

# BUREAU FOR PRIVATE POSTSECONDARY EDUCATION

---

Chief: Deborah Cochrane ♦ (916) 574-8900, Toll-Free: (888) 370-7589 ♦ [www.bppe.ca.gov](http://www.bppe.ca.gov)

*In exercising its powers, and performing its duties, the protection of the public shall be the bureau's highest priority. If protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.*

— Education Code § 94875

The Bureau for Private Postsecondary Education (BPPE) is responsible for oversight of private postsecondary educational institutions. All non-exempt private postsecondary educational institutions operating in California, regardless of the school's actual physical location, must be approved by BPPE to operate in the state. The Bureau regulates over 1,000 institutions. BPPE's enabling act, the California Private Postsecondary Education Act of 2009, is codified at Education Code section 94800 et seq. The powers and duties specified in the Act are vested in the Director of the Department of Consumer Affairs (DCA), who in turn delegates that responsibility to BPPE as a departmental bureau. BPPE's regulations are in Division 7.5, Title 5 of the California Code of Regulations (CCR).

Operating within, and as a part of, the larger DCA, the law establishes BPPE's purpose as (a) protecting students and consumers against fraud, misrepresentation, or other business malpractices at postsecondary institutions that may lead to loss of student tuition and related educational funds; (b) establishing and enforcing minimum standards for ethical business practices and the health, safety, and fiscal integrity of postsecondary institutions; and (c) establishing and enforcing minimum standards for instructional quality and institutional stability for all students.

As of 2015, private for-profit schools received an average of 86% of their revenue from federal grants and loans by the U.S. Department of Education (USDOE). In addition to the federal grants and

loans, private for-profits received increased federal GI bill funding from the U.S. Department of Veterans Affairs. Title 38 of the United States Code provides veterans with public funding for tuition payments as well as some living expenses. The combined federal funding sources going to for-profit institutions amount to around \$20 billion a year in taxpayer funds.

Further complicating California’s regulation of the private for-profit industry are the remaining states’ substantial delegation of their regulatory function under the “State Authorization Reciprocity Agreements” (SARA). This system essentially allows a school to choose its state regulator and then arrange reciprocal approval by other states—thus bypassing performance requirements and other regulations at the state level. To date, California is the only state declining to join SARA. Its entry would substantially impact BPPE’s regulatory powers, particularly given the growth of distance learning—where California students may be enrolled in schools with a *situs* in another state. Effective July 1, 2017, certain out-of-state private schools that enroll California residents as students must register with BPPE, pay a \$1,500 registration fee, and submit required [documentation](#).

The Bureau has the authority to cite, revoke, suspend, place on probation, or bring an action for equitable relief against any approved institution if it violates applicable law. Its jurisdiction includes all private educational institutions, including private non-profits. However, most of its regulatory focus has been on the for-profit sector.

BPPE maintains and administers the [Student Tuition Recovery Fund \(STRF\)](#) to mitigate economic losses a student suffers when institutions close, fail to pay or reimburse federal loan proceeds or fail to pay judgments against them. The STRF is funded through student fees. On April 1, 2024, the STRF assessment rate changed to \$0.00 per \$1,000 of institutional charges. Prior to April, statutes required institutions to charge \$2.50 per \$1,000 of institutional charges to be paid into the STRF. As of December 31, 2023, the current balance of the STRF is \$28,817,283.62 (see Rulemaking, *infra*).

BPPE also maintains the [Office of Student Assistance and Relief](#) (OSAR), which conducts outreach and provides current and past students of private colleges information about their rights, how to file a school complaint, and resources available to them—including potential reimbursement from the STRF. OSAR helps students navigate their financial future following a school closure or unlawful activities of their private college and provides free one-on-one consultations to help students at for-profit schools maximize their economic relief benefits. The chief of OSAR is statutorily required to attend, testify, and answer questions at each Advisory Committee meeting.

BPPE maintains an Enforcement Section to handle complaints, investigations, and other actions to implement its standards. The Bureau also reviews private postsecondary institution applications for initial approval and subsequent renewals to operate within California.

As a bureau within DCA, BPPE is not governed by a multi-member board. BPPE operates under the oversight of a Bureau Chief appointed by the Governor and under the direct authority of the DCA Director. The Bureau Chief is Deborah Cochrane. In addition to the Bureau Chief, BPPE has a statutorily mandated Advisory Committee tasked with advising BPPE on matters related to private postsecondary education and the administration of the Bureau’s governing statutes, including an annual review of the fee schedule, licensing, and enforcement.

The 12 members of the Advisory Committee must include three consumer advocates, one each appointed by the DCA Director, the Senate Rules Committee, and the Assembly Speaker; two current or past students of private postsecondary institutions appointed by the DCA Director; three representatives of private postsecondary institutions, appointed by the DCA Director; two public members, one each appointed by the Senate Rules Committee and the Assembly Speaker; and two non-voting *ex officio* members (the chairs of the Senate and Assembly policy committees with jurisdiction over legislation relating to BPPE).

There are two vacancies on the Advisory Committee at this writing: a past student of an institution and an institutional representative; both are to be appointed by the DCA Director.

## RULEMAKING

The following is a status update on recent rulemaking proceedings that BPPE has initiated:

- **Notice for Date of Closure:** On February 13, 2024, BPPE published [notice](#) to amend section 76240 and add section 76245 to Division 7.5 of Title 5 of the CCR. According to the [Initial Statement of Reasons](#), current law requires an institution to notify the Bureau of its date of closure and last day of instruction. However, the statutes do not provide guidance to BPPE if an institution fails to comply, leaving the Bureau no way to sanction the institution's owner or operator for failing to comply because the institution is no longer within BPPE's jurisdiction. Establishing a date of closure for an institution is crucial for an affected student to be eligible for compensation from the STRF.

To address these problems, the legislature passed [SB 1433 \(Roth\) \(Chapter 544, Statutes of 2022\)](#). In accordance with this, BPPE drafted proposed regulatory language to amend section 76240, which requires additional information and submission requirements for the notice of closure. In addition, the Bureau proposes to add section 76245, which will require the Bureau to send notice to institutions that it believes have closed without notifying the Bureau. The notice will request a response from the institution's authorized representative within 30 calendar days of the notice to either confirm it has not closed and is still operating or confirm that the institution has closed and provide a closure date. If the Bureau does not receive a response, the Bureau will select the date 31 calendar days after the notice was sent as the institution's closing date, and the institution will no longer hold approval to operate after that date.

Written comments relevant to this rulemaking action can be submitted to the Bureau by June 4, 2024, at 5:00 p.m. At this writing, no hearing has been scheduled.

- **Notice for Signature Requirements:** On April 3, 2024, BPPE published [notice](#) to amend sections 70000, 71100, 71380, 71390, 71395, 71396, 71475, 71480, 71500, 71550, 71630, 71640, 71650, 71652,

and 71653, of Articles 1, 2, 6, and 7, of Chapter 2, of Division 7.5, of Title 5 of the CCR to streamline the signature requirements on applications. According to the [Initial Statement of Reasons](#), the changes will benefit California consumers and students by ensuring that owners of private post-secondary institutions, especially non-profit corporations, still comply with less burdensome application requirements. The [proposed regulatory language](#) will also reduce the workload for Bureau staff when processing the applications.

Written comments on these changes can be submitted to the Bureau by May 29, 2024, at 5:00 p.m. At this writing, no hearing has been scheduled.

- **Significant Change in Method of Instructional Delivery and Change in Distance Education Learning Management System:** On December 5, 2023, BPPE published [notice](#) to amend section 71600, Title 5, Division 7.5 of the CCR. According to the [Initial Statement of Reasons](#), in 2021, section 94894 of the Education Act was amended by [SB 802 \(Roth\) \(Chapter 552, Statutes of 2021\)](#) to add four new categories to the list of substantive changes by an institution that require Bureau pre-approval before the changes were made. Regulations are needed to implement these statutory provisions. The [proposed regulatory language](#) will enable the legislative language added to section 94894(l) to be implemented by clearly informing institutions how to contact the Bureau to either request pre-approval, or notify the Bureau of a change, for a substantive change based on a change to an institution's distance education learning management system in compliance with the statute. The public comment period closed on January 30, 2024. The Bureau received one comment and no requests for a public hearing.

On January 31, 2024, BPPE issued its [Final Statement of Reasons](#) on the proposed amendments to section 71600, Title 5, Division 7.5 of the CCR, and submitted the rulemaking package to the Office of Administrative Law (OAL) for approval. OAL [approved](#) the amendments on April 3, 2024, and the regulation will be effective July 1, 2024.

- **STRF Fee Reduction:** On December 28, 2023, BPPE published [notice](#) that it would be amending the STRF assessment rate found in section 76120, Title 5 of the CCR, effective April 1, 2024. This regulation is exempt from traditional rulemaking procedures pursuant to subdivision (g) of Government Code

section 11340.9. Pursuant to Education Code section 94925(a), the amount in the STRF shall not exceed twenty-five million dollars at any time. Due to the current balance of the fund, the assessment rate will be [reduced](#) from \$2.50 per \$1,000 of institutional charges, to \$0.00 per \$1,000 of institutional charges, which will go into effect on April 1, 2024. OAL [approved](#) the change on February 8, 2024.

# ADJUDICATION

## Assessments of Fines and/or Orders of Abatement

BPPE filed major citations with the following institutions requiring the payment of fines \$1,000 or over.

- Absolute International Security (02/15/2024)
- America Business & Technology University Corp. (03/28/2024)
- American EMT Academy (04/08/2024)
- American English Institute (03/14/2024)
- American Institute of Education (02/27/2024)
- App Academy (02/01/2024)
- Aviators Inc., dba Aviators Flight Academy (04/03/2024)
- Bay Area Medical Academy (02/05/2024)
- Bay Area Video Coalition (02/15/2024)
- Beverly Hills Design Institute (02/15/2024)
- Black Fox Timber Management Group Inc. (02/15/2024)
- CA Trade Academy (04/04/2024)
- Cali Cosmo DJH, Inc. (03/07/2024)
- California Arts Academy (02/05/2024)
- Chula Vista Christian University (04/03/2024)
- Cinta Aveda Institute (02/05/2024 & 04/11/2024))
- College of the West (02/05/2024)
- D'Lacreme School of Cosmetology and Barbering (03/28/2024)
- Dave's School of Truck Driving (01/18/2024)
- Emerald Healthcare Careers Institute (11/28/2024)
- EPIC Bible College and Graduate School (11/30/2024)
- Ezzy Training College (12/04/2024)
- Healthcare Academy of California (02/27/2024)
- Hi-Desert Truck Driving School (02/15/2024)
- Hinton Barber and Beauty College (04/08/2024)
- Hollywood Career College (01/29/2024)
- Hussian College (03/28/2024)
- Institute of Healthcare, Inc. (02/25/2024)
- IPSB School of Integrative Phycho-Structural Bodywork, formerly known as, IPSB at

- Life Energy Institute (04/3/2024)
- Ivy League Barber Academy (02/15/2024)
- KZ Academy (12/26/2023)
- L.A. Vocational Institute (02/22/2024)
- Lancaster Beauty School (02/1/2024)
- Language Studies International (11/22/2023)
- Le Lux Beauty and Academy (01/18/2024)
- M-5 Training School of Protective Services (1/25/2024) & (2/22/2024)
- Marston Polygraph Academy (12/21/2023) & (3/27/2024)
- Massage Therapy institute (12/4/2023)
- Masters Trucking Academy (2/22/2024)
- Media Career Academy of Los Angeles (11/30/2023)
- Millennia Education Institute (4/11/2024)
- Mission Career College (3/5/2024)
- Mission Language and Vocational School (2/22/2024)
- Moviso Academy (3/5/2024)
- New School of Architecture and Design (2/22/2024)
- Northern California School of Sleep Medicine (2/22/2024)
- Nursing Practice and Education Consultants DBA Curam College of Nursing (11/30/2023)
- Oklahoma City University (3/14/2024)
- Orange County EMT (3/14/2024)
- Oxford Institute of Technology (2/29/2024)
- P. Steve Ramirez Vocational Training Centers (3/14/2024)
- Pathways College, LLC., Nursing and Health Care Careers (2/22/2024)
- Professional Medical Careers Institute (3/7/2024)
- QuickStart Learning, LLC (11/16/2023)
- Real Silk Salon Academy DBA Real Silk Beauty Academy (2/29/2024)
- Sacramento Ultrasound Institute (3/14/2024)
- Salinas Beauty College Inc. (4/11/2024)
- San Francisco Film School (3/18/2024)
- Savvy Beauty Academy (2/8/2024)
- Scalp Micro Nation (3/21/2024)
- Silicon Valley Apprenticeship Barbering/Cosmetology (1/11/2024)
- SoCal EMT/Fire Training (1/18/2024)
- Southeastern University: Nor Cal Campus (3/18/2024)
- Stellar Career College (12/7/2023)
- Technical Employment Training Inc. (3/19/2024)
- The Ding King Training Institute, Inc. (12/19/2023)
- The Learning Source (1/18/2024) & (2/1/2024)
- The New PMU (1/25/2024)
- The Wharton School of The University of Pennsylvania (11/22/2023)
- The Young American's College of The Performing Arts (4/11/2024)
- Toni & Guy Hairdressing Academy (12/21/2023)
- Transportation Guidance & Assistance Truck Driving School (2/1/2024)

- Underwood University (4/11/2024)
- Union Institute & University (3/18/2024)
- Union University of California (3/28/2024)
- University of Pasadena (4/3/2024)
- University of Riverside (4/11/2024)
- Urban Barber College-Modesto (2/8/2024) & (3/5/2024)
- Veritas International University (3/28/2024)
- Veterans & Youth Career Collaborative (2/26/2024)
- VIP Nursing School, INC (4/4/2024)
- Vollmer University (4/3/2024)
- Vollmer Institute (4/3/2024)
- Zoom Graphics (4/3/2024)

## Accusations of Violations

BPPE filed accusations requesting revocation or suspension of previous approvals to operate against the following institutions:

- 1st Academy of Beauty: [Accusation](#) (01/26/2024)
- American Beauty Institute LLC, DbA American Beauty Institute: [Decision and Order](#) (01/05/2024); [Decision and Order](#) (01/10/2024)
- American Vision University: [Order Suspending Approval](#) (02/26/2024); [Decision](#) (02/26/2024)
- Modesto Technical College: [Decision and Order](#) (2/11/2024)
- University of Antelope Valley: [Accusation](#) (3/6/2024)

## Statements of Issues to Deny Approval

BPPE filed statements of issues against the following institutions to deny approvals to operate, alleging that the institutions failed to file the required documentation compliant with the California Private Postsecondary Education Act of 2009 and other applicable laws:

- University of Antelope Valley (2/29/2024) [Emergency Decision](#)

## LEGISLATION

- [AB 3167 \(Chen\)](#), as amended March 21, 2024, would amend section 94930.5 of, and add sections 94801.6 and 94542.5 to, the Education Code. This bill would authorize a highly qualified (as defined) nonprofit institution to register with BPPE by paying a registration fee and complying with specified



requirements for registration, including providing the BPPE evidence of the institution’s accreditation. According to the author, “[t]his bill would help high-quality nonprofit universities located in California by reducing burdens on students and colleges. In 2009, the state appropriately set consumer protection rules for vocational schools that enact safeguards for students against fraud. While these rules still make sense for such vocational schools, they now also apply to comprehensive or research schools and graduate schools that merge with California institutions.” This bill would also waive the STRF requirement for eligible schools provided the institution places a surety bond, or other security on file with the BPPE. Therefore, the bill would protect students by assuring the schools are high-quality and committed to staying in California, rather than requiring students to choose a course of study or charge them a fee to ensure these schools do not fraudulently accept their tuition payments. *[A. HiEd]*

- [\*\*SB 1526 \(Committee on Business, Professions and Economic Development\)\*\*](#), as introduced March 18, 2024, as it applies to BPPE, would amend sections 94816, 94850, 94856, 94876, 94883, 94899.5, 94901, 94906, 94913, and 94949.71 of the Education Code. This bill would narrow the definition of “noninstitutional charges” to include only those specified charges that are paid to such an entity directly. In addition, this bill would require an institution approved by BPPE to provide “up-to-date” versions of specified information including, school catalog, school performance fact sheet, student brochure, a link to BPPE’s website, and the institution’s most recent annual report to the BPPE. *[S. BP&ED]*

- [\*\*SB 1449 \(Newman\)\*\*](#), as amended March 20, 2024, would amend section 94874.9 of the Education Code. This bill would authorize a nonprofit law school accredited by the American Bar Association (ABA) that is otherwise exempt from regulation under the California Private Postsecondary Education Act and oversight by BPPE to contract with BPPE to review and as appropriate, act on complaints concerning the institution. *[S. BP&ED]*