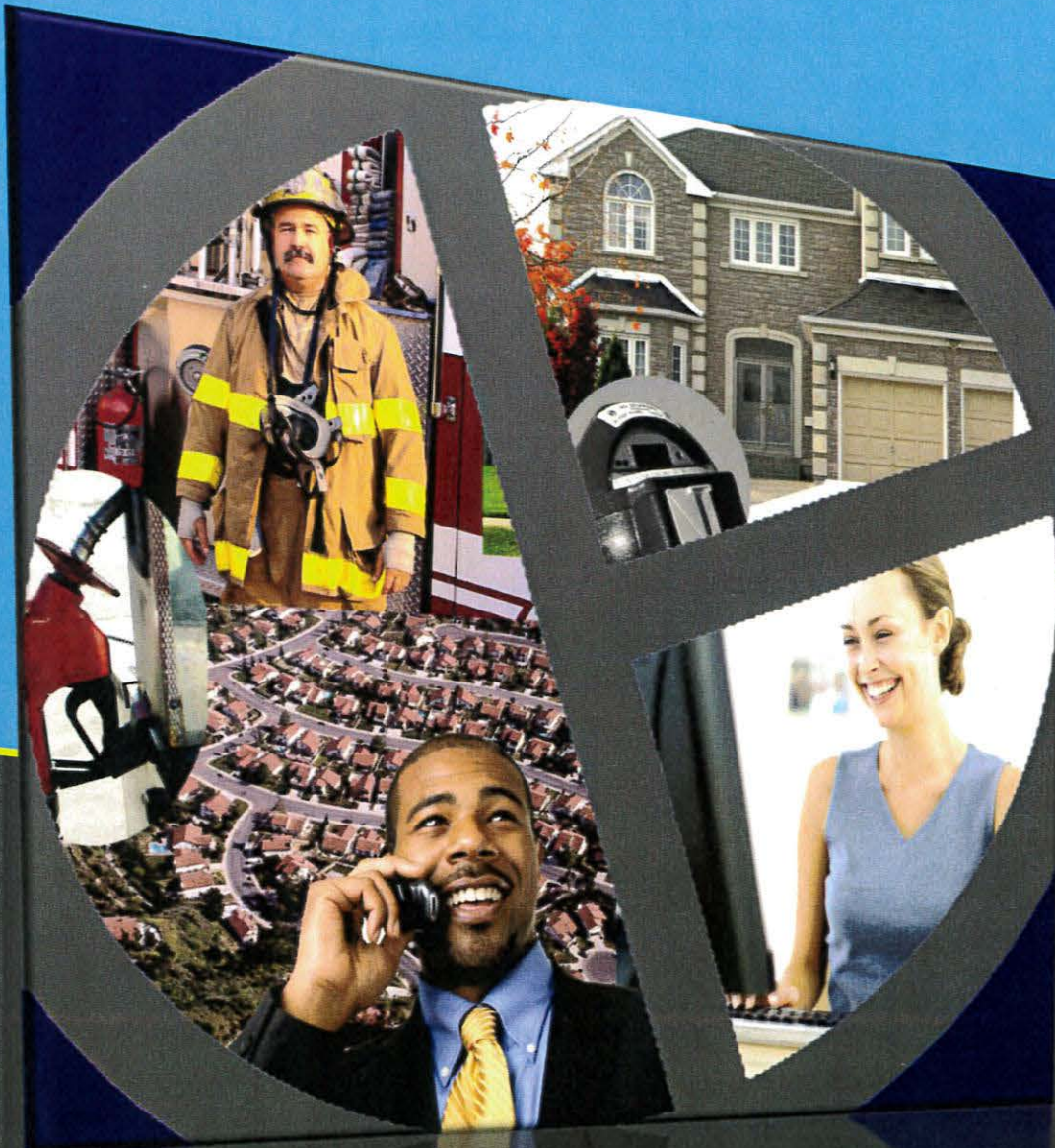


Bureau of Private PostSecondary Education – Fee Audit (Draft) Report



Protecting the Interests of Students and Consumers.

Capital Accounting Partners, LLC

May 2016



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INTRODUCTION AND SCOPE

The mission of the California Bureau of Private Postsecondary Education (BPPE) is to *promote and protect the interests of students and consumers: (i) through the effective and efficient oversight of California's private postsecondary educational institutions, (ii) through the promotion of competition that rewards educational quality and employment outcomes, (iii) through proactively combating unlicensed activity, and (iv) by resolving student complaints in a manner that benefits both the complaining student and future students.*

Given this mission, vision and values, the Bureau provides a valuable consumer protection function. The execution of which is to be done in a professional culture of excellence. This project aligns with the values of the Bureau by developing the resources to fully execute this vision. Without adequate financial resources, the Bureau cannot meet this important vision.

This report summarizes the processes, procedures, and findings of the Bureau's fee audit – specifically the processes to calculate full cost and then adjustments to the fee schedule to bring alignment of fees to full cost recovery.

As part of its effort to manage its financial resources wisely, the Bureau engaged Capital Accounting Partners to conduct a cost of service study. This study is important to the long term sustainability of the BPPE as it seeks to execute its mandates from the California State Legislature. Often this means fees it can charge to maintain a strong financial position.

The BPPE has a mandate to be fully self-supporting so it is vital that the fees charged to educational institutions fully recover the costs of the program.

The scope of this study included the following objectives:

- Calculate full cost of processing applications for educational institutions;
- Calculate the costs for supporting services such as:
 - Compliance;
 - Complaints;
 - Educational specialists; and
 - Other support functions that may apply; and
- Develop revenue and fee projections for 5 years.

The process used for collecting and analyzing the data required active participation by the BPPE's management and staff. We want to take this opportunity to recognize their participation, time, and effort to collect the data and discuss the analysis, results, and recommendations.

SUMMARY OF COSTING METHODOLOGIES

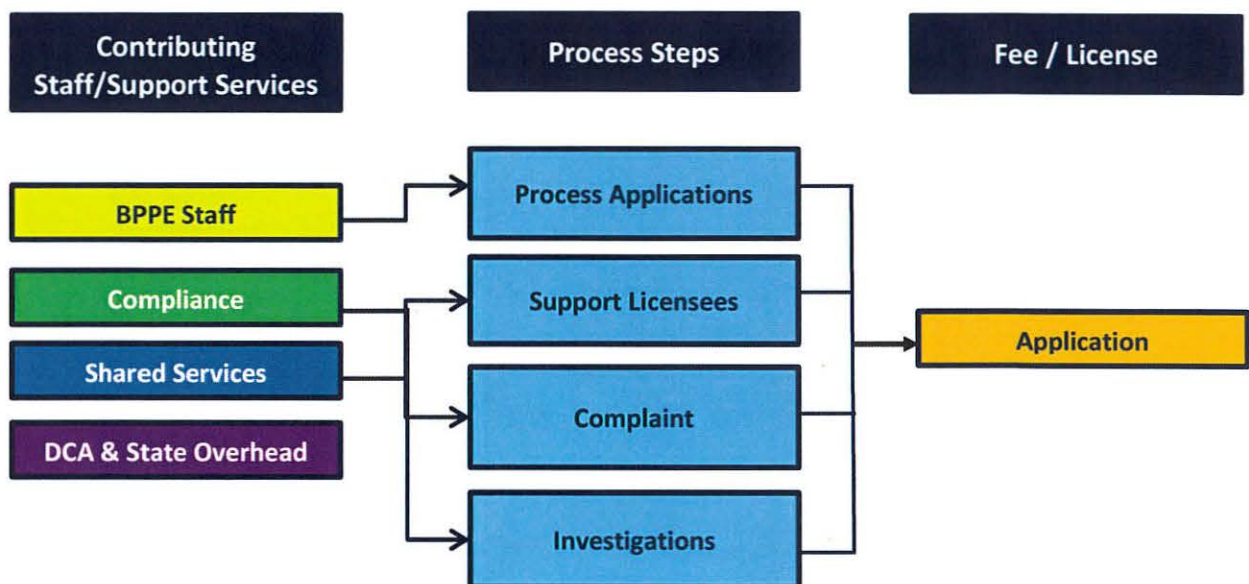
DRIVER BASED COSTING MODELS

Developing driver based costing models are a detailed and robust method of calculating the cost of a specific service. It is based on the principles of activity based costing so it seeks to understand cost at an



operational level. This means it relies on understanding the time staff invests in core business processes to process certificates and licenses as well as enforcement and administrative services. Graphically, the following figure illustrates this methodology.

Hypothetical Illustration of a Driver Based Costing Model



Step 1: Collect Data – This first step involves discussions with staff to identify those positions within each program that provide and support direct services. It also involves collecting program budget and expenditure data, identifying the salary and benefits for each position, and identifying non-personnel expenditures, as well as any program and Bureau overhead. Specifically, the steps involve the following:

- **Identifying staff positions** – This includes identifying both position titles and names.
- **Calculating the number of productive hours** – For most of our projects, we calculate the actual number of productive hours. However, at the request of the Department we assumed 1776 hours.
- **Identifying and allocating non-personnel costs** – Costs for materials and supplies are allocated to the salary and benefits for each position.
- **Assigning any other expenses that are budgeted in other areas** – There are often expenses that should be included with the total cost of services. Examples of such costs might include amortized capital expenses for vehicles and technology.



- **Identifying core business processes or activities** – This step also involves discussions with staff to understand, at an operational level, the work of the operating unit. Core business processes used to provide services are identified and then defined by the tasks that are involved. Processes are also organized by direct and indirect categories:
- **Direct processes and activities** – Those processes that directly contribute to the processing of an application or certificate are first identified. Examples of a direct activity are initial data entry of certificates and certifications.
- **Indirect processes and activities** – Those processes that support, but do not directly apply to the processing of a specific license or certificate. An example of an indirect activity is customer service or staff training to maintain certifications.

Step 2: Building cost structures – This second step involves significant interaction with staff and the development of time estimates for both direct and indirect processes in each program area. Specifically, this step is at the core of the analysis. There are three processes that comprise this step:

- **Gathering time estimates for direct processes** – By interviewing staff in individual and group meetings, an estimate of time was assigned to each service by the process that is indicated. The sum of all the process steps is the total time that is required to provide that specific service.
- **Assigning indirect time** – An annual time estimate is gathered from staff for those indirect or support processes in which they are involved. These include Bureau as well as program administration, customer service, and IT.
- **Calculating fully loaded hourly rates and the cost of service** – Once the total time for each direct and indirect service is estimated, the cost of service is calculated by using the fully loaded hourly rates for each position and/or work unit. The fully loaded hourly rate includes program and Bureau overhead as well as non-labor costs.
- **Gathering activity or volume data** – A critical element in the analysis is the number of times a given license or certificate is provided on an annual basis. This is critical data for three reasons:
 - It allows a calculated projection of current revenue based on current prices. This is compared with actual revenue to see if there is a close match as the data should match.
 - It allows for a calculated projection of revenue at full cost. This is compared to actual expenditures to see if there is a close match as the data should match.
 - It allows for a calculation of total hours consumed. Hours consumed must closely match actual hours available.

If any of the three calculations do not approximate actual numbers, then time estimates and/or volume data need to be re-evaluated. These are critical quality checks for costing accuracy.

Step 3: Allocating Enforcement Activities – This third step allocates enforcement and compliance activities to arrive at the full cost of service for each direct license or application. Thus, the final cost layers are brought together to establish the full cost of service. For the BPPE, this is a significant step as a high percentage of its costs are centered in enforcement and compliance activities.

Step 4: Set cost recovery policy – Depending on Bureau policies and other considerations, the level of cost recovery is a decision that should be made for each type or group of licenses. For example, the Bureau might want to subsidize one type of licenses with revenues from others.



Step 5: Set fees

Fees should be based on any cost recovery policy and at a price that will fully recover the Bureau's cost and provide a sustainable future.



SUMMARY OF FINDINGS

GENERAL OBSERVATIONS

Based on our analysis the Bureau is not in a sustainable position for the long term. Its revenues are falling significantly short of its expenses. There may be several reasons for this. Among these reasons are:

- Increasing regulatory requirements by the State;
- Current fees were set when expenses were not well established and were set too low relative to costs;
- Fees have not been adjusted to keep up with normal inflationary pressures; and
- The annual maintenance fee of 0.75% is inadequate to pay for the costs associated with compliance, inspection, and enforcement.

OPPORTUNITY

Based on our observation the Bureau has an opportunity to secure itself for the long term. Right sizing its fee structure and aligning its fees with its expenses will help the Bureau to execute its mission. Without adequate revenues from fees, the mission may be compromised.

SUMMARY OF COSTS

One of the challenges facing the Bureau is the transitory nature of its staffing. We understand that the Bureau has had several temporary positions, and that many of the current staff are relatively new to the organization. This presents at least two challenges to the Bureau:

- 1) Intuitional knowledge of the various processes and procedures become more informal than formal; and
- 2) Processes that move applications through the system become the product of individuals designing their own work systems rather than formal and systematic ways of completing work.

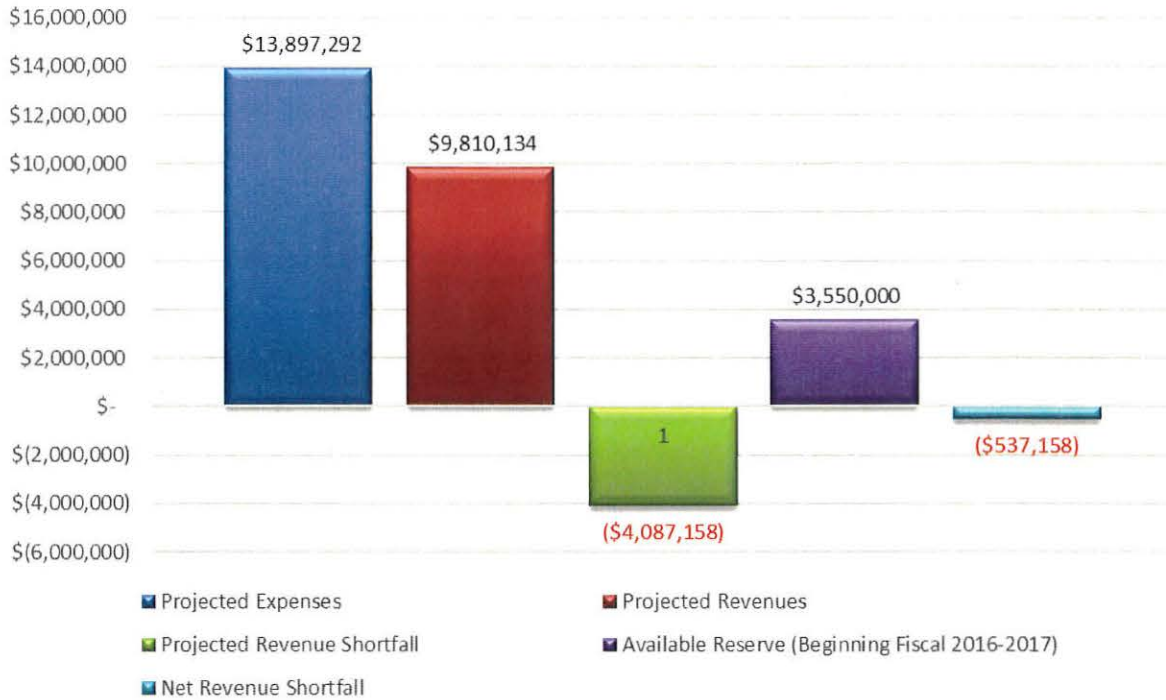
Fiscal 16-17 Financial Projections

Based on our understanding of the budget for fiscal 2016 – 2017 there will be a significant short fall in revenues relative to expenses. The reserves that are currently in place will be gone.

Graphically, the relationship between expenses and revenues for fiscal 2016-2017 can be illustrated in the following graphic.



Net Revenue Projection (2016-2017)



THIS GRAPHIC ILLUSTRATES THE FACT THAT EXPENSES WILL EXCEED REVENUES BY A WIDE MARGIN AND WILL ELIMINATE CURRENT RESERVES. THERE IS HOWEVER, A ONE TIME LOAN REPAYMENT THAT MAY BE AVAILABLE.

Reserves

As stated above, the Bureau is currently expending its reserves. Therefore, we are recommending the inclusion of additional revenues over and above current expenditures to rebuild reserves. Based on discussions with staff, we are recommending a target of 6 months of operating expenses to be built into a reserve fund. This will be built up over the next five years. This means BPPE will need to recover an additional \$1,389,729 over and above its operating budget for the next five years.

Establishing a Pricing Model

The largest source of revenue for the Bureau is the annual maintenance fee that is designed to recover some administrative expenses as well as some of the costs for compliance, enforcement, and inspections. Currently this fee is set at 0.75% of annual gross revenues from California students with a cap at \$25,000. We see three challenges with this model:

- 1) Larger institutions pay a significantly lower fee, relative to mid-size institutions;



- 2) Some institutions are paying less than \$100 per year while still triggering compliance and inspection requirements; and
- 3) The fee is only applied to those revenues that are generated from California students, yet the Bureau's mandate is to protect all students active in California schools no matter where they reside.

In developing a pricing model for the Bureau's fees we had three goals:

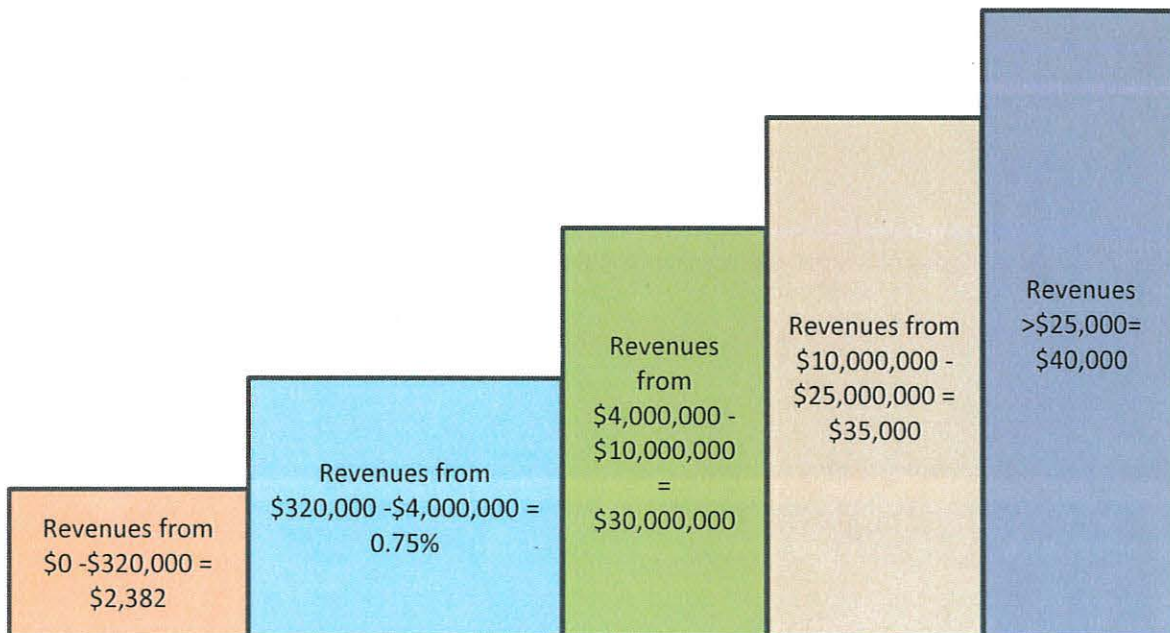
- 1) Better align fees with costs;
- 2) Restructure some fees to reflect processing procedures; and
- 3) Generate enough revenue to fully recovery operating expenditures and enough to begin rebuilding reserves.

To accomplish these objectives, we reconfigured several fees. For example, initial applications have been split between degree and non-degree programs. In addition, these initial applications have been to a single program with a separate fee for each additional program.

To create greater alignment with costs, we are recommending several changes to the annual maintenance fee:

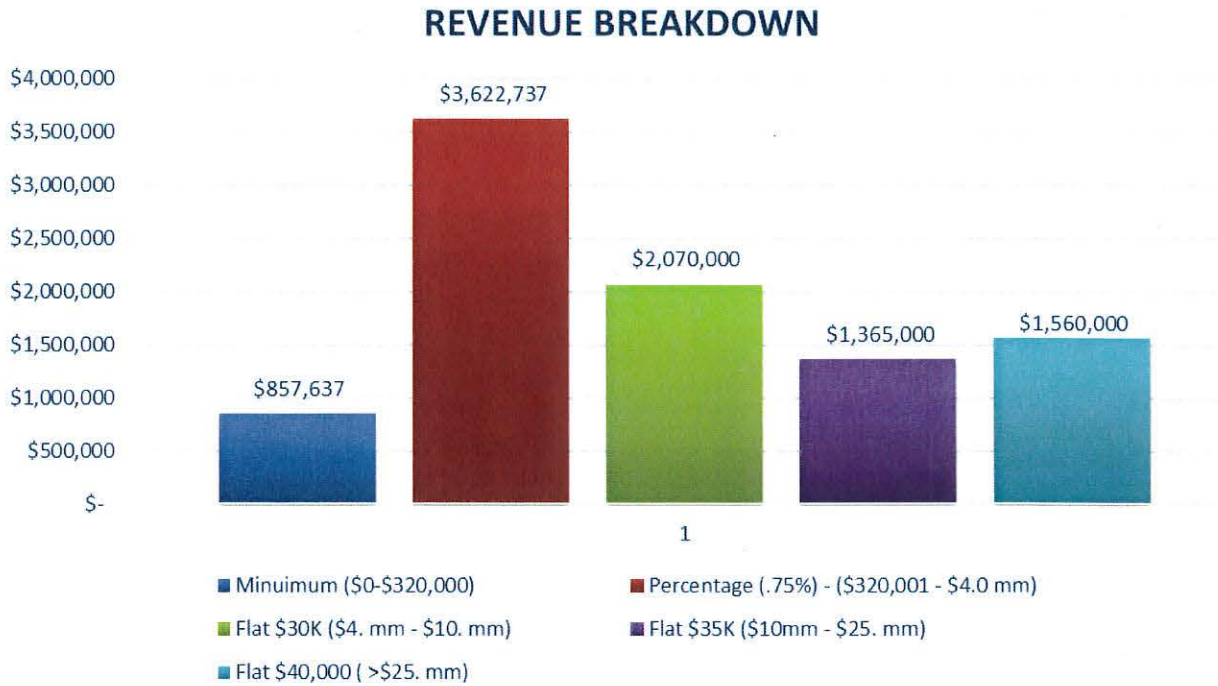
- 1) Set a minimum fee that is aligned with the annual branch fee;
- 2) Raise the cap to \$40,000 from the current \$25,000; and
- 3) Include all students who benefit from attending a California school regardless of where they reside.

In working with staff we designed a structure for this that would look like the following:





The revenues from each group appears in the following graphic:

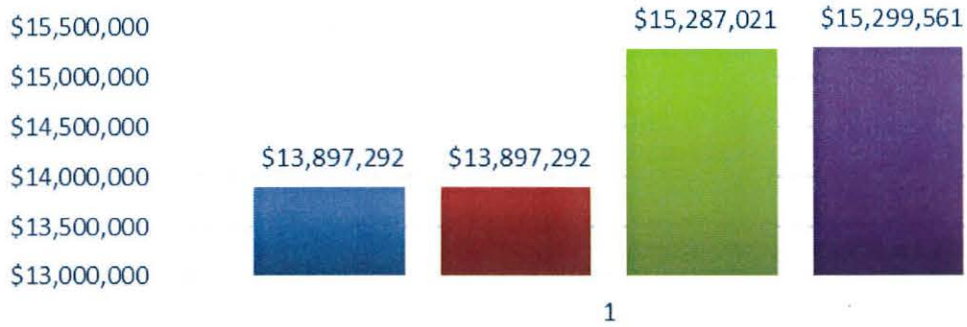


Results of The Pricing Scenario and New Fee Restructure

The pricing model we have established will fully recover current operating expenses and rebuild reserves. Graphically, this can be illustrated in the following manner.



Revenue Projections



- Projected Expenses
- Projected Revenues at Full Cost (no reserve build up)
- Revenue requirement With Reserve Build Up
- Projected Revenues of Pricing Scenerio (with reserve build up)



OBSERVATIONS AND RECOMMENDATIONS

GENERAL OBSERVATIONS

As previously stated, the Bureau of Private Postsecondary Education is under recovering its costs by a significant margin. There may be several reasons for this:

- 1) Increasing regulatory requirements by the State are increasing costs;
- 2) Current fees were set when expenses were not well established and were set too low relative to costs;
- 3) Fees have not been adjusted to keep up with normal inflationary pressures;
- 4) The annual maintenance fee of 0.75% is inadequate to pay for the costs associated with compliance, inspection, and enforcement; and
- 5) The structure of the annual maintenance fee inequitably benefits very small institutions and very large institutions. Thus the smaller institutions do not pay a fee in alignment with their costs and larger institutions pay a much smaller fee relative to their revenues.

SPECIFIC RECOMMENDATIONS

IMMEDIATE ACTION IS REQUIRED

In our view, immediate action is required to maintain a strong and robust BPPE regulatory program. Reserves are being expended to maintain regular operations and this resource will soon be expended.

SET FEES AT FULL COST

In our view user fees should be set at full cost unless there is a compelling reason not to. A compelling reason is often where compliance is more important than revenue. Another reason is where practical realities will prohibit charging full cost but then other fees need to be adjusted to recover lost revenues.

ADJUST FEES REGULARLY

One of the most important outcomes of a study of fees is a policy to adjust fees regularly. Staff generally receive regular cost of living adjustments and fees should be adjusted regularly as well.

We understand that the Bureau must receive approval for setting its caps from the State Legislators. Therefore, our recommendation is to project fees for the next five years using a simple annual adjustment. Then adjust fees annually for 1-2 years and do another formal cost analysis in five years. We would further recommend this process be set into policy by the Bureau.



RECONFIGURE THE ANNUAL MAINTENANCE FEE

The annual maintenance fee should have a minimum fee. In collaboration with staff we determined that this should be aligned with the annual branch fee. In addition, the cap should be raised. Currently, the largest schools, those with revenues greater than \$3,400,000, have their annual fee capped at \$25,000.

ESTABLISH A RESERVE POLICY

Another critical outcome of a study of fees is realizing the need for a reserve policy. We find that reserves are an imperative component of long-term sustainability. In discussing this with staff we set six months of operating expenses as the most ideal target. Further, we determined that building this up over the next five years is a reasonable objective. In our view, setting reserve targets should become a policy of the Bureau.



APPENDICES

The following table details the results of the fee audit.

California Bureau of Private Postsecondary
Education
Licensing & Misc Fees / Current Cost
Structure



Service #	Fee Name	Notes	Actual Work Volume	Unit Cost Summary						
				Direct Unit Cost	Allocated Support Costs	Other	Total Cost Assigned	Current Fee / Revenue	Unit Surcharge or (Subsidy)	Pricing Scenario 1
INITIAL APPLICATIONS										
125700 9M	Application for approval to operate a nonaccredited institution, (degree)	First program	28	\$ 5,995	\$4,268		\$10,263	\$ 5,000	(\$5,263)	\$9,500
New	Application for approval to operate a nonaccredited institution, (non-degree)	First program	42	\$ 5,430	\$3,866		\$9,296	\$ 5,000	(\$4,296)	\$8,500
New	Substantive change to an initial application			\$ 4,055	\$2,887		\$6,942		(\$6,942)	\$6,942
125700 9N	Application for approval to operate a new branch of a nonaccredited institution.		19	\$ 1,479	\$1,053		\$2,531	\$ 3,000	\$469	\$2,531
125700 9P	Application for approval to operate by means of accreditation.		56	\$ 1,971	\$1,404		\$3,375	\$ 750	(\$2,625)	\$3,375
125700 9Q	Fee for a substantive change to an institution's approval to operate (exemption).		189	\$ 1,971	\$1,404		\$3,375	\$ 250	(\$3,125)	\$3,375
125700 9R	Fee for a substantive change to an institution's approval to operate (change in objective).	Add: Per program	51	\$ 3,808	\$2,711		\$6,520	\$ 500	(\$6,020)	\$3,000
125700 9S	Fee for a substantive change to an institution's approval to operate (ownership).		42	\$ 1,971	\$1,404		\$3,375	\$ 500	(\$2,875)	\$3,375
125700 9T	Fee for a substantive change to an institution's approval to operate (location).		27	\$ 493	\$351		\$844	\$ 500	(\$344)	\$844
125700 9U	Fee for a substantive change to an institution's approval to operate (name).		17	\$ 493	\$351		\$844	\$ 500	(\$344)	\$844
New	Application for approval to operate a nonaccredited institution, (degree or non-degree)	Each additional program	175	\$ 1,622	\$1,155		\$2,777		(\$2,777)	\$2,777
125700 9W	Fee for a substantive change to an institution's approval to operate (instructional delivery).		17	\$ 4,639	\$3,303		\$7,943	\$ 500	(\$7,443)	\$2,500
				\$ -						
125700 9V -1	Fee for a substantive change to an institution approved by means of accreditation, (change in objective).	Per 10 new programs	734	\$ 493	\$351		\$844	\$ 250	(\$594)	\$844
125700 9V-2	Fee for a substantive change to an institution approved by means of accreditation, (change in ownership).		342	\$ 739	\$526		\$1,266	\$ 250	(\$1,016)	\$1,266
125700 9V-3	Fee for a substantive change to an institution approved by means of accreditation, (Change in location)		342	\$ 246	\$175		\$422	\$ 250	(\$172)	\$422
125700 9V-4	Fee for a substantive change to an institution approved by means of accreditation, (Change in name)		342	\$ 246	\$175		\$422	\$ 250	(\$172)	\$422
125700 9V-5	Fee for a substantive change to an institution approved by means of accreditation, (Instructional delivery)		342	\$ 246	\$175		\$422	\$ 250	(\$172)	\$422

California Bureau of Private Postsecondary
Education
Licensing & Misc Fees / Current Cost
Structure



Service #	Fee Name	Notes	Actual Work Volume
125700 9V-6	Fee for a substantive change to an institution approved by means of accreditation, (Additional branch)		342
RENEWALS			
125800 3H	Renewal fee for the main campus of a nonaccredited institution - degree.		41
New	Renewal fee for the main campus of a nonaccredited institution - non-degree.		
125800 3J	Renewal fee for a branch of a nonaccredited institution (per branch).		14
	Renewal fee for an institution approved by means of accreditation.		81
Delete	Renewal fee for a branch of an accredited institution (per branch).		
125800 3N	Nonaccredited and accredited institution's annual fee (three-quarters of 1% of the institution's annual revenue, but not exceeding a total of twenty-five thousand dollars annually).		1
125800 3Q	Nonaccredited and accredited institution's annual branch fee (per branch).		393
Fines and Citations			
125600 23	Per violation, upon issuance of a citation.		
125600 24	Per violation, upon issuance of a citation.		
125600 25	Operating an institution without proper approval.		
New	Transcript requests (most schools charge \$25.)		8,445
	STRF & Closed School Administration		
Fee # 324		Current	

Unit Cost Summary						
Direct Unit Cost	Allocated Support Costs	Other	Total Cost Assigned	Current Fee / Revenue	Unit Surcharge or (Subsidy)	Pricing Scenario 1
\$ 246	\$175		\$422	\$ 250	(\$172)	\$422
\$ -						
\$ -						
\$ -						
RENEWALS						
\$ 5,954	\$4,239		\$10,194	\$ 3,500	(\$6,694)	\$9,500
\$ 3,696	\$2,632		\$6,328		(\$6,328)	\$6,000
\$ 3,696	\$2,632		\$6,328	\$ 3,000	(\$3,328)	\$6,000
\$ 1,479	\$1,053		\$2,531	\$ 500	(\$2,031)	\$2,531
\$ -						
\$ 4,330,115	\$3,082,971	\$ 300,000	\$7,713,086	\$ 8,006,634	\$293,548	\$9,475,369
\$ 1,392	\$991		\$2,382	\$ 1,000	(\$1,382)	\$2,382
\$ -						
\$ -						
\$ -						
\$ -						
\$ -						
\$ -						
\$ 15	\$11		\$26		(\$26)	\$26
\$ -						
\$ -						\$ -
\$ -						
\$ -						
\$ -						

California Bureau of Private Postsecondary
 Education
*Licensing & Misc Fees / Current Cost
 Structure*



				Unit Cost Summary						
Service #	Fee Name	Notes	Actual Work Volume	Direct Unit Cost	Allocated Support Costs	Other	Total Cost Assigned	Current Fee / Revenue	Unit Surcharge or (Subsidy)	Pricing Scenerio 1

Note: activity data based on an average of fiscal 13-14 and 14-15

Revenue Potential With Pricing Scenerio

Annual Revenue
Pricing Scenerio 1
\$ 15,299,561

California Bureau of Private Postsecondary
Education
Licensing & Misc Fees / Current Cost
Structure



Service #	Fee Name	Annual Cost Calculations w/o Reserves			Reserve Requirements		Ten Year Projection of Fee Requirements				
		Revenue at Full Cost of Services	Projection of Revenues at Current Fees	Annual Surplus (subsidy)	Six Months Reserve, 5 yr build up (additional)	Full Cost / Unit	Year #1	Year #2	Year #3	Year #4	Year #5
INITIAL APPLICATIONS					\$ 1,389,729		4.5% Annual Increase				
125700 9M	Application for approval to operate a nonaccredited institution, (degree)	\$ 287,361.30	\$140,000	(\$147,361)	\$1,026	\$11,289	\$11,797	\$12,328	\$12,883	\$13,463	\$14,068
New	Application for approval to operate a nonaccredited institution, (non-degree)	\$ 390,450.57	\$210,000	(\$180,451)	\$930	\$10,226	\$10,686	\$11,167	\$11,670	\$12,195	\$12,744
New	Substantive change to an initial application	\$ -			\$694	\$7,636	\$7,979	\$8,339	\$8,714	\$9,106	\$9,516
125700 9N	Application for approval to operate a new branch of a nonaccredited institution.	\$ 48,093.03	\$57,000	\$8,907	\$253	\$2,784	\$2,910	\$3,041	\$3,177	\$3,320	\$3,470
125700 9P	Application for approval to operate by means of accreditation.	\$ 188,997.16	\$42,000	(\$146,997)	\$337	\$3,712	\$3,880	\$4,054	\$4,237	\$4,427	\$4,626
125700 9Q	Fee for a substantive change to an institution's approval to operate (exemption).	\$ 637,865.40	\$47,250	(\$590,615)	\$337	\$3,712	\$3,880	\$4,054	\$4,237	\$4,427	\$4,626
125700 9R	Fee for a substantive change to an institution's approval to operate (change in objective).	\$ 332,508.88	\$25,500	(\$307,009)	\$652	\$7,172	\$7,494	\$7,832	\$8,184	\$8,552	\$8,937
125700 9S	Fee for a substantive change to an institution's approval to operate (ownership).	\$ 141,747.87	\$21,000	(\$120,748)	\$337	\$3,712	\$3,880	\$4,054	\$4,237	\$4,427	\$4,626
125700 9T	Fee for a substantive change to an institution's approval to operate (location).	\$ 22,780.91	\$13,500	(\$9,281)	\$84	\$928	\$970	\$1,014	\$1,059	\$1,107	\$1,157
125700 9U	Fee for a substantive change to an institution's approval to operate (name).	\$ 14,343.53	\$8,500	(\$5,844)	\$84	\$928	\$970	\$1,014	\$1,059	\$1,107	\$1,157
New	Application for approval to operate a nonaccredited institution, (degree or non-degree)	\$ 485,915.54		(\$485,916)	\$278	\$3,054	\$3,192	\$3,335	\$3,485	\$3,642	\$3,806
125700 9W	Fee for a substantive change to an institution's approval to operate (instructional delivery).	\$ 135,024.64	\$8,500	(\$126,525)	\$794	\$8,737	\$9,130	\$9,541	\$9,970	\$10,419	\$10,888
		\$ -									
125700 9V -1	Fee for a substantive change to an institution approved by means of accreditation, (change in objective).	\$ 618,881.31	\$183,375	(\$435,506)	\$84	\$928	\$970	\$1,014	\$1,059	\$1,107	\$1,157
125700 9V-2	Fee for a substantive change to an institution approved by means of accreditation, (change in ownership).	\$ 433,216.92	\$85,575	(\$347,642)	\$127	\$1,392	\$1,455	\$1,520	\$1,589	\$1,660	\$1,735
125700 9V-3	Fee for a substantive change to an institution approved by means of accreditation, (Change in location)	\$ 144,405.64	\$85,575	(\$58,831)	\$42	\$464	\$485	\$507	\$530	\$553	\$578
125700 9V-4	Fee for a substantive change to an institution approved by means of accreditation, (Change in name)	\$ 144,405.64	\$85,575	(\$58,831)	\$42	\$464	\$485	\$507	\$530	\$553	\$578
125700 9V-5	Fee for a substantive change to an institution approved by means of accreditation, (Instructional delivery)	\$ 144,405.64	\$85,575	(\$58,831)	\$42	\$464	\$485	\$507	\$530	\$553	\$578

California Bureau of Private Postsecondary
Education
Licensing & Misc Fees / Current Cost
Structure



Service #	Fee Name	Annual Cost Calculations w/o Reserves			Reserve Requirements		Ten Year Projection of Fee Requirements				
		Revenue at Full Cost of Services	Projection of Revenues at Current Fees	Annual Surplus (subsidy)	Six Months Reserve, 5 yr build up (additional)	Full Cost / Unit	Year #1	Year #2	Year #3	Year #4	Year #5
125700 9V-6	Fee for a substantive change to an institution approved by means of accreditation, (Additional branch)	\$ 144,405.64	\$85,575	(\$58,831)	\$42	\$464	\$485	\$507	\$530	\$553	\$578
		\$ -									
		\$ -									
		\$ -									
RENEWALS											
125800 3H	Renewal fee for the main campus of a nonaccredited institution - degree.	\$ 417,948.90	\$143,500	(\$274,449)	\$1,019	\$11,213	\$11,718	\$12,245	\$12,796	\$13,372	\$13,974
New	Renewal fee for the main campus of a nonaccredited institution - non-degree.	\$ -			\$633	\$6,961	\$7,274	\$7,601	\$7,943	\$8,301	\$8,674
125800 3J	Renewal fee for a branch of a nonaccredited institution (per branch).	\$ 88,592.42	\$42,000	(\$46,592)	\$633	\$6,961	\$7,274	\$7,601	\$7,943	\$8,301	\$8,674
	Renewal fee for an institution approved by means of accreditation.	\$ 205,028.16	\$40,500	(\$164,528)	\$253	\$2,784	\$2,910	\$3,041	\$3,177	\$3,320	\$3,470
Delete	Renewal fee for a branch of an accredited institution (per branch).	\$ -									
125800 3N	Nonaccredited and accredited institution's annual fee (three-quarters of 1% of the institution's annual revenue, but not exceeding a total of twenty-five thousand dollars annually).	\$ 7,713,085.71	\$8,006,634	\$293,548	\$771,309	\$8,484,394	\$8,866,192	\$9,265,171	\$9,682,103	\$10,117,798	\$10,573,099
125800 3Q	Nonaccredited and accredited institution's annual branch fee (per branch).	\$ 936,253.58	\$393,000	(\$543,254)	\$238	\$2,621	\$2,738	\$2,862	\$2,990	\$3,125	\$3,266
		\$ -									
		\$ -									
		\$ -									
	Fines and Citations	\$ -									
125600 23	Per violation, upon issuance of a citation.	\$ -									
125600 24	Per violation, upon issuance of a citation.	\$ -									
125600 25	Operating an institution without proper approval.	\$ -									
		\$ -									
New	Transcript requests (most schools charge \$25.)	\$ 221,573.64		(\$221,574)	\$3	\$29	\$30	\$32	\$33	\$34	\$36
		\$ -									
	STRF & Closed School Administration	\$ -									
		\$ -									
		\$ -									
Fee # 324		\$ -									

California Bureau of Private Postsecondary
Education
Licensing & Misc Fees / Current Cost
Structure



Service #	Fee Name	Annual Cost Calculations w/o Reserves			Reserve Requirements		Ten Year Projection of Fee Requirements				
		Revenue at Full Cost of Services	Projection of Revenues at Current Fees	Annual Surplus (subsidy)	Six Months Reserve, 5 yr build up (additional)	Full Cost / Unit	Year #1	Year #2	Year #3	Year #4	Year #5

Note: activity data based on an average of fiscal 13-14 and 14-15

Annual Revenue Impacts			Annual Revenue Impact		Annual Revenues (Projected)				
Revenue at Full Cost of Services	Projection of Revenues at Current Fees	Annual Surplus (subsidy)	Additional Revenue for Reserves	Total Annual Revenue	Year #1	Year #2	Year #3	Year #4	Year #5
\$ 13,897,292	\$ 9,810,134	(\$4,087,158)	\$ 1,389,729	\$ 15,287,021	\$15,974,937	\$16,693,809	\$17,445,031	\$18,230,057	\$19,050,410

Revenue Requirement With Reserves