



**Bureau for Private Postsecondary Education**  
2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833  
P.O. Box 980818, West Sacramento, CA 95798-0818  
P (916) 431-6959 F (916) 263-1897 [www.bppe.ca.gov](http://www.bppe.ca.gov)



**Bureau for Private Postsecondary Education**  
**Notice of Advisory Committee Meeting and Agenda**

Wednesday, November 7, 2018, at 9:30 a.m.  
Department of Consumer Affairs  
Hearing Room, 1<sup>st</sup> Floor  
1625 North Market Blvd., Sacramento, CA 95834

The Bureau plans to webcast this meeting on its website. Webcast availability cannot, however, be guaranteed due to limitations on resources or technical difficulties that may arise. If you wish to participate or to have a guaranteed opportunity to observe, please plan to attend at the physical location. To view the Advisory Committee meeting webcast, please visit the following link: <https://thedcapage.wordpress.com/webcasts/>.

Agenda

The public may provide appropriate comment on any issue before the Advisory Committee at the time the item is discussed. If public comment is not specifically requested, members of the public should feel free to request an opportunity to comment.

1. Welcome, Introductions and Establishment of a Quorum
2. Public Comment on Items not on the Agenda (Note: The Committee may not discuss or take action on any matter raised during this public comment section, except to decide whether to place the matter on the agenda of a future meeting (Government Code Sections 11125 and 11125.7(a))
3. Review and Approval of August 16, 2018, Advisory Committee Meeting Minutes
4. Remarks by a Representative of the Department of Consumer Affairs, which may include updates pertaining to the Bureau's Operations, Human Resources, Department's Administrative Services, Enforcement, Information Technology, Communications and Outreach, as well as Regulatory and Policy Matters.
5. Bureau Operations Update and Discussion related to the following:
  - a. Budget Report (Matt Nishimine)
    - i. Fund Condition
    - ii. Annual Fees Structure

- b. Enforcement Report (Yvette Johnson)
  - i. Complaint and Investigation Statistics
  - ii. Complaint Backlog Solutions
  - iii. Bureau's Follow-Up Regarding Unresolved Student Complaints
  - iv. Bureau's Working Relationships with DCA and Other Consumer Protection Agencies, including "Memorandum of Understanding" (MOU) Agreements
  - v. Committees' Request for Sampling of Consumer Complaints
- c. Compliance Report (Beth Scott)
  - i. School Inspections by the Bureau and Resulting Actions Statistics
  - ii. "Question and Answer" Compliance Conference Calls with Institutions
  - iii. Student Surveys Conducted by the Bureau
- d. Licensing Report (Marina O'Connor)
  - i. Licensing Applications Status Statistics
- e. Quality of Education Report (Robert Bayles)
  - i. Update on Degree-Granting Institutions Required to Become Accredited
  - ii. Student Outcome Requirements for Accreditors Western Association of Schools and Colleges (WASC) and Distance Education Accrediting Commission (DEAC)
- f. Bureau's IT System Project Report (Robert Bayles)
- g. Office of Student Assistance and Relief (OSAR) Report (Scott Valverde)
  - i. Student Tuition Recovery Fund (STRF) Claims and Large Impact Closure Statistics
  - ii. Committee Request for Student Eligibility Projections Related to STRF Claims
  - iii. Request for Analysis of the Duties of OSAR and Bureau Implementation (Status Update Only)
  - iv. OSAR Consumer Handouts
  - v. Bureau's Use of STRF Eligibility Category for Students Enrolled More Than 120-days Before Closure or Discontinuation of Program
- 6. Status Updates related to the following Regulations:
  - a. Registration for Out-of-State Private Postsecondary Educational Institutions (CEC Sections 94850.5 and 94801.5)
  - b. English as a Second Language Programs (Title 5, California Code of Regulations (CCR), Section 70000 (k))
  - c. Application for Verification of Exempt Status (CEC Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5); CCR Section 71395)
  - d. Compliance with Laws and Procedures (CCR, Section 71755)
- 7. Discussion and Consideration of Draft Regulatory Language for Required Notices and Teach-Out Plan (Proposed Amendments to CCR Section 76240)
- 8. Discussion and Consideration of Draft Regulatory Language Regarding Student Records and the Maintenance of Records (Proposed Amendments to CCR Sections 71920 and 71930 and Adoption of CCR Sections 71940 and 71950)

9. Analysis of Income Sharing Agreements' Compliance with the Bureau's Current Laws and Regulations (Status Update Only)
10. Discussion Related to the Bureau Becoming the Lead Agency to Address Industry Problems, Including Staffing and Location of Bureau Offices
11. Future Agenda Items
12. Discuss Potential Meeting Dates for 2019
13. Adjournment

### **Notice to the Public**

All times are approximate and subject to change. The meeting may be cancelled without notice. A lunch break will be taken at a time determined by the Advisory Committee members. Action may be taken on any item on the agenda. Public comments will be taken on agenda items at the time the item is heard. Total time allocated for public comment may be limited. Agenda items may be taken out of order.

**This meeting facility is accessible to the physically disabled. A person who needs a disability-related accommodation or modifications in order to participate in the meeting may make a request by contacting Richie Barnard at (916) 431-6930 or, for the hearing impaired, TDD (800) 326-2297; or by sending a written request to the Bureau at P.O. Box 980818, W. Sacramento, California 95798-0818, Attention: Richie Barnard. Providing at least five working days' notice before the meeting will help ensure the availability of accommodations or modifications.**

Interested parties should call the Bureau at (916) 431-6959 to confirm the date and specific meeting site of any Advisory Committee meeting or access the Bureau's website at <http://www.bppe.ca.gov>. Requests for further information should be directed to Richie Barnard at (916) 431-6930.

**WELCOME, INTRODUCTIONS AND ESTABLISHMENT OF A QUORUM**

**Committee Member Roster**

**Katherine Lee-Carey, Chair**

- Institutional Representative (Appointed by DCA Director)

**Margaret Reiter, Vice-Chair**

- Consumer Advocate (Appointed by Senate Committee on Rules)

**Diana Amaya**

- Public Member (Appointed by Senate Committee on Rules)

**Tamika Butler**

- Public Member (Appointed by Speaker of the Assembly)

**Hanya Carbajal**

- Past Student of an Institution (Appointed by DCA Director)

**Joseph Holt**

- Institutional Representative (Appointed by DCA Director)

**Megumi Tsutsui**

- Consumer Advocate (Appointed by DCA Director)

**David Vice**

- Institutional Representative (Appointed by DCA Director)

**Assemblymember Jose Medina (Kevin Powers)**

- Non-Voting, Ex Officio Member (Appointed by Speaker of the Assembly)

**Senator Jerry Hill (Sarah Mason)**

- Non-Voting, Ex Officio Member (Appointed by the Senate Committee on Rules)

**PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA**

*(Note: The Committee may not discuss or take action on any matter raised during this public comment section, except to decide whether to place the matter on the agenda of a future meeting (Government Code Sections 11125 and 11125.7(a).)*

**Agenda Item 3**

**REVIEW AND APPROVAL OF AUGUST 16, 2018, ADVISORY COMMITTEE  
MEETING MINUTES**

ATTACHMENT:

Advisory Committee Draft Meeting Minutes from August 16, 2018



Business, Consumer Services and Housing Agency— Governor Edmund G. Brown Jr.

**Bureau for Private Postsecondary Education**  
 2535 Capitol Oaks Drive, Suite 400, Sacramento, CA 95833  
 P.O. Box 980818, West Sacramento, CA 95798-0818  
 P (916) 431-6959 F (916) 263-1897 [www.bppe.ca.gov](http://www.bppe.ca.gov)



**Advisory Committee Meeting Minutes**  
**Thursday, August 16, 2018**

**Department of Consumer Affairs**  
**Hearing Room, 1<sup>st</sup> Floor**  
**1625 North Market Blvd.**  
**Sacramento, CA 95834**

**Advisory Committee Members in Attendance**

1. Diana Amaya
2. Joseph Holt
3. Katherine Lee-Carey
4. Margaret Reiter
5. Megumi Tsutsui
6. David Vice
7. Kevin Powers (on behalf of Assemblymember Jose Medina)
8. Sarah Mason (on behalf of Senator Jerry Hill)

**Committee Members Absent**

Tamika Butler  
 Hanya Carbajal

**Bureau for Private Postsecondary Education (Bureau) and DCA Staff in Attendance**

Dr. Michael Marion Jr., Bureau Chief  
 Leeza Rifredi, Deputy Bureau Chief  
 Yvette Johnson, Enforcement Chief  
 Beth Scott, Enforcement Chief  
 Marina O'Connor, Licensing Chief  
 Robert Bayles, Education Administrator  
 Scott Valverde, Office of Student Assistance & Relief Chief  
 Mina Hamilton, Legal Counsel, Department of Consumer Affairs  
 Kristy Schieldge, Legal Counsel, Department of Consumer Affairs  
 Kent Gray, Legislative Analyst  
 Dean Grafilo, Director, Department of Consumer Affairs

## **Agenda #1 - Welcome, Introductions, and Establishment of a Quorum**

BPPE Advisory Committee Chair Katherine Lee-Carey called the meeting to order at 9:31 AM.

## **Agenda #2 - Public Comment on Items not on the Agenda**

No public comments.

## **Agenda #3 - Review and Approval of May 15, 2018, Advisory Committee Meeting Minutes**

Margaret Reiter recalled suggesting a future agenda topic discussing the Bureau taking a lead role in identifying bad actor institutions. She stated that the suggestion for a future agenda topic was not included in the meeting minutes. Kristy Schieldge, DCA Legal Counsel, noted that the Committee could table the minutes until the next meeting to allow for additional review. Ms. Reiter responded that she did not think it was necessary to table the agenda item.

Joseph Holt moved to approve the minutes; David Vice seconded the motion. (Ms. Lee-Carey: Aye; Ms. Reiter: Aye; Mr. Holt: Aye; Megumi Tsutsui: Aye; Mr. Vice: Aye; Diana Amaya: Aye). The motion passed.

## **Agenda #4 - Remarks by Representative of the Department of Consumer Affairs**

Dean Grafilo, Director of Department of Consumer Affairs (DCA), provided remarks on behalf of DCA. He congratulated Dr. Michael Marion Jr. for his Senate confirmation as Bureau Chief. He reported on the success of his first teleconference meeting with various board members and advisory committee members. He added that there will be another teleconference meeting later this year. He explained that the August 6, 2018 Directors Quarterly meeting included bias training and added that the next meeting will be held on October 29, 2018. He explained that licensing and enforcement workgroups continue to meet monthly to discuss specific ideas to innovate in areas of licensing and enforcement. He noted that, during the August 2018 workgroup, the licensing workgroup discussed a tool for streamlining correspondence. He thanked the Bureau for continuing to participate in the workshops. He reported on the second cohort of the DCA Future Leadership program. He noted the importance of building future leaders and encouraged the Bureau to continue to participate in the program.

Mr. Holt asked about an update on the information systems for the Bureau. Mr. Grafilo noted that there was extensive work completed in the first phase, such as business process mapping. Dr. Marion reported that the Bureau is in phase 2 and that there would be an update on the progress provided later in the meeting.



## **Agenda #5 - Bureau Operations Update and Discussion**

### **Annual Reports and Compliance Report:**

BPPE Enforcement Chief Beth Scott provided a report on the compliance and annual reports units. Ms. Scott stated that she has been working with SOLID to form a workgroup on the inspection process. She added that the workgroup will include staff members from other boards and bureaus.

Ms. Scott noted that the unit filled both vacant inspector positions and is close to filling its vacant Office Technician position.

Ms. Scott referred to Attachment 5B in the meeting packet. She highlighted the increase, from the first quarter to the second quarter, in number of inspections performed by the compliance unit. She added that she expects to see an increase in the number of inspections to continue.

Ms. Reiter asked how an inspector would proceed when discovering an institution does not have school performance fact sheets (SPFS) on file. Ms. Scott stated that not having the SPFS on file is a statutory material violation that would result in an enforcement referral and likely a citation. Ms. Reiter asked if it would also be a violation if refund calculations were not found in a student file. Ms. Scott stated that a determination would be made on a case by case basis with student protections as the primary concern. She continued that part of the determination would be based on whether the institution was issuing refunds or if the institution was not properly documenting the refunds. Ms. Reiter asked how the inspector would determine if the refund was actually made if it was not properly documented. Ms. Scott responded that the inspector can cross reference other documentation such as financial ledgers.

Ms. Tsutsui asked if inspectors spot check the amount students were refunded based on the amounts outlined in the enrollment agreement and compare those amounts to the amount a student received from federal funding. Ms. Scott explained that inspectors use a worksheet to do calculations to ensure students are receiving the proper refund. Ms. Tsutsui asked if that was performed proactively, even without a student complaint regarding refunds. Ms. Scott stated that the process is part of the inspection.

Ms. Reiter suggested, as part of the upcoming IT system, including “date” as a searchable component when searching for inspection results on the Bureau’s website. Ms. Lee-Carey commented that some statuses, with the same outcome, are listed on the website inconsistently and that it would be more helpful if the same statuses were consistently labeled with the same language.

Ms. Reiter asked when the Bureau expects to catch up on the mandatory number of inspections required by statute. Ms. Scott stated that once the goal of each inspector performing three inspections a month is met, then the Bureau will fulfill the statutory requirement. Ms. Scott

added that the number of inspections performed is trending up, and the unit is making strides in catching up.

Ms. Amaya asked how many inspections the Bureau is statutorily required to perform.

Ms. Scott replied that the Bureau is required to perform two inspections per institution within a five-year period.

Ms. Scott provided a report on the annual report unit. She detailed how the unit has assigned staff members to assist new schools with the annual report submission process. She continued that this gives new schools more hands-on assistance with the process and its requirements, which should result in less compliance issues and greater student protections. She detailed that the unit held a successful conference call with new schools allowing them an opportunity to ask questions and seek direction.

Ms. Scott reported that the Office of Information Services (OIS) is currently working with the Bureau to improve the annual report submission process. She noted that the opening of the online portal for annual report submissions has been delayed until the new system is in place in October 2018. She explained that the new system will make the process more efficient for institutions and Bureau staff. She stated the new system will let an institution save the progress of its submission allowing the institution to continue the submission at a later time. She added that the new system will increase efficiencies for staff, which will result in annual reports becoming available for review online much sooner. She noted that the due date for an institution to submit its annual report will be extended, and that tutorials will be included with the release of the new system.

Ms. Reiter asked if the conference calls were announced and available to Committee members. Ms. Scott explained that the calls are advertised on the Bureau's website and through email blasts. She continued that the calls are limited to 20 lines, and there has continually been a high demand from institutions who want to participate. Ms. Lee-Carey suggested including a webcast of the conference calls.

Mr. Bayles detailed the surveys that are distributed to students during compliance inspections. He referred the Committee to the current and proposed surveys under Attachment 5B in the meeting packet. He explained that the proposed survey has been revised to be compatible with the Bureau's Scantron system. He explained that Scantron allows staff to generate an immediate analysis. Ms. Lee-Carey asked how staff handles narrative responses using Scantron. Mr. Bayles stated that Scantron has the capability to identify text narrative in the comment section.

Mr. Vice suggested, in regard to the School Performance Fact Sheet (SPFS) survey question, including an explanation of what is a SPFS. He noted that a student may not know what a SPFS entails.

Mina Hamilton, Bureau Legal Counsel, advised that since the student survey is not a specific agenda topic, the Committee should hold off on comments. Dr. Marion stated that the Committee can provide comments to Bureau staff.

Ms. Reiter asked if the survey is given to both current students and former graduates. Mr. Bayles responded that the survey is only provided to current students.

#### Enforcement Report:

BPPE Enforcement Chief Yvette Johnson provided a report on the enforcement unit. She explained that the unit is down to three vacancies and is currently interviewing for those positions. She added that current staff has been mentoring new staff through a unit implemented buddy system.

Ms. Johnson detailed that the unit has increased its collaborative efforts with other DCA boards and bureaus. She noted that the unit recently, working closely with the California Board of Barbering and Cosmetology, issued three emergency decisions to ensure student protections. She added that staff has also been collaborating with the Department of Insurance and Department of Industrial Relations to investigate quality of education concerns in instances when students use worker compensation and/or vouchers to fund educational expenses.

Ms. Johnson reported that the Office of Attorney General (OAG) will be providing staff with training in investigative techniques, courtroom testifying, evidence collection, and report writing. She added that the training will be beneficial to both new staff and senior staff, and that it will provide a more complete picture of the investigative process. Ms. Mason asked who from OAG will be providing the training. Ms. Johnson responded that staff from the OAG licensing section will be conducting the training.

Ms. Johnson outlined an update to the unit's procedures for outreach efforts with students who have filed complaints. She explained that staff is sending letters to students who have had no contact with the Bureau in 2018 to provide an opportunity for students to re-engage with the Bureau.

Ms. Johnson explained that the unit has started to develop specialized teams to address specific issues. She provided the example of a team that is dedicated to handling student refund complaints. She added that specialized teams are increasing efficiencies in the complaint process and resulting in faster turnaround times.

Ms. Johnson referred to Attachment 5A in the meeting packet and outlined positive impacts resulting from investigator's advocacy on behalf of students.

Ms. Tsutsui asked what the Bureau's process is for identifying a custodian of records when an institution closes. Ms. Johnson explained that when a school closes the school is required in regulation to assign a custodian for student records and to provide the Bureau with the contact

information for the custodian. Ms. Tsutsui asked what occurs when a school closes due to the owner being a bad actor, but the owner is listed as the custodian of records. Ms. Hamilton explained that legislative actions would be required to bring about further changes to the custodian of records framework. Ms. Tsutsui suggested that, without implementing new regulations or statutes, the Bureau review processes to determine if there is a way to ensure student records are always maintained.

Ms. Reiter asked what attributed to the upward trend of complaints closed in May and June of 2018. Ms. Johnson reported that managers worked overtime to help with the backlog.

Ms. Reiter asked what sources for complaints are generated internally. Ms. Johnson explained that internally generated complaints originate from Bureau staff, which sometimes are triggered by anonymous tips.

Mr. Vice asked what the difference in priorities is assigned to complaints. Ms. Johnson stated that urgent complaints hold some aspect of the following: immediate danger to public safety, health, or welfare, imminent or ongoing criminal activity, unlicensed activity posing immediate danger to the public, financial fraud with potential to harm a substantial number of people, and arrest or convictions. She added that high priority complaints can consist of significant financial harm to an individual, and/or unlicensed activities.

Ms. Tsutsui asked if students are informed that there is a 3-year statute of limitations on fraud accusations. Ms. Johnson stated that the Bureau informs students that filing a complaint with the Bureau does not prohibit them from seeking other remedies regarding fraud accusations. Ms. Hamilton added that the 3-year statute of limitations applies to civil law but does not apply to the Bureau when investigating accusations of fraud.

Mr. Vice asked if the Bureau works with accrediting agencies to resolve complaints when it involves a school that is accredited. Ms. Johnson replied that the Bureau works with accrediting agencies when it applies.

Ms. Tsutsui suggested that, when a student attended a university more than 120 days prior to the school closing and the student experienced a significant loss in quality of education, the Bureau should review the provision that grants the student eligibility for the Student Tuition Recovery Fund (STRF).

#### Licensing Report:

Bureau Licensing Chief Marina O'Connor provided a report on the licensing unit. She referred to Attachment 5C in the meeting packet and outlined the statistics. She pointed out that the majority of full approval and renewal of full approval applications are only a few months old.

Ms. Lee-Carey asked how the unit is on staffing. Ms. O'Connor stated that the unit has one vacancy that will be posted soon.

### Education Administration Report:

Education Administrator Robert Bayles provided a report on the Quality of Education Unit. He reported that his team was involved in the business process mapping in preparation for the Bureau's new IT system. He added that the business process mapping is part of stage 2 of the Department of Technology's (DOT) 4 stage process for implementing a new IT system. He noted that DOT approved the Bureau's plan in May 2018. He continued that the Bureau is currently working on a business requirement document as part of the stage 2 process.

Mr. Bayles outlined Attachment 5D in the meeting packet. He noted that the unit is tracking 49 schools that are required to achieve full accreditation by July 1, 2020.

### Student Tuition Recovery Fund (STRF) Report:

Office of Student Assistance and Relief (OSAR) Chief Scott Valverde provided a report on OSAR. Mr. Valverde reported that OSAR had meetings to build partnerships with the following groups: California Workforce Association, Sacramento Employment and Training Agency, California Massage Therapy Council, Goodwill Industries, Board of Barber and Cosmetology, Breakthrough Sacramento, California Community College Chancellor's Office, San Diego Community College District, and the California Student Aid Commission. He noted that the efforts have been focused on expanding OSAR's knowledge base, access to resources, and student outreach opportunities.

Mr. Valverde detailed efforts to increase awareness of OSAR. He explained that, following OSAR presentations at outreach events, awareness has been increasing as a result of word of mouth. He noted that OSAR has been proactively using web resources, such as social media, to push information to the public. He added that OSAR has worked closely with DCA's Office of Public Affairs to utilize print, radio, and TV media to increase awareness of OSAR's services. He stated that OSAR flyers have been placed in all of the America's Job Center locations in the Sacramento area, and that OSAR intends to work with the California Workforce Association to place flyers in all workforce locations throughout the state.

Mr. Valverde reported that OSAR is continuously working with Bureau chiefs and the Closed School unit to prepare for any impending school closure. He added that staff is working on the logistics of setting up workshops with schools that have expressed intent to close. He noted that webpages pertaining to specific school closures have been added to the OSAR website. He outlined that since the previous Committee meeting OSAR staff organized four outreach events for school closures.

Ms. Tsutsui asked what outreach OSAR intends to do for the closure of The Art Institute of California and Argosy University. Mr. Valverde stated that, in addition to providing information online, advance notices will go out directly to students regarding workshops that will be available during the day and evening. He added that staff will evaluate other institutions that offer similar programs and are in close proximity geographically to the closing campuses. He noted OSAR will also coordinate with the Community College Chancellor's Office to provide information on similar programs. He noted that focus will be placed on ensuring adequate resources are made available to students.

Ms. Mason asked what resources are needed and allocated for a school closure workshop. Mr. Valverde responded that the resources needed varies depending on the situation. He continued that initially the focus is on introducing OSAR to the students to ensure there is an understanding of why OSAR is holding the workshop and what OSAR has to offer the students. He added that the majority of the time spent at workshops involve staff working with students one on one to ensure needs are met. He noted that STRF application assistance is also a major focus.

Ms. Reiter suggested adding a link to community colleges on the OSAR website. She added it would be helpful to have a breakdown on the difference in the cost of attending a public and private college.

Mr. Vice suggested highlighting the waiting list and graduation rates for public colleges.

Ms. Schieldge recommended OSAR be careful to not advocate for one type of education over another. She suggested OSAR only provide data based on student goals.

Mr. Holt suggested adding third-party entities and resources, such as the College Scorecard that is provided by the Department of Education.

Mr. Valverde detailed Attachment 5E in the meeting packet.

Ms. Mason asked if OSAR has performed an analysis on how many students are eligible for STRF. Mr. Valverde stated that analysis has not been performed. Ms. Lee-Carey noted it would be difficult to determine the number of students who are eligible for STRF because eligibility is unknown until a student applies. She added that it would be helpful to have a general idea on the numbers. Mr. Valverde explained that much of OSAR's focus in regard to data analysis has been on meeting statutory and regulatory reporting requirements. He added that OSAR can look at providing broader projections moving forward.

Mr. Valverde outlined the example PowerPoint presentation provided in Attachment 5E in the meeting packet. He noted that presentations are tailored depending on the audience. He added that staff is working on a student handbook for researching colleges. He noted that staff will also be putting up additional resources on the OSAR website.

Ms. Reiter asked if any new or additional methods have been utilized to locate students. Mr. Valverde reported that staff have been using LexisNexis and the National Loan Service Database.

Mr. Reiter asked if staff are including information about OSAR with transcript request responses. Mr. Valverde explained that information regarding OSAR is in the process of being added to the transcript information page on the Bureau's website. He added that an OSAR flyer is currently going out to students who have requested a transcript.

Public Comment:

No comment.

**Agenda #6 - Status Updates on Regulations**

Dr. Marion pointed to the meeting agenda and provided a status update on Bureau regulations. He reported that the package Registration for Out-of-State Private Postsecondary Education Institutions (CEC sections 94850.5 and 94801.5) has been approved by the Office of Administrative Law (OAL). He noted that the English as a Second Language Program (Title 5, CCR, Section 7000 (k)) regulatory package and the Application for Verification of Exempt Status (CEC Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5) regulatory package is currently being reviewed by DCA. He stated that the Compliance with Laws Procedures (Title 5, CCR, Section 71755) regulatory package has been noticed and is under review by Bureau counsel.

Ms. Mason asked if timelines for each regulatory package could be added to future status updates. Dr. Marion stated that the idea has already been discussed, and that timelines will be incorporated in the future.

Public Comment:

No comment.

**Agenda #7 - Discussion Regarding Assembly Bill 1178 (Postsecondary Education: Student Loans) (2017-2018) Regarding Student Debt Disclosures**

Mr. Gray detailed Assembly Bill 1178 and the resulting general provision under CEC 69509.6. He explained that the provision requires institutions to provide students with specific individualized student loan and financial information. He noted that, by law, all Bureau approved institutions are required to abide by the new provision.

Ms. Lee-Carey asked if Out-of-State registered schools are required to follow the provision. Mr. Gray stated that, in regard to the Bureau, Out-of-State registered schools are not required to follow the provision.

Ms. Tsutsui asked who is currently enforcing the provision. Mr. Gray stated that the California Student Aid Commission has jurisdiction over the provision, as well as other law enforcement entities in the state.

**Public Comment:**

Robert Johnson, representing California Association of Private Postsecondary Schools (CAPPS), provided a public comment. Mr. Johnson stated that it is troubling for the Bureau to apply a general provision of the law to a specific scenario. He stated that there have been instances in the past when the Bureau cited an institution for a specific issue based on a general authority. He stated that he appreciates that the Bureau is working on a regulation based on a specific statute. Dr. Marion asked, for educational purposes, if Mr. Johnson could send him the referenced instances when a school was cited for a specific issue based on general authority.

**Agenda #8 - Future Agenda Items**

Ms. Lee-Carey suggested providing an update on Bureau financials in regard to the new fee structure. She added that it would be helpful to highlight the impacts and difference resulting from the fee change.

Ms. Mason suggested adding a discussion on the interworking relationships the Bureau's Enforcement unit has with other boards and bureaus. She added that the discussion could include an outline of all the entities that have a memorandum of understanding with the Bureau.

Mr. Holt suggested adding an update on the Bureau's IT system project under the on-going Bureau Update agenda item.

Ms. Reiter requested that the Committee be provided with a sampling of complaints. She noted that once a sampling is provided to the Committee, then it could be discussed at a future meeting.

Ms. Reiter suggested having a discussion on the Bureau being the lead agency in identifying problematic schools. She noted that the discussion could include recommendations on what is needed for the Bureau to be the lead agency, such as staffing redistribution or the Bureau setting up an office in Southern California.

Ms. Reiter suggested having a discussion or legal analysis on how OSAR should be utilized in regard to the statute.



Ms. Reiter requested a report on how the Bureau uses the 120-day exception in regard to student STRF eligibility.

Ms. Reiter suggested a discussion on how the Bureau intends to address institutions increasingly choosing Western Association of Schools and Colleges (WASC) and Distance Education Accrediting Commission (DEAC) as accreditors, regarding those agencies lack of outcome requirements.

Ms. Lee-Carey suggested an update on the Bureau's assessment of Income Sharing Agreements (ISA). Ms. Reiter added providing an update on ISA's in regard to statutes and regulations.

#### **Agenda #9 - Adjournment**

Ms. Lee-Carey adjourned the meeting with the consent of all Committee members present.

**Agenda Item 4**

**REMARKS BY A REPRESENTATIVE OF THE DEPARTMENT OF CONSUMER AFFAIRS**

*(Note: May include updates pertaining to the Bureau's Operations, Human Resources, Department's Administrative Services, Fees, Enforcement, Information Technology and BreEZe, Communications and Outreach, as well as Regulatory and Policy Matters)*

**BUREAU OPERATIONS UPDATE RELATED TO THE FOLLOWING:**

- a. Budget Report – Matt Nishimine**
- b. Enforcement Report – Yvette Johnson**
- c. Compliance Report – Beth Scott**
- d. Licensing Report – Marina O’Connor**
- e. Quality of Education Report – Robert Bayles**
- f. IT System Project Report – Robert Bayles**
- g. Office of Student Assistance and Relief (OSAR) Report – Scott Valverde**

**ATTACHMENT:**

- A. Budget Report**
- B. Enforcement Report**
- C. Compliance Report**
- D. Licensing Report**
- E. Quality of Education Report**
- F. Office of Student Assistance and Relief (OSAR) Report**

## 0305 - Private Postsecondary Education - Support Analysis of Fund Condition

(Dollars in Thousands)

Prepared 10/24/2018

### 2018 Budget Act with FM 12 Actuals

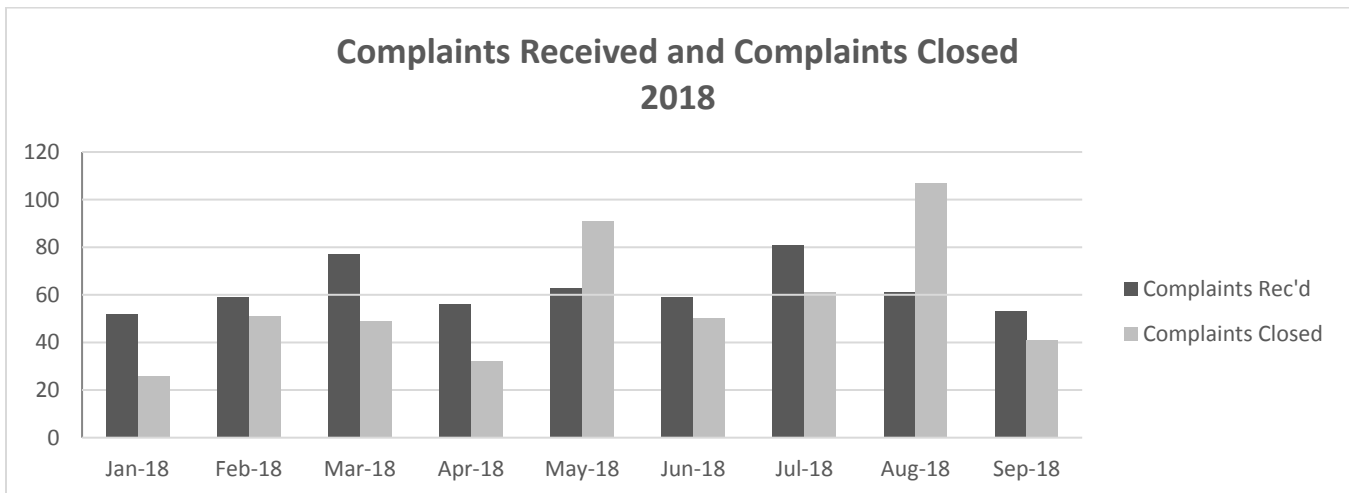
	<b>FM 12 Actuals 2017-18</b>	<b>CY 2018-19</b>	<b>BY 2019-20</b>
<b>BEGINNING BALANCE</b>			
Prior Year Adjustment	\$ 8,578	\$ 8,165	\$ 8,043
Adjusted Beginning Balance	\$ -	\$ -	\$ -
	<u>\$ 8,578</u>	<u>8,165</u>	<u>8,043</u>
<b>REVENUES AND TRANSFERS</b>			
Revenues:			
4121200 Delinquent Fees	\$ 492	\$ 492	\$ 492
4127400 Renewal Fees	\$ 13,422	\$ 15,206	\$ 15,216
4129200 Other Regulatory Fees	\$ 239	\$ 396	\$ 479
4129400 Other Regulatory Licenses and Permits	\$ 627	\$ 563	\$ 563
4163000 Investment Income - Surplus Money Investments	\$ 46	\$ 44	\$ 35
4171400 Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	\$ 2	\$ 2	\$ 2
4172500 Miscellaneous Revenues	\$ 53	\$ 53	\$ 53
Totals, Revenues	<u>\$ 14,881</u>	<u>\$ 16,756</u>	<u>\$ 16,840</u>
Transfers from Other Funds			
Totals, Revenues and Transfers	<u>\$ 14,881</u>	<u>\$ 16,756</u>	<u>\$ 16,840</u>
Totals, Resources	<u>\$ 23,459</u>	<u>\$ 24,921</u>	<u>24,883</u>
<b>EXPENDITURES</b>			
Disbursements:			
1111 Program Expenditures (State Operations)	\$ 14,159	\$ 15,737	\$ 15,897
8880 Financial Information System for California (State Operations)	\$ 20	\$ 2	\$ 2
9892 Supplemental Pension Payments	\$ -	\$ 175	\$ 175
9900 Statewide Pro Rata	\$ 1,115	\$ 964	\$ 1,123
Total Disbursements	<u>\$ 15,294</u>	<u>\$ 16,878</u>	<u>\$ 17,197</u>
<b>FUND BALANCE</b>			
Reserve for economic uncertainties	\$ 8,165	\$ 8,043	\$ 7,686
<b>Months in Reserve</b>	5.8	5.6	5.4

**COMPLAINT INVESTIGATIONS STATISTICS**  
**BPPE Advisory Committee Meeting**  
**November 7, 2018**

**STUDENT IMPACT (January – September 2018)**

Investigators' advocacy on behalf of students resulted in the following:

- Total of **\$70,107** in refunds to students or to their federal student aid account
- Student received savings on units in the amount of **\$20,532**
- Issuance of grade, certificates of completion, proof-of-training, transcripts, and student records to students
- Reinstatement of student
- Job placement for student
- Student allowed to submit thesis and complete program
- Student allowed to retake course at no additional cost.
- School revised admissions policies.
- Mediated agreement with institution.

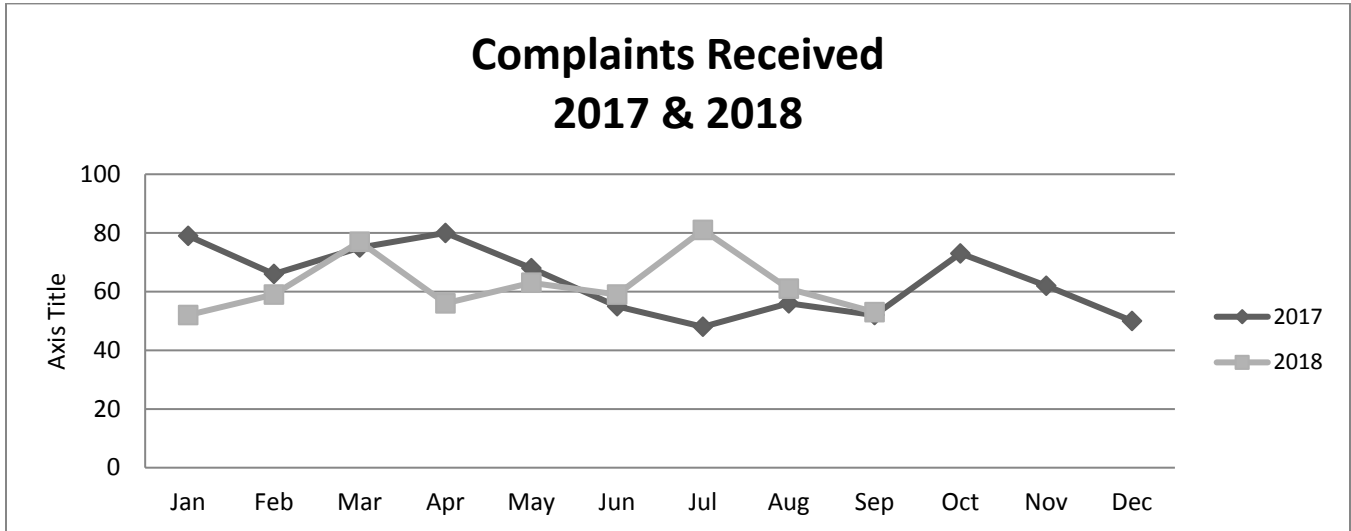


Source: CPEI Monthly Statistical Reports

**2018: 1ST THRU 3rd QUARTERS**

Month/Year	Complaints Rec'd	Complaints Closed	Pending
Jan-18	52	26	1147
Feb-18	59	51	1155
Mar-18	77	49	1183
Apr-18	56	32	1207
May-18	63	91	1179
Jun-18	59	50	1188
Jul-18	81	61	1208
Aug-18	61	107	1162
Sep-18	53	41	1174

**COMPLAINT INVESTIGATIONS STATISTICS**  
**BPPE Advisory Committee Meeting**  
**November 7, 2018**



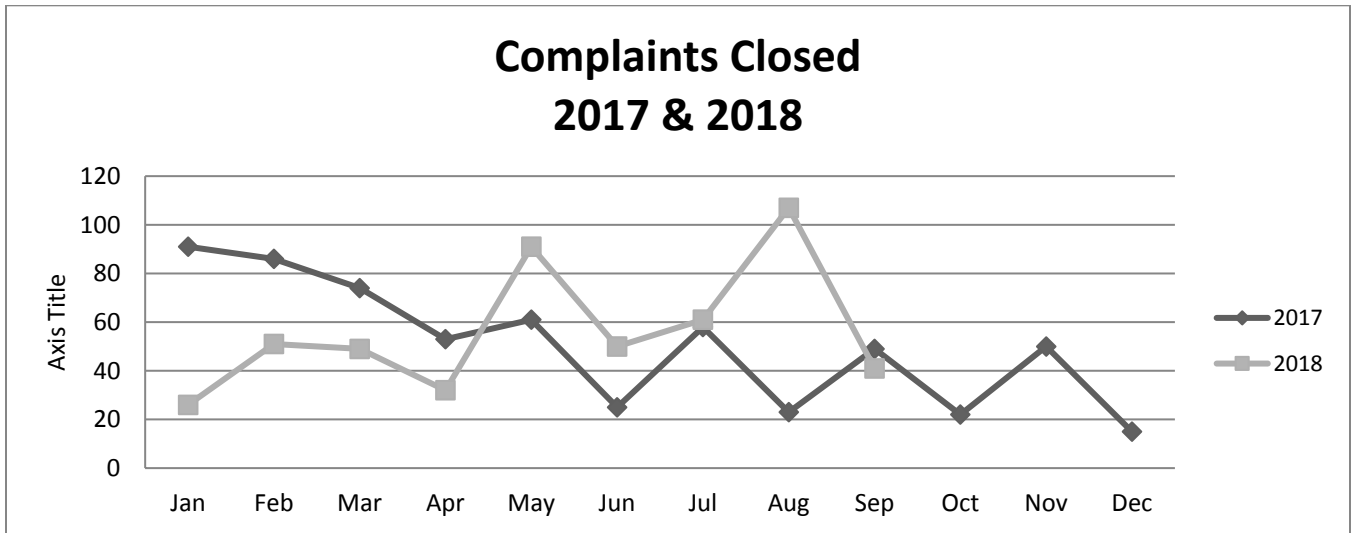
Source: CPEI Monthly Statistical Reports

**COMPLAINTS RECEIVED**

Month/Year	2017	2018
Jan	79	52
Feb	66	59
Mar	75	77
Apr	80	56
May	68	63
Jun	55	59
Jul	48	81
Aug	56	61
Sep	52	53
Oct	73	
Nov	62	
Dec	50	

**Total**      764

**COMPLAINT INVESTIGATIONS STATISTICS**  
**BPPE Advisory Committee Meeting**  
**November 7, 2018**



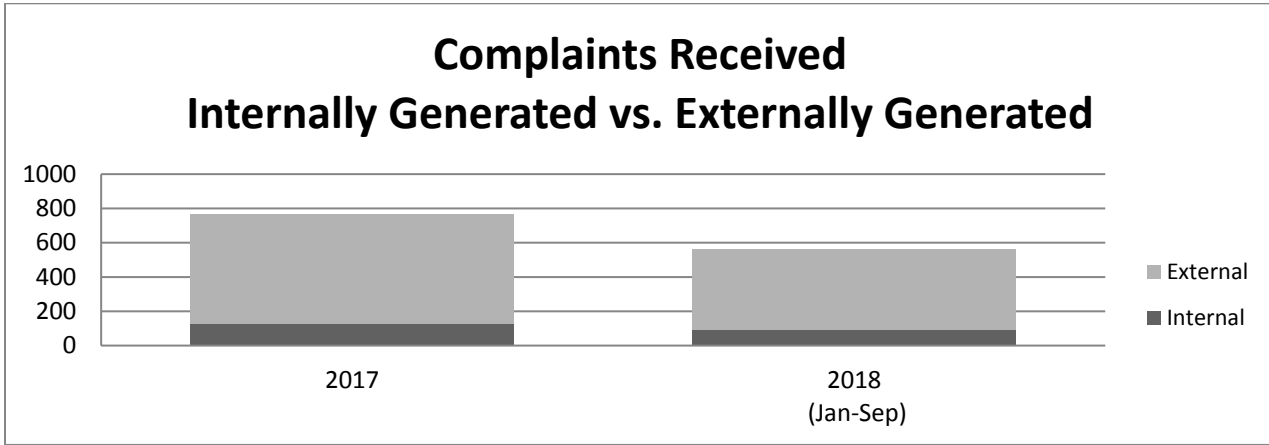
Source: CPEI Monthly Statistical Reports

**COMPLAINTS CLOSED**

Month/Year	2017	2018
Jan	91	26
Feb	86	51
Mar	74	49
Apr	53	32
May	61	91
Jun	25	50
Jul	58	61
Aug	23	107
Sep	49	41
Oct	22	
Nov	50	
Dec	15	

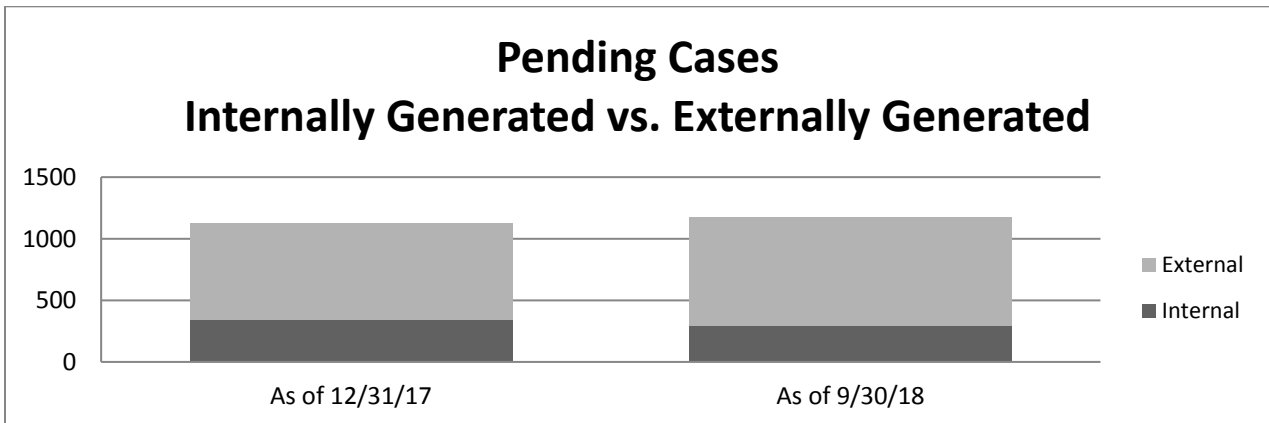
**Total**      607

**COMPLAINT INVESTIGATIONS STATISTICS**  
**BPPE Advisory Committee Meeting**  
**November 7, 2018**



Source: BPPE Complaint Case Tracking Log

Received	2017	2018 (Jan-Sep)
Internal	125	89
External	639	472
<b>Total</b>	<b>764</b>	<b>561</b>

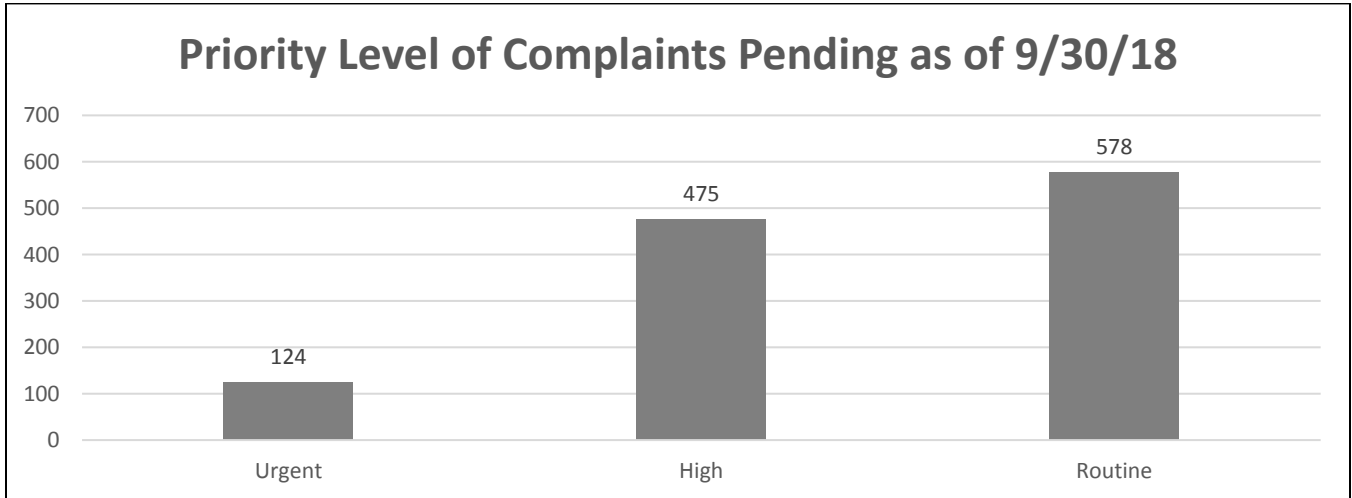


Source: BPPE Complaint Case Tracking Log

Pending	As of 12/31/17	As of 9/30/18
Internal	339	296
External	782	881
<b>Total</b>	<b>1121</b>	<b>1177</b>



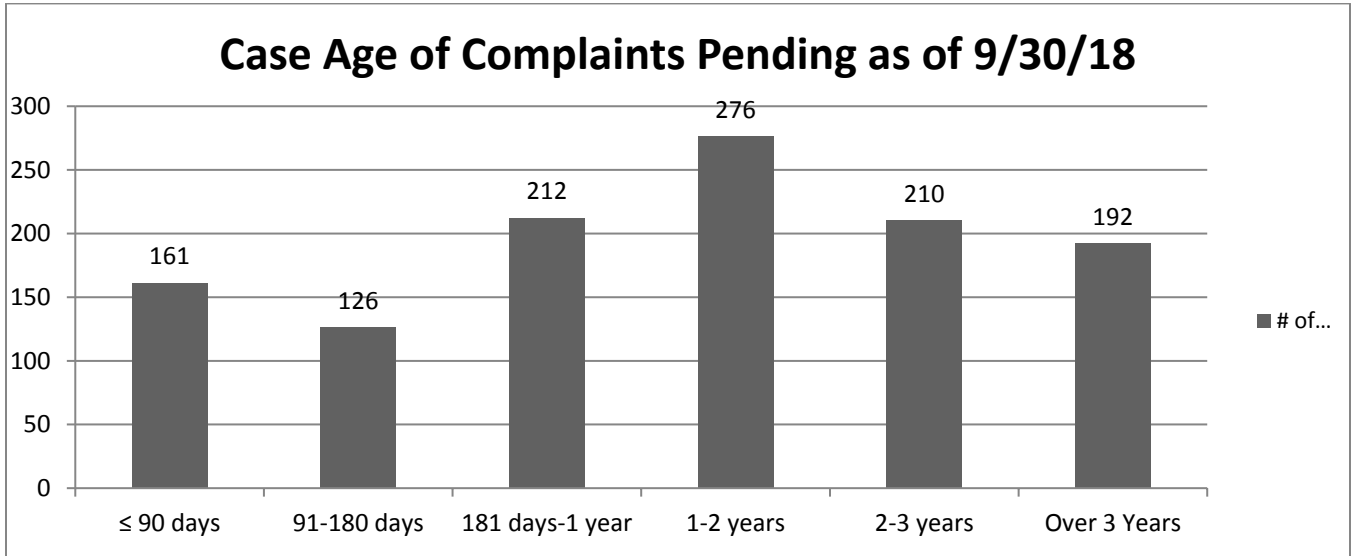
**COMPLAINT INVESTIGATIONS STATISTICS**  
**BPPE Advisory Committee Meeting**  
**November 7, 2018**



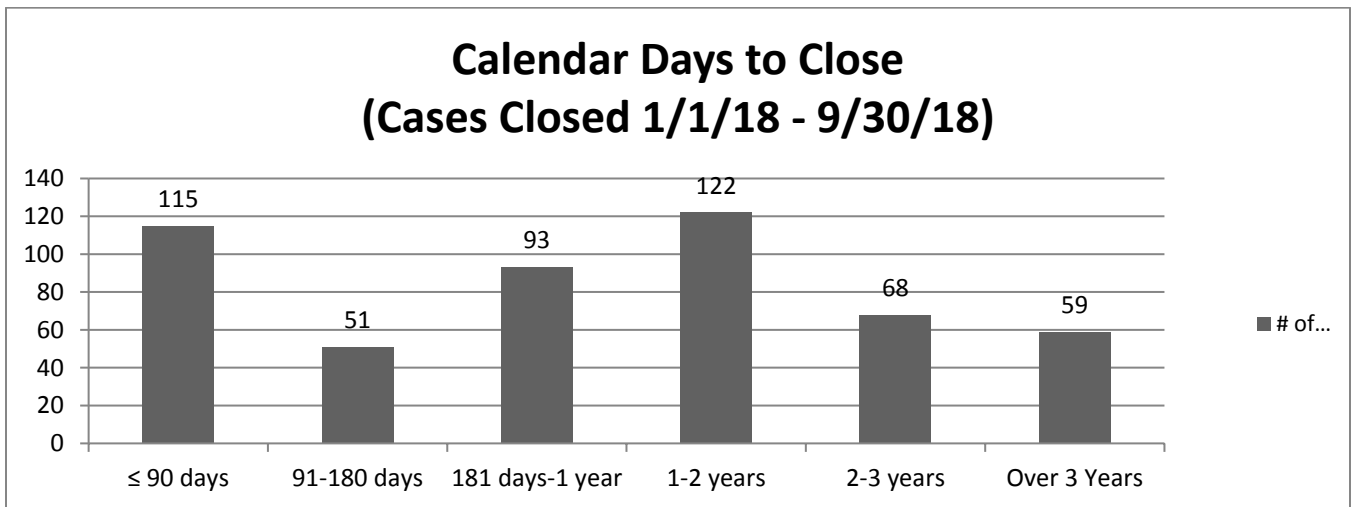
Source: BPPE Complaint Case Tracking Log

Priority Level	# of cases
Urgent	124
High	475
Routine	578
Total	1177

**COMPLAINT INVESTIGATIONS STATISTICS**  
**BPPE Advisory Committee Meeting**  
**November 7, 2018**

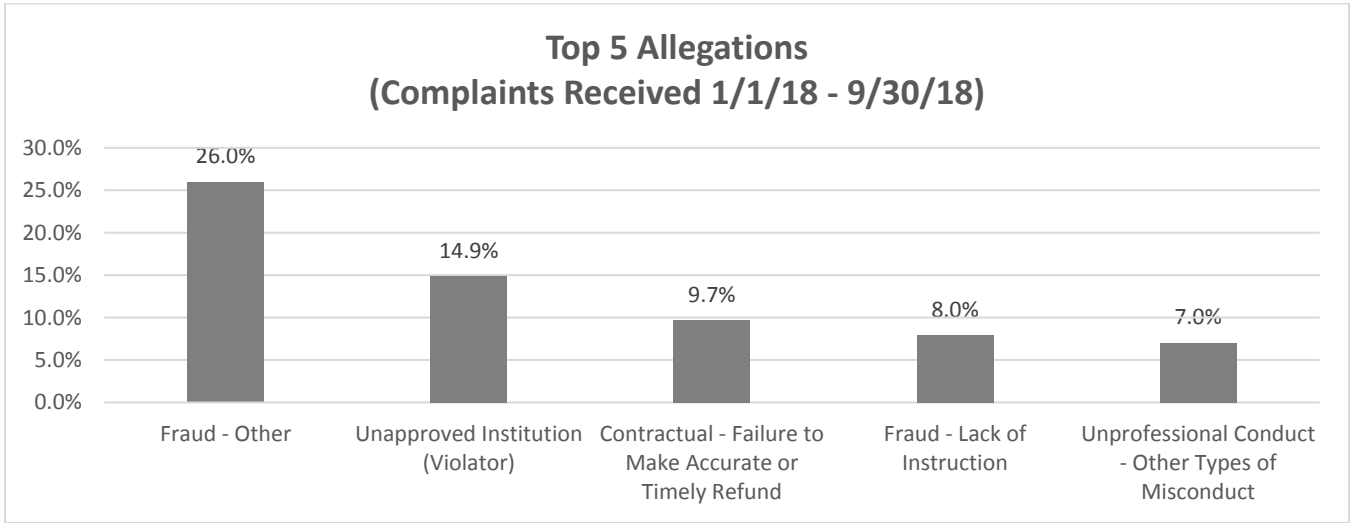


Source: BPPE Complaint Case Tracking Log

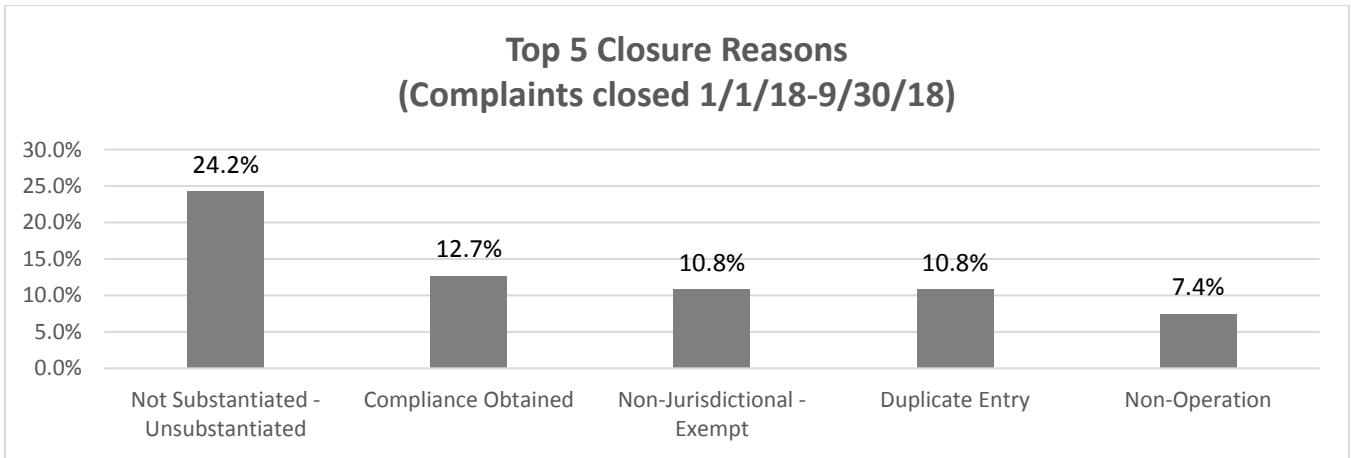


Source: BPPE Complaint Case Tracking Log

**COMPLAINT INVESTIGATIONS STATISTICS**  
**BPPE Advisory Committee Meeting**  
**November 7, 2018**



Source: SAIL Enforcement Workload Analysis



Source: SAIL Enforcement Workload Analysis

*\*"Duplicate Entry" is used for case consolidations where a complaint filed anonymously or generated internally is consolidated with a master case (usually with a named complainant) that is being investigated for similar allegations.*

## REPORTING AS OF: OCTOBER 31, 2018

<b>2018 STATS Compliance Unit Grouped by Qtr</b>	January	April	July	October
	February	May	August	November
	March	June	September	December
Total Inspections	33	50	38	18
Announced Inspections	15	19	15	9
Unannounced Inspections	18	31	23	9
Notice To Comply Issued	12	27	14	8
Enforcement Referral Issued	12	21	14	7

<b>Type Compliance Inspector Activity</b>	Calendar Year 2015	Calendar Year 2016	Calendar Year 2017	Calendar Year 2018
Total Compliance Inspections (UCI + ACI) Completed	168	166	85	139
Notice to Comply	81	97	47	61
Enforcement Referral	102	96	36	54

<b>Key</b>	
Unannounced Compliance Inspection	UCI
Announced Compliance Inspection	ACI
Enforcement Referrals	ER
Notice To Comply	NTC

## STUDENT SURVEY

1. What factor was the MOST important to you in choosing this school and program?

(choose one only)

- Class Sizes
- Flexible Schedules
- Cost of the program
- Reputation of school
- Location of the school
- Appearance of school facilities
- Feedback from former students
- Job/career prospects after graduation
- Advertisements

2. Did you research programs at other schools before enrolling in this school?

- Yes
- No

3. Did you use BPPE's Website ([www.bppe.ca.gov](http://www.bppe.ca.gov)) to obtain information on any schools or to compare schools before enrolling?

- Yes
- No

4. Did you receive a signed copy of your enrollment agreement?

- Yes
- No
- Unsure

5. Did you receive a school catalog before enrolling?

- Yes-paper copy
- Yes-electronic copy
- No

6. Did you receive a School Performance Fact Sheet (SPFS)\* before you enrolled that indicates the percentage of students who graduated and became employed?

- Yes
- No
- Unsure

7. How much influence did the information on the SPFS have on your decision to enroll at this school?

- Did not receive a fact sheet
- None
- Some
- Very much

8. Before you enrolled, were all tuition, fees, and charges clearly explained to you?

- Yes
- No

9. If you received financial aid, were all terms and conditions explained, including loan repayment requirements?

- Yes
- No
- I did not receive financial aid

10. Were you promised a job after completion of your program?

- Yes
- No

11. Did you receive a course syllabus or outline for each course?

- Yes
- No

12. Do the instructors clearly explain the grading system?

- Yes
- No

\*School Performance Fact Sheet – A disclosure document that assists prospective students in making an informed decision in selecting an educational program at a private postsecondary institution.

## STUDENT SURVEY - Revised

13. Does it appear that instructors are knowledgeable in the subjects they teach?

- Yes
- No

14. Do instructors answer your questions?

- Always
- Mostly
- Sometimes
- Never

15. Is the classroom or lab equipment in good working order?

- Always
- Mostly
- Sometimes
- Never

16. Are there enough equipment and supplies for all students to achieve the course objectives?

- Always
- Mostly
- Sometimes
- Never

17. Do you have access to learning resources such as reference books, an online library, magazines, DVDs, etc., needed to complete your assignments?

- Always
- Mostly
- Sometimes
- Never

18. Does the school have a procedure for students to submit concerns or complaints?

- Not sure
- Yes
- No

19. If you have made a complaint or expressed a concern, do you feel your complaint or concern was addressed and resolved fairly at the school level?

- I have no complaints or concerns
- My complaint was addressed but not resolved
- My complaint was addressed and resolved
- My complaint was never addressed or resolved

20. Are you satisfied with your overall decision to attend this school?

- Yes
- No
- Undecided

21. Would you recommend this school to others?

- Yes
- No

Please use the space below to comment or provide additional information on any question or on your experience at this school:

---

---

---

---

---

---

---

---

---

---

Thank you for your feedback!!

## Licensing Applications Status as of October 1, 2018 for Fiscal Year 18/19

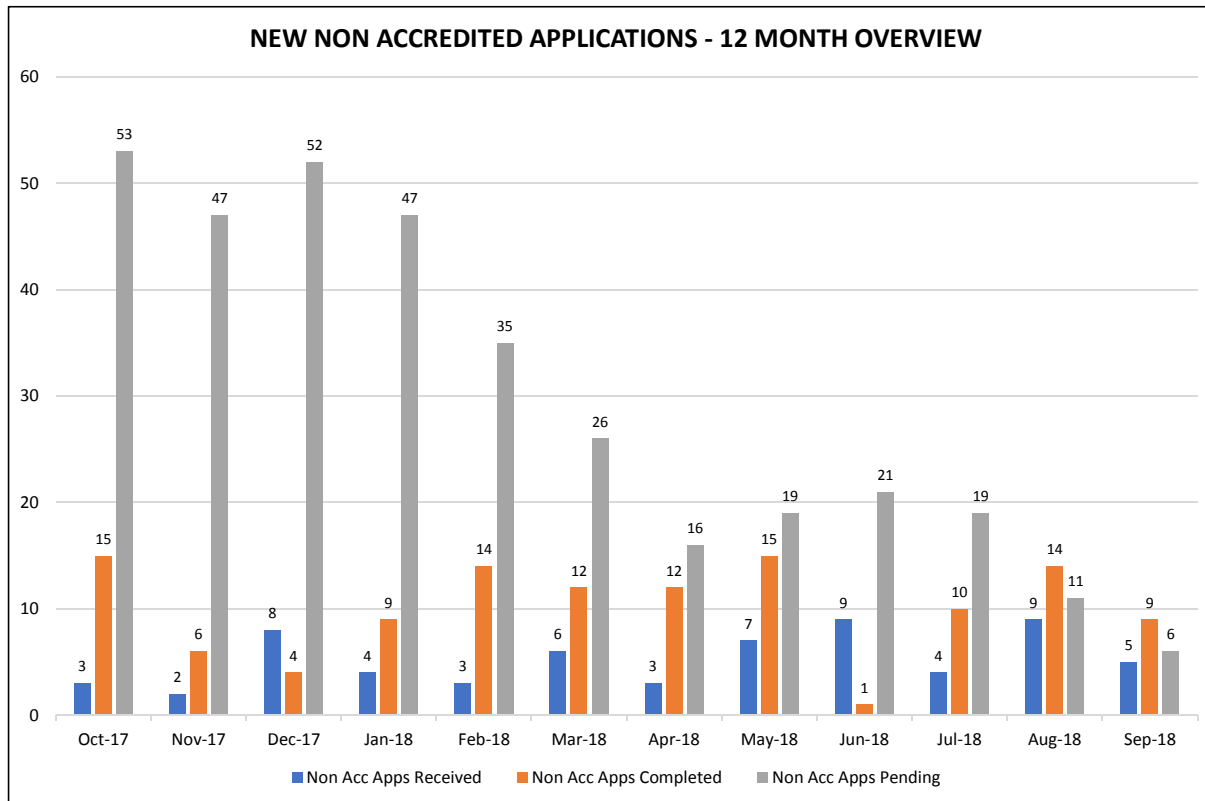
Type	Received FY 18/19	Pending Assignment (Queue)	Under Review	Total Pending	Approved	Withdrawn or Abandoned	Denied	Total Closed	Average Days to Approve <sup>a</sup>
New Full Approval	18	6	74	80	25	4	4	33	321
New Accreditation	8	0	7	7	6	2	0	8	34
Renewal Full	7	1	55	56	17	0	1	18	294
Renewal Accreditation	22	0	19	19	23	0	2	25	58
Changes Full	30	0	31	31	35	3	2	40	53
Changes Accreditation	29	0	20	20	23	6	0	29	41
Exemption	50	0	19	19	30	1	14	45	20
Out of State Registration	5	0	0	0	3	0	0	3	51
<b>Totals:</b>	<b>169</b>	<b>7</b>	<b>225</b>	<b>232</b>	<b>162</b>	<b>16</b>	<b>23</b>	<b>201</b>	<b>109</b>

<sup>a</sup>Average Days to Approve is calculated from time assigned to analyst.

Total pending applications on 4/1/2018:	268
Total pending applications on 8/1/2018:	251
Total pending applications on 10/1/2018:	236

**As of October 1, 2018**

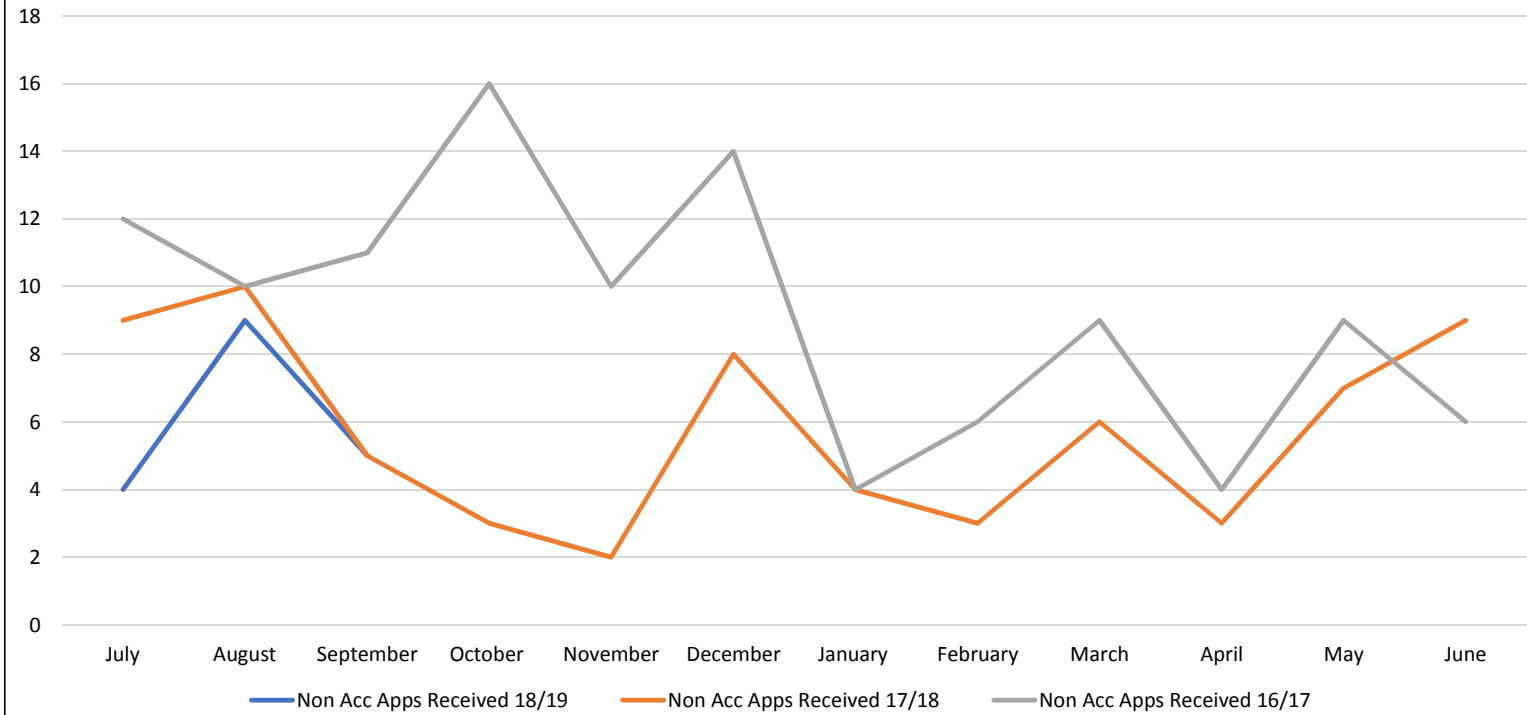
Oldest Full Apps in Queue:	5/30/2018
Oldest Full Apps Under Review:	3/23/2016
Oldest Renewal Full Apps in Queue:	8/17/2018
Oldest Renewal Full Apps Under Review:	6/29/2016
Median Date of Full Apps in Queue:	9/4/2018
Median Date of Renewal Full Apps in Queue:	8/17/2018



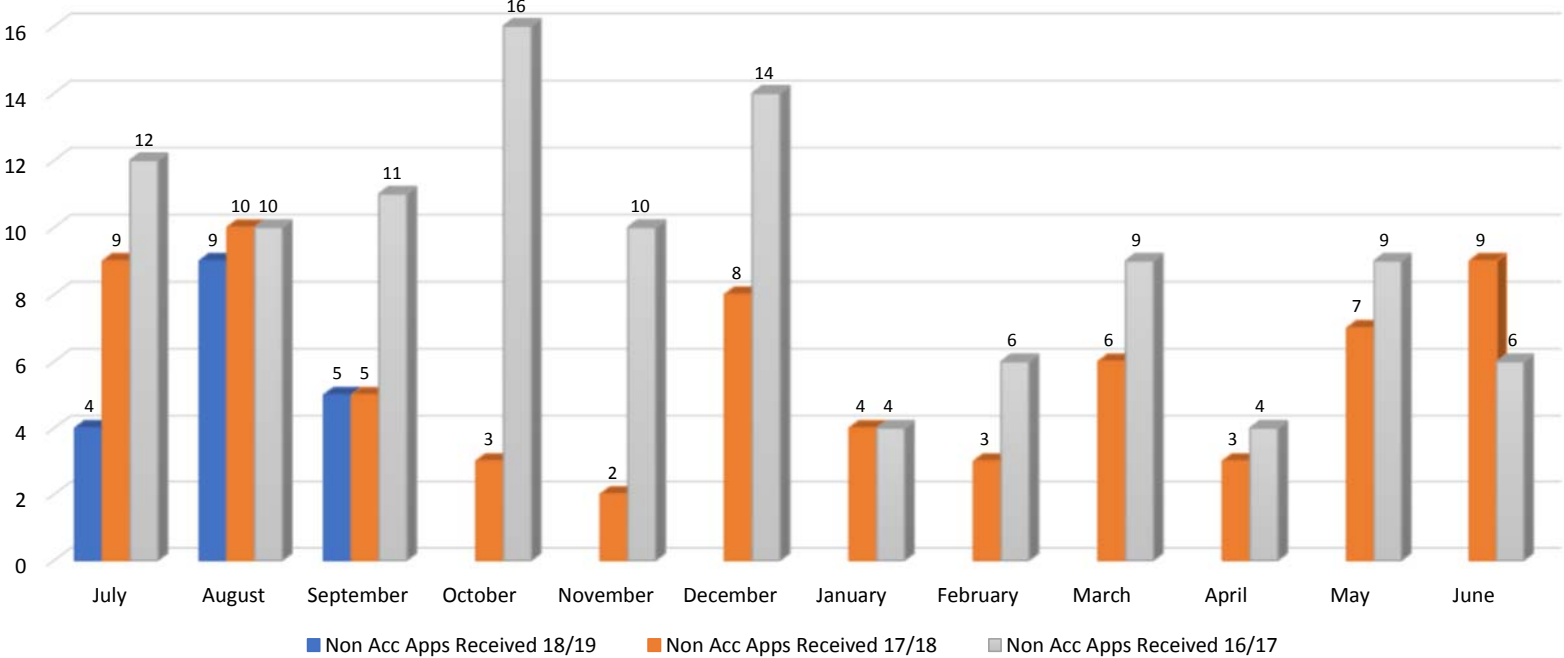
Month	Non Acc Apps Received	Non Acc Apps Completed	Non Acc Apps Pending
Oct-17	3	15	53
Nov-17	2	6	47
Dec-17	8	4	52
Jan-18	4	9	47
Feb-18	3	14	35
Mar-18	6	12	26
Apr-18	3	12	16
May-18	7	15	19
Jun-18	9	1	21
Jul-18	4	10	19
Aug-18	9	14	11
Sep-18	5	9	6



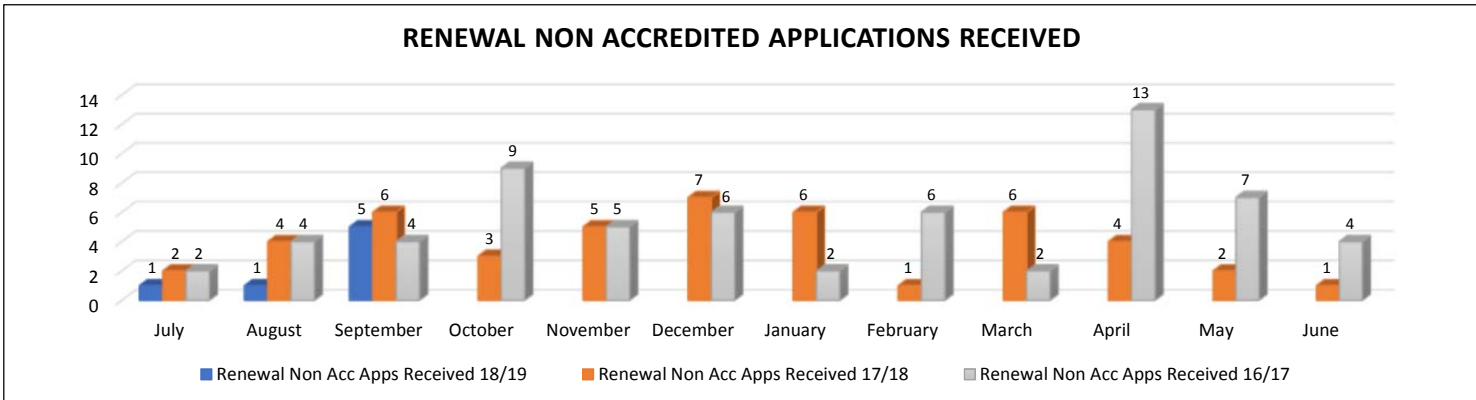
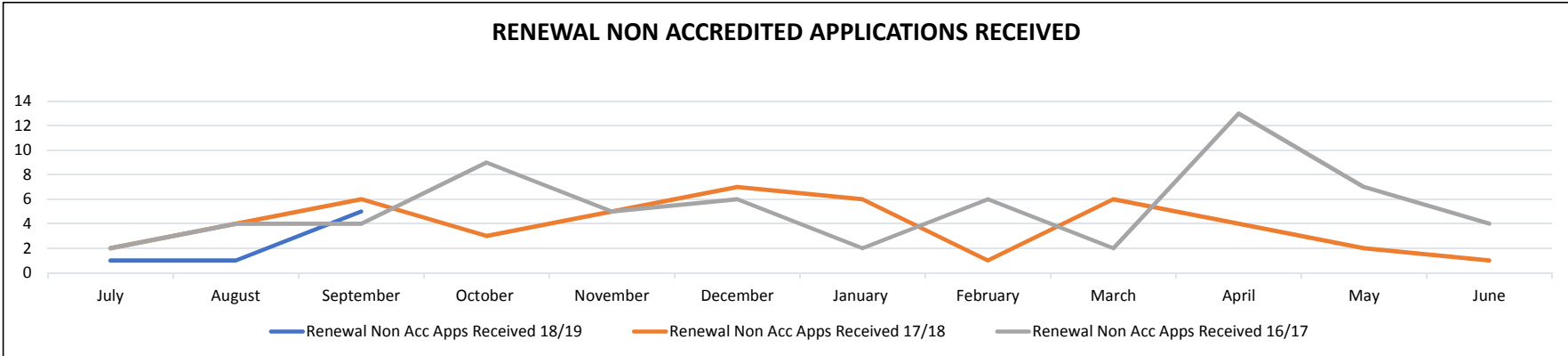
### NEW NON ACCREDITED APPLICATIONS RECEIVED



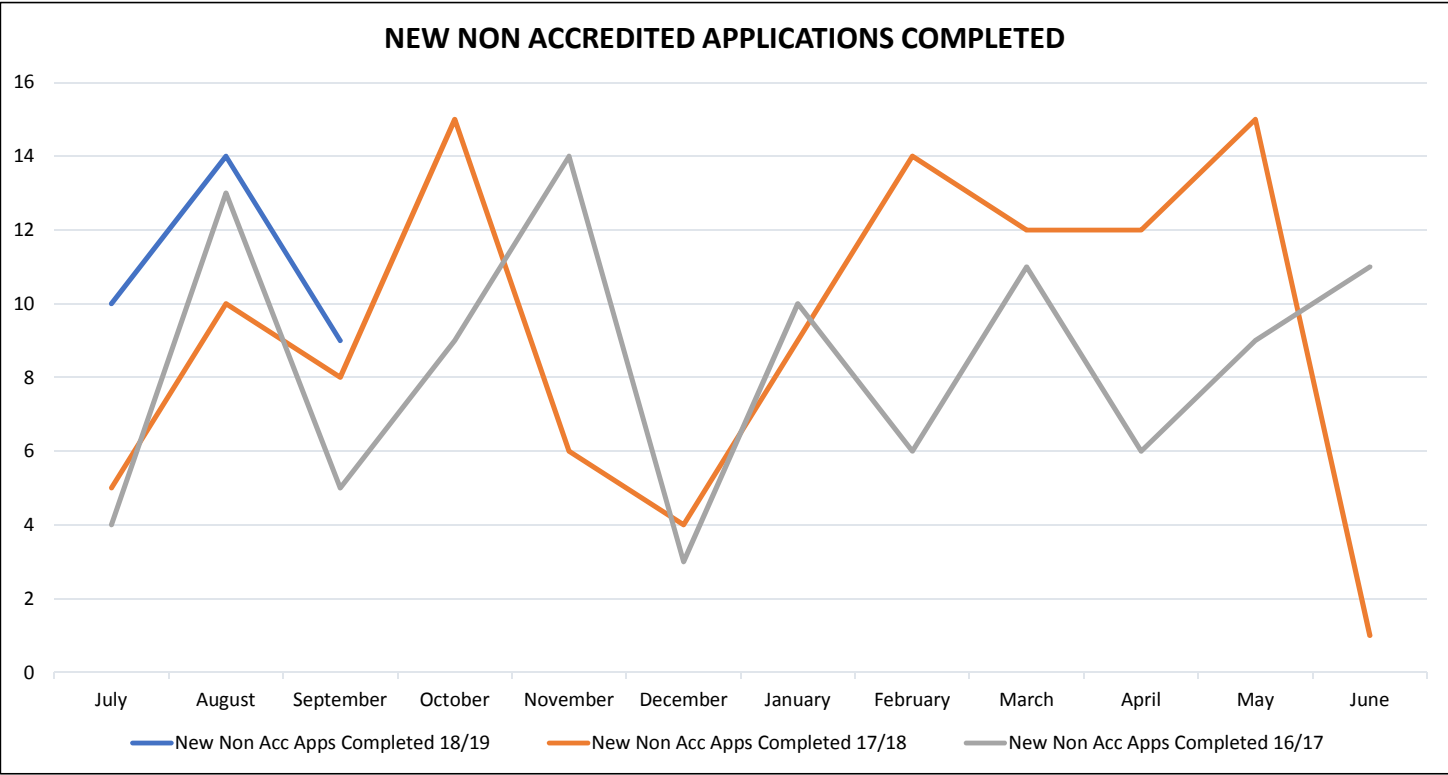
### NEW NON ACCREDITED APPLICATIONS RECEIVED



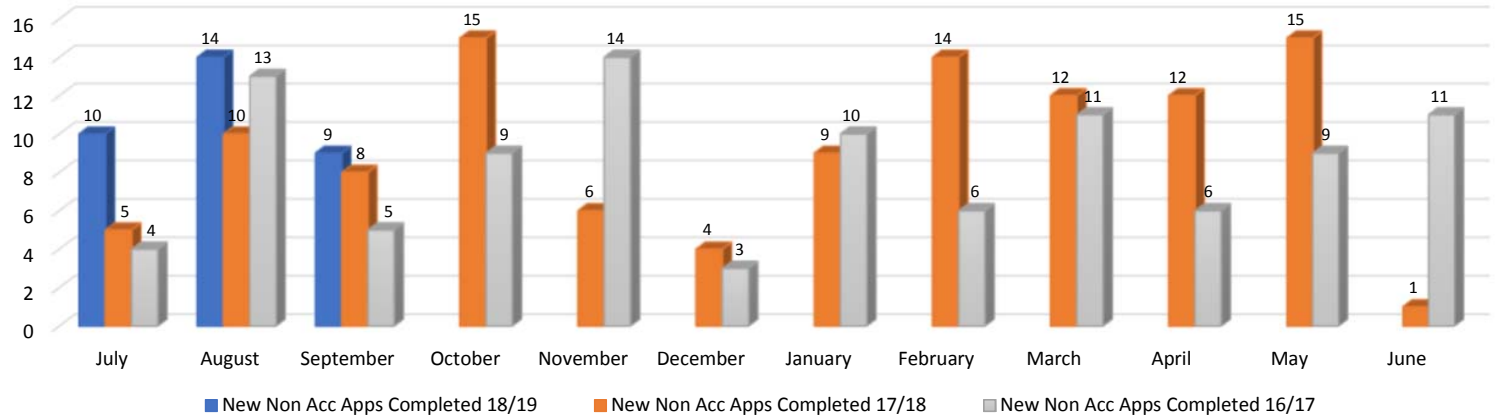
Month	Non Acc Apps Received 18/19	Non Acc Apps Received 17/18	Non Acc Apps Received 16/17
July	4	9	12
August	9	10	10
September	5	5	11
October		3	16
November		2	10
December		8	14
January		4	4
February		3	6
March		6	9
April		3	4
May		7	9
June		9	6



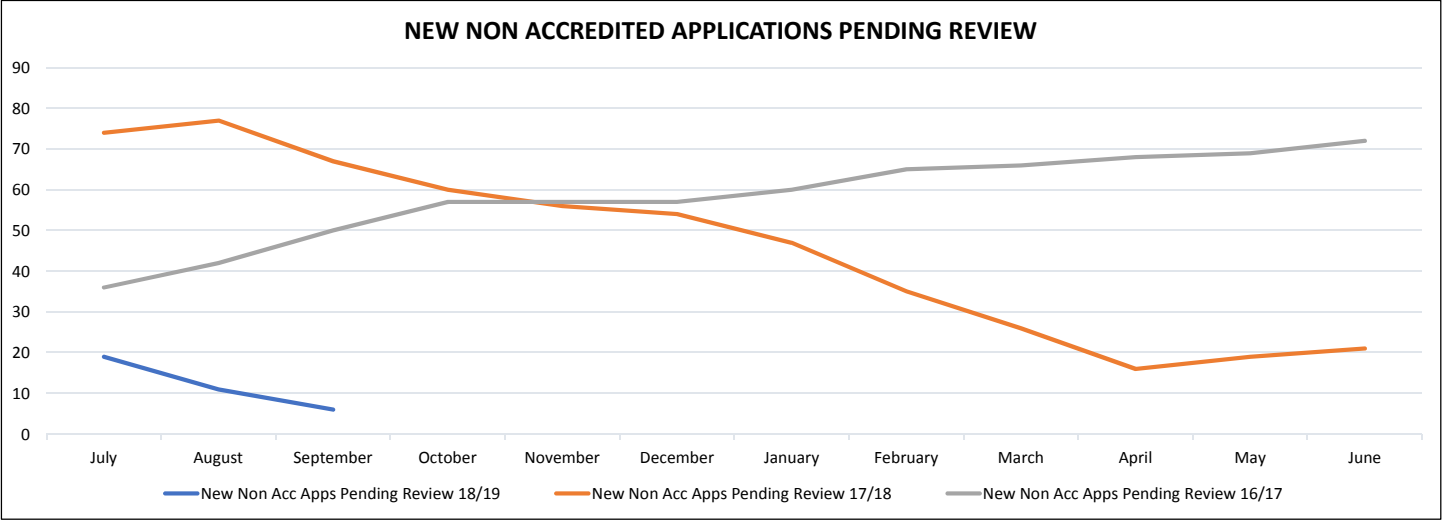
Month	Renewal Non Acc Apps Received 18/19	Renewal Non Acc Apps Received 17/18	Renewal Non Acc Apps Received 16/17
July	1	2	2
August	1	4	4
September	5	6	4
October		3	9
November		5	5
December		7	6
January		6	2
February		1	6
March		6	2
April		4	13
May		2	7
June		1	4



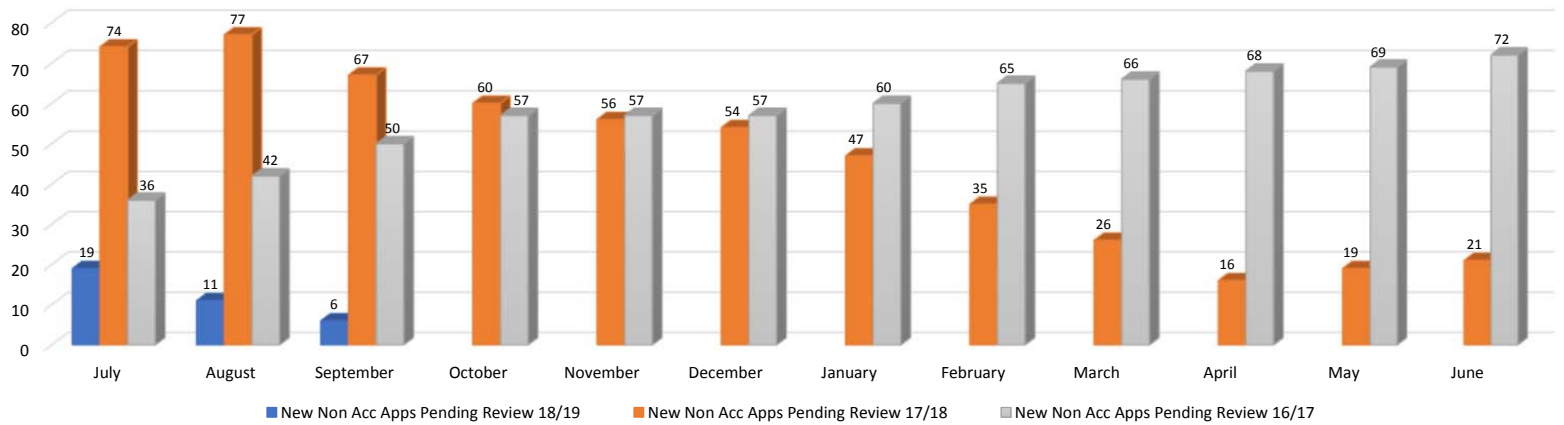
### NEW NON ACCREDITED APPLICATIONS COMPLETED



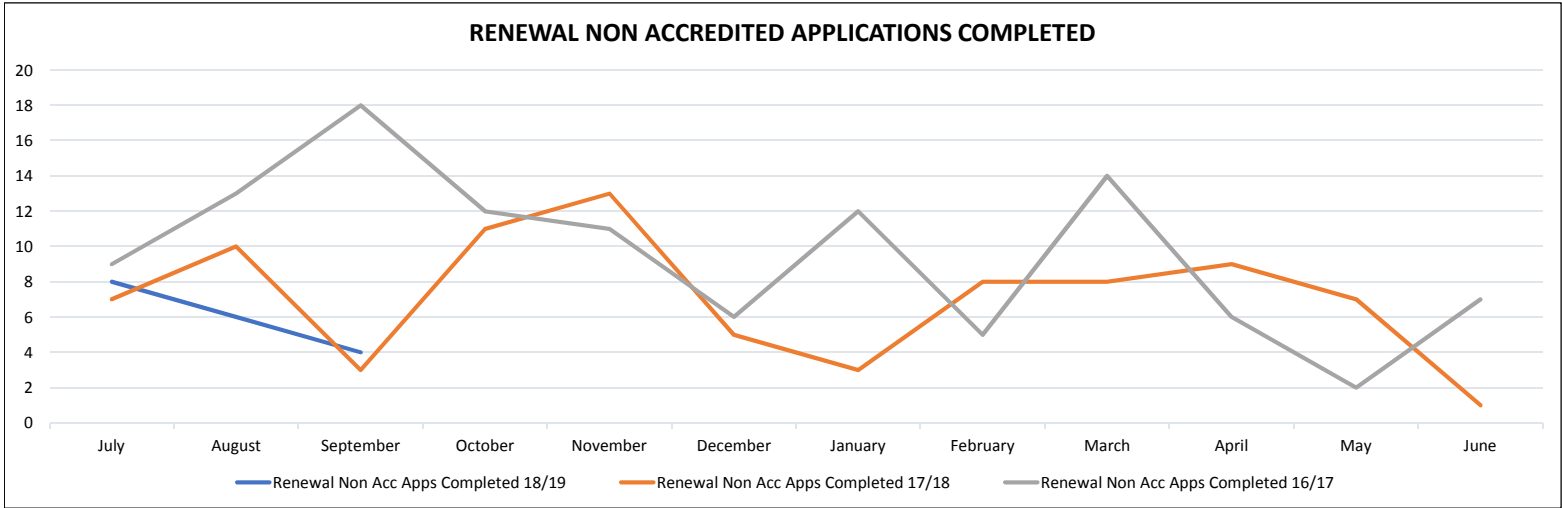
Month	New Non Acc Apps Completed 18/19	New Non Acc Apps Completed 17/18	New Non Acc Apps Completed 16/17
July	10	5	4
August	14	10	13
September	9	8	5
October		15	9
November		6	14
December		4	3
January		9	10
February		14	6
March		12	11
April		12	6
May		15	9
June		1	11



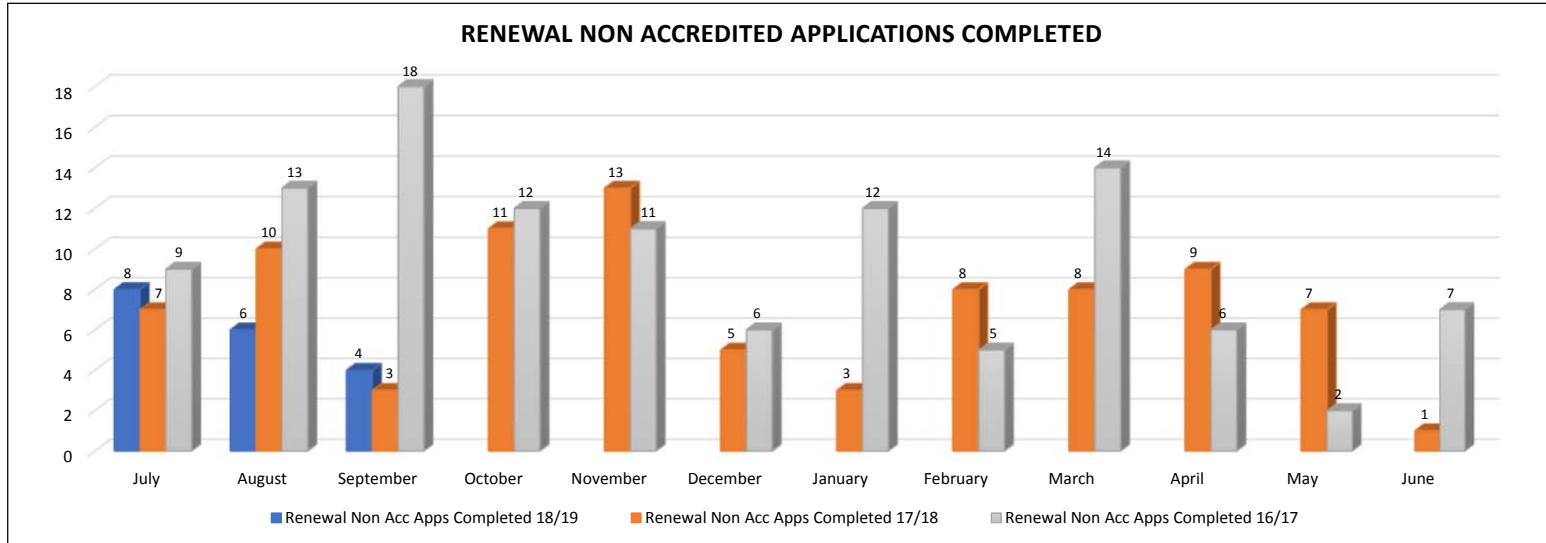
### NEW NON ACCREDITED APPLICATIONS PENDING REVIEW



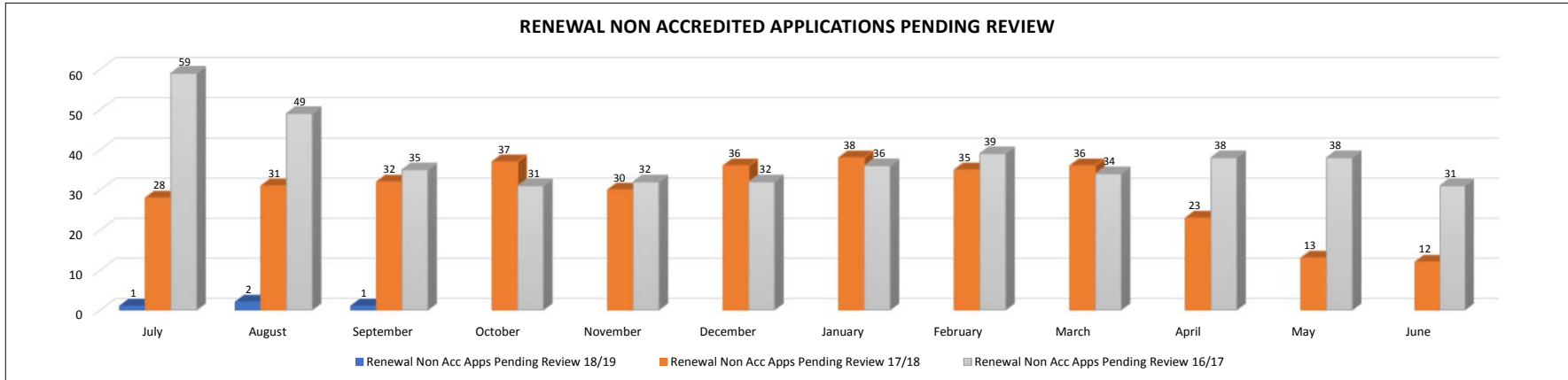
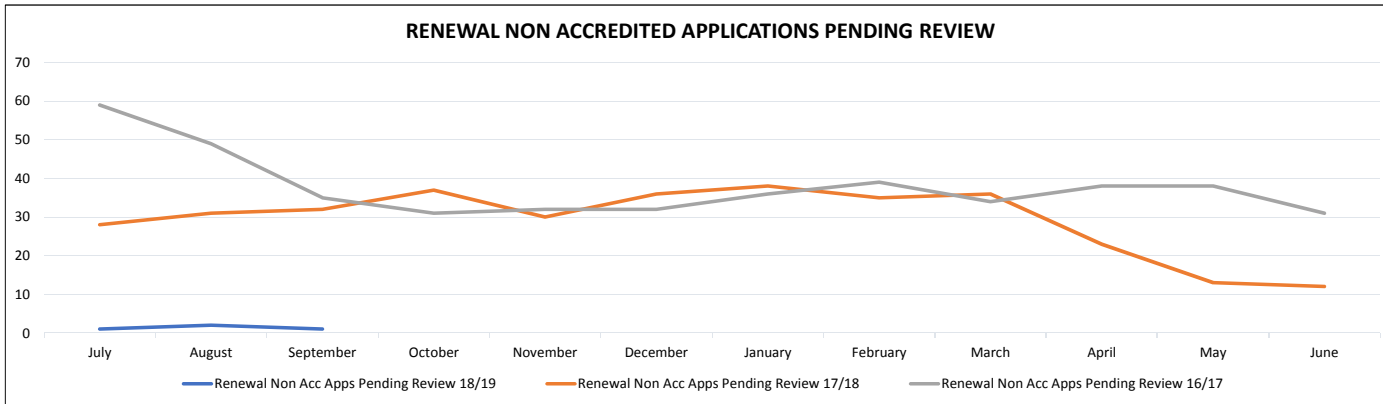
Month	New Non Acc Apps Pending Review 18/19	New Non Acc Apps Pending Review 17/18	New Non Acc Apps Pending Review 16/17
July	19	74	36
August	11	77	42
September	6	67	50
October		60	57
November		56	57
December		54	57
January		47	60
February		35	65
March		26	66
April		16	68
May		19	69
June		21	72







Month	Renewal Non Acc Apps Completed 18/19	Renewal Non Acc Apps Completed 17/18	Renewal Non Acc Apps Completed 16/17
July	8	7	9
August	6	10	13
September	4	3	18
October		11	12
November		13	11
December		5	6
January		3	12
February		8	5
March		8	14
April		9	6
May		7	2
June		1	7



Month	Renewal Non Acc Apps Pending Review 18/19	Renewal Non Acc Apps Pending Review 17/18	Renewal Non Acc Apps Pending Review 16/17
July	1	28	59
August	2	31	49
September	1	32	35
October		37	31
November		30	32
December		36	32
January		38	36
February		35	39
March		36	34
April		23	38
May		13	38
June		12	31

<b><u>Total Number of Schools by Location Type &amp; Approval Type</u></b>				
<b>Location Type</b>	<b>Mains</b>	<b>Branches</b>	<b>Satellites</b>	<b>Total Locations</b>
	<b>1,073</b>	<b>397</b>	<b>505</b>	<b>1,975</b>
<b>Approval Type</b>	<b>ABMA (Accredited)</b>	<b>Full (Non-Accredited)</b>	<b>Conditional</b>	<b>Provisional</b>
	<b>440</b>	<b>598</b>	<b>21</b>	<b>14</b>
* As of October 30, 2018 <i>(The numbers can change on a daily basis)</i>				

## Quality of Education Unit

### *Report on Status of Institutions Impacted by SB 1247 (Chaptered in 2014)*

Requires all degree-granting institutions in CA to be accredited

#### **CEC 94885.1 Institutions**

- Applies to Institutions approved to operate on or before January 1, 2015 and offering degree programs
- Requires institutions achieve pre-accreditation or candidacy status by July 1, 2017 and full accreditation by July 1, 2020
- 141 institutions initially identified and contacted
- 108 Institutions submitted an accreditation plan to the Bureau on or before July 1, 2015
- Of the 141 institutions:
  - 34 closed, let their approvals expire, or surrendered their approvals
  - 3 are currently on extensions to meet candidacy status
  - 16 were verified as exempt institutions
  - 15 surrendered their degree programs prior to July 1, 2017
  - 4 have their degree programs currently suspended
  - 19 achieved accreditation
  - 50 currently in accreditation candidacy status

#### **CEC 94885.5 Institutions**

- Applies to institutions seeking approval after January 1, 2015
- 36 Institutions have received provisional approval to operate degree programs since January 2015
- Must achieve pre-accreditation or candidacy status within two years
- Must achieve full accreditation within five years
- SB 1192, Chaptered in 2016, allows up to a two-year extension to achieve candidacy or accreditation, provided the school can demonstrate it is making “strong progress”
- One institution recently had its degree programs suspended and has appealed the suspension

As of Oct 24, 2018

## Student Tuition Recovery Fund Claims

### Student Tuition Recovery Fund (STRF) Claims Received 2018/19 State Fiscal Year

93

#### Claims Closed 2018/19 State Fiscal Year

Claims Paid	32	Amount	<b>\$325,148</b>
Claims Ineligible <sup>1</sup>	0		
Claims Denied <sup>1</sup>	3		
Closed - Unable to Contact <sup>2</sup>	0		
<b>Total</b>	<b>35</b>		

#### Current Claims

Active / Waiting for Student Response	238
Analyst's First Review Complete / Recommendation Pending	213
Payment Requested From State Controller's Office	19
<b>Total</b>	<b>470</b>

#### Claims in Queue

0

#### Definitions

Ineligible / Denied <sup>1</sup>                      Student Not Eligible For Payment and/or Claim Did Not Satisfy The Requirements of California Education Code §94923(b)(2)

Unable to Contact <sup>2</sup>                      OSAR Staff Reached Out to Student via Phone, Email & Written Correspondence At Least Three Times

**Current Fund Balance:**                      \$26,118,000

#### **Historical Fund Balances (State Fiscal Year Closing):**

2017-18	\$26,295,000
2016-17	\$28,497,000
2015-16	\$29,626,000

Data as of 10/16/2018

## Student Tuition Recovery Fund Claims

### Large Impact Closures

2018/19 State Fiscal Year

	STRF Claims Received	STRF Claims in Progress	Ineligible	Denied	Number of STRF Claims Paid	STRF Claims Paid
<b>All Claims</b>	<b>93</b>	<b>93</b>	<b>0</b>	<b>3</b>	<b>32</b>	<b>\$325,148</b>
<b>ITT Tech</b>	0	0	0	0	1	\$1,112
<b>Heald<sup>1</sup></b>	5	5	0	0	4	\$25,663
<b>WyoTech<sup>1</sup></b>	1	1	0	0	0	\$0
<b>Everest<sup>1</sup></b>	4	4	0	0	0	\$0

### From School Closure to Current (Total Impact)

	STRF Claims Received	STRF Claims in Progress	Ineligible	Denied	Number of STRF Claims Paid	STRF Claims Paid
<b>ITT Tech</b>	282	28	25	112	43	\$198,742
<b>Heald<sup>1</sup></b>	166	80	48	5	18	\$180,328
<b>WyoTech<sup>1</sup></b>	120	7	16	23	50	\$278,243
<b>Everest<sup>1</sup></b>	263	16	53	40	84	\$255,695

<sup>1</sup> Heald College, WyoTech, and Everest College were operated by Corinthian Colleges, Inc.

Data as of 10/16/2018

**STATUS UPDATES RELATED TO THE FOLLOWING REGULATIONS:**

- a. Registration for Out-of-State Private Postsecondary Educational Institutions (CEC Sections 94850.5 and 94801.5)**
- b. English as a Second Language Programs (Title 5, California Code of Regulations (CCR), Section 70000 (k))**
- c. Application for Verification of Exempt Status (CEC Sections 94874, 94874.2, 94874.7, 94874.5, and 94927.5); CCR Section 71395)**
- d. Compliance with Laws and Procedures (CCR, Section 71755)**

**ATTACHMENT:**

- A. Regulation Summary

## Regulation Summary

Sec #	Short Title	Action	Description	Pre-Approve	Legal Review	Dept.	Agency	OAL	Notice	Hearing	OAL Final	File SoS
76000 76020 76120 76130 76200 76210 76212 76215	STRF	Amend	Student Tuition Recovery Fund Regulations were amended to reflect significant statutory changes from SB1247(2014) and SB1192(2016)	5/18/15	7/14/15	1/22/16	3/28/16	5/17/16	5/27/16	7/14/16	6/30/17	8/10/17
71396 71397 71398 71398	OOS	Adopt	Out-of-State Institution Registration required by SB1192(2016). Makes emergency regulations permanent (sec. 71396) and added needed regulations for processing re-registration, etc.	4/21/17	9/6/17	9/25/17	2/7/18	2/27/18	3/9/18	4/25/18	5/21/18	7/3/18
70000	IELP	Amend	Intensive English Language Programs amends the definition under 70000(k) allowing institutions who meet the new criteria to be exempt.	8/14/17	1/24/18	3/8/18						
71395	Exempt	Amend	Verification of Exempt Status amends the form to reflect numerous statutory changes.	10/19/17	→	5/14/18						



**Agenda Item 7**

**DISCUSSION AND CONSIDERATION OF DRAFT REGULATORY LANGUAGE FOR  
REQUIRED NOTICES AND TEACH-OUT PLAN (PROPOSED AMENDMENTS TO  
CCR SECTION 76240)**

ATTACHMENT:

Draft Regulatory Language for Required Notices and Teach-Out Plan (Proposed Amendments to  
CCR Section 76240)

**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 an institution or location of an institution, or prior to the effective date of a suspension imposed by the Bureau pursuant to Section 94885.5 of the Code:

(a) At least 30 days prior to closing, ~~the~~ **an owner** of an institution shall notify the Bureau in writing of ~~its~~ the intention to close either the institution or any location of an institution and provide a closure plan. For suspended institutions, the owner shall provide a closure plan for its educational programs to the Bureau in writing at least 30 days prior to the effective date of the Bureau's suspension. The closure plan shall include:

- (1) For institutions that intend to cease operations, ~~T~~the exact date and reason for the closure.
- (2) The name, title, address, telephone number and email address for an individual designated by the institution as the contact person for school closure information requests by the Bureau.
- (~~2~~3) The last date of instruction for each educational service or program.
- (~~3~~4) (i) A list of students who were enrolled at any time during the ~~60~~120 days prior to closure. This list shall include each student's name, mailing address, email address, telephone number, educational program, enrollment status, program start date, scheduled completion date, and refund amount, if any, provided to the student. For the purposes of this section, "enrollment status" shall mean whether the student is currently enrolled, graduated, withdrawn, or on a leave of absence.
- (ii) For institutions subject to suspension, the institution shall provide a list of all currently enrolled students for all programs that includes each student's name, mailing address, email address, telephone number, educational program, program start date, scheduled completion date, and refund amount, if any, provided to the student.
- (iii) The lists required by this section shall be provided in either a legible hard copy or electronic format.

(~~4~~5) 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 suspension, or for institutions that participate in federal student financial aid programs arrangements for making refunds and returning federal student financial aid program funds.

(56) A plan for the disposition of student records. The plan shall describe how the institution will arrange for the maintenance of student records in accordance with Section 94900 of the Code and Sections 71920 and 71930, including the retention of student transcripts. The plan shall also include the name, address, telephone number facsimile number, and email address for the custodian of records or other person responsible for maintaining student records for the institution.

(6) A plan to notify students of their rights and options under the Act and this chapter along with a copy or draft of any document the institution proposes to use to notify students of the institution's pending suspension or closure and their rights and options under the Act.

(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.

Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94874.5, 94885.5, 94909, 94911, 94926, 94927 and 94927.5, Education Code.

**Agenda Item 8**

**DISCUSSION AND CONSIDERATION OF DRAFT REGULATORY LANGUAGE REGARDING STUDENT RECORDS AND THE MAINTENANCE OF RECORDS (PROPOSED AMENDMENTS TO CCR SECTIONS 71920 AND 71930 AND ADOPTION OF CCR SECTIONS 71940 AND 71950)**

ATTACHMENT:

Draft Regulatory Language Regarding Student Records and the Maintenance of Records (Proposed Amendments to CCR Sections 71920 And 71930 and Adoption of CCR Sections 71940 and 71950)

**Proposed Text**

**71920. Student Records Other Than Transcripts.**

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

(b) In addition to the requirements of section 94900 of the Code, the records 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 a passing score on~~ 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 academic 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, and School Performance Fact Sheets;

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

(5) Attendance records for educational programs measured in clock hours, where students are required to document hours of training for licensure or certification purposes.

~~(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 the student as part of a graduate program ~~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 academic progress; ~~and~~

(12) All written complaints received from the student by any delivery method. ~~Complaints received from the student;~~ and

(13) All documents regarding any discipline, warnings, or any other advisory notices related to the student's conduct.

Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94885, 94900 and 94927.5, Education Code.

### **71930. Maintenance of Records.**

(a) An institution shall maintain all records required by the Act and this ~~chapter~~ division. The records shall be maintained in this state at the institution's principal place of business. Records maintained electronically or digitally on a computer system that are immediately available for printing and transmission in this state at the institution's principal place of business, such as email or transfer to a portable storage device, are considered to be maintained in this state.

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

(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: The records, whether stored electronic or hardcopy, shall comply with all of the following minimum requirements:~~

(1) There is no loss of information.

(2) The records are legible.

(3) The records are accessible as follows:

(A) For students currently enrolled, on a leave of absence, or who have completed, withdrawn, or whose enrollment was terminated in the past five (5) years, records shall be immediately available, including the ability to produce exact copies or printouts upon the Bureau's request.

(B) Personnel trained and able to access and provide requested copies of files shall be available during the institution's normal business hours to provide copies, printouts, or electronic files of records upon the Bureau's request.

(4) All records kept electronically or digitally shall have adequate back-up that includes an update of the back-up, at least weekly, and that the back-up is stored in a separate location from the originals, whether in the Cloud, on a hard-drive, or another server or computer, to protect against loss.

(5) All records which are kept solely as hardcopy, shall be stored and maintained in a manner that reasonably and adequately protects the records from damage or loss.

(6) All records shall be adequately and reasonably secured to protect the information and student privacy, and shall be maintained in a manner that complies with all applicable state and federal laws relating to privacy.

~~(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~~

(d) Any electronic record or data provided to the Bureau shall be in PDF format unless another format is either specified or agreed to by the Bureau. Additionally, all student transcripts must either be kept in PDF format or in a system that can immediately export the data into a PDF format.

~~(e)(4)~~ Any person authorized by the Act or this division chapter to inspect and copy records shall be given immediate access and necessary assistance 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)(f)~~ All records that the institution is required to maintain by the Act or this ~~chapter~~ division shall be made immediately available upon request by any Bureau personnel by the institution for inspection and copying during the institution's normal business hours by the Bureau and any entity authorized to conduct investigations. Requests for documents made by the Bureau by email, letter, or any manner where the Bureau personnel are not physically at the institution, shall be provided to the Bureau within two (2) business days of the request or a longer period of time if specified in the Bureau's request.

~~(f)(g)~~ 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 this state California of all records required to be maintained by the Act and this ~~chapter~~ division 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 ~~(e)(4)~~ (e) of this section, during normal business hours by any entity authorized by law to inspect and copy records. The location and contact information for the repository of the records must be provided to the Bureau and kept current by notifying the Bureau of any changes.

(h) If an institution contracts with a third party for the servicing, storage, maintenance, or any other service involving student records, the institution remains fully responsible for all records and that they are kept, maintained, stored, and accessible as required by law.



Note: Authority cited: Sections 94803 and 94877, Education Code. Reference: Sections 94885, 94900 and 94900.5, Education Code.

### **71940. Transcripts**

(a) In addition to the requirements of section 94900(b) of the Code, an institution shall maintain a transcript showing all of the following:

(1) The courses or other educational programs that were completed, or were attempted but not completed, and the dates of completion, withdrawal, or termination;

(2) Credit awarded for prior experiential learning, including the course title for which credit was awarded and the amount of credit;

(3) Credit awarded for courses completed at other institutions;

(4) Credit based on any examination of academic ability or educational achievement used for admission or academic placement purposes;

(5) The name and address of the institution's campus attended by the student.

(b) In addition to permanently retaining a transcript as required by section 94900(b) of the Code, transcripts for students who withdrew, were terminated, or otherwise were not granted a degree or certificate shall be retained permanently.

(c) An institution shall maintain and keep current a transcript for all current students that meets the requirements of this section.

Note: Authority cited: Sections 94877, 94885 and 94827.5, Education Code. Reference: 94885, 94900 and 94927.5, Education Code.

### **71950. Records Prior to Closing.**

(a) Prior to closing, an institution shall provide the Bureau with copies of the following pertinent student records, for all students enrolled within 120-days of the closure of the institution:

(1) Transcripts;

(2) Enrollment agreements;

(3) Student financial ledgers.

Note: Authority cited: Sections 94877 and 94927.5, Education Code. Reference: Sections 94885, 94900, 94900.5 and 94927.5, Education Code.

**Agenda Item 9**

**ANALYSIS OF INCOME SHARING AGREEMENTS' COMPLIANCE WITH THE  
BUREAU'S CURRENT LAWS AND REGULATIONS (STATUS UPDATE ONLY)**

**Agenda Item 10**

**DISCUSSION RELATED TO THE BUREAU BECOMING THE LEAD AGENCY TO  
ADDRESS INDUSTRY PROBLEMS, INCLUDING STAFFING AND LOCATION OF  
BUREAU OFFICES**

**FUTURE AGENDA ITEMS**

**DISCUSS POTENTIAL MEETING DATES FOR 2019**

**ADJOURNMENT**