

TITLE 5. EDUCATION
Division 7.5. Private Postsecondary Education
Chapter 5. Enforcement and Discipline
Article 2. Applications and Fines

DEPARTMENT OF CONSUMER AFFAIRS

Bureau for Private Postsecondary Education

Final Statement of Reasons

Subject Matter of Proposed Regulations: Unapproved Activity.

Sections Affected: Sections 75020 and 75030 of Article 2 of Chapter 5 of Division 7.5 of Title 5 of the California Code of Regulations (CCR).

Updated Information

The Informative Digest and Initial Statement of Reasons (ISOR) are included in the rulemaking file and incorporated as though set forth herein.

The information contained therein is updated as follows:

- 1. Corrections to Section Titles in CCR sections 75020 and 75030**
The Bureau corrects the section titles by adding periods to the end of both section titles, which aligns the section titles with the existing CCR section titles.
- 2. Correction to underlined comma in CCR section 75020(b)**
The Bureau corrects the text by removing the underline from the comma after the words “or both” in the first sentence of section 75020(b). This correction aligns the text with the existing CCR.
- 3. Remove Strike-Out in CCR section 75020(b)**
The Bureau removes the strike-out over the language “pursuant to section 94944 of the Code.” This change is for consistent sentence structure with subsection (a), which contains a reference to section 94936. The change does not substantively alter the proposed regulation. Both subsections (a) and (b) will now have similar sentence structure, promoting consistency across the regulatory section.
- 4. Corrections to capitalized letters in CCR section 75020(c)(1)-(5)**
The Bureau corrects subsection (c), paragraphs (1)-(5) by removing the capitalized letters from the start of each paragraph and replacing them with lowercase letters. This correction aligns each paragraph in subsection 75020

(c) with the existing text found in the CCR.

5. Correction to underlined comma in CCR section 75020 “Note:”

The Bureau corrects the Reference by removing the underline from the comma after the reference to Section 94949.8 of the CEC. This correction aligns the text with the Note for section 75020 in the existing CCR.

6. Addition of commas in CCR section 75030(a) and (b)

The Bureau adds commas in section 75030 after references to other subsections. The first comma is added in section 75030(a) after the reference to section 75020, subsection (a) in the regulatory text. The second comma is in section 75030(b) after the reference to section 75020, subsection (b). This is a grammatical correction to the regulatory section.

7. Addition of language to CCR section 75030(b)(3)

The Bureau adds the words “fines for other violations or refunds, including” to the proposed regulatory text in section 75030(b)(3). This change is for consistency with the statutory language found in Section 94944 of the Education Code, so the language is included in the CCR. Following this addition, the additional clarifying language proposed by the Bureau is included that, in the context of unapproved activity, “refunds” includes refunds to students enrolled during the period of unapproved activity.

8. Delete a comma in CCR section 75030 “Note:”

The Bureau corrects the “Authority Cited” in the “Note” by removing the comma after the citation to Section 94936 of the Education Code. This is a grammatical correction to the Note for the regulatory section.

9. Clarification on “Licensees and Applicants” in Notice of Proposed Action and Initial Statement of Reasons

The Economic Impact Analysis (EIA) in the Notice of Proposed Action, and the Business Impact section of the Initial Statement of Reasons use the phrase “licensees and applicants,” for which the Bureau offers the following clarification:

The Bureau’s intent in using “licensees and applicants” in the economic impact analysis and business impact section is to cover various permutations of institutions that may be cited for unapproved activity, regardless of whether they currently hold an active license (approval to operate) or are otherwise required to hold a license. In the context of disciplinary action taken against an institution for unapproved activity, an institution would have either already submitted or have been informed of the requirements to submit an application for approval to operate, but operated without the required approval from the Bureau. The institution would be considered an “applicant,” presuming that an application was submitted once the institution was informed that it needs approval to operate. A

factor the Bureau considers when assessing an administrative citation for unapproved activity listed in the proposed section 75030(b)(2)(C) states, in part, "...demonstration of corrective action to prevent recurrence." The ISOR states that this could include "submitting an application for approval to operate..." In doing so, an institution would be considered an applicant. Again, the Bureau's intent in using "licensees and applicants" in the economic impact analysis and business impact section is to cover various permutations of institutions that may be cited for unapproved activity.

The Bureau noticed the proposed rulemaking via email listserv on December 19, 2025, with a 45-day comment period ending at the conclusion of February 2, 2026.

The Bureau received zero (0) comment(s) during the comment period. There were no requests for a public hearing and no separate public hearing was held.

Local Mandate

A mandate is not imposed on local agencies or school districts.

Consideration of Alternatives

No reasonable alternative which was considered or that has otherwise been identified and brought to the attention of the Bureau would be more effective in carrying out the purpose for which it was proposed or would be as effective and less burdensome to affected private persons than the adopted regulations or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. Prior to publication of the Notice of Proposed Action, the Bureau originally discussed implementing a minimum fine amount for Unapproved Activity, as noted in underlying data. However, the Bureau ultimately decided not to pursue a minimum fine and it was not considered a viable alternative. The Bureau incorporates by reference the alternatives identified in its ISOR and did not receive any comments that altered its findings.

Summary of Comments Made During the 45-day Notice Period:

Bureau for Private Postsecondary Education staff noticed the proposed rulemaking with a 45-day comment period from Friday, December 19, 2025, through Monday, February 2, 2026. The Bureau received zero (0) comments during the comment period. There were no requests for a public hearing, and no separate public hearing was held.