrollment, and enrolling in an accredited distance learning degree program offered by the institution, if the institution complies with all federal laws, the applicable laws of the state where the student is located, and other appropriate laws, including, but not limited to, consumer protection and student disclosure requirements.

### **94911 Minimum Requirements for Enrollment Agreements**

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.

(b) A schedule of total charges, including a list of any charges that are nonrefundable and the student's obligations to the Student Tuition Recovery Fund, clearly identified as nonrefundable charges.

(c) In underlined capital letters on the same page of the enrollment agreement in which the student's signature is required, the total charges for the current period of attendance, the estimated total charges for the entire educational program, and the total charges the student is obligated to pay upon enrollment.

(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."

### **94913 Institutional Web Site Requirements**

(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.

#### **94919 Institution Participating in Federal Student Financial Aid Programs**

(a) An institution that participates in the federal student financial aid programs complies with this article by complying with applicable regulations of the federal student financial aid programs under Title IV of the federal Higher Education Act of 1965.

(b) The institution shall advise each student that a notice of cancellation shall be in writing, and that a withdrawal may be effectuated by the student's written notice or by the student's conduct, including, but not necessarily limited to, a student's lack of attendance.

(c) The institution shall also provide a pro rata refund of nonfederal student financial aid program moneys paid for institutional charges to students who have completed 60 percent or less of the period of attendance.

(d) Institutions shall refund 100 percent of the amount paid for institutional charges, less a reasonable deposit or application fee not to exceed two hundred fifty dollars (\$250), if notice of cancellation is made through attendance at the first class session, or the seventh day after enrollment, whichever is later.

#### **94920 Mandatory Cancellation, Withdrawal, and Refund Policies**

An institution that does not participate in the federal student financial aid programs shall do all of the following:

(a) The institution shall advise each student that a notice of cancellation shall be in writing, and that a withdrawal may be effectuated by the student's written notice or by the student's conduct, including, but not necessarily limited to, a student's lack of attendance.

(b) Institutions shall refund 100 percent of the amount paid for institutional charges, less a reasonable deposit or application fee not to exceed two hundred fifty dollars (\$250), if notice of cancellation is made through attendance at the first class session, or the seventh day after enrollment, whichever is later.

(c) The bureau may adopt by regulation a different method of calculation for instruction delivered by other means, including, but not necessarily limited to, distance education.

(d) The institution shall have a refund policy for the return of unearned institutional charges if the student cancels an enrollment agreement or withdraws during a period of attendance. The refund policy for students who have completed 60 percent or less of the period of attendance shall be a pro rata refund.

(e) The institution shall pay or credit refunds within 45 days of a student's cancellation or withdrawal.

### **94926 Procedures Prior to Closing, Teach-Out Plans**

At least 30 days prior to closing, the institution shall notify the bureau in writing of its intention to close. The notice shall be accompanied by a closure plan, which shall include, but not necessarily be limited to, all of the following:

- (a) A plan for providing teach-outs of educational programs, including any agreements with any other postsecondary educational institutions to provide teach-outs.
- (b) If no teach-out plan is contemplated, or for students who do not wish to participate in a teach-out, arrangements for making refunds within 45 days from the date of closure, or for institutions that participate in federal student financial aid programs arrangements for making refunds and returning federal student financial aid program funds.
- (c) If the institution is a participant in federal student financial aid programs, it shall provide students information concerning these programs and institutional closures.
- (d) A plan for the disposition of student records

### **94932 Enforcement Authority**

The bureau shall determine an institution's compliance with the requirements of this chapter. The bureau shall have the power to require reports that institutions shall file with the bureau in addition to the annual report, to send staff to an institution's sites, and to require documents and responses from an institution to monitor compliance. When the bureau has reason to believe that an institution may be out of compliance, it shall conduct an investigation of the institution. If the bureau determines, after completing a compliance inspection or investigation, that an institution has violated any applicable law or regulation, the bureau shall take appropriate action pursuant to this article.

#### **94932.5 Announced and Unannounced Compliance Inspections**

- (a) As part of its compliance program, the bureau shall perform announced and unannounced inspections of institutions at least every five years.
- (b) On or before January 1, 2017, the bureau shall adopt regulations setting forth policies and practices to ensure that student protections are the highest priority of inspections and that inspections are conducted based on risk and potential harm to students. The regulations shall also set forth policies and practices for providing notice to students enrolled at an institution of the results of each inspection of the institution.

### **94933 Administration of Enforcement**

The bureau shall provide an institution with the opportunity to remedy noncompliance, impose fines, place the institution on probation, or suspend or revoke the institution's approval to operate, in accordance with this article, as it deems appropriate based on the severity of an institution's violations of this chapter, and the harm caused to students.

### **94935 Notice to Comply**

- (a) Bureau staff who, during an inspection of an institution, detect a violation of this chapter, or regulations adopted pursuant to this chapter, that is a minor violation as determined by the bureau, pursuant to regulations adopted by January 1, 2011, shall issue a notice to comply before leaving the

institution. The bureau shall establish a voluntary informal appeal process, by regulation, within one year of the enactment of this chapter.

(b) An institution that receives a notice to comply shall have no more than 30 days from the date of inspection to remedy the noncompliance.

(c) Upon achieving compliance, the institution shall sign and return the notice to comply to the bureau.

(d) A single notice to comply shall be issued listing separately all the minor violations cited during the inspection.

(e) A notice to comply shall not be issued for any minor violation that is corrected immediately in the presence of the bureau staff. Immediate compliance may be noted in the inspection report, but the institution shall not be subject to any further action by the bureau.

(f) A notice to comply shall be the only means the bureau shall use to cite a minor violation discovered during an inspection. The bureau shall not take any other enforcement action specified in this chapter against an institution that has received a notice to comply if the institution remedies the violation within 30 days from the date of the inspection.

(g) If an institution that receives a notice to comply pursuant to subdivision (a) disagrees with one or more of the alleged minor violations listed in the notice to comply, an institution shall send the bureau a written notice of disagreement. The agency may take administrative enforcement action to seek compliance with the requirements of the notice to comply.

(h) If an institution fails to comply with a notice to comply within the prescribed time, the bureau shall take appropriate administrative enforcement action.

#### **94936 Administrative Citations**

(a) As a consequence of an investigation, which may incorporate any materials obtained or produced in connection with a compliance inspection, and upon a finding that the institution has committed a violation of this chapter or that the institution has failed to comply with a notice to comply pursuant to Section 94935, the bureau shall issue a citation to an institution for violation of this chapter, or regulations adopted pursuant to this chapter.

(b) The citation may contain any of the following:

(1) An order of abatement that may require an institution to demonstrate how future compliance with this chapter or regulations adopted pursuant to this chapter will be accomplished.

(2) Notwithstanding Section 125.9 of the Business and Professions Code, an administrative fine not to exceed five thousand dollars (\$5,000) for each violation. The bureau shall base its assessment of the administrative fine on:

(A) The nature and seriousness of the violation.

(B) The persistence of the violation.

(C) The good faith of the institution.

(D) The history of previous violations.

(E) The purposes of this chapter.

(F) The potential harm to students.

(3) An order to compensate students for harm, including a refund of moneys paid to the institution by or on behalf of the student, as determined by the bureau.

(c)

(1) The citation shall be in writing and describe the nature of the violation and the specific provision of law or regulation that is alleged to have been violated.

(2) The citation shall inform the institution of its right to request a hearing in writing within 30 days from service of the citation.

(3) If a hearing is requested, the bureau shall select an informal hearing pursuant to Article 10 (commencing with Section 11445.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code or a formal hearing pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(4) If a hearing is not requested, payment of the administrative fine is due 30 days from the date of service, and shall not constitute an admission of the violation charged.

(5) If a hearing is conducted and payment of an administrative fine is ordered, the administrative fine is due 30 days from when the final order is entered.

(6) The bureau may enforce the administrative fine as if it were a money judgment pursuant to Title 9 (commencing with Section 680.010) of Part 2 of the Code of Civil Procedure.

(d) All administrative fines shall be deposited in the Private Postsecondary Education Administration Fund.

#### **94941 Complaints, Investigations**

(a) An individual who has cause to believe that an institution has violated this chapter, or regulations adopted pursuant to this chapter, may file a complaint with the bureau against the institution. The complaint shall set forth the alleged violation, and shall contain any other information as may be required by the bureau.

(b) To ensure that the bureau's resources are maximized for the protection of the public, the bureau, in consultation with the advisory committee, shall establish priorities for its inspections and other investigative and enforcement resources to ensure that institutions representing the greatest threat of harm to the greatest number of students are identified and disciplined by the bureau or referred to the Attorney General.

(c) In developing its priorities for inspection, investigation, and enforcement regarding institutions, the bureau shall consider as posing heightened risks the characteristics of the following institutions:

(1) An institution that receives significant public resources, including an institution that receives more than 70 percent of its revenues from federal financial aid, state financial aid, financial aid for veterans, and other public student aid funds.

(2) An institution with a large number of students defaulting on their federal loans, including an institution with a three-year cohort default rate above 15.5 percent.

(3) An institution with reported placement rates, completion rates, or licensure rates in an educational program that are far higher or lower than comparable educational institutions or programs.

(4) An institution that experiences a dramatic increase in enrollment, recently expanded educational programs or campuses, or recently consolidated campuses.

(5) An institution that offers only nonremedial educational program courses in English, but enrolls students with limited or no English language proficiency.

(6) An institution that has experienced a recent change of ownership or control, or a change in the business organization of the institution.

(7) An institution with audited financial statements that do not satisfy the bureau's requirements for financial stability.

(8) An institution that has recently been the subject of an investigation, judgment, or regulatory action by, or a settlement with, a governmental agency.

(9) An institution that experiences institutional or programmatic accreditation restriction by an accreditor, government restriction of, or injunction against, its approval to operate, or placement on cash-reimbursement or heightened monitoring status by the United States Department of Education.

(d) The bureau shall indicate in an annual report, to be made publicly available on its Internet Web site, the number of temporary restraining orders, interim suspension orders, and disciplinary actions taken by the bureau, disaggregated by each priority category established pursuant to subdivision (b).

(e) The bureau shall, in consultation with the advisory committee, adopt regulations to establish categories of complaints or cases that are to be handled on a priority basis. The priority complaints or cases shall include, but not be limited to, those alleging unlawful, unfair or fraudulent business acts or practices, including unfair, deceptive, untrue, or misleading statements, including all statements made or required to be made pursuant to the requirements of this chapter, related to any of the following:

(1) Degrees, educational programs, or internships offered, the appropriateness of available equipment for a program, or the qualifications or experience of instructors.

(2) Job placement, graduation, time to complete an educational program, or educational program or graduation requirements.

(3) Loan eligibility, terms, whether the loan is federal or private, or default or forbearance rates.

(4) Passage rates on licensing or certification examinations or whether an institution's degrees or educational programs provide students with the necessary qualifications to take these exams and qualify for professional licenses or certifications.

(5) Cost of an educational program, including fees and other nontuition charges.

(6) Affiliation with or endorsement by any government agency, or by any organization or agency related to the Armed Forces, including, but not limited to, groups representing veterans. (7) Terms of withdrawal and refunds from an institution.

(8) Payment of bonuses, commissions, or other incentives offered by an institution to its employees or contractors.

## 70000 Provisions

(a) "Academic Freedom" means the degree to which faculty at an institution are allowed latitude with respect to their discussions with students and the positions they take. Under such a policy, a faculty member can articulate or even advocate positions or concepts which may be controversial in nature without fear of retribution or reprisal.

(b) "Act" means The California Private Postsecondary Education Act of 2009.

(c) "Chief academic officer" means the person primarily responsible for the administration of an institution's academic affairs including the supervision of faculty, development of educational programs and curricula, and implementation of the institution's mission, purpose and objectives.

(d) "Chief executive officer" means the person primarily responsible for the overall administration of an institution, including the supervision of the chief academic officer and the chief operating officer. The chief executive officer is often, but need not be, called the "president."

(e) "Chief operating officer" means the person primarily responsible for the administration of an institution's business operation, including finances, management, personnel, and contracting for goods, services, or property.

(f) "Code" means California Education Code.

(g) "Credential" means publicly demonstrated skills and experiences whose achievement has been recognized by an official credential or award given by a professional association. This recognition can also be achieved if there is a general acceptance and recognition of those credentials by members of the profession or industry in the field in which the person will teach.

(h) "Credit" means a measure of college or university level instruction that is evaluated by duly qualified faculty; it is also the same as "unit" or "unit of credit."

(i) "Degree program" means an educational program leading to the award of an academic degree as defined in section 94830 of the Code.

(j) "Duly qualified faculty" or "faculty member" means a person or people who satisfy the requirements of section 71720.

(k) "Education offered for purpose of personal entertainment, pleasure or enjoyment" means education offered for purposes of play, amusement or relaxation, including education offered for the purpose of teaching the fundamentals, skills or techniques of a hobby or activity. It does not include education that in any manner does any of the following:

(1) Enables a student to qualify for any immigration status, for which an institution is permitted to issue a Certificate of Eligibility for Nonimmigrant Student Status by the United States Immigration and Customs Enforcement.

(2) Facilitates the development of learning skills or language proficiency to assist a student to:

(A) Learn English as a second language, unless the institution exclusively enrolls students for an intensive English program that is touristic in nature, and provides for transportation, housing, and cultural and recreational activities; or

(B) Enhance language skills for any business or occupational purpose.

(3) Assists a student to prepare for a test administered in conjunction with any undergraduate or graduate educational program.

(4) Is an educational service offered to lead to any employment in any occupation or job title.

(5) Is represented to enable a student to use already existing knowledge, training, or skills in the pursuit of an occupation or to develop new or enhance existing knowledge, training, or skills in connection with any occupation or job title.

(l) "Financial aid officer" means any person involved in administering the participation of the institution or any of its students in any federal or state student loan or grant program, including any person who assists students to apply for, disburses the proceeds of, or regularly explains student rights and obligations under, loans or grants subject to any federal or state program.

(m) "Full time study" means the equivalent of, if measured in credit hours, 24 semester or trimester, or 36 quarter hours, or if measured in clock hours, 900 hours, to be completed within 30 weeks of instruction.

(n) "Innovative method of instruction" or "unique method of instruction" means a new method of instruction, not previously generally recognized by accredited and approved degree granting institutions, as a reasonable approach to teaching a specific curriculum.

(o) "Institution director" means the person who is responsible for administering the daily operations of the institution and has supervisory authority over all other administrators and instructors.

(p) "Instructor" means a person who is responsible to conduct one or more classes or components of an institution's educational program.

(q) "Mission" means an institution's stated educational reasons to exist. A mission statement contains all of the following characteristics:

(1) The mission includes the institution's broad expectations concerning the education that students will receive, including the acquisition of the body of knowledge presented in the educational program, the development of intellectual, analytical, and critical abilities, and the fostering of values such as a commitment to pursue lifelong learning; and

(2) The mission relates to the educational expectations of the institution's students, faculty and community that the institution serves.

(r) "Objectives" are the goals and methods by which the institution fulfills its mission and transforms it into measurable student learning outcomes for each educational program.

(s) "Pre-accreditation" or "candidacy" as used in sections 94885.1 and 94885.5 of the Code means that an institution has submitted a completed application for initial accreditation with the required fee, which was accepted by the accreditor.

(t) "Prior experiential learning" or "college level learning experience" means learning of a postsecondary nature as documented learning from a related profession, college level equivalent tests, military training or other college level equivalent experience.

(u) "Provisional approval" means approval of a degree program or the institution for no more than a five-year period while the owner of a Bureau-approved institution seeks to satisfy the requirement for institutional accreditation by an accrediting agency recognized by the United States Department of Education pursuant to section 94885(b) of the Code.

(v) "Quarter" means at least 10 weeks of instruction or its equivalent as described in subdivision (w) (2) of this section.

(w) "Quarter unit" means either of the following:

(1) At least ten (10) hours of college or university level instruction during a quarter plus a reasonable period of time outside of instruction which an institution requires a student to devote to preparation for planned learning experiences, such as preparation for instruction, study of course material, or completion of educational projects; or

(2) Planned learning experiences equivalent to the learning and preparation described in paragraph (1) as determined by duly qualified faculty responsible for evaluating learning outcomes for the award of unit credits.

(x) "Recreational Education" means education offered for the purpose of teaching the fundamentals, skills or techniques of sports or games.

(y) "Semester" means at least 15 weeks of instruction or its equivalent as described in subdivision (z) (2) of this section.

(z) "Semester unit" means either of the following:

(1) At least fifteen (15) hours of college or university level instruction during a semester plus a reasonable period of time outside of instruction which an institution requires a student to devote to preparation for planned learning experiences, such as preparation for instruction, study of course material, or completion of educational projects; or

(2) Planned learning experiences equivalent to the learning and preparation described in paragraph (1) as determined by duly qualified faculty responsible for evaluating learning outcomes for the award of unit credits.

(aa) "Significant equipment" means equipment that is necessary for achieving the stated educational objectives.

(ab) "Tuition" means the cost for instruction normally charged on a per unit or per hour basis. It does not include itemized fees paid to the Bureau or the cost of textbooks, supplies, transportation, or equipment.

(ac) "Unit" or "unit of credit" means a measure of college or university level instruction that is evaluated by duly qualified faculty.

### **71105.5 Accreditation Plan Requirements for Degree-Granting Institutions**

(a) The owner of an unaccredited institution that was approved to offer a degree program on or before January 1, 2015, shall by July 1, 2015, submit to the Bureau a plan for achieving institutional accreditation by an accrediting agency recognized by the United States Department of Education, with the scope of that accreditation covering the offering of at least one degree program.

(b) The plan shall include:

(1) Identification of the accrediting agency from which the institution will seek accreditation;

(2) Identification of the accrediting agency's eligibility requirements;

(3) Identification of the accrediting agency's minimum requirements for institutional accreditation covering at least one degree program offered by the institution with an outline of the process and timeline for complying, by July 1, 2017, with the accrediting agency's requirements for submission of a completed application for initial accreditation with the required fee; and

(4) An outline of the process and timeline whereby the institution will achieve full accreditation by July 1, 2020 including all of the following, if applicable:

- (A) Attendance at the accrediting agency's required accreditation applicant workshop;
- (B) Submission of financial statements as required by the accrediting agency;
- (C) Submission of a self-evaluation report; and
- (D) Hosting of a site visit by the accrediting agency.

### **71660 Notifications of Non-Substantive Changes**

An institution shall notify the Bureau of a non-substantive change including: change of location of less than 10 miles; addition of a program related to the approved programs offered by the institution; addition of a new branch five miles or less from the main or branch campus; addition of a satellite; and change of mailing address. All such notifications shall be made within 30 days of the change and sent to the Bureau, in writing, to the address listed in section 70020.

### **71710 Educational Program**

In order to meet its mission and objectives, the educational program defined in section 94837 of the Code shall be comprised of a curriculum that includes:

- (a) Those subject areas that are necessary for a student to achieve the educational objectives of the educational program in which the student is enrolled;
- (b) Subject areas and courses or modules that are presented in a logically organized manner or sequence to students;
- (c) Course or module materials that are designed or organized by duly qualified faculty. For each course or module, each student shall be provided with a syllabus or course outline that contains:
  - (1) A short, descriptive title of the educational program;
  - (2) A statement of educational objectives;
  - (3) Length of the educational program;
  - (4) Sequence and frequency of lessons or class sessions;
  - (5) Complete citations of textbooks and other required written materials;
  - (6) Sequential and detailed outline of subject matter to be addressed or a list of skills to be learned and how those skills are to be measured;
  - (7) Instructional mode or methods.
- (d) If degree granting, require research of an appropriate degree that utilizes a library and other learning resources;
- (e) Specific learning outcomes tied to the sequence of the presentation of the material to measure the students' learning of the material; and
- (f) Evaluation by duly qualified faculty of those learning outcomes.

### **71715 Instruction**

- (a) Instruction shall be the central focus of the resources and services of the institution.
- (b) The institution shall document that the instruction offered leads to the achievement of the learning objectives of each course.
- (c) Direct instruction requires the physical presence of one or more students and one or more faculty members at the same location. Direct instruction includes instruction presented in a classroom, seminar, workshop, lecture, colloquium, laboratory, tutorial, or other physical learning settings consistent with the mission, purposes, and objectives of the institution.
- (d) Distance education as defined in section 94834 of the Code, does not require the physical presence of students and faculty at the same location but provides for interaction between students and faculty by such means as telecommunication, correspondence, electronic and computer augmented educational services, postal service, and facsimile transmission. In addition to the other requirements of this chapter and the Act, an institution offering distance education shall:
  - (1) Ensure that the educational program offered through distance education is appropriate for delivery through distance education methods;
  - (2) Assess each student, prior to admission, in order to determine whether each student has the skills and competencies to succeed in a distance education environment;
  - (3) Ensure that the materials and programs are current, well organized, designed by faculty competent in distance education techniques and delivered using readily available, reliable technology;
  - (4) Provide for meaningful interaction with faculty who are qualified to teach using distance education methods;
  - (5) Maintain clear standards for satisfactory academic progress;
  - (6) Timely complete student evaluations of learning outcomes by duly qualified faculty, which are appropriate for use with the distance education methods used, and evaluated by duly qualified faculty.
  - (7) Employ a sufficient number of faculty to assure that (A) the institution's response to, or evaluation of, each student lesson is returned to the student within 10 days after the lesson is received by the institution; and (B) the institution's response to, or evaluation of, each student project or dissertation is returned to the student within the time disclosed in the catalog; and
  - (8) Shall maintain a record of the dates on which lessons, projects, and dissertations were received and responses were returned to each student.

### **71716 Distance Educational Programs – Specific Provisions for Instruction Not in Real Time**

- (a) An institution offering a distance educational program where the instruction is not offered in real time shall transmit the first lesson and any materials to any student within seven days after the institution accepts the student for admission.
- (b) The student shall have the right to cancel the agreement and receive a full refund pursuant to section 71750 before the first lesson and materials are received. Cancellation is effective on the date written notice of cancellation is sent. The institution shall make the refund pursuant to section 71750. If the

institution sent the first lesson and materials before an effective cancellation notice was received, the institution shall make a refund within 45 days after the student's return of the materials.

(c)

(1) An institution shall transmit all of the lessons and other materials to the student if the student: (A) has fully paid for the educational program; and (B) after having received the first lesson and initial materials, requests in writing that all of the material be sent.

(2) If an institution transmits the balance of the material as the student requests, the institution shall remain obligated to provide the other educational services it agreed to provide, such as responses to student inquiries, student and faculty interaction, and evaluation and comment on lessons submitted by the student, but shall not be obligated to pay any refund after all of the lessons and material are transmitted.

(d) The enrollment agreement shall disclose the institution's and student's rights and duties under this section.

### **71720 Faculty**

(a) An Educational Program Leading to a Degree.

(1) An institution offering an educational program that leads to a degree shall employ duly qualified faculty sufficient in number to provide the instruction, student advisement, and learning outcomes evaluation necessary for the institution to document its achievement of its stated mission and objectives, and for students to achieve the specific learning objectives of each course offered;

(2) Each institution shall develop and implement written policies and procedures providing for the participation by duly qualified faculty in the conducting of research, development of curricula, academic planning, enforcement of standards of academic quality, pursuit of academic matters related to the institution's mission and objectives, establishment of criteria for contracting with new faculty, and evaluation of faculty credentials;

(3) In determining the number of faculty sufficient to satisfy subdivision (a)(1) of this section and to implement the policies established pursuant to subdivision (a)(2) of this section, the institution shall base its faculty requirements on all of the following factors:

(A) The educational level and number of students;

(B) The number of hours needed for direct interaction between students and faculty per course, quarter, semester, or other term;

(C) The number of hours needed to be spent on evaluating written materials prepared by students, such as distance education, papers, and examinations, per course, quarter, semester, or other term;

(D) The number of group meetings per course, quarter, semester, or other term;

(E) The faculty duties established by the institution as required under subdivision (a)(2) of this section; and

(F) The number of hours per week or units per term considered full-time for faculty in the institution.

(4) The faculty shall have sufficient expertise to support the institution's awarding of a degree identifying a specialty or major field of emphasis, demonstrated by, at a minimum:

(A) That the person possesses one of the following:

1. A degree from: an institution approved by the Bureau or previously approved by a predecessor agency of the Bureau; or an accredited institution in the United States or Canada; or other state approved institution that documents that the institution at which the faculty member earned his or her degree is equivalent to an institution that is approved by the Bureau; or an institution outside the United States or Canada and in addition provides a comprehensive evaluation of the degree performed by a foreign credential evaluation service that is a member of the National Association of Credential Evaluation Services (NACES).

2. A credential generally recognized in the field of instruction.

(B) The degree, professional license, or credential possessed by the person shall be at least equivalent to the level of instruction being taught or evaluated;

(5) The institution's faculty as a whole shall possess a diverse educational background which shall be demonstrated in part by earned degrees from a variety of colleges and universities or by credentials generally recognized in the field of instruction;

(6) When contracting for educational services, the institution shall maintain control of, and responsibility for, all academic matters, and shall assure that the instruction and faculty satisfy the standards established by the Act and this chapter;

(7) The institution shall not employ or continue to employ any faculty who were adjudicated in a judicial or administrative proceeding as having violated any provision of the Act or this chapter or as having committed any act that would constitute grounds for the denial of a license under Section 480 of the Business and Professions Code;

(8) Each institution shall have a written Academic Freedom Policy which describes the latitude the institution allows faculty in the classroom so faculty will not inadvertently violate the principles of academic freedom. These policies shall be made available to any person upon request. The institution shall not take adverse action based on a staff member's exercise of academic freedom consistent with the institution's policy; and

(9) The institution shall maintain records documenting that each faculty member is duly qualified and was qualified to perform the duties to which the faculty member was assigned, including providing instruction, evaluating learning outcomes, evaluating graduate dissertations, theses, and student projects, and participating on doctoral committees.

(b) Instructors in an Educational Program Not Leading to a Degree.

(1) An institution shall employ instructors who possess the academic, experiential and professional qualifications to teach, including a minimum of three years of experience, education and training in current practices of the subject area they are teaching. If an instructor does not possess the required three years of experience, education and training in the subject area they are teaching, the institution shall document the qualifications the instructor possesses that are equivalent to the minimum qualifications.

(2) Each instructor shall maintain their knowledge by completing continuing education courses in his or her subject area, classroom management or other courses related to teaching.

(3) The institution shall not employ or continue to employ an instructor who was adjudicated in a judicial or administrative proceeding as having violated any provision of the Act or this chapter, or as having committed any act that would constitute grounds for the denial of a license under Section 480 of the Business and Professions Code.

### **71730 Administration**

(a) Each institution shall have a chief executive officer, a chief operating officer and chief academic officer. One person may serve more than one function.

(b) The duties, responsibilities, and performance evaluation criteria for each administrator shall be set forth in a personnel manual or other writing maintained by the institution.

(c) An institution with one or more branch locations shall establish written institutional policies, consistent with subdivision (d), regarding the division and sharing of administrative responsibilities between the central administration at the main location and the administration at the branch locations.

(d) The administrative staffing at each branch location shall reflect the purposes, size, and educational operations at that location and at any satellite location for which the branch has administrative responsibilities.

(e) The chief academic officer shall possess a degree or equivalent acceptable experience at least equal to the highest qualifications required of the institution's faculty. Chief academic officers employed on the date of implementation of these regulations, who do not meet the qualifications for their positions, shall have three years to earn the necessary degrees or experience to qualify them for their position.

(f) The institution shall employ administrative personnel who have the expertise to ensure the achievement of the institution's mission and objectives and the operation of the educational programs.

(g) The institution shall not employ or continue to employ any administrative personnel who were adjudicated in a judicial or administrative proceeding as having violated any provision of the Act or this chapter or as having committed any act that would constitute grounds for the denial of a license under Section 480 of the Business and Professions Code.

### **71735 Facilities and Equipment**

(a) An institution shall have sufficient facilities and necessary equipment to support the achievement of the educational objectives of all of the courses and educational programs in which students are enrolled. If an institution represents that the educational service will fit or prepare a student for employment in a particular occupation or as described in particular job titles, either of the following conditions shall be met:

(1) The equipment used for instruction or provided to the student shall be comparable in model type or features to equipment generally used in those occupations or job titles at the time the instruction is offered.

(2) The institution shall establish that the equipment used for instruction or provided to a student is not obsolete and is sufficient for instructional purposes to reasonably assure that a student acquires the necessary level of education, training, skill, and experience to obtain employment in the field of training and to perform the tasks associated with the occupation or job title to which the educational program was represented to lead.

(b) An institution's facilities, including heating and cooling, ventilation, lighting, classrooms, laboratories, and campus environs, shall be well-maintained. The institution shall maintain all valid permits required by any public agencies relating to the health and safety of the institution's facilities and equipment on file, and such permits shall be available to the Bureau upon request.

#### **71740 Library and Other Learning Resources**

(a) A degree granting institution shall make available for student use a library and other learning resources.

(b) An institution shall provide or make provisions for the library and other learning resources needed to support each educational program it offers, including resources such as reference works, periodicals, monographs, and media and equipment specific to the educational programs offered.

(c) An institution shall describe onsite library and other learning resources, if any, that enable students to pursue inquiries, searches for information and documentation, and assignments connected with their study programs.

(d) An institution that depends for library and other learning resources primarily on other institutions' collections and resources not in its possession shall do all of the following:

- (1) Describe those library and other learning resources, in the application and catalog.
- (2) Provide students and faculty with access to the regular services of a professional librarian or information specialist experienced in the electronic retrieval of information, who shall provide support for faculty in curriculum matters and actively serve as a resource guide for both graduate and undergraduate students.
- (3) Assure that students have access to the library collections and resources of another institution, organization, or library.
- (4) Document compliance with paragraphs (1), (2), and (3).

#### **71745 Financial Resources**

(a) The institution shall document that it has at all times sufficient assets and financial resources to do all of the following:

- (1) Provide all of the educational programs that the institution represented it would provide.
- (2) Ensure that all students admitted to its educational programs have a reasonable opportunity to complete the programs and obtain their degrees or diplomas.
- (3) Maintain the minimum standards required by the Act and this chapter.
- (4) Pay timely refunds as required by Article 13 of the Act.
- (5) Pay all operating expenses due within 30 days.
- (6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year when using generally accepted accounting principles, or for an institution participating in Title IV of the federal Higher Education Act of 1965, meet the composite score requirements of the U.S. Department of Education. For the purposes of this section, current assets does not include: intangible assets, including goodwill, going concern value, organization

expense, startup costs, long-term prepayment of deferred charges, and non-returnable deposits, or state or federal grant or loan funds that are not the property of the institution but are held for future disbursement for the benefit of students. Unearned tuition shall be accounted for in accordance with general accepted accounting principles.

(b) At an institution's request, the Bureau may consider the financial resources of a parent company if the parent company, as defined by section 94853 of the Code, meets and maintains all of the following provisions:

- (1) Consents in writing to be sued in California;
- (2) Consents in writing to be subject to the jurisdiction of the Bureau with respect to the institution's regulation under the Act and this Chapter;
- (3) Designates and maintains an agent for service of process, consistent with section 74190;
- (4) Agrees in writing to pay any refund, claim, penalty, or judgment that the institution is obligated to pay; and
- (5) Files financial reports, maintains financial records, and consents in writing to permit the inspection and copying of financial records to the same extent as is required of the institution.

(c) An institution shall provide to the Bureau its most current financial statements upon request.

### **71750 Withdrawals and Refunds**

(a) Every institution shall make refunds that are no less than the refunds required under the Act and this Division.

(b) An institution may not enforce any refund policy that is not specified in the catalog as required pursuant to section 94909(a)(8)(B) of the Code, and must refund all institutional charges upon a student's withdrawal. Withdrawal policy procedures pursuant to section 94909(a)((8)(B) of the Code shall include, at a minimum: the acceptable methods of delivery of a notice to withdraw; whether withdrawal can be accomplished by conduct, and if so, how; the position or positions to whom the notice to withdraw must be delivered; and the date that the notice to withdraw is considered effective, which shall be no later than the date received by the institution.

(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:

- (1) The amount owed equals the daily charge for the program (total institutional charge, divided by the number of days or hours in the program), multiplied by the number of days student attended, or was scheduled to attend, prior to withdrawal.
- (2) Except as provided for in subdivision (a)(3) of this section, all amounts paid by the student in excess of what is owed as calculated in subdivision (a)(1) shall be refunded.
- (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.

(4) For purposes of determining a refund under the Act and this section, a student shall be considered to have withdrawn from an educational program when he or she withdraws or is deemed withdrawn in accordance with the withdrawal policy stated in its catalog.

(d) If an institution has collected money from a student for transmittal on the student's behalf to a third party for a bond, library usage, or fees for a license, application, or examination and the institution has not paid the money to the third party at the time of the student's withdrawal or cancellation, the institution shall refund the money to the student within 45 days of the student's withdrawal or cancellation.

(e) An institution shall refund any credit balance on the student's account within 45 days after the date of the student's completion of, or withdrawal from, the educational program in which the student was enrolled. For purposes of this subdivision and section 94919(d) of the Code, "day" means calendar day.

(f) The institution shall maintain a cancellation and withdrawal log, kept current on a monthly basis, which shall include the names, addresses, telephone numbers, and dates of cancellations or withdrawal of all students who have cancelled the enrollment agreement with, or withdrawn from, the institution during the calendar year.

### **71760 Self-Monitoring Procedures**

Each institution shall develop and maintain adequate procedures used by the institution to assure that it is maintained and operated in compliance with the Act and this Division.

### **71800 Enrollment Agreement**

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:

(a) The name and address of the institution and the addresses where instruction will be provided.

(b) Period covered by the enrollment agreement.

(c) Program start date and scheduled completion date.

(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.

### **71810 Catalog**

(a) Each institution shall provide a catalog pursuant to section 94909 of the Code, which shall be updated annually. Annual updates may be made by the use of supplements or inserts accompanying the catalog. If changes in educational programs, educational services, procedures, or policies required to be included in the catalog by statute or regulation are implemented before the issuance of the annually updated catalog, those changes shall be reflected at the time they are made in supplements or inserts accompanying the catalog.

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

- (1) The specific beginning and ending dates defining the time period covered by the catalog;
- (2) A statement of the institution's missions and purposes and the objectives underlying each of its educational programs;
- (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;
- (4) Language proficiency information, including: (A) the level of English language proficiency required of students and the kind of documentation of proficiency, such as the Test of English as a Foreign Language (TOEFL), that will be accepted; and (B) whether English language services, including instruction such as ESL, are provided and, if so, the nature of the service and its cost;
- (5) Whether any instruction will occur in a language other than English and, if so, the level of proficiency required and the kind of documentation of proficiency, such as the United States Foreign Service Language Rating System, that will be accepted;
- (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;
- (7) 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;
- (8) The institution's standards for student achievement;
- (9) A description of the facilities and of the types of equipment and materials that will be used for instruction;
- (10) A description of library and other learning resources and the procedures for student access to those resources;

(11) If the institution offers distance education, the approximate number of days that will elapse between the institution's receipt of student lessons, projects, or dissertations and the institution's mailing of its response or evaluation.

(12) A description of all student services;

(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.

(14) Policies on student rights, including the procedure for addressing student grievances; and

(15) Policies on the retention of student records.

### **71920 Student Records**

(a) The institution shall maintain a file for each student who enrolls in the institution whether or not the student completes the educational service.

(b) In addition to the requirements of section 94900, the file shall contain all of the following pertinent student records:

(1) Written records and transcripts of any formal education or training, testing, or experience that are relevant to the student's qualifications for admission to the institution or the institution's award of credit or acceptance of transfer credits including the following:

(A) Verification of high school completion or equivalency or other documentation establishing the student's ability to do college level work, such as successful completion of an ability-to-benefit test;

(B) Records documenting units of credit earned at other institutions that have been accepted and applied by the institution as transfer credits toward the student's completion of an educational program;

(C) Grades or findings from any examination of academic ability or educational achievement used for admission or college placement purposes;

(D) All of the documents evidencing a student's prior experiential learning upon which the institution and the faculty base the award of any credit;

(2) Personal information regarding a student's age, gender, and ethnicity if that information has been voluntarily supplied by the student;

(3) Copies of all documents signed by the student, including contracts, instruments of indebtedness, and documents relating to financial aid;

(4) Records of the dates of enrollment and, if applicable, withdrawal from the institution, leaves of absence, and graduation; and

(5) In addition to the requirements of section 94900(b) of the Code, a transcript showing all of the following:

- (A) The courses or other educational programs that were completed, or were attempted but not completed, and the dates of completion or withdrawal;
- (B) Credit awarded for prior experiential learning, including the course title for which credit was awarded and the amount of credit;
- (C) Credit for courses earned at other institutions;
- (D) Credit based on any examination of academic ability or educational achievement used for admission or college placement purposes;
- (E) The name, address, website address, and telephone number of the institution.

(6) For independent study courses, course outlines or learning contracts signed by the faculty and administrators who approved the course;

(7) The dissertations, theses, and other student projects submitted by graduate students;

(8) A copy of documents relating to student financial aid that are required to be maintained by law or by a loan guarantee agency;

(9) A document showing the total amount of money received from or on behalf of the student and the date or dates on which the money was received;

(10) A document specifying the amount of a refund, including the amount refunded for tuition and the amount for other itemized charges, the method of calculating the refund, the date the refund was made, and the name and address of the person or entity to which the refund was sent;

(11) Copies of any official advisory notices or warnings regarding the student's progress; and

(12) Complaints received from the student.

### **71930 Maintenance of Records**

(a) An institution shall maintain all records required by the Act and this chapter. The records shall be maintained in this state.

(b)

(1) In addition to permanently retaining a transcript as required by section 94900(b) of the Code, the institution shall maintain for a period of 5 years the pertinent student records described in Section 71920 from the student's date of completion or withdrawal.

(2) Notwithstanding (b)(1), the institution shall maintain records relating to federal financial aid programs as provided by federal law.

(c) A record is considered current for three years following a student's completion or withdrawal. A record may be stored on microfilm, microfiche, computer disk, or any other method of record storage only if all of the following apply:

(1) The record may be stored without loss of information or legibility for the period within which the record is required to be maintained by the Act;

(2) For a record that is current, the institution maintains functioning devices that can immediately reproduce exact, legible printed copies of stored records. The devices shall be maintained in reasonably close proximity to the stored records at the institution's primary administrative location in California. For a record that is no longer current, the institution shall be able to reproduce exact, legible printed copies within two (2) business days.

(3) The institution has personnel scheduled to be present at all times during normal business hours who know how to operate the devices and can explain the operation of the devices to any person authorized by the Act to inspect and copy records; and

(4) Any person authorized by the Act or this chapter to inspect and copy records shall be given immediate access to the document reproduction devices for the purpose of inspecting and copying stored records and shall, upon request, reimburse the institution for the reasonable cost of using the institution's equipment and material to make copies at a rate not to exceed ten cents (\$0.10) per page.

(d) The institution shall maintain a second set of all academic and financial records required by the Act and this chapter at a different location unless the original records, including records stored pursuant to subdivision (b) of this section, are maintained in a manner secure from damage or loss. An acceptable manner of storage under this subsection would include fire resistant cabinets.

(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.

(f) If an institution closes, the institution and its owners are jointly and severally responsible to arrange at their expense for the storage and safekeeping in California of all records required to be maintained by the Act and this chapter for as long as those records must be maintained. The repository of the records shall make these records immediately available for inspection and copying, without charge except as allowed under subdivision (c)(4) of this section, during normal business hours by any entity authorized by law to inspect and copy records.

#### **74112 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.

(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%<sup>1</sup>

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

<sup>1</sup> 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)

Educational Program Length

Calendar Year

Number of Students Who Began the Program

Students Available for Graduation

Number of On-time Graduates

On-time Completion Rate

Students Completing Within 150% of the Published Program Length

Name of Educational Program (Program Length)

Educational Program Length

Calendar Year

Number of Students Who Began the Program

Students Available for Graduation

150% Graduates

## 150% Completion Rate

\*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 subdivision (b) 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)

Educational 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

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

Educational Program Length

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

Single Position vs. Concurrent Aggregated Positions

Educational Program Length

Graduates Employed in the field in a single position

Graduates Employed in the field in concurrent aggregated positions

Total Graduates Employed in the Field

Self-Employed/Freelance Positions

Educational Program Length

Graduates Employed who are self-employed or working freelance

Total Graduates Employed in the Field

Institutional Employment

Educational Program Length

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

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 or 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 understand what comprises this 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)

Educational 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<sup>3</sup>

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)

Educational 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

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

Educational Program Length

Calendar Year

Graduates Available for Employment

Graduates Employed in the Field

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:

- (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 dates;

(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.

#### **74117 Websites Requirements**

In addition to the requirement in Section 94913(b) of the Code, an institution that maintains a website shall provide on the homepage of that website clear and conspicuous links to all the items required in Section 94913(a) of the Code.

#### **74140 Retention of Advertising**

Every institution shall retain, for a minimum of five years, copies of all advertising, including (a) flyers, brochures, newspaper, and other print advertisements, (b) scripts for, and audio and video recordings of, broadcast advertisements, and (c) internet content, and (d) scripts for telephone solicitations. The institution shall make these records immediately available for inspection and copying during normal business hours to site visit teams and the Bureau.

#### **75010 Notice to Comply; Informal Appeal Process**

(a) Pursuant to section 94935 of the Code, bureau staff may issue a notice to comply to a person approved to operate an institution for minor violations of the Act or this Chapter detected during an inspection.

(b) The notice to comply shall be in writing and shall describe the nature and facts of the violation, including a reference to the statute or regulation violated, and may indicate the manner in which the institution must correct the violation to achieve compliance.

(c) The notice to comply shall be given prior to leaving the institution after the inspection to any owner, person in control, chief academic officer, chief executive officer, chief operating officer, institution director, or any person delegated by any of the aforementioned persons to facilitate the inspection or accept such notice.

(d) The notice to comply shall inform the person approved to operate the institution that he or she may do either of the following:

(1) Within 30 days from the date of the inspection, sign and return the notice to comply, declaring under penalty of perjury that the violation was corrected and describing how compliance was achieved; or

(2) Within 30 days from the date of the inspection, file with the Bureau a written notice of disagreement, specifying the minor violations described in the notice to comply with which the person approved to operate the institution disagrees, and appealing it by requesting an informal office conference. If a written notice of disagreement is not timely filed with the Bureau, the right to appeal is deemed to have been waived.

(e) Within 30 days from the timely receipt of a written notice of disagreement, the Director or his or her designee, shall hear the appeal by holding an informal office conference with the person approved to operate the institution or an authorized representative. Upon request and approval by the Director or his or her designee, the person approved to operate the institution or representative may participate in the office conference by telephone. The 30-day period may be extended by the Director or his or her designee for good cause.

(f) Prior to or at the office conference, the person approved to operate the institution or authorized representative may submit to the Director or his or her designee declarations or documents pertinent to the subject matter of the notice to comply, which shall be duly considered along with the notice to comply and any supporting documentation.

(g) Following the informal office conference to appeal the notice to comply, the Director, or his or her designee, may affirm, modify, or withdraw the notice. A written order affirming, modifying, or withdrawing the original notice to comply shall be served on the person approved to operate the institution within 30 days from the informal office conference. If the order affirms or modifies the original notice to comply, said order shall fix a reasonable period of time up to 30 days for correction of the violation. This order shall be deemed the final administrative decision concerning the notice to comply prior to any enforcement action.

(h) Within the time set for correcting the violation, the person approved to operate the institution shall comply with the order affirming or modifying the notice to comply, and shall submit to the Bureau a declaration under penalty of perjury that the violation(s) was (or were) corrected, containing facts sufficient to document compliance with the order, and incorporating attached documentation to that effect.

## **75200 Compliance Inspections**

(a) The Bureau shall provide not less than seven (7) days notice from the time of service of the notice of any announced inspection. Notice shall be given in writing by email or mail to a person listed in section 71130(a) or 71135.

(b) The Bureau shall determine the priority and number of total announced and unannounced compliance inspections and, as necessary, immediate inspections for any institution by evaluating relevant factors including: the risk factors listed in section 94941(c) of the Code, priority of complaints based on section 75300, size of the institution, number and types of programs offered, time elapsed since last inspection, history of the owner's approval(s) to operate any and all institutions, and enforcement history.

(c) The Bureau is not precluded from conducting an investigation of an institution whether or not it has conducted some or all of its compliance inspections in the five-year period referenced in Section 94932.5 of the Code.

## **75210 Notice to Students of Results of Inspection**

(a) The institution shall, at least five (5) business days prior to any announced compliance inspection, cause to be posted in a conspicuous place or places at the institution, and cause to be delivered to students via email or in the same way the students generally receive information from their institution, the following notice:

### **Notice to Students**

**This institution is subject to announced compliance inspections by the Bureau for  
Private Postsecondary Education.**

**An announced compliance inspection has been scheduled for this institution on [date] at [time].**

**Information regarding the results of the announced inspection can be found at the**

**Bureau's website at [www.bppe.ca.gov/enforcement/inspection\\_results](http://www.bppe.ca.gov/enforcement/inspection_results), after the inspection.**

**Students who have questions or comments can contact the Bureau directly by telephone at 888-370-7589 or via the website at [www.bppe.ca.gov](http://www.bppe.ca.gov).**

The notice shall contain the date and time scheduled for the announced compliance inspection. The institution shall maintain and keep unobstructed the posted notice(s) required in this subsection until the announced compliance inspection is completed.

(b) In addition to requiring the notice for impending announced compliance inspections, , the institution shall, at the time of any inspection, allow the Bureau to post in a conspicuous place or places at the institution and the institution shall deliver to students via email or in the same way the students generally receive information from their institution, the following notice:

### **Notice to Students**

**This institution is subject to regular compliance inspections by the Bureau for Private Postsecondary Education. Information regarding the dates of inspections conducted and the results of those**

inspections can be found at the Bureau's website at [www.bppe.ca.gov/enforcement/inspection\\_results](http://www.bppe.ca.gov/enforcement/inspection_results).

This institution was last inspected on [date].

Students who have questions or comments can contact the Bureau directly by telephone at 888-370-7589 or via the website at [www.bppe.ca.gov](http://www.bppe.ca.gov).

The notice(s) shall contain the date of the most recent compliance inspection. The institution shall maintain and keep unobstructed the posted notice(s) for not less than 90 days from the date of posting.

(c) All notices regarding compliance inspections provided by the Bureau in each language in which the institution is approved to teach courses shall be posted and delivered to students pursuant to subsections (a) and (b).

#### **76020 Student Tuition Recovery Fund (STRF)**

(a) The fund exists to relieve or mitigate economic losses suffered by a student while enrolled at a qualifying institution, who at the time of enrollment is or was a California resident or was enrolled in a California residency program, if the student enrolled in the institution and the student or a third-party payer, prepaid tuition, paid or is deemed to have paid the assessment and suffered economic loss as a result of any of the conditions specified in section 94923 of the Code or due to an institution losing its eligibility to receive a third-party payer benefit such as Cal Grant, Pell Grant, or veterans' financial aid programs under Title 38 of the Code of Federal Regulations.

#### **76120 Amount of STRF Assessment**

(a) Each qualifying institution shall collect an assessment of zero dollars (\$0) per one thousand dollars (\$1,000) of institutional charges, rounded to the nearest thousand dollars, from each student in an educational program who is a California resident or is enrolled in a residency program. For institutional charges of one thousand dollars (\$1,000) or less, the assessment is zero dollars (\$0).

#### **76140 Record-Keeping Requirements**

(a) A qualifying institution shall collect and maintain records of student information to substantiate the data reported on the STRF Assessment Reporting Form and records of the students' eligibility under the Fund. Such records shall include the following for each student:

- (1) Student identification number,
- (2) First and last names,
- (3) Email address,
- (4) Local or mailing address,
- (5) Address at the time of enrollment,
- (6) Home address,
- (7) Date enrollment agreement signed,

- (8) Courses and course costs,
- (9) Amount of STRF assessment collected,
- (10) Quarter in which the STRF assessment was remitted to the Bureau,
- (11) Third-party payer identifying information,
- (12) Total institutional charges charged, and
- (13) Total institutional charges paid.

(b) The qualifying institution shall maintain the data required under this section in an electronic format that is readily available and open to inspection by the Bureau upon request. The institution shall make the records immediately available to a Bureau representative conducting a site inspection or, upon written request, shall provide a copy within 14 calendar days of the request. All records shall be provided to the Bureau in an intelligible and orderly manner and in an electronic format.

#### **76240 Required Notices and Teach-Out Plan**

All institutions, including those exempt from Bureau regulation pursuant to the Code, shall do the following prior to closing:

(a) At least 30 days prior to closing, the institution shall notify the Bureau in writing of its intention to close and provide a closure plan. The closure plan shall include:

- (1) The exact date and reason for the closure.
- (2) The last date of instruction for each educational service or program.
- (3) A list of students who were enrolled at any time during the 60 days prior to closure.
- (4) If any student will not be provided complete educational services or the educational program, the institution shall provide:
  - (A) A plan for providing teach-outs or transfers, including the details of any agreements with other institutions.
  - (B) If no teach-out is contemplated, or for students who do not wish to participate in a teach-out, arrangements for making refunds within 45 days from the date of closure, or for institutions that participate in federal student financial aid programs arrangements for making refunds and returning federal student financial aid program funds.
- (5) A plan for the disposition of student records.
- (6) A plan to notify students of their rights and options under the Act and this chapter.

(b) The institution shall notify the students of the following:

- (1) If the institution is a participant in federal student financial aid programs, it shall provide students information concerning those programs and institutional closures.
- (2) If any student will not be provided complete educational services or the educational program, information regarding the Student Tuition Recovery Fund and the Bureau's physical and Internet addresses.