

DEPARTMENT OF CONSUMER AFFAIRS
TITLE 5. EDUCATION
DIVISION 7.5. Private Postsecondary Education
BUREAU FOR PRIVATE POSTSECONDARY EDUCATION

NOTICE OF PROPOSED REGULATORY ACTION CONCERNING:
Use of the Term “University”

NOTICE IS HEREBY GIVEN that the Bureau for Private Postsecondary Education (hereafter “Bureau”) is proposing to take the action described in the Informative Digest below, after considering all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

The Bureau has not scheduled a public hearing on this proposed action. However, the Bureau will hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 days prior to the close of the written comment period. A hearing may be requested by making such request in writing addressed to the individuals listed under “Contact Person” in this notice.

WRITTEN COMMENT PERIOD

Written comments relevant to the action proposed, including those sent by mail, facsimile, or e-mail to the addresses listed under “Contact Person” in this Notice, must be **received by the Bureau at its office no later than Monday September 28, 2026** or must be received by the Bureau at the hearing, should one be scheduled.

AUTHORITY AND REFERENCE

Pursuant to the authority vested by sections 94803 and 94877 of the Education Code (EDC), and to implement, interpret, or make specific EDC sections 94897 and 94932, the Bureau is considering amending section 74150 of Article 3 of Chapter 4 of Division 7.5 of Title 5 of the California Code of Regulations (CCR)¹.

INFORMATIVE DIGEST / POLICY STATEMENT OVERVIEW

Existing regulations at Section 74150 define a “university” as an institution of higher education that confers a master's or a doctor's degree upon the completion of programs of graduate or professional study and that may also confer a bachelor's degree upon the completion of programs of undergraduate study. CCR 74150 also specifies that, unless previously approved by the Bureau, no institution shall use the word “university” in its

¹ Unless otherwise stated, all references to the CCR are to Title 5.

name or in connection with a description of itself or its educational programs unless the institution meets this definition, or the institution uses other words in conjunction with “university” to prevent the word from being deceptive or misleading in any manner.

This regulatory proposal will address two problematic areas in the regulation. First, the Bureau proposes to remove the phrase, “Unless previously approved by the Bureau” found in Section 74150(b). This proposed change aims to prevent situations where an institution may use the term “university,” even if it does not meet the requirements to do so. There are also risks for consumers who may believe an institution confers graduate-level degrees when, in fact, it does not.

Second, the Bureau is proposing to remove a standard in regulation that allows the use of the term “university” in conjunction with other words to prevent the word from being deceptive or misleading in any manner. The Bureau proposes to clarify the regulations and implement a uniform standard to use the term “University.” The Bureau proposes that, to be allowed to use the term “university,” an institution must meet two criteria. A “university” must be accredited by an accrediting agency recognized by the U.S. Department of Education, and it must confer graduate degrees. Ultimately, the Bureau proposes a clear, objective standard to use the term “university” that provides a greater level of consumer protection than the existing regulation.

The proposed regulations also add new language to section 74150 to provide clear requirements in Bureau regulations for an institution to change its name should it no longer meet the requirements to use the term “University.” Current regulations are unclear because there is no specified process to follow when an institution no longer constitutes a “university.” There are also existing institutions that use the term “university” as allowed under current regulations. The proposed regulatory action grandfathers existing institutions that are already using the term “University.” These institutions are not required to change their name as a result of the Bureau’s proposed changes. However, if an institution changes its name in the future, it must meet the requirements for using the term.

Summary of Proposed Changes to Section 74150:

- Set a clear standard in subdivision (a) that a “university” means an institution of higher education that is accredited by an accrediting agency recognized by the United States Department of Education that confers a graduate degree (rather than master’s/doctor’s) upon the completion of programs of graduate or professional study, and that may also confer an undergraduate degree (rather than bachelor’s) upon the completion of programs of undergraduate study.

- In subdivision (b), remove the phrase “Unless previously approved by the Bureau.”
- Add specifying language to (b), preventing the use of the term “university” in either full or abbreviated form, or in combination with any series of letters, numbers, or words unless it meets the requirements of a university.
- Remove language in (b)(2) that allows the use of other words in conjunction with “university” to prevent the use of “university” from being deceptive or misleading in any manner.
- Add a new subdivision (c), with paragraphs (1) and (2) that specify the application that an institution must submit, requirements for submission, and the time to submit that application, if it no longer meets the requirements of a “university.”
- Clearly state in paragraph (c)(3) that failure to comply with the requirements of the section will be considered a violation and subject to action by the Bureau.
- Add 74150(d) to allow existing institutions already using the term “university” within the bounds of the current regulations to continue using the term.
- Requires an institution to comply with the new regulation if it submits an application to change its name on or after January 1, 2027.

Anticipated Benefits of Proposal

The Bureau has determined that this regulatory proposal will have the following benefits to the welfare of California residents:

The primary benefit of the proposed regulation is enhanced consumer protection for California students. The amendments establish clear, objective criteria for the use of the term “university,” that an institution must be accredited by an accrediting agency recognized by the U.S. Department of Education and confer graduate degrees, unless otherwise specified under the proposed provisions. By clarifying the requirements for using the term, the regulation reduces the likelihood that students will be misled into believing that an institution offers graduate-level education or otherwise holds a level of academic recognition that it does not possess. This will improve the accuracy of institutional representations and support informed decision-making by students.

The proposed regulations benefit institutions by addressing a gap in Section 74150, which permits continued use of the term “university” once it obtains Bureau approval, even if the institution no longer meets the definitional requirements. By establishing a mechanism requiring institutions to have accreditation and confer graduate degrees, and by specifying steps to be taken if those requirements are no longer met, the regulation ensures that an institution using the term “university” is reflective of the

institution's status rather than solely because of its historical approval. This promotes accurate use of the term "university," and prevents the Bureau's approval of an institution from undermining consumer protection. Institutions further benefit from clear standards that will allow the Bureau to administer and enforce the regulation more efficiently and consistently. Removing subjective language from subdivision (b) benefits institutions by reducing ambiguity, promoting consistent enforcement of the term, and decreasing the likelihood of disputes regarding whether the term is being used misleadingly.

Finally, the term "university" carries widely understood academic significance. Aligning regulatory requirements with public expectations reinforces confidence in institutions regulated by the Bureau. The proposed amendments will benefit the public by strengthening public trust in California's private postsecondary sector by ensuring that institutional representations as a "university" accurately reflect the academic authority and accreditation status.

This regulatory proposal does not affect the health of California residents, worker safety, or the state's environment.

Evaluation of Consistency and Compatibility with Existing State Regulations

During the process of developing this regulatory proposal, the Bureau has conducted a search of any similar regulations on these topics and has concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

INCORPORATION BY REFERENCE

The proposed regulation does not incorporate any forms by reference.

DISCLOSURES REGARDING THIS PROPOSED ACTION

FISCAL IMPACT ESTIMATES

Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State:

The Bureau does not have a total fiscal impact estimate because the number of institutions that may be required to submit a change of name application if they no longer meet the requirements to use the term "university" is unknown. While the total fiscal impact cannot be estimated, the Bureau would incur workload costs of \$250 per application and receive \$250 in application fees per instance when an institution is required to submit a change of name application because it no longer meets the criteria to use the term "university."

Nondiscretionary Costs/Savings to Local Agencies: None

Cost to any Local Agency or School District for which Government Code Sections 17500 - 17630 Require Reimbursement: None.

Mandate Imposed on Local Agencies or School Districts: None.

Significant Effect on Housing Costs (and, if applicable, including any estimated costs of compliance or potential benefits of a building standard) None.

BUSINESS IMPACT ESTIMATES

The Bureau has made the initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

This initial determination is based on the following fact that institutions using the term “University” under the existing regulation are not required to change names because language in subdivision 74150(d) grandfathers existing institutions that use the term. However, the exact number of institutions that may be required to submit a change of name application if they no longer meet the requirements to use the term “university” in the future is unknown.

If an institution submits an application to change its name in the future and no longer meets the requirements to use the term “university,” the impact on the institution to comply with the regulation by submitting a change of name application is estimated to be \$250, per instance.

If an existing institution had enforcement action taken against it that required the institution to change its name, that outcome would be a result of that enforcement action, not the proposed regulation.

Cost Impact on Representative Private Person or Business (Must be consistent with Business Impact Estimate and Form 399)

The Bureau is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

RESULTS OF ECONOMIC IMPACT ASSESSMENT / ANALYSIS

Impact on Jobs / Businesses

The Bureau has determined that this regulatory proposal will not have a significant impact on the following the creation or elimination of jobs within the state, the creation of new businesses or the elimination of existing businesses within the state, or the expansion of businesses currently doing business within the state.

This proposal would not have any of the above-referenced impacts as explained in the “Business Impact Estimates” section of this notice.

Benefits of Regulation:

The Bureau has determined that this regulatory proposal will benefit the welfare of California residents by enhancing consumer protection from further specifying the requirements to use the term “university” and clarifying the steps to follow if an institution no longer meets the requirements to use the term, as described in the “Anticipated Benefits of Proposal” section of this Notice.

This regulatory proposal does not affect the health of California residents, worker safety, or the state’s environment.

Business Reporting Requirements

The regulatory action does not require businesses to file a report with the Bureau.

Effect on Small Business

The Bureau has determined that the proposed regulations may affect small businesses, including private postsecondary educational institutions, but the total effect is unknown. The proposed language in subdivision 74150(d) grandfathers existing institutions that use the term, including small businesses. If an institution submits an application to change its name in the future and no longer meets the requirements to use the term “university,” the impact on an institution that is a small business to comply with the regulation by submitting a change of name application is estimated to be \$250, per instance.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5, subdivision (a)(13), the Bureau must determine that no reasonable alternative it considered to the regulation or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed; would be as effective and less burdensome to affected private persons than the proposal described in this Notice; or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Any interested person may submit comments to the Bureau in writing relevant to the above determinations at P.O. Box 980818, West Sacramento, CA 95798-0818 during the written comment period, or at the hearing if one is scheduled or requested.

AVAILABILITY OF STATEMENT OF REASONS AND RULEMAKING FILE

The Bureau has compiled a record for this regulatory action, which includes the Initial Statement of Reasons (ISOR), proposed regulatory text, and all the information on which this proposal is based. This material is contained in the rulemaking file and is available for public inspection upon request to the contact persons named in this notice.

TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations, and any document incorporated by reference, and of the initial statement of reasons, and all of the information upon which the proposal is based, may be obtained upon request from the Bureau for Private Postsecondary Education, P.O. Box 980818, West Sacramento, CA 95798-0818.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After considering all timely and relevant comments, the Bureau, upon its own motion or at the request of any interested party, may thereafter adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal, with the modifications clearly indicated, will be available for review and written comment for 15 days prior to its adoption from the persons designated in this Notice as the Contact Persons and will be mailed to those persons who submit written comments or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named below.

You may obtain a copy of the Final Statement of Reasons once it has been prepared by making a written request to the Contact Persons named below or by accessing the website listed below.

CONTACT PERSONS

Inquiries or comments concerning the proposed rulemaking action may be addressed to:

Name: Parker Strohmeyer
Address: Bureau for Private Postsecondary Education
P.O. Box 980818, West Sacramento, CA 95798-0818
Telephone No.: (279) 666-5844
E-Mail Address: Parker.Strohmeyer@dca.ca.gov

The backup contact person is:

Name: Manila Vongmany
Address: Bureau for Private Postsecondary Education
P.O. Box 980818, West Sacramento, CA 95798-0818
Telephone No.: (279) 345-9636
E-Mail Address: Manila.Vongmany@dca.ca.gov

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulations with modifications noted, as well as the Final Statement of Reasons when completed, and modified text, if any, can be accessed through the Bureau's website at <https://bppe.ca.gov/lawsregs/index.shtml>