

DEPARTMENT OF CONSUMER AFFAIRS  
TITLE 5. Education  
DIVISION 7.5. Private Postsecondary Education  
CHAPTER 2. Applications  
Article 6. Renewals  
Sections 71475 and 71480  
BUREAU FOR PRIVATE POSTSECONDARY EDUCATION

NOTICE OF PROPOSED REGULATORY ACTION CONCERNING:  
**Expired Approvals**

**NOTICE IS HEREBY GIVEN** that the Bureau for Private Postsecondary Education (hereinafter “Bureau”), Department of Consumer Affairs, is proposing to take the action described in the Informative Digest after considering all relevant comments, objections, and recommendations regarding the proposed action.

**PUBLIC HEARING**

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

**WRITTEN COMMENT PERIOD**

Written comments relevant to the action proposed, including those sent by mail, facsimile, or e-mail to the addresses listed under Contact Person in this Notice, must be **received by the Bureau at its office no later than April 1, 2025**, or must be received by the Bureau at the hearing should one be held.

**AUTHORITY AND REFERENCE**

Authority cited: Sections 94803, 94890, and 94891 of the Education Code.  
References cited: Sections 94802, 94889, 94890, and 94930.5 of the Education Code.

**INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW**

The Bureau for Private Postsecondary Education (Bureau) protects students and consumers through the regulatory oversight of California’s private postsecondary educational institutions (“institutions”) pursuant to the California Private Postsecondary Education Act of 2009 (“Act” – Ed. Code, §§ 94800–94950), including conducting qualitative reviews of educational programs and operating standards.

Existing law at CCR sections 71475 and 71480 outlines the renewal process for non-accredited and accredited institutions to follow when their Approval to Operate is about

to expire<sup>1</sup>. The current regulatory language states that an institution may renew an Approval to Operate within 6 months after expiration by filing a renewal application with the Bureau and paying a fee, and after an approval to operate has expired for more than 6 months, the approval is automatically cancelled. However, the regulations *do not* explicitly provide for approval to continue to operate after the date of expiration of an Approval to Operate.

Existing regulatory language is confusing for institutions and gives them the mistaken impression that it is acceptable to continue to operate and file a renewal for up to 6 months after the expiration of their Approval to Operate, which is not the intent of the regulation. In fact, approximately one-third of renewal applications in 2022 were received after the institution's approval had expired. Thirteen applications were received more than 30 days after the date of expired approval. All institutions approved by the Bureau must hold an active approval to operate. However, institutions may be confused by the existing regulations because of the 6-month window in which a renewal application may be filed with the Bureau.

To address the problems stated above, the Bureau has drafted the following proposed regulatory changes:

Amending Section 71475 of the CCR to:

- Delete existing text in subdivisions (hh) and (ii) and re-letter subsequent sections accordingly.
- Re-letter existing subdivision (jj) as the new (hh) and replace existing text with proposed regulatory text specifying the consequences a non-accredited institution shall incur if it does not apply within the designated time period.
- Remove the statutory reference to Section 94931 from the references in CCR 71475.

Amending Section 71480 of the CCR to:

- Delete existing text in subdivisions (f) and (g) and re-letter subsequent sections accordingly.
- Re-letter existing subdivision (h) as the new (f) and replace existing text with proposed regulatory text specifying the consequences an accredited institution shall incur if it does not apply within the designated time period.
- Remove the statutory reference to Section 94931 from the references in CCR 71480.

The proposed regulations are intended to improve the Bureau's approval process by clarifying existing language regarding expired approvals. Due to this updated language, the Bureau believes that institutions are more likely to submit a complete renewal application, by the required deadline of no later than 30 calendar days after the date an approval expires. Of the institutions in 2022 that applied for renewal more

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<sup>1</sup> Unless otherwise noted, all references to the CCR hereafter are to Title 5.

than 30 days after expiration, but prior to 6 months after expiration, the Bureau believes that the proposed regulations will accomplish the goal of having the vast majority, if not all, institutions submit their renewal applications by the specified deadline.

### **Anticipated Benefits of Proposal**

This regulatory proposal benefits the welfare of California consumers because it clarifies the procedures of institution approval renewal, helping ensure that institutions are aware whether they have properly renewed their approval to operate. Some institutions have not submitted their renewal application until well after their Approval to Operate has expired, possibly under the mistaken impression that the six-month window after expiration in which the renewal can be submitted is to be taken as a de facto extension of their Approval to Operate.

This regulation will allow the Bureau to enforce provisions of the Act and further the Bureau's mission of consumer protection for students seeking educational services from postsecondary institutions by helping to ensure that the institutions they are attending are approved institutions and comply with all legal requirements for operating an approved institution in California. Institutions will not have to pay late fees for applications received more than 30-days beyond the date of expired approvals, because then they will simply need to seek a new approval to operate as an applicant. Institutions benefit from having clearer regulatory language for Bureau standards surrounding requirements for renewals for approvals to operate.

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

### **Consistency and Compatibility with Existing State Regulations**

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

### **INCORPORATION BY REFERENCE:**

The proposed regulation does not incorporate any forms by reference.

### **DISCLOSURES REGARDING THIS PROPOSED ACTION**

Mandate Imposed on Local Agencies or School Districts: None

## **FISCAL IMPACT ESTIMATES**

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

According to Bureau data, an average of 13 institutions submit renewal applications beyond 30 days each year and are required to pay approximately \$7,350 in late penalty fees.

The proposed regulations do not allow for late fees for a renewal application. As a result, the Bureau projects lost penalty fee revenues of \$7,350 per year.

The Bureau notes, it does not anticipate any additional workload or costs related to the proposed regulations.

The regulations do not result in costs or savings in federal funding to the state.

**Nondiscretionary Costs/Savings to Local Agencies:** None.

**Cost to Any Local Agency or School District for Which section 17561 -17630 Require Reimbursement:** None.

**Significant Effect on Housing Costs:** None.

## **BUSINESS IMPACT ESTIMATES**

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

This initial determination is based on the fact that the proposed regulation would not require institutions to make any substantive alternation to the method by which they apply for a renewal of their Approval to Operate.

According to Bureau data, an average of 13 institutions submit renewal applications beyond 30 days each year and are required to pay approximately \$7,350 in late penalty fees.

The proposed regulations do not allow for late fees for a renewal application. As a result, schools will no longer pay late penalty fees.

### **Cost Impact on Representative Private Person or Business**

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

According to Bureau data, an average of 13 institutions submit renewal applications beyond 30 days each year and are required to pay approximately \$7,350 in late penalty fees.

The proposed regulations do not allow for late fees for a renewal application. As a result, schools will no longer pay late penalty fees.

## **RESULTS OF ECONOMIC IMPACT ASSESSMENT/ANALYSIS**

### **Impact on Jobs/New Business:**

The Bureau has determined that this regulatory proposal will not have any impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California.

### **Benefits of Regulation:**

This regulatory proposal benefits the welfare of California consumers by clarifying the procedures of institution approval renewal, helping ensure that institutions are aware whether they have properly renewed their approval to operate. Some institutions have not submitted their renewal application until well after their Approval to Operate has expired.

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

### **Business Reporting Requirements:**

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

### **Effect on Small Business**

The Bureau has determined that the proposed regulations may affect small businesses, as some schools the Bureau approves may qualify as a small business and may be impacted.

## **CONSIDERATION OF ALTERNATIVES**

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

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

### **AVAILABILITY OF STATEMENT OF REASONS AND RULEMAKING FILE**

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

### **TEXT OF PROPOSAL**

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

### **AVAILABILITY OF CHANGED OR MODIFIED TEXT**

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

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

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

You can obtain a copy of the Final Statement of Reasons once it has been prepared, by making a written request to the contact person named below or by accessing the website listed below.

## CONTACT PERSONS

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

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

The backup contact person is:

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

## AVAILABILITY OF DOCUMENTS ON THE INTERNET

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