

AMENDED IN ASSEMBLY SEPTEMBER 7, 2007

AMENDED IN ASSEMBLY APRIL 10, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1182**

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**Introduced by Assembly Member Niello**

February 23, 2007

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An act to ~~add Section 49086 to the Education~~ amend Sections 101, 146, 149, and 473.1 of, and to add and repeal Chapter 16 (commencing with Section 9000) of Division 3 of, the Business and Professions Code, and to add Section 11105.8 to the Vehicle Code, relating to ~~education~~ private postsecondary education, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1182, as amended, Niello. ~~Education: pupil information.~~ Private postsecondary education: California Private Postsecondary Education Act of 2008.

(1) The former Private Postsecondary and Vocational Education Reform Act of 1989, which became inoperative on July 1, 2007, was administered by the Bureau for Private Postsecondary and Vocational Education in the Department of Consumer Affairs. The act generally effectuated legislative intent to ensure minimum standards of instructional quality and institutional stability in private postsecondary educational institutions.

The former act established the Private Postsecondary and Vocational Education Administration Fund and the continuously appropriated Student Tuition Recovery Fund. Existing law extends the existence of these funds until February 1, 2008. The former act specified that certain violations of its provisions were subject to civil penalties and that certain

*willful violations of the act were punishable as crimes. A provision provided for its repeal on January 1, 2008.*

*This bill would recast and revise the former act as the California Private Postsecondary Education Act of 2008, which the bill would place in the Business and Professions Code. The bill would establish the Bureau for Private Postsecondary Education in the Department of Consumer Affairs as a successor agency to the former bureau. The bill would continue the existence of the Private Postsecondary and Vocational Education Administration Fund, which the bill would rename the Private Postsecondary Education Administration Fund, and the continuously appropriated Student Tuition Recovery Fund, and would also provide that certain violations of the new act would be punishable as infractions.*

*The bill would provide that the California Private Postsecondary Education Act of 2007 would be repealed on January 1, 2011.*

*Because this bill would establish new infractions, the bill would impose a state-mandated local program.*

*(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

~~Existing law establishes the California School Information Services for the purpose of building the capacity of local education agencies to implement and maintain comparable, effective, and efficient pupil information systems.~~

~~This bill would, on or before January 1, 2009, require the California School Information Services to generate and make available to school districts and the public a report that specifies dropout data for each school district and schoolsite for which it has data. The bill would also require the California School Information Services to annually compile a statewide dropout rate.~~

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: yes. State-mandated local program: ~~no~~-yes.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 101 of the Business and Professions Code
- 2     is amended to read:

- 1 101. The department is ~~comprised~~ *composed* of:
- 2 (a) The Dental Board of California.
- 3 (b) The Medical Board of California.
- 4 (c) The State Board of Optometry.
- 5 (d) The California State Board of Pharmacy.
- 6 (e) The Veterinary Medical Board.
- 7 (f) The California Board of Accountancy.
- 8 (g) The California Architects Board.
- 9 (h) The Bureau of Barbering and Cosmetology.
- 10 (i) The Board for Professional Engineers and Land Surveyors.
- 11 (j) The Contractors' State License Board.
- 12 (k) The Bureau for Private Postsecondary ~~and Vocational~~
- 13 Education.
- 14 (l) The Structural Pest Control Board.
- 15 (m) The Bureau of Home Furnishings and Thermal Insulation.
- 16 (n) The Board of Registered Nursing.
- 17 (o) The Board of Behavioral Sciences.
- 18 (p) The State Athletic Commission.
- 19 (q) The Cemetery and Funeral Bureau.
- 20 (r) The State Board of Guide Dogs for the Blind.
- 21 (s) The Bureau of Security and Investigative Services.
- 22 (t) The Court Reporters Board of California.
- 23 (u) The Board of Vocational Nursing and Psychiatric
- 24 Technicians.
- 25 (v) The Landscape Architects Technical Committee.
- 26 (w) The Bureau of Electronic and Appliance Repair.
- 27 (x) The Division of Investigation.
- 28 (y) The Bureau of Automotive Repair.
- 29 (z) The State Board of Registration for Geologists and
- 30 Geophysicists.
- 31 (aa) The Respiratory Care Board of California.
- 32 (ab) The Acupuncture Board.
- 33 (ac) The Board of Psychology.
- 34 (ad) The California Board of Podiatric Medicine.
- 35 (ae) The Physical Therapy Board of California.
- 36 (af) The Arbitration Review Program.
- 37 (ag) The Committee on Dental Auxiliaries.
- 38 (ah) The Hearing Aid Dispensers Bureau.
- 39 (ai) The Physician Assistant Committee.
- 40 (aj) The Speech-Language Pathology and Audiology Board.

- 1 (ak) The California Board of Occupational Therapy.
- 2 (al) The Osteopathic Medical Board of California.
- 3 (am) The Bureau of Naturopathic Medicine.
- 4 (an) Any other boards, offices, or officers subject to its
- 5 jurisdiction by law.

6 *SEC. 2. Section 146 of the Business and Professions Code is*  
 7 *amended to read:*

8 146. (a) Notwithstanding any other provision of law, a  
 9 violation of any code section listed in subdivision (c) ~~or (d)~~ is an  
 10 infraction subject to the procedures described in Sections 19.6 and  
 11 19.7 of the Penal Code ~~when if:~~

12 (1) A complaint or a written notice to appear in court pursuant  
 13 to Chapter 5c (commencing with Section 853.5) of Title 3 of Part  
 14 2 of the Penal Code is filed in court charging the offense as an  
 15 infraction unless the defendant, at the time he or she is arraigned,  
 16 after being advised of his or her rights, elects to have the case  
 17 proceed as a misdemeanor, or

18 (2) The court, with the consent of the defendant and the  
 19 prosecution, determines that the offense is an infraction in which  
 20 event the case shall proceed as if the defendant has been arraigned  
 21 on an infraction complaint.

22 (b) Subdivision (a) does not apply to a violation of the code  
 23 sections listed in ~~subdivisions~~ *subdivision (c)* ~~and (d)~~ if the  
 24 defendant has had his or her license, registration, or certificate  
 25 previously revoked or suspended.

26 (c) The following sections require registration, licensure,  
 27 certification, or other authorization in order to engage in certain  
 28 businesses or professions regulated by this code:

- 29 (1) Sections 2052 and 2054.
- 30 (2) Section 2630.
- 31 (3) Section 2903.
- 32 (4) Section 3660.
- 33 (5) Sections 3760 and 3761.
- 34 (6) Section 4080.
- 35 (7) Section 4825.
- 36 (8) Section 4935.
- 37 (9) Section 4980.
- 38 (10) Section 4996.
- 39 (11) Section 5536.
- 40 (12) Section 6704.

- 1 (13) Section 6980.10.
- 2 (14) Section 7317.
- 3 (15) Section 7502 or 7592.
- 4 (16) Section 7520.
- 5 (17) Section 7617 or 7641.
- 6 (18) Subdivision (a) of Section 7872.
- 7 (19) Section 8016.
- 8 (20) Section 8505.
- 9 (21) Section 8725.
- 10 (22) Section 9681.
- 11 (23) Section 9840.
- 12 (24) Subdivision (c) of Section 9891.24.
- 13 (25) Section 19049.

14 ~~(d) Institutions that are required to register with the Bureau for~~  
15 ~~Private Postsecondary and Vocational Education pursuant to~~  
16 ~~Section 94931 of the Education Code.~~

17 (e)

18 (d) Notwithstanding any other provision of law, a violation of  
19 any of the sections listed in subdivision (c) ~~or (d)~~, which is an  
20 infraction, is punishable by a fine of not less than two hundred  
21 fifty dollars (\$250) and not more than one thousand dollars  
22 (\$1,000). No portion of the minimum fine may be suspended by  
23 the court unless as a condition of that suspension the defendant is  
24 required to submit proof of a current valid license, registration, or  
25 certificate for the profession or vocation which was the basis for  
26 his or her conviction.

27 *SEC. 3. Section 149 of the Business and Professions Code is*  
28 *amended to read:*

29 149. (a) If, upon investigation, an agency designated in  
30 subdivision (e) has probable cause to believe that a person is  
31 advertising in a telephone directory with respect to the offering or  
32 performance of services, without being properly licensed by or  
33 registered with the agency to offer or perform those services, the  
34 agency may issue a citation under Section 148 containing an order  
35 of correction that requires the violator to do both of the following:

- 36 (1) Cease the unlawful advertising.
- 37 (2) Notify the telephone company furnishing services to the
- 38 violator to disconnect the telephone service furnished to any
- 39 telephone number contained in the unlawful advertising.

1 (b) This action is stayed if the person to whom a citation is  
 2 issued under subdivision (a) notifies the agency in writing that he  
 3 or she intends to contest the citation. The agency shall afford an  
 4 opportunity for a hearing, as specified in Section 125.9.

5 (c) If the person to whom a citation and order of correction is  
 6 issued under subdivision (a) fails to comply with the order of  
 7 correction after that order is final, the agency shall inform the  
 8 Public Utilities Commission of the violation and the Public Utilities  
 9 Commission shall require the telephone corporation furnishing  
 10 services to that person to disconnect the telephone service furnished  
 11 to any telephone number contained in the unlawful advertising.

12 (d) The good faith compliance by a telephone corporation with  
 13 an order of the Public Utilities Commission to terminate service  
 14 issued pursuant to this section shall constitute a complete defense  
 15 to any civil or criminal action brought against the telephone  
 16 corporation arising from the termination of service.

17 (e) Subdivision (a) shall apply to the following boards, bureaus,  
 18 committees, commissions, or programs:

- 19 (1) The Bureau of Barbering and Cosmetology.
- 20 (2) The Funeral Directors and Embalmers Program.
- 21 (3) The Veterinary Medical Board.
- 22 (4) The Hearing Aid Dispensers Advisory Commission.
- 23 (5) The Landscape Architects Technical Committee.
- 24 (6) The California Board of Podiatric Medicine.
- 25 (7) The Respiratory Care Board of California.
- 26 (8) The Bureau of Home Furnishings and Thermal Insulation.
- 27 (9) The Bureau of Security and Investigative Services.
- 28 (10) The Bureau of Electronic and Appliance Repair.
- 29 (11) The Bureau of Automotive Repair.
- 30 (12) The Tax Preparers Program.
- 31 (13) The California Architects Board.
- 32 (14) The Speech-Language Pathology and Audiology Board.
- 33 (15) The Board for Professional Engineers and Land Surveyors.
- 34 (16) The Board of Behavioral Sciences.
- 35 (17) The State Board for Geologists and Geophysicists.
- 36 (18) The Structural Pest Control Board.
- 37 (19) The Acupuncture Board.
- 38 (20) The Board of Psychology.
- 39 (21) The California Board of Accountancy.
- 40 (22) The Bureau of Naturopathic Medicine.

1 (23) *The Bureau for Private Postsecondary Education.*

2 *SEC. 4. Section 473.1 of the Business and Professions Code*  
3 *is amended to read:*

4 473.1. This chapter shall apply to all of the following:

5 (a) Every board, as defined in Section 22, that is scheduled to  
6 become inoperative and to be repealed on a specified date as  
7 provided by the specific act relating to the board.

8 ~~(b) The Bureau for Postsecondary and Vocational Education.~~  
9 ~~For purposes of this chapter, "board" includes the bureau.~~

10 (e)

11 (b) The Cemetery and Funeral Bureau.

12 *SEC. 5. Chapter 16 (commencing with Section 9000) is added*  
13 *to Division 3 of the Business and Professions Code, to read:*

14  
15 *CHAPTER 16. PRIVATE POSTSECONDARY INSTITUTIONS*

16  
17 *Article 1. General Provisions*

18  
19 9000. *This chapter shall be known, and may be cited, as the*  
20 *California Private Postsecondary Education Act of 2007.*

21 9001. *Whenever a reference is made to the former Private*  
22 *Postsecondary Education and Student Protection Act, the former*  
23 *Private Postsecondary and Vocational Education Reform Act of*  
24 *1989, or the former Chapter 7 (commencing with Section 94700)*  
25 *of the Education Code, as it read on June 30, 2007, by the*  
26 *provisions of any statute or regulation, it is to be construed as*  
27 *referring to the provisions of this chapter.*

28  
29 *Article 2. Transition Provisions*

30  
31 9002. (a) *An institution that had a valid approval to operate*  
32 *on June 30, 2007, issued by the former Bureau for Private*  
33 *Postsecondary and Vocational Education pursuant to former*  
34 *Chapter 7 (commencing with Section 94700) of Part 59 of Division*  
35 *10 of Title 3 of the Education Code, as it read on June 30, 2007,*  
36 *shall maintain that approval under this chapter. For the purposes*  
37 *of this chapter, the approval shall be valid for two calendar years*  
38 *after the expiration date of the approval, as it read on June 30,*  
39 *2007.*

1     **(b)** *Applications to renew an approval to operate that had been*  
2 *pending action before the former Bureau for Private Postsecondary*  
3 *and Vocational Education on June 30, 2007, shall be deemed*  
4 *processed as follows:*

5     **(1)** *Applications received prior to January 1, 2006, shall be*  
6 *granted an approval to operate until 2009 to coincide with the*  
7 *anniversary date of the current approval to operate date.*

8     **(2)** *Applications received after January 1, 2006, shall be granted*  
9 *an approval to operate until 2010 to coincide with the anniversary*  
10 *date of the current approval to operate.*

11     **9003.** *The bureau shall, by emergency regulation amend the*  
12 *regulations, as they read on June 30, 2007, in Division 7.5*  
13 *(commencing with Section 70000) of Title 5 of the California Code*  
14 *of Regulations, to conform to this chapter no later than February*  
15 *1, 2008. Notwithstanding any other provision of law, these*  
16 *emergency regulations shall become permanent on July 1, 2008.*

17     **9004.** *The bureau shall succeed to any and all rights and claims*  
18 *of the former Bureau for Private Postsecondary and Vocational*  
19 *Education that may have been asserted in a judicial or*  
20 *administrative action pending on July 1, 2007, and shall take any*  
21 *action reasonably necessary to assert and realize those rights and*  
22 *claims in its own name.*

23     **9005.** *For the performance of the duties and exercise of the*  
24 *powers vested in the bureau, the bureau shall have possession and*  
25 *control of all records, papers, offices, equipment, supplies, or other*  
26 *property, real or personal, held for the benefit or use by the former*  
27 *Bureau for Private Postsecondary and Vocational Education.*

28     **9006.** *The Private Postsecondary and Vocational Education*  
29 *Administration Fund established by former Section 94932 of the*  
30 *Education Code, and extended by Chapter 67 of the Statutes of*  
31 *2007, is continued in existence, and is renamed the Private*  
32 *Postsecondary Education Administration Fund.*

33     **9007.** *The Student Tuition Recovery Fund established by former*  
34 *Section 94944 of the Education Code, and extended by Chapter*  
35 *67 of the Statutes of 2007, is continued in existence.*

36     **9008.** *Any Student Tuition Recovery Fund claims received by*  
37 *the former Bureau for Private Postsecondary and Vocational*  
38 *Education prior to July 1, 2007, that were not approved and paid,*  
39 *shall be processed by the bureau in accordance with this chapter.*

1 9009. All applications, excluding Student Tuition Recovery  
2 Fund and reapproval applications, that were pending with the  
3 former bureau as of July 1, 2007, shall be deemed approved.

4 9009.5. (a) Notwithstanding any other provision of law, any  
5 claim or cause of action in any manner based on the former Private  
6 Postsecondary and Vocational Education Reform Act of 1989 that  
7 arose on or before June 30, 2007, shall have been commenced on  
8 or before June 30, 2007. Notwithstanding the inoperative status  
9 or repeal of the act on or after July 1, 2007, any claim or cause  
10 of action in any manner based on the act that was commenced on  
11 or before June 30, 2007, whether or not reduced to a final  
12 judgment, shall be preserved, and any remedy that was or could  
13 have been ordered to redress a violation of the act on or before  
14 June 30, 2007, may be ordered or maintained thereafter. If a final  
15 judgment was obtained in an action commenced on or after July  
16 1, 2007, under the authority of Chapter 67 of the Statutes of 2007,  
17 then the final judgment and any legal remedy that was or could  
18 be maintained on or after July 1, 2007, under that statute, shall  
19 be preserved and maintained thereafter.

20 (b) The rights, obligations, claims, causes of action, and  
21 remedies described in subdivision (a) shall be determined by the  
22 provisions of the former Private Postsecondary and Vocational  
23 Education Reform Act of 1989 in effect on or before June 30, 2007,  
24 notwithstanding the inoperative status or repeal of the former  
25 Private Postsecondary and Vocational Education Reform Act of  
26 1989 on or after July 1, 2007.

27  
28 Article 3. Definitions  
29

30 9010. Unless the context requires otherwise, the definitions  
31 set forth in this article govern the construction of this chapter.

32 9011. "Ability-to-benefit student" means a student that does  
33 not have a certificate of graduation from a school providing  
34 secondary education, or a recognized equivalent of that certificate.

35 9012. "Academic year" means a period including a minimum  
36 of 30 weeks of instructional time, in which a full-time student  
37 attending an institution that measures educational program length  
38 in credit hours completes 24 semester or trimester hours or 36  
39 quarter hours, or at an institution that measures educational  
40 program length in clock hours completes at least 900 clock hours.

1 9013. “Accredited” means an institution is recognized or  
2 approved by an accrediting agency recognized by the United States  
3 Department of Education.

4 9014. “Accrediting agency” is an agency recognized by the  
5 United States Department of Education.

6 9015. “Annual report” means the yearly report required to be  
7 filed by institutions.

8 9016. “Applicant” means an institution that has submitted an  
9 application to the bureau for an approval to operate or for a  
10 renewal of an approval to operate.

11 9017. “Approval to operate” means the authorization to offer  
12 to the public and to provide postsecondary educational programs,  
13 as well as the written document issued to an institution signifying  
14 its approval to operate.

15 9018. “Avocational education” means education offered for  
16 the purpose of personal entertainment, pleasure, or enjoyment.

17 9019. “Branch campus” means a site other than the main  
18 campus or a satellite location.

19 9020. “Bureau” means the Bureau for Private Postsecondary  
20 Education in the Department of Consumer Affairs.

21 9020.5. “Certified” means having passed an examination that  
22 attests to the quality and level of knowledge by a qualified  
23 certification authority or organization that is not affiliated with  
24 an institution.

25 9021. “Change in business organization form” means a change  
26 of a business organization’s original form, including, for example,  
27 a situation in which a sole proprietorship becomes a partnership  
28 or corporation, or when a business organization becomes a  
29 nonprofit public benefit corporation or forms a nonprofit public  
30 benefit corporation as a subsidiary to provide the educational  
31 programs for which the business organization has an approval to  
32 operate.

33 9022. “Change of location” means a move or relocation more  
34 than 10 miles from the site at which the institution offers  
35 instruction.

36 9023. “Change of ownership” means the acquisition by a  
37 person of more than 50 percent of an interest in or stock of a parent  
38 company.

39 9024. “Class day” means a day a student is scheduled to attend  
40 class session, or for students receiving instruction through distance

1 *education, any calendar day except Saturday, Sunday, or any*  
2 *holiday enumerated in Section 6700 of the Government Code.*

3 9025. *“Class session” means part of a class day that an*  
4 *institution conducts instruction in a particular subject.*

5 9026. *“Commence operations” means an institution has begun*  
6 *to provide educational programs.*

7 9027. *“Continuing education” means instruction in subjects*  
8 *that licensees are required to take solely for the purpose of*  
9 *continued licensure, or to enhance their skills and knowledge*  
10 *within their particular profession, occupation, trade, or career*  
11 *field.*

12 9028. *“Curriculum” means an organized set of courses or*  
13 *modules of instruction that are prerequisites to the award of a*  
14 *degree or diploma.*

15 9029. *“Default” means failure of a borrower and endorser, if*  
16 *any, to make an installment payment for a loan received under the*  
17 *federal student financial aid programs when due, or to meet other*  
18 *terms of the promissory note, provided that this failure persists*  
19 *for 270 days if payment is due monthly or 330 days if payment is*  
20 *due less frequently.*

21 9030. *“Degree” means a recognized educational credential*  
22 *awarded by an institution that signifies satisfactory completion of*  
23 *the requirements of a postsecondary educational program at the*  
24 *associate’s level or above.*

25 9031. *“Degree title” means the designated subject area of the*  
26 *educational program that appears on the face of the document*  
27 *awarded to a student.*

28 9032. *“Diploma” means a recognized educational credential,*  
29 *other than a degree, awarded by an institution that signifies*  
30 *satisfactory completion of the requirements of a postsecondary*  
31 *educational program below the associate’s level. A diploma is*  
32 *also known as a certificate.*

33 9033. *“Director” means the Director of Consumer Affairs.*

34 9034. *“Distance education” means transmission of instruction*  
35 *to students at a location separate from the institution.*

36 9035. *“Document of record” means any document required*  
37 *to be maintained by this chapter.*

38 9036. *“Educational materials” means textbooks, supplies,*  
39 *implements, tools, machinery, computers, electronic devices, or*

1 *other goods related to any education, training, or experience*  
2 *required for participation in an educational program.*

3 9037. *“Educational program” means a planned sequence*  
4 *composed of a single course or module, or set of related courses*  
5 *or modules, that provides the education, training, skill, and*  
6 *experience leading to the award of a recognized educational*  
7 *credential such as a degree or diploma.*

8 9038. *“Educational program approval” means authorization*  
9 *by the bureau, another government agency of this state or a federal*  
10 *government agency, to provide educational programs, and is an*  
11 *element of an approval to operate.*

12 9039. *“Enrollment” means the execution of an enrollment*  
13 *agreement.*

14 9040. *“Enrollment agreement” means a written contract*  
15 *between a student and institution concerning an educational*  
16 *program.*

17 9041. *“Faculty” means the instructional staff of an institution,*  
18 *whether these persons are employees or independent contractors.*

19 9042. *“Graduate” means an individual that has been awarded*  
20 *a degree or diploma.*

21 9043. *“Institution” means any private postsecondary*  
22 *educational institution, including its branch campuses and satellite*  
23 *locations.*

24 9044. *“Institutional charges” means charges for an educational*  
25 *program paid directly to an institution.*

26 9045. *“Institution manager” means an individual who is a*  
27 *member of an institution’s management.*

28 9046. *“Instruction” means an institution’s specific, formal*  
29 *arrangements in which its faculty present a part of the curriculum.*

30 9047. *“License and examination preparation” means*  
31 *instruction designed to assist students to prepare for an*  
32 *examination for licensure, or is offered for the sole purpose of*  
33 *providing continuing education in subjects licensees are required*  
34 *to take as a condition of continued licensure.*

35 9048. *“Licensure” includes any license, certificate, permit, or*  
36 *similar credential that a person must hold to lawfully engage in*  
37 *a profession, occupation, trade, or career field.*

38 9049. *“Main campus” means the institution’s sole or primary*  
39 *teaching location.*

1 9050. “Noninstitutional charges” means charges for an  
2 educational program paid to an entity other than an institution  
3 that are specifically required for participation in an educational  
4 program.

5 9051. “Owner” means an individual in the case of a sole  
6 proprietorship, partners in a partnership, members in a limited  
7 liability company, or shareholders in a corporation.

8 9052. “Ownership” means a legal or equitable interest in an  
9 institution, including ownership of assets or stock.

10 9053. “Parent company” means a partnership, limited liability  
11 company, or corporation that owns more than 50 percent of the  
12 stock or interest in an institution.

13 9054. “Period of attendance” means a semester, quarter, or  
14 trimester for educational programs measured in credit hours and  
15 the entire educational program if measured in clock hours.

16 9055. “Person” means a natural person or a business  
17 organization, irrespective of its form.

18 9056. “Person in control” means a person who by their  
19 position’s authority or conduct directs the management of an  
20 institution.

21 9057. “Postsecondary education” means a formal institutional  
22 educational program whose curriculum is designed primarily for  
23 students who have completed or terminated their secondary  
24 education or are beyond the compulsory age of secondary  
25 education, including programs whose purpose is academic,  
26 vocational, or continuing professional education.

27 9058. “Private postsecondary educational institution” means  
28 a private entity with a physical presence in this state that offers  
29 postsecondary education to the public for an institutional charge.

30 9059. “Recruiter” means an employee of an institution whose  
31 principal job responsibilities are the recruitment of students other  
32 than on the institution’s premises.

33 9060. “Recruitment” means actions taken by recruiters seeking  
34 enrollment of students.

35 9061. “Reporting period” means the institution’s fiscal year  
36 or any yearly period designated by the bureau to be covered in  
37 the institution’s annual report.

38 9062. “Satellite location” means an auxiliary classroom or  
39 teaching site within 50 miles of the branch or main location.

1 9063. *“Satisfactory academic progress” means the qualitative*  
 2 *and quantitative measures an institution uses to assess a student’s*  
 3 *academic progress, including progress towards the completion of*  
 4 *their educational program within 150 percent of the published*  
 5 *length of the educational program.*

6 9064. *“Shift in control” means a change in the ownership of*  
 7 *an institution where a person that previously did not own at least*  
 8 *25 percent of the stock or interest in an institution or its parent*  
 9 *company, acquires ownership of at least 25 percent of the stock*  
 10 *or interest in the institution or its parent company.*

11 9065. *“Site” means a main or branch campus or satellite*  
 12 *location.*

13 9066. *“Teach-out” means the arrangements an institution*  
 14 *makes for its students to complete their educational programs*  
 15 *when the institution ceases to operate.*

16 9067. *“Third-party payer” means an employer, government*  
 17 *program, or other entity that pays a student’s total charges when*  
 18 *no separate agreement for the repayment of the charges exists*  
 19 *between the third-party payer and the student.*

20 9068. *“To offer to the public” means to advertise, publicize,*  
 21 *solicit, or recruit.*

22 9069. *“To operate” means to establish, keep, or maintain any*  
 23 *facility or location in this state where, from, or through which*  
 24 *postsecondary educational programs are provided.*

25 9070. *“Total charges” means the sum of institutional and*  
 26 *noninstitutional charges.*

27 9071. *“Vocational associate’s degree” means an associates*  
 28 *degree awarded to students in an educational program consisting*  
 29 *of instruction in preparation for employment in a profession,*  
 30 *occupation, trade, or career field.*

31 9072. *“Vocational diploma program” means a diploma*  
 32 *awarded to students in an educational program consisting of*  
 33 *instruction in preparation for employment in a profession,*  
 34 *occupation, trade, or career field.*

35 9073. *“Year” means a calendar year.*

36

37

Article 4. Exemptions

38

39

9074. *The following are exempt from this chapter:*

1 (a) An institution that offers solely avocational or recreational  
2 educational programs.

3 (b) An institution offering educational programs sponsored by  
4 a bona fide trade, business, professional, or fraternal organization,  
5 solely for that organization's membership.

6 (c) A postsecondary educational institution established,  
7 operated, and governed by the federal government or by this state,  
8 or its political subdivisions.

9 (d) An institution offering continuing education where the  
10 institution or the program is approved, certified, or sponsored by  
11 any of the following:

12 (1) A government agency, other than the bureau, that licenses  
13 persons in a particular profession, occupation, trade, or career  
14 field.

15 (2) A state-recognized professional licensing body, such as the  
16 State Bar of California, that licenses persons in a particular  
17 profession, occupation, trade, or career field.

18 (3) A bona fide trade, business, or professional organization.

19 (e) (1) An institution owned, controlled, and operated and  
20 maintained by a bona fide church, religious denomination, or  
21 religious organization comprised of multidenominational members  
22 of the same well-recognized religion, lawfully operating as a  
23 nonprofit religious corporation pursuant to Part 4 (commencing  
24 with Section 9110) of Division 2 of Title 1 of the Corporations  
25 Code, that meets all of the following requirements:

26 (A) The instruction is limited to the principles of that church,  
27 religious denomination, or religious organization, or to courses  
28 offered pursuant to Section 2789 of Business and Professions Code.

29 (B) The diploma or degree is limited to evidence of completion  
30 of that education.

31 (2) An institution operating under this subdivision shall offer  
32 degrees and diplomas only in the beliefs and practices of the  
33 church, religious denomination, or religious organization.

34 (3) An institution operating under this subdivision shall not  
35 award degrees in any area of physical science.

36 (4) Any degree or diploma granted under these provisions shall  
37 contain on its face, in the written description of the title of the  
38 degree being conferred, a reference to the theological or religious  
39 aspect of the degree's subject area.

1 (5) A degree awarded under this subdivision shall reflect the  
2 nature of the degree title, such as “associate of religious studies,”  
3 or “bachelor of religious studies,” or “master of divinity,” or  
4 “doctor of divinity.”

5 (6) The use of the degree titles “associate of arts” or “associate  
6 of science,” “bachelor of arts” or “bachelor of science,” “master  
7 of arts” or “master of science,” or “doctor of philosophy” or  
8 “Ph.D.” shall only be awarded by institutions approved to operate  
9 under former Article 7 (commencing with Section 94830) of  
10 Chapter 7 of Part 59 of Division 10 of Title 3 of the Education  
11 Code, as it read on June 30, 2007, or meeting the requirements  
12 for an exemption in this article.

13 (f) An institution that is accredited by the Accrediting  
14 Commission for Senior Colleges or the Accrediting Commission  
15 for Junior Colleges of the Western Association of Schools and  
16 Colleges.

17 (g) An institution certified to offer educational programs in  
18 flight instruction and aircraft maintenance by the Federal Aviation  
19 Administration.

20 (h) An institution that solely provides educational programs for  
21 total charges of two thousand five hundred dollars (\$2,500) or  
22 less and no part of the total charges is paid from state or federal  
23 student financial aid programs.

24 (i) An institution that solely offers educational programs in law  
25 leading to a Juris Doctor (J.D.), Master of Laws (LL.M.), or Doctor  
26 of Jurisprudence (J.S.D.) degree, or similar degrees signifying the  
27 award of a bachelor’s, master’s, or doctorate in law.

28 (j) An institution giving instruction, or offering to give  
29 instruction, for driving motortrucks of three or more axles that  
30 are more than 6,000 pounds unladen weight.

31 (k) An institution that is a nationally accredited agency  
32 recognized by the United States Department of Education that is  
33 in compliance with all of the following requirements:

34 (1) The institution’s cohort default rate on guaranteed student  
35 loans does not exceed 15 percent for the three most recent years  
36 as published by the United States Department of Education.

37 (2) The institution has operated in this state for at least 15 years.

38 (3) The institution submits to the bureau copies of the most  
39 recent IRS Form 990.

40 (4) The institution pays fees in accordance with this chapter.

1 (5) *The institution exclusively confers degrees upon the*  
2 *completion of a course of study of two or more years.*

3  
4 *Article 5. Bureau Powers and Duties*

5  
6 9075. *The Bureau for Private Postsecondary Education is*  
7 *hereby created in the Department of Consumer Affairs. The bureau*  
8 *shall regulate private postsecondary educational institutions*  
9 *through the powers granted, and duties imposed, by this chapter.*  
10 *In exercising its powers, and performing its duties, the protection*  
11 *of the public shall be the bureau's highest priority.*

12 9076. (a) *The powers and duties set forth in this chapter are*  
13 *vested in the Director of Consumer Affairs, who may delegate them*  
14 *to a bureau chief, subject to the provisions of this section.*

15 (b) *The bureau chief shall be appointed by the Governor, and*  
16 *is exempt from the State Civil Service Act pursuant to Part 2*  
17 *(commencing with Section 1850) of Division 5 of Title 2 of the*  
18 *Government Code.*

19 (c) *Every power granted to, or duty imposed upon, the bureau*  
20 *under this chapter shall be exercised and performed in the name*  
21 *of the bureau, subject to any conditions and limitations the director*  
22 *may prescribe. The bureau chief may delegate any powers or duties*  
23 *to a designee.*

24 (d) *As may be necessary to carry out this chapter, the director,*  
25 *in accordance with the State Civil Service Act, may appoint and*  
26 *fix the compensation of personnel.*

27 9076.5. *The bureau may adopt and enforce regulations to*  
28 *implement this chapter pursuant to the Administrative Procedure*  
29 *Act in Chapter 3.5 (commencing with Section 11340) of Part 1 of*  
30 *Division 3 of Title 2 of the Government Code. The bureau may*  
31 *adopt emergency regulations that shall become effective*  
32 *immediately pursuant to Chapter 3.5 (commencing with Section*  
33 *11340) of Part 1 of Division 3 of Title 2 of the Government Code.*

34 9077. (a) *To enable the bureau to exercise its powers and to*  
35 *perform its duties, the bureau shall adopt by regulation a fee*  
36 *schedule. The fee schedule shall set forth the fees that institutions,*  
37 *and others subject to this chapter, shall pay.*

38 (b) *All fees collected shall be deposited in the Private*  
39 *Postsecondary Education Administration Fund. These fees, along*

1 *with any accrued interest, shall be the means of funding the*  
2 *implementation of this chapter.*

3 *(c) The fee schedule shall be publicly available.*

4 *(d) The bureau shall use an objective process to assess the costs*  
5 *of exercising its powers and performing its duties, and shall use*  
6 *this assessment as the basis for constructing the fee schedule.*

7 *9078. The bureau may maintain an Internet Web site with*  
8 *information provided by institutions and verified by the bureau,*  
9 *which shall include, but need not be limited to, all of the following:*

10 *(a) Completion rates.*

11 *(b) Placement rates for educational programs represented that*  
12 *lead to gainful employment in a recognized occupation.*

13 *(c) Total charges for specific educational programs.*

14 *(d) Starting salaries of graduates, if provided by an institution*  
15 *during enrollment.*

16 *(e) License examination passage rates, if provided by an*  
17 *institution during enrollment.*

18 *(f) Status of the institution's approval to operate.*

19 *(g) Institutional refund policies.*

20 *9079. The bureau may conduct an outreach program to*  
21 *secondary school students as well as prospective and current*  
22 *private postsecondary students, to provide them with information*  
23 *on how to best select a private postsecondary institution, how to*  
24 *enter into enrollment agreements, how to make informed decisions*  
25 *in the private postsecondary education marketplace, and how to*  
26 *contact the bureau for assistance. The bureau may accomplish the*  
27 *purposes of this section in cooperation with the department.*

28 *9080. The bureau may appoint an advisory committee that*  
29 *shall consist of, but not necessarily be limited to, representatives*  
30 *of institutions, student representatives, and employers who hire*  
31 *students.*

32 *9081. The bureau may conduct workshops to provide applicants*  
33 *and institutions information on application processes, compliance*  
34 *with this chapter, best practices for providing postsecondary*  
35 *educational programs, and other subjects concerning*  
36 *postsecondary education.*

37 *9082. The bureau may empanel visiting committees to assist*  
38 *in evaluating an institution's application for an approval to*  
39 *operate. The members of visiting committees shall serve at no*  
40 *expense to the state. The members of visiting committees shall*

1 receive reimbursement from the institution that is the subject of  
2 an evaluation for their actual travel and per diem expenses  
3 incurred during the evaluation.

4 9083. (a) Any individual serving on a visiting committee who  
5 provides information to the bureau, or its staff, in the course of  
6 evaluating any institution, or who testifies in any administrative  
7 hearing arising under this chapter, is entitled to a defense and  
8 indemnification in any action arising out of the information or  
9 testimony provided as if he or she were a public employee.

10 (b) Any defense and indemnification shall be solely with respect  
11 to the action pursuant to Article 4 (commencing with Section 825)  
12 of Chapter 1 of Part 2 of, and Part 7 (commencing with Section  
13 995) of Division 3.6 of Title 1 of, the Government Code.

14 9084. For all complaints that have reached final disposition,  
15 the bureau shall, upon request, make available to members of the  
16 public the nature and disposition of complaints against an  
17 institution.

18

19 *Article 6. Approval to Operate*

20

21 9085. The bureau shall adopt by regulation minimum operating  
22 standards for an institution that shall reasonably ensure that all  
23 of the following occur:

24 (a) The content of each educational program can achieve its  
25 stated objective.

26 (b) The facilities, instructional equipment, and materials are  
27 sufficient to enable students to achieve the educational program's  
28 goals.

29 (c) The institution maintains a withdrawal policy and provides  
30 refunds.

31 (d) The directors, administrators, and instructors are properly  
32 qualified.

33 (e) The institution is financially sound and capable of fulfilling  
34 its commitments to students.

35 (f) That, upon satisfactory completion of an educational  
36 program, the institution gives students a document signifying the  
37 degree or diploma awarded.

38 (g) Adequate records and standard transcripts are maintained  
39 and are available to students.

1 (h) The institution is maintained and operated in compliance  
2 with applicable ordinances and laws.

3 9086. Except as exempted in Article 4 (commencing with  
4 Section 9074), no person shall open, conduct, or do business as a  
5 private postsecondary educational institution in this state without  
6 obtaining an approval to operate under this chapter.

7 9087. An approval to operate shall be granted only after an  
8 applicant has presented sufficient evidence to the bureau that the  
9 applicant has the capacity to satisfy the minimum operating  
10 standards.

11 9088. The bureau shall adopt, by regulation, the process and  
12 procedures whereby an applicant may obtain an approval to  
13 operate.

14 9089. An approval to operate shall be for a term of five years.

15 9090. (a) The bureau shall grant an institution that is  
16 accredited an approval to operate by means of its accreditation.

17 (b) The term of the approval to operate shall be coterminous  
18 with the term of accreditation.

19 (c) Institutions that are granted an approval to operate by means  
20 of the institution’s accreditation shall comply with all other  
21 applicable standards in this chapter.

22 9091. (a) The bureau shall adopt, by regulation, the process  
23 and procedures whereby an institution may obtain a renewal of  
24 an approval to operate.

25 (b) To be granted a renewal of an approval to operate, the  
26 institution shall demonstrate its continued capacity to meet the  
27 minimum operating standards.

28 9092. If an agency of this state other than the bureau or of the  
29 federal government provides an approval to offer an educational  
30 program, that agency’s educational program approval shall satisfy  
31 the requirements of this article without any further review by the  
32 bureau. The bureau shall incorporate that educational program  
33 into the institution’s approval to operate when the bureau receives  
34 documentation signifying the conferral of the educational program  
35 approval by that agency.

36  
37 Article 7. Substantive Changes to an Approval to Operate

38  
39 9093. If an institution wishes to make a substantive change to  
40 its approval to operate, the institution shall receive prior

1 *authorization from the bureau. If the institution makes the*  
2 *substantive change without prior bureau authorization, the*  
3 *institution's approval to operate may be suspended or revoked.*

4 9094. *The following changes to an approval to operate are*  
5 *considered substantive changes and require prior authorization:*

6 (a) *A change in educational objectives, including an addition*  
7 *of a new diploma or a degree educational program unrelated to*  
8 *the approved educational programs offered by the institution.*

9 (b) *A change in ownership.*

10 (c) *A shift in control.*

11 (d) *A change in business organization form.*

12 (e) *A change of location.*

13 (f) *A change of name.*

14 (g) *A significant change in the method of instructional delivery.*

15 (h) *An addition of a separate facility more than one mile from*  
16 *the main or branch campus.*

17 9095. *The bureau shall adopt, by regulation, the process and*  
18 *procedures whereby an institution shall seek authorization for*  
19 *substantive changes.*

20 9096. (a) *An institution that has been granted an approval to*  
21 *operate by means of accreditation may make a substantive change*  
22 *in accordance with the institution's accreditation standards.*

23 (b) *The institution shall notify the bureau of the substantive*  
24 *change.*

25

26 *Article 8. Fair Business Practices*

27

28 9097. *An institution shall not do any of the following:*

29 (a) *Use, or allow the use of, any reproduction or facsimile of*  
30 *the Great Seal of the State of California on a diploma.*

31 (b) *Promise or guarantee employment.*

32 (c) *Advertise concerning job availability, degree of skill, or*  
33 *length of time required to learn a trade or skill unless the*  
34 *information is accurate and not misleading.*

35 (d) *Advertise, or indicate in promotional material, without*  
36 *including the fact that the educational programs are delivered by*  
37 *means of distance education if the educational programs are so*  
38 *delivered.*

39 (e) *Advertise, or indicate in promotional material, that*  
40 *instruction is conducted at a physical location without including*

1 *in all advertising or promotional material the physical location*  
2 *of the instruction.*

3 *(f) Advertise, or indicate in promotional material, that the*  
4 *institution is accredited, unless the institution has been accredited*  
5 *by an accrediting agency.*

6 *(g) Solicit students for enrollment by causing an advertisement*  
7 *to be published in “help wanted” columns in a magazine,*  
8 *newspaper, or publication, or use “blind” advertising that fails*  
9 *to identify the institution.*

10 *(h) Offer to compensate a student to act as an agent of the*  
11 *institution with regard to the solicitation, referral, or recruitment*  
12 *of any person for enrollment in the institution, except that an*  
13 *institution may award a token gift to a student for referring an*  
14 *individual, provided that the gift is not in the form of money, no*  
15 *more than one gift is provided annually to a student, and the gift’s*  
16 *cost is not more than one hundred dollars (\$100).*

17 *(i) Pay any consideration to a person to induce that person to*  
18 *sign an enrollment agreement for an educational program.*

19 *(j) Use a name in any manner improperly implying either of the*  
20 *following:*

21 *(1) The institution is affiliated with any government agency,*  
22 *public or private corporation, agency, or association if it is not,*  
23 *in fact, thus affiliated.*

24 *(2) The institution is a public institution.*

25 *(k) In any manner make an untrue or misleading change in, or*  
26 *untrue or misleading statement related to, a test score, grade or*  
27 *record of grades, attendance record, record indicating student*  
28 *completion or placement, financial information, including any of*  
29 *the following:*

30 *(1) A financial report filed with bureau.*

31 *(2) Information or records relating to the student’s eligibility*  
32 *for student financial aid at the institution.*

33 *(3) Any other record or document required by this chapter or*  
34 *by the bureau.*

35 *(l) Willfully falsify, destroy, or conceal any document of record*  
36 *while that document of record is required to be maintained by this*  
37 *chapter.*

38 *(m) Use the terms “approval,” “approved,” “approval to*  
39 *operate,” or “approved to operate” without stating clearly and*  
40 *conspicuously that approval to operate means compliance with*

1 *state standards as set forth in this chapter. If the bureau has*  
2 *granted an institution approval to operate, the institution may*  
3 *indicate that the institution is “licensed” or “licensed to operate,”*  
4 *but may not state or imply either of the following:*

5 *(1) The institution or its educational programs are endorsed or*  
6 *recommended by the state or by the bureau.*

7 *(2) The approval to operate indicates that the institution exceeds*  
8 *minimum state standards as set forth in this chapter.*

9 *(n) Direct any individual to perform an act that violates this*  
10 *chapter, to refrain from reporting unlawful conduct to the bureau*  
11 *or another government agency, or to engage in any unfair act to*  
12 *persuade a student not to complain to the bureau or another*  
13 *government agency.*

14 *(o) Compensate an employee involved in recruitment,*  
15 *enrollment, admissions, student attendance, or sales of educational*  
16 *materials to students on the basis of a commission, commission*  
17 *draw, bonus, quota, or other similar method related to the*  
18 *recruitment, enrollment, admissions, student attendance, or sales*  
19 *of educational materials to students, except as provided in*  
20 *paragraph (1) or (2):*

21 *(1) If the educational program is scheduled to be completed in*  
22 *90 days or less, the institution shall pay compensation related to*  
23 *a particular student only if that student completes the educational*  
24 *program.*

25 *(2) For institutions participating in the federal student financial*  
26 *aid programs, this subdivision shall not prevent the payment of*  
27 *compensation to those involved in recruitment, admissions, or the*  
28 *award of financial aid if those payments are in conformity with*  
29 *federal regulations governing an institution’s participation in the*  
30 *federal student financial aid programs.*

31 *9098. (a) An institution shall not merge classes unless all of*  
32 *the students have received the same amount of instruction. This*  
33 *subdivision does not prevent the placement of students, who are*  
34 *enrolled in different educational programs, in the same class if*  
35 *that class is part of each of the educational programs and the*  
36 *placement in a merged class will not impair the students’ learning*  
37 *of the subject matter of the class.*

38 *(b) After a student has enrolled in an educational program, the*  
39 *institution shall not do either of the following:*

1     (1) *Make any unscheduled suspension of any class unless caused*  
2 *by circumstances beyond the institution's control.*

3     (2) *Change the day or time in which any class is offered to a*  
4 *day when the student is not scheduled to attend the institution or*  
5 *to a time that is outside of the range of time that the student is*  
6 *scheduled to attend the institution on the day for which the change*  
7 *is proposed unless at least 90 percent of the students who are*  
8 *enrolled consent to the change and the institution offers full refunds*  
9 *to the students who do not consent to the change. For the purpose*  
10 *of this paragraph, "range of time" means the period beginning*  
11 *with the time at which the student's first scheduled class session*  
12 *for the day is set to start and ending with the time the student's*  
13 *last scheduled class session for that day is set to finish.*

14     (c) *If an institution enrolls a student in an educational program*  
15 *that is conducted at a specific site at the time of enrollment, the*  
16 *institution shall not convert the educational program to another*  
17 *method of delivery, such as by means of distance education.*

18     (d) *An institution shall not move the location of class instruction*  
19 *more than 10 miles from the location of instruction at the time of*  
20 *enrollment unless any of the following occur:*

21     (1) *The institution discloses in writing to each student before*  
22 *enrollment in the educational program that the location of*  
23 *instruction will change after the educational program begins and*  
24 *the address of the new location.*

25     (2) *The institution applies for, and the bureau grants, approval*  
26 *to change the location. The bureau shall grant the application*  
27 *within 60 days if the bureau, after notice to affected students and*  
28 *an opportunity for them to be heard as prescribed by the bureau,*  
29 *concludes that the change in location would not be unfair or unduly*  
30 *burdensome to students. The bureau may grant approval to change*  
31 *the location subject to reasonable conditions, such as requiring*  
32 *the institution to provide transportation, transportation costs, or*  
33 *refunds to adversely affected students.*

34     (3) *The institution offers a full refund to students enrolled in*  
35 *the educational program who do not voluntarily consent to the*  
36 *change.*

37     (4) *An unforeseeable and unavoidable circumstance outside of*  
38 *the control of the institution requires the change in the location*  
39 *of instruction.*

1 9099. *If an institution offers an educational program in a*  
2 *profession, occupation, trade, or career field that requires*  
3 *licensure in this state, the institution shall have an educational*  
4 *program approval to conduct that educational program, if*  
5 *applicable.*

6 9099.5. (a) *Institutions that offer short-term programs designed*  
7 *to be completed in one term or four months, whichever is less, may*  
8 *require payment of all tuition and fees on the first day of*  
9 *instruction.*

10 (b) *For those programs designed to be four months or longer,*  
11 *an institution shall not require more than one term or four months*  
12 *of advance payment of tuition at a time. When 50 percent of the*  
13 *program has been offered, the institution may require full payment.*

14 (c) *The limitations in this section shall not apply to federal and*  
15 *state financial aid payments received by an institution.*

16 (d) *At the student's option, an institution may accept payment*  
17 *in full for tuition and fees after the student has been accepted and*  
18 *enrolled and the date for commencement of classes is disclosed*  
19 *on the enrollment agreement.*

20

21

#### Article 9. Recruiters

22

23 9100. *An institution's recruiters shall be employees.*

24 9101. (a) *An institution shall issue identification to each*  
25 *recruiter identifying the recruiter and the institution.*

26 (b) *The recruiter shall have the issued identification with him*  
27 *or her while recruiting.*

28

29

#### Article 10. Enrollment Agreements and Disclosures

30

31 9102. *A student shall enroll solely by means of executing an*  
32 *enrollment agreement. The enrollment agreement shall be signed*  
33 *by the student and by an authorized employee of the institution.*

34 9103. (a) *An institution shall provide to students, prior to*  
35 *enrollment, a catalog or brochure containing, at a minimum, the*  
36 *following information:*

37 (1) *The institution's admissions policies including the*  
38 *institution's policies regarding the acceptance of credits earned*  
39 *at other institutions or through challenge examinations and*  
40 *achievement tests.*

- 1     (2) *A description of the instruction provided in the educational*  
2 *program in which the student is interested, including the length*  
3 *of the educational program, and all of the professions, occupations,*  
4 *trades, or career fields, if any, to which the educational program*  
5 *is represented to lead.*
- 6     (3) *The number of credit hours, clock hours, or other increments*  
7 *required for completion of the educational program.*
- 8     (4) *The institution's attendance, leave-of-absence, cancellation,*  
9 *withdrawal, and refund policies.*
- 10    (5) *The faculty and their qualifications.*
- 11    (6) *The schedule of total charges necessary for a period of*  
12 *attendance or the entire educational program.*
- 13    (7) *If the institution participates in federal and state financial*  
14 *aid programs, and if so, a qualification concerning student*  
15 *eligibility.*
- 16    (8) *A description of a student's rights and responsibilities under*  
17 *the Student Tuition Recovery Fund.*
- 18    (9) *If an institution provides placement services, a description*  
19 *of the nature and extent of the placement services.*
- 20    (b) *An enrollment agreement signed by a student is not*  
21 *enforceable unless the student has first received the institution's*  
22 *catalog or brochure containing the information required by this*  
23 *section.*
- 24    9104. *Before an ability-to-benefit student may execute an*  
25 *enrollment agreement, the institution shall have the student take*  
26 *an independently administered examination from the list of*  
27 *examinations prescribed by the United States Department of*  
28 *Education pursuant to Section 484(d) of the federal Higher*  
29 *Education Act of 1965, (20 U.S.C. Sec. 1070a et seq.), as it is,*  
30 *from time to time, amended. The student may not enroll unless the*  
31 *student achieves a score, as specified by the United States*  
32 *Department of Education, demonstrating that the student may*  
33 *benefit from the education and training being offered.*
- 34    9105. (a) *During the enrollment process, an institution offering*  
35 *educational programs designed to lead to positions in a profession,*  
36 *occupation, trade, or career field requiring licensure shall exercise*  
37 *reasonable care to determine that the student will not be ineligible*  
38 *to obtain licensure in the profession, occupation, trade, or career*  
39 *field at the time of the student's graduation for reasons such as*  
40 *age, apparent physical characteristic, or relevant past criminal*

1 conviction. The institution shall not execute an enrollment  
2 agreement with that student unless the student's stated objective  
3 is other than licensure.

4 (b) During the admission or enrollment process, an institution  
5 shall not offer job placement assistance or discuss salaries. After  
6 a student has completed more than 60 percent of a program, the  
7 institution may offer job placement assistance.

8 9106. The enrollment agreement shall include all of the  
9 following required terms:

10 (a) On the first page of the enrollment agreement, in at least  
11 12-point, boldface type, the following statement:

12 "Any questions a student may have regarding this enrollment  
13 agreement that have not been satisfactorily answered by the  
14 institution may be directed to the Bureau for Private  
15 Postsecondary Education at (address), Sacramento, CA (ZIP  
16 Code), (Internet Web site address), (telephone and fax  
17 numbers)."

18 (b) The name and description of the educational program,  
19 including the total number of credit hours, clock hours, or other  
20 increment required to complete the educational program.

21 (c) The name and address of the institution and the address  
22 where class sessions shall be held.

23 (d) A schedule of total charges, including a list of any charges  
24 that are nonrefundable, clearly identified as nonrefundable  
25 charges.

26 (e) In underlined capital letters on the same page of the  
27 enrollment agreement in which the student's signature is required,  
28 the total charges that the student is obligated, upon enrollment,  
29 to pay for a period of attendance or the entire educational  
30 program.

31 (f) A statement that the student is responsible for paying the  
32 state assessment amount for the Student Tuition Recovery Fund.

33 (g) A clear and conspicuous statement that the enrollment  
34 agreement is legally binding when signed by the student and  
35 accepted by the institution.

36 (h) The following statement in at least 12-point, boldface type  
37 above the space for the student's signature:

38 "My signature below certifies that I have read, understood,  
39 and agreed to my rights and responsibilities, and that the

1 institution's cancellation and refund policies have been clearly  
2 explained to me.”

3 9107. The following disclosures shall be made in writing before  
4 execution of the enrollment agreement:

5 (a) A “School Performance Fact Sheet” that discloses the  
6 following information:

7 (1) Completion rates, as calculated pursuant to Article 16  
8 (commencing with Section 9131), if the institution makes a claim  
9 to students regarding completion rates.

10 (2) Placement rates, as calculated pursuant to Article 16  
11 (commencing with Section 9131), if the institution makes a claim  
12 to students regarding placement rates.

13 (3) Starting salaries, if the institution makes a claim to students  
14 regarding starting salaries.

15 (4) License examination passage rates if the institution makes  
16 a claim to students regarding the license examination passage  
17 rates of its graduates.

18 (5) If a program is too new to provide data for any of the  
19 categories listed in this subdivision, the institution shall state on  
20 its fact sheet: “This program is new. Therefore, the number of  
21 students who graduate, the number of students who are placed, or  
22 the starting salary you can earn after finishing the educational  
23 program are unknown at this time.”

24 (b) A disclosure on transfer of credit in at least 12-point type  
25 that reads:

26

27 “NOTICE CONCERNING TRANSFERABILITY OF CREDITS  
28 AND CREDENTIALS EARNED AT OUR INSTITUTION”

29

30 “The transferability of credits you earn at (name of  
31 institution) is at the complete discretion of an institution to  
32 which you may seek to transfer. Acceptance of the (degree,  
33 diploma, or certificate) you earn in (name of educational  
34 program) is also at the complete discretion of the institution  
35 to which you may seek to transfer. For this reason you should  
36 make certain that your attendance at this institution will meet  
37 your educational goals. This may include contacting an  
38 institution to which you may seek to transfer after attending  
39 (name of institution) to determine if your (credits or degree,  
40 diploma or certificate) will transfer.”

1 (c) (1) A disclosure with a clear and conspicuous caption,  
2 “BUYER’S RIGHT TO CANCEL,” under which it is explained  
3 that the student has the right to cancel the enrollment agreement  
4 and obtain a refund of charges paid through attendance at the  
5 first class session, or the fifth day after enrollment, whichever is  
6 later.

7 (2) The disclosure shall contain the institution’s refund policy,  
8 together with examples of the application of the policy, and a  
9 statement that, if the student has received federal student financial  
10 aid funds the student is entitled to a refund of moneys not paid  
11 from federal student financial aid program funds.

12 (3) The text shall also include a description of the procedures  
13 that a student is required to follow to cancel the enrollment  
14 agreement or withdraw from the institution and obtain a refund,  
15 including the title and address of the institution manager to whom  
16 the notice shall be sent or delivered.

17 (d) A statement, provided by the bureau, specifying that it is a  
18 state requirement that a student who pays his or her tuition is  
19 required to pay a state-imposed assessment for the Student Tuition  
20 Recovery Fund. This statement shall also describe the purpose  
21 and operation of the Student Tuition Recovery Fund and the  
22 requirements for filing a claim against the Student Tuition  
23 Recovery Fund.

24 (e) A statement specifying that, if the student obtains a loan to  
25 pay for an educational program, the student will have the  
26 responsibility to repay the full amount of the loan plus interest,  
27 less the amount of any refund.

28 (f) A statement specifying that, if the student is eligible for a  
29 loan guaranteed by the federal or state government and the student  
30 defaults on the loan that both of the following may occur:

31 (1) The federal or state government or a loan guarantee agency  
32 can take action against the student, including applying any income  
33 tax refund to which the person is entitled to reduce the balance  
34 owed on the loan.

35 (2) The student may not be eligible for any other federal student  
36 financial aid at another institution or other government assistance  
37 until the loan is repaid.

38 (g) A statement specifying that the institution is not a public  
39 institution.

1     *(h) A statement specifying whether the institution has a pending*  
2 *petition in bankruptcy or has had a petition in bankruptcy filed*  
3 *against it.*

4     9108. *Each disclosure in Section 9107 shall be individually*  
5 *acknowledged by a student's initials or signature, or on a single*  
6 *form acknowledging receipt of the individually identified*  
7 *disclosures.*

8     9109. *A student may not waive any required term, or receipt*  
9 *of any disclosure, required by this article.*

10     9110. *An enrollment agreement shall be written in language*  
11 *that is easily understood. If English is not a student's primary*  
12 *language, and the student is unable to understand the terms and*  
13 *conditions of the enrollment agreement, the student shall have the*  
14 *right to obtain a clear explanation of the terms and conditions and*  
15 *all cancellation and refund policies in his or her primary language.*

16     9111. *If the recruitment leading to enrollment was conducted*  
17 *in a language other than English, the enrollment agreement,*  
18 *disclosures, and statements shall be in that language.*

19     9112. *An enrollment agreement shall become operative when*  
20 *the student attends the first class session.*

21     9113. *An enrollment agreement shall not contain a provision*  
22 *that requires a student to invoke an internal institutional dispute*  
23 *procedure before enforcing any contractual or other legal rights*  
24 *or remedies. This does not preclude inclusion of a term in the*  
25 *enrollment agreement requiring binding arbitration as authorized*  
26 *under the Federal Arbitration Act pursuant to Title 9 of the United*  
27 *States Code or other alternative dispute resolution procedures.*

28     9114. *An enrollment agreement is not enforceable unless, at*  
29 *the time of execution of the enrollment agreement, the institution*  
30 *held an approval to operate.*

31     9115. *When a student's total charges are paid by a third-party*  
32 *payer, the institution shall provide the student with a form*  
33 *containing all of the following information in lieu of an enrollment*  
34 *agreement:*

35     (1) *The name and address of the institution and the address*  
36 *where class sessions will be held.*

37     (2) *The name and description of the educational program,*  
38 *including the total number of credit hours, clock hours, or other*  
39 *increment required to complete the educational program.*

1 (3) A clear statement that the student is not eligible for  
2 protection and recovery from the Student Tuition Recovery Fund.

3  
4 Article 11. Consumer Loans to Students

5  
6 9116. An institution extending credit or lending money to an  
7 individual for institutional and noninstitutional charges for an  
8 educational program shall cause any note, instrument, or other  
9 evidence of indebtedness taken in connection with that extension  
10 of credit or loan to be conspicuously marked on its face in at least  
11 12-point type with the following notice:

12  
13 “NOTICE”

14 “YOU MAY ASSERT AGAINST THE HOLDER OF THE  
15 PROMISSORY NOTE YOU SIGNED IN ORDER TO  
16 FINANCE THE COST OF INSTRUCTION ALL OF THE  
17 CLAIMS AND DEFENSES THAT YOU COULD ASSERT  
18 AGAINST THIS INSTITUTION, UP TO THE AMOUNT YOU  
19 HAVE ALREADY PAID UNDER THE PROMISSORY NOTE.”

20  
21 9117. A note, instrument, or other evidence of indebtedness  
22 relating to payment for an educational program is not enforceable  
23 by an institution unless, at the time of execution of the note,  
24 instrument, or other evidence of indebtedness, the institution held  
25 an approval to operate.

26 9118. In making consumer loans to students an institution shall  
27 also comply with the requirements of the Federal Truth in Lending  
28 Act pursuant to Title 15 of the United States Code.

29  
30 Article 12. Cancellations, Withdrawals, and Refunds

31  
32 9119. (a) An institution that participates in the federal student  
33 financial aid programs complies with this article by complying  
34 with applicable regulations of the federal student financial aid  
35 programs under Title IV of the Higher Education Act of 1965.

36 (b) The institution shall advise each student that a notice of  
37 cancellation shall be in writing, and that a withdrawal may be  
38 effectuated by the student’s written notice or by the student’s  
39 conduct, including, but not necessarily limited to, a student’s lack  
40 of attendance.

1 (c) *The institution shall also provide a pro rata refund of*  
2 *nonfederal student financial aid program moneys paid for*  
3 *institutional charges to students who have completed 60 percent*  
4 *or less of the period of attendance.*

5 9120. *An institution that does not participate in the federal*  
6 *student financial aid programs shall do all of the following:*

7 (a) *The institution shall advise each student that a notice of*  
8 *cancellation shall be in writing, and that a withdrawal may be*  
9 *effectuated by the student's written notice or by the student's*  
10 *conduct, including, but not necessarily limited to, a student's lack*  
11 *of attendance.*

12 (b) *Institutions shall refund 100 percent of the amount paid for*  
13 *institutional charges, less a reasonable deposit or application fee*  
14 *not to exceed two hundred fifty dollars (\$250), if notice of*  
15 *cancellation is made through attendance at the first class session,*  
16 *or the seventh class day after enrollment, whichever is later.*

17 (c) *The bureau may adopt by regulation a different method of*  
18 *calculation for instruction delivered by other means, including,*  
19 *but not necessarily limited to, distance education.*

20 (d) *The institution shall have a refund policy for the return of*  
21 *unearned institutional charges if the student cancels an enrollment*  
22 *agreement or withdraws during a period of attendance. The refund*  
23 *policy for students who have completed 60 percent or less of the*  
24 *period of attendance shall be a pro rata refund.*

25 (e) *The institution shall pay or credit refunds within 45 days of*  
26 *a student's cancellation or withdrawal.*

27 9121. *An institution offering an educational program for which*  
28 *the refund calculations set forth in this article cannot be utilized*  
29 *because of the unique way in which the educational program is*  
30 *structured, may petition the bureau for an alternative method of*  
31 *calculating tuition refunds.*

32 9122. *A student may not waive any provision of this article.*

33

34

### *Article 13. Student Tuition Recovery Fund*

35

36 9123. *The bureau shall adopt, by regulation, procedures*  
37 *governing the administration and maintenance of the Student*  
38 *Tuition Recovery Fund, including requirements relating to*  
39 *assessments on students and student claims against the Student*  
40 *Tuition Recovery Fund.*

1 9124. All assessments collected pursuant to this article shall  
2 be credited to the Student Tuition Recovery Fund, along with any  
3 accrued interest, for the purpose of this article. Notwithstanding  
4 Section 13340 of the Government Code, the moneys in the Student  
5 Tuition Recovery Fund are continuously appropriated to the  
6 bureau, without regard to fiscal year, for the purposes of this  
7 article.

8 9125. The amount in the Student Tuition Recovery Fund shall  
9 not exceed twenty-five million dollars (\$25,000,000) at any time.

10  
11 Article 14. Orderly Institutional Closure and Teach-outs  
12

13 9126. At least 30 days prior to closing, the institution shall  
14 notify the bureau in writing of its intention to close. The notice  
15 shall be accompanied by a closure plan, which shall include, but  
16 not necessarily be limited to, all of the following:

17 (a) A plan for providing teach-outs of educational programs,  
18 including any agreements with any other postsecondary  
19 educational institutions to provide teach-outs.

20 (b) If no teach-out plan is contemplated, or for students who do  
21 not wish to participate in a teach-out, arrangements for making  
22 refunds within 45 days from the date of closure, or for institutions  
23 that participant in federal student financial aid programs  
24 arrangements for making refunds and returning federal student  
25 financial aid program funds.

26 (c) If the institution is a participant in federal student financial  
27 aid programs, it shall provide students information concerning  
28 these programs and institutional closures.

29 (d) A plan for the disposition of student records.

30 9127. An institution shall be considered in default of the  
31 enrollment agreement when an educational program is  
32 discontinued or canceled or the institution closes prior to  
33 completion of the educational program. When an institution is in  
34 default, student institutional charges may be refunded on a pro  
35 rata basis if the bureau determines that the school has made  
36 provision for students enrolled at the time of default to complete  
37 a comparable educational program at another institution at no  
38 additional charge to the student beyond the amount of the total  
39 charges in the original enrollment agreement. If the institution

1 *does not make that provision, a total refund of all institutional*  
 2 *charges shall be made to students.*

3

4 *Article 15. Completion and Placement Requirements*

5

6 *9128. An institution subject to this chapter shall report annually*  
 7 *to the bureau, and disclose to students the number and percentage*  
 8 *of students who began the institution’s program and successfully*  
 9 *completed the entire program for the preceding calendar year.*  
 10 *The rate shall be calculated by determining the percentage of*  
 11 *students enrolled in the program who were originally scheduled,*  
 12 *at the time of enrollment, to complete the program in that calendar*  
 13 *year and who successfully completed the program. This information*  
 14 *shall be documented and maintained by the institution with all*  
 15 *facts needed to substantiate the information. An institution may*  
 16 *include completion information for students completing the*  
 17 *program within 150 percent of the original contracted time, but*  
 18 *that information may not replace completion information for*  
 19 *students completing within the original scheduled time.*

20 *9129. If an institution’s accreditation agency has quantitative*  
 21 *student completion and placement requirements in its accreditation*  
 22 *standards, an institution is in compliance with this article by*  
 23 *complying with the accreditation standards.*

24 *9130. An institution shall use the data derived from the*  
 25 *regulatory standards or the accreditation standards in the Student*  
 26 *Performance Fact Sheet.*

27

28 *Article 16. Compliance, Enforcement, Process, and Penalties*

29

30 *9131. The bureau shall determine an institution’s compliance*  
 31 *with the requirements of this chapter. The bureau shall have the*  
 32 *power to require annual and other reports that institutions shall*  
 33 *file with the bureau, to send staff to an institution’s sites, and to*  
 34 *require documents and responses from an institution to monitor*  
 35 *compliance. When the bureau has reason to believe that an*  
 36 *institution may be out of compliance, it may conduct an*  
 37 *investigation of the institution.*

38 *9132. The bureau may provide the institution with the*  
 39 *opportunity to remedy noncompliance, impose fines, place the*  
 40 *institution on probation, or suspend or revoke the institution’s*

1 *approval to operate as it deems appropriate to the severity of an*  
2 *institution's violations of this chapter, and the harm caused to*  
3 *students.*

4 9133. *As much as is practicable, the bureau shall seek to*  
5 *resolve instances of noncompliance, including the use of alternative*  
6 *dispute resolution procedures in Chapter 4.5 (commencing with*  
7 *Section 11420.10) of Part 1 of Division 3 of Title 2 of the*  
8 *Government Code.*

9 9134. (a) *As part of the compliance program, an institution*  
10 *shall submit an annual report to the bureau, under penalty of*  
11 *perjury, by July 1 of each year, or another date designated by the*  
12 *bureau, and it shall include the following information for*  
13 *educational programs offered in the reporting period:*

14 (1) *The total number of students enrolled by level of degree or*  
15 *for a diploma.*

16 (2) *The number of degrees, by level, and diplomas awarded.*

17 (3) *The degree levels and diplomas offered.*

18 (4) *Educational program completion rates.*

19 (5) *Educational program placement rates.*

20 (6) *The total charges for each educational program by period*  
21 *of attendance.*

22 (7) *A statement indicating whether the institution is, or is not,*  
23 *current in remitting Student Tuition Recovery Fund assessments.*

24 (8) *Additional information deemed by the bureau to be*  
25 *reasonably required to ascertain compliance with this chapter.*

26 (b) *The bureau shall prescribe the annual report's format and*  
27 *method of delivery.*

28 9135. (a) *Bureau staff who, during an inspection of an*  
29 *institution, detect a minor violation of this chapter, or regulations*  
30 *adopted pursuant to this chapter, shall issue a notice to comply*  
31 *before leaving the institution. The bureau shall establish an*  
32 *informal appeal process through regulation, which shall not be*  
33 *subject to the provisions of the Administrative Procedure Act*  
34 *(Chapter 3.5 (commencing with Section 11340), Chapter 4*  
35 *(commencing with Section 11370), Chapter 4.5 (commencing with*  
36 *Section 11400), and Chapter 5 (commencing with Section 11500)*  
37 *of Part 1 of Division 3 of Title 2 of the Government Code). Unless*  
38 *a writ of mandate is filed, a citation issued, or a disciplinary*  
39 *proceeding instituted, a notice to comply shall not be considered*  
40 *a public record, and shall not be disclosed pursuant to a request*

1 under the California Public Records Act (Chapter 3.5 (commencing  
2 with Section 6250) of Division 7 of Title 1 of the Government  
3 Code).

4 (b) An institution that receives a notice to comply shall have no  
5 more than 30 days from the date of inspection to remedy the  
6 noncompliance.

7 (c) Upon achieving compliance the institution shall sign and  
8 return the notice to comply to the bureau.

9 (d) A single notice to comply shall be issued listing separately  
10 all the minor violations cited during the inspection.

11 (e) A notice to comply shall not be issued for any minor violation  
12 that is corrected immediately in the presence of the bureau staff.  
13 Immediate compliance may be noted in the inspection report, but  
14 the institution shall not be subject to any further action by the  
15 bureau.

16 (f) A notice to comply shall be the only means the bureau shall  
17 use to cite a minor violation discovered during an inspection. The  
18 bureau shall not take any other enforcement action specified in  
19 this chapter against an institution that has received a notice to  
20 comply if the institution complies with this section.

21 (g) If an institution that receives a notice to comply pursuant  
22 to subdivision (a) disagrees with one or more of the alleged minor  
23 violations listed in the notice to comply, an institution shall send  
24 the bureau a written notice of disagreement. The agency may take  
25 administrative enforcement action to seek compliance with the  
26 requirements of the notice to comply.

27 (h) If an institution fails to comply with a notice to comply within  
28 the prescribed time, the bureau may take administrative  
29 enforcement action.

30 (i) A minor violation is a deviation from the requirements of  
31 this chapter, or regulations adopted pursuant to this chapter, that,  
32 in the determination of the bureau, has not or reasonably will not  
33 result in immediate harm to students and is not either:

34 (1) Committed knowingly, willfully, or intentionally.

35 (2) A repeated violation or a violation committed by a  
36 recalcitrant violator that has engaged in a pattern of neglect or  
37 disregard for the requirements of this chapter.

38 9136. (a) As a consequence of an investigation, the bureau  
39 may issue a citation to an institution for violation of this chapter,  
40 or regulations adopted pursuant to this chapter.

1 (b) *The citation may contain either of the following:*

2 (1) *An order of abatement that may require an institution to*  
3 *demonstrate how future compliance with this chapter or regulations*  
4 *adopted pursuant to this chapter will be accomplished.*

5 (2) *An administrative fine not to exceed five thousand dollars*  
6 *(\$5,000) for each violation. The bureau shall base its assessment*  
7 *of the administrative fine on:*

8 (A) *The nature and seriousness of the violation.*

9 (B) *The persistence of the violation.*

10 (C) *The good faith of the institution.*

11 (D) *The history of previous violations.*

12 (E) *The purposes of this chapter.*

13 (c) (1) *The citation shall be in writing and describe the nature*  
14 *of the violation and the specific provision of law or regulation that*  
15 *is alleged to have been violated.*

16 (2) *The citation shall inform the institution of its right to request*  
17 *a hearing in writing within 30 days from service of the citation.*

18 (3) *If a hearing is requested, the bureau shall select an informal*  
19 *hearing pursuant to Chapter 4.5 (commencing with Section*  
20 *11445.10) of Part 1 of Division 3 of Title 2 of the Government*  
21 *Code or a formal hearing pursuant to Chapter 5 (commencing*  
22 *with Section 11500) of Part 1 of Division 3 of Title 2 of the*  
23 *Government Code.*

24 (4) *If a hearing is not requested, payment of the administrative*  
25 *fine is due 30 days from the date of service, and shall not constitute*  
26 *an admission of the violation charged.*

27 (5) *If a hearing is conducted and payment of an administrative*  
28 *fine is ordered, the administrative fine is due 30 days from when*  
29 *the final order is entered.*

30 (6) *The bureau may enforce the administrative fine as if it were*  
31 *a money judgment pursuant to Title 9 (commencing with Section*  
32 *680.10) of Part 2 of the Code of Civil Procedure.*

33 (d) *All administrative fines shall be deposited in the Private*  
34 *Postsecondary Education Administration Fund.*

35 9137. (a) *As a consequence of an investigation, the bureau*  
36 *may place an institution on probation or may suspend or revoke*  
37 *an institution's approval to operate for:*

38 (1) *Obtaining an approval to operate by fraud.*

1 (2) *Material or repeated violations of this chapter or regulations*  
2 *adopted pursuant to this chapter that have resulted in harm to*  
3 *students.*

4 (b) *The bureau shall adopt regulations governing probation*  
5 *and suspension of an approval to operate.*

6 (c) *The bureau may seek reimbursement for the costs of an*  
7 *investigation pursuant to Section 125.3.*

8 (d) *An institution shall not be required to pay the cost of*  
9 *investigation to more than one agency.*

10 9138. (a) *If the bureau determines it needs to make an*  
11 *emergency decision to protect students, prevent misrepresentation*  
12 *to the public, or prevent the loss of public funds or moneys paid*  
13 *by students, it may do so pursuant to Chapter 4.5 (commencing*  
14 *with Section 11460.10) of Part 1 of Division 3 of Title 2 of the*  
15 *Government Code.*

16 (b) *The bureau shall adopt regulations to give this subdivision*  
17 *effect pursuant to Section 11460.20 of the Government Code.*

18 9139. (a) *The bureau may bring an action for equitable relief*  
19 *for any violation of this chapter. The equitable relief may include*  
20 *restitution, a temporary restraining order, the appointment of a*  
21 *receiver, and a preliminary or permanent injunction. The action*  
22 *may be brought in the county in which the defendant resides or in*  
23 *which any violation has occurred or may occur.*

24 (b) *The remedies provided in this section supplement, and do*  
25 *not supplant, the remedies and penalties under other provisions*  
26 *of law.*

27 9140. *As consequence of an adverse administrative action*  
28 *against an institution, the institution may request a hearing*  
29 *pursuant to Chapter 4.5 (commencing with Section 11445.10) or*  
30 *Chapter 5 (commencing with Section 11500) of Part 1 of Division*  
31 *3 of Title 2 of the Government Code.*

32 9141. (a) *A student who claims damage or loss as a result of*  
33 *an institution's violation of this chapter, or of regulations adopted*  
34 *pursuant to this chapter, may file a complaint with the bureau*  
35 *against the institution. The complaint shall set forth the alleged*  
36 *violation, and shall contain any other information as may be*  
37 *required by the bureau.*

38 (b) *Taking into account the nature and seriousness of the alleged*  
39 *violation, the bureau shall take action to ascertain the facts and*  
40 *to verify the complaint. The action may include interviewing*

1 *institution management, conducting an investigation, holding an*  
2 *informal hearing, or other appropriate investigative activity.*

3 *(c) Upon the facts discovered, the bureau may take appropriate*  
4 *administrative enforcement action.*

5 9142. *(a) A student or graduate may bring an action for a*  
6 *material violation of this chapter that they allege is the proximate*  
7 *cause of an injury in fact. Upon prevailing in such an action the*  
8 *student is entitled to relief pursuant to Section 3333 of the Civil*  
9 *Code.*

10 *(b) The remedies provided in this section supplement, and do*  
11 *not supplant, the remedies and penalties under other provisions*  
12 *of law.*

13 9143. *The following violations of this chapter are public*  
14 *offenses:*

15 *(a) Knowingly operating a private postsecondary institution*  
16 *without an approval to operate is an infraction subject to the*  
17 *procedures described in Sections 19.6 and 19.7 of the Penal Code.*

18 *(b) Knowingly providing false information to the bureau on an*  
19 *application for an approval to operate is an infraction subject to*  
20 *the procedures described in Sections 19.6 and 19.7 of the Penal*  
21 *Code.*

22 9144. *An institution shall designate and maintain an agent for*  
23 *service of process within this state, and provide the name, address,*  
24 *and telephone number of the agent to the bureau. The bureau shall*  
25 *furnish the agent's name, address, and telephone number to a*  
26 *person upon request.*

27 9145. *Notwithstanding any other provision of law, the bureau*  
28 *shall cite any person, and that person shall be subject to a fine not*  
29 *to exceed fifty thousand dollars (\$50,000), for operating an*  
30 *institution without proper approval to operate issued by the bureau*  
31 *pursuant to this chapter.*

32

33 *Article 17. Severability*

34

35 9146. *The provisions of this chapter are severable. If any*  
36 *provision of this chapter or its application is held invalid, that*  
37 *invalidity shall not affect other provisions or applications that can*  
38 *be given effect without the invalid provision or application.*

Article 18. Termination

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*9147. This chapter shall remain in effect until January 1, 2011, and as of that date is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2011, deletes or extends the date on which it becomes repealed.*

*SEC. 6. Section 11105.8 is added to the Vehicle Code, to read:*

*11105.8. A person may not own or operate an institution, or give instruction, for the driving of motortrucks of three or more axles that are more than 6,000 pounds unladen weight unless all of the following conditions are met:*

*(a) The institution has been approved by the Department of Motor Vehicles.*

*(b) The institution at the time of application and thereafter, maintains both of the following:*

*(1) Proof of compliance with liability insurance requirements that are the same as those established by the Department of Motor Vehicles for a driving institution owner, pursuant to Section 11103, unless the Department of Motor Vehicles deems it necessary to establish a higher level of insurance coverage.*

*(2) A satisfactory safety rating by the Department of the California Highway Patrol is established pursuant to Division 14.8 (commencing with Section 34500).*

*(c) The institution, at all times, shall maintain the vehicles used in driving training in safe mechanical condition. The institution shall keep all records concerning the maintenance of the vehicles.*

*(d) The driving instructions meet the requirements set forth in Section 11104.*

*(e) Any other terms and conditions required by the Department of Motor Vehicles to protect the public safety or to meet the requirements of this chapter.*

*SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.*

1 SECTION 1. ~~Section 49086 is added to the Education Code,~~  
2 ~~to read:~~

3 ~~49086. (a) On or before January 1, 2009, the California School~~  
4 ~~Information Services shall generate a report that specifies dropout~~  
5 ~~data for each school district and schoolsite for which it has data,~~  
6 ~~and shall make those reports available to the school districts and~~  
7 ~~general public.~~

8 ~~(b) Commencing January 1, 2009, and every year thereafter,~~  
9 ~~the California School Information Services shall annually compile~~  
10 ~~a statewide dropout rate based on the data collected for the most~~  
11 ~~recent year.~~

O