



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

SB-802 Private postsecondary education: California Private Postsecondary Education Act of 2009. (2021-2022)

SHARE THIS:  

Date Published: 10/06/2021 09:00 PM

Senate Bill No. 802

CHAPTER 552

An act to amend Sections 94827, 94837, 94857, 94874, 94880, 94885.1, 94885.5, 94889, 94894, 94937, and 94950 of the Education Code, relating to private postsecondary education, and making an appropriation therefor.

[Approved by Governor October 05, 2021. Filed with Secretary of State October 05, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

SB 802, Roth. Private postsecondary education: California Private Postsecondary Education Act of 2009.

Existing law, the California Private Postsecondary Education Act of 2009, provides for the regulation of private postsecondary educational institutions by the Bureau for Private Postsecondary Education in the Department of Consumer Affairs. The act applies to private entities with a physical presence in the state that offer postsecondary education, as defined in the act, to the public for an institutional charge, but exempts certain institutions from its application, including certain institutions that offer continuing education, which is also defined in the act, and other institutions that offer educational programs to members of a trade or fraternal organization that sponsor the educational programs. The act requires the bureau to adopt by regulation minimum operating standards for institutions that are subject to the act's provisions, including a standard that requires accreditation for degree-granting institutions. The act requires an institution to obtain bureau approval before making certain substantive changes to its operations. The act authorizes the bureau to suspend, revoke, or place on probation an institution's approval to operate for violations of the act that result in actual student harm. The act is repealed by its own provisions on January 1, 2022.

This bill would revise and recast provisions of the act. The bill would revise the definition of "continuing education" to expressly exclude instruction that leads to a degree and would revise the definition of "educational program" to exclude a course of 32 hours of instruction or less that is not designed to lead to employment. The bill would change the definition of "postsecondary education" from a formal institutional educational program whose "curriculum" is designed primarily for specified students, to a formal institutional educational program whose "instruction" is designed primarily for those students. The bill would clarify that institutions cannot qualify for the trade or fraternal organization exemption by sponsoring their own educational programs. The bill would require the bureau's advisory committee to elect a chair and vice chair and adopt rules for its affairs. The bill would allow the bureau to extend the accreditation deadlines under certain conditions and would clarify the bureau's authority to suspend an institution's educational programs and to suspend, revoke, or place on probation an institution's approval to operate. The bill would expand the types of substantive changes requiring prior bureau approval to include changes to an institution's educational programs related to clock and credit hours or distance learning, and those relating to an institution's participation in certain federal student aid programs. The bill would make other conforming, technical, and nonsubstantive changes and would extend the operation of the act by one year to January 1, 2023.

The act establishes the Student Tuition Recovery Fund and requires the bureau to adopt regulations governing the administration and maintenance of the fund, including requirements relating to assessments on students and student claims against the fund,

and establishes that the moneys in this fund are continuously appropriated to the bureau for specified purposes.

By extending operation of the Student Tuition Recovery Fund, a continuously appropriated fund, this bill would make an appropriation.

Under existing law, the act specifies conduct by regulated institutions that, if undertaken, is a crime.

Because this bill would extend the application of those criminal provisions, it would impose a state-mandated local program.

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.

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 94827 of the Education Code is amended to read:

94827. "Continuing education" means instruction that does not lead to a degree in subjects that licensees are required to take solely for the purpose of continued licensure, or to enhance the licensee's skills and knowledge within their particular profession, occupation, trade, or career field.

SEC. 2. Section 94837 of the Education Code is amended to read:

94837. "Educational program" means a planned sequence composed of a set of related courses or modules, or a single course or module if not offered as a component of a set of related courses or modules, that provides education, training, skills, or experience, or a combination of these, except that "educational program" does not include a single course, workshop, seminar, continuing education course, or other instruction that consists of 32 hours of instruction or less that is not designed to lead to employment.

SEC. 3. Section 94857 of the Education Code is amended to read:

94857. "Postsecondary education" means a formal institutional educational program whose instruction is designed primarily for students who have completed or terminated their secondary education or are beyond the compulsory age of secondary education, including programs whose purpose is academic, vocational, or continuing professional education.

SEC. 4. Section 94874 of the Education Code is amended to read:

94874. Except as provided in Sections 94874.2, 94874.7, and 94927.5, the following are exempt from this chapter:

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

(b) (1) An institution only offering educational programs to members of a bona fide trade, business, professional, or fraternal organization that is separate and distinct from the institution and that sponsors the educational programs. An institution that sponsors an educational program directly or through an affiliated division or corporate entity of the institution and that requires student membership for purposes of those educational programs does not qualify under this exemption.

(2) (A) Except as provided in subparagraph (B), a bona fide organization, association, or council that offers preapprenticeship training programs, on behalf of one or more Division of Apprenticeship Standards-approved labor-management apprenticeship programs that satisfies one of the following conditions:

(i) It is not on the Eligible Training Provider List established and maintained by the California Workforce Development Board but has met the requirements for placement on the list.

(ii) It is on the Eligible Training Provider List established and maintained by the California Workforce Development Board and meets the requirements for continued listing.

(B) If an organization, association, or council has been removed from the Eligible Training Provider List established and maintained by the California Workforce Development Board for failure to meet performance standards, it is not exempt until it meets all applicable performance standards.

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

(d) An institution offering either of the following:

(1) Test preparation for examinations required for admission to a postsecondary educational institution.

(2) Continuing education or license examination preparation, if the institution or the program is approved, certified, or sponsored by any of the following:

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

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

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

(e) (1) An institution owned, controlled, and operated and maintained by a religious organization lawfully operating as a nonprofit religious corporation pursuant to Part 4 (commencing with Section 9110) of Division 2 of Title 1 of the Corporations Code, that meets all of the following requirements:

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

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

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

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

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

(5) A degree awarded under this subdivision shall reflect the nature of the degree title, such as "associate of religious studies," "bachelor of religious studies," "master of divinity," or "doctor of divinity."

(f) An institution that does not award degrees and that solely provides educational programs for total charges of two thousand five hundred dollars (\$2,500) or less when no part of the total charges is paid from state or federal student financial aid programs. The bureau may adjust this cost threshold based upon the California Consumer Price Index and post notification of the adjusted cost threshold on its internet website as the bureau determines, through the promulgation of regulations, that the adjustment is consistent with the intent of this chapter.

(g) A law school that is accredited by the Council of the Section of Legal Education and Admissions to the Bar of the American Bar Association or a law school or law study program that is subject to the approval, regulation, and oversight of the Committee of Bar Examiners, pursuant to Sections 6046.7 and 6060.7 of the Business and Professions Code.

(h) A nonprofit public benefit corporation that satisfies all of the following criteria:

(1) Is qualified under Section 501(c)(3) of the United States Internal Revenue Code.

(2) Is organized specifically to provide workforce development or rehabilitation services.

(3) Is accredited by an accrediting organization for workforce development or rehabilitation services recognized by the Department of Rehabilitation.

(i) An institution that is accredited by the Accrediting Commission for Senior Colleges and Universities, Western Association of Schools and Colleges, or the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges.

(j) Flight instruction providers or programs that provide flight instruction pursuant to Federal Aviation Administration regulations and meet both of the following criteria:

(1) The flight instruction provider or program does not require students to enter into written or oral contracts of indebtedness.

(2) The flight instruction provider or program does not require or accept prepayment of instruction-related costs in excess of two thousand five hundred dollars (\$2,500).

(k) (1) An institution owned, controlled, operated, and maintained by a community-based organization, as defined in Section 7801 of Title 20 of the United States Code, as that section exists on March 1, 2017, that satisfies all of the following criteria:

(A) The institution has programs on or is applying for some or all of their programs to be on the Eligible Training Provider List established and maintained by the California Workforce Development Board.

(B) The institution is registered as a nonprofit entity qualified under Section 501(c)(3) of the federal Internal Revenue Code.

(C) The institution does not offer degrees, as defined in Section 94830.

(D) The institution does not offer educational programs designed to lead directly or specifically to positions in a profession, occupation, trade, or career field requiring licensure, if bureau approval is required for the student to be eligible to sit for licensure.

(E) The institution would not otherwise be subject to oversight of the bureau under this chapter if it did not receive funding under the federal Workforce Innovation and Opportunity Act (29 U.S.C. Sec. 3101 et seq.). For purposes of this requirement, funds received through the federal Workforce Innovation and Opportunity Act (29 U.S.C. Sec. 3101 et seq.) do not count towards the total referenced in subdivision (f) or any other fee charge limitation condition for an exemption from this chapter.

(F) The institution can provide a letter from the local workforce development board that demonstrates the institution has met the initial criteria of that board.

(2) An institution granted an exemption pursuant to paragraph (1) shall comply with all of the following requirements:

(A) The institution shall provide to the Employment Development Department all required tracking information and data necessary to comply with performance reporting requirements under the federal Workforce Innovation and Opportunity Act, codified in Chapter 32 (commencing with Section 3101) of Title 29 of the United States Code, for programs on the Eligible Training Provider List.

(B) The institution shall comply with the Eligible Training Provider List policy developed by the California Workforce Development Board.

(C) The institution shall not charge a student who is a recipient of funding under the federal Workforce Innovation and Opportunity Act (29 U.S.C. Sec. 3101 et seq.) any institutional charges, as defined in Section 94844, for attending and participating in the program.

SEC. 5. Section 94880 of the Education Code is amended to read:

94880. (a) There is within the bureau a 12-member advisory committee. The members of the committee shall be appointed as follows:

(1) Three members, who shall have a demonstrated record of advocacy on behalf of consumers, of which the director, the Senate Committee on Rules, and the Speaker of the Assembly shall each appoint one member.

(2) Two members, who shall be current or past students of institutions, appointed by the director.

(3) Three members, who shall be representatives of institutions, appointed by the director.

(4) One public member appointed by the Senate Committee on Rules.

(5) One public member appointed by the Speaker of the Assembly.

(6) Two nonvoting, ex officio members as follows:

(A) The chair of a policy committee of the Assembly with jurisdiction over legislation relating to the bureau appointed by the Speaker of the Assembly. The chair may designate a representative for any meeting or meetings the chair is unable to attend.

(B) The chair of a policy committee of the Senate with jurisdiction over legislation relating to the bureau appointed by the Senate Committee on Rules. The chair may designate a representative for any meeting or meetings the chair is unable to attend.

(b) (1) A member appointed pursuant to paragraph (2), (4), or (5) of subdivision (a) shall not, either at the time of the member's appointment or during the member's tenure in office, have any financial interest in any organization currently or previously subject to regulation by the bureau, be a close family member of an employee, officer, or the director of any institution subject to regulation by the bureau, or currently have, or previously have had, a business relationship, in the five years preceding the member's appointment, with any institution subject to regulation by the bureau.

(2) A member appointed pursuant to paragraph (2), (4), or (5) of subdivision (a) shall not, within the five years immediately preceding the member's appointment, have engaged in pursuits on behalf of an institution or institutional accreditor or have provided representation to the postsecondary educational industry or a profession regulated by the bureau, if the member is employed in the industry or a member of the profession, respectively, and the member shall not engage in those pursuits or provide that representation during the member's term of office.

(c) The advisory committee shall examine the oversight functions and operational policies of the bureau and advise the bureau with respect to matters relating to private postsecondary education and the administration of this chapter, including annually reviewing the fee schedule and the equity of the schedule relative to the way institutions are structured, and the licensing and enforcement provisions of this chapter. The advisory committee shall make recommendations with respect to policies, practices, and regulations relating to private postsecondary education, and shall provide any assistance as may be requested by the bureau.

(d) The bureau shall actively seek input from, and consult with, the advisory committee regarding the development of regulations to implement this chapter before the adoption, amendment, or repeal of its regulations, and provide the advisory committee with sufficient time to review and comment on those regulations. The bureau shall take into consideration and respond to all feedback provided by members of the advisory committee.

(e) The bureau chief shall attend all advisory committee meetings and shall designate staff to provide ongoing administrative support to the advisory committee.

(f) Until January 1, 2017, the director shall personally attend, and testify and answer questions at, each meeting of the advisory committee.

(g) The Chief of the Office of Student Assistance and Relief established in Article 20.6 (commencing with Section 94949.7) shall attend, and testify and answer questions at, each meeting of the advisory committee.

(h) The advisory committee shall have the same access to records within the Department of Consumer Affairs related to the operation and administration of this chapter as do members of constituent boards of the department in regard to records related to their functions.

(i) Advisory committee meetings shall be subject to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code). Advisory committee meeting materials shall be posted on the internet. A majority of the voting members of the committee shall constitute a quorum for the committee's meetings.

(j) The advisory committee shall meet at least quarterly and shall appoint a member of the committee to represent the committee for purposes of communicating with the Legislature.

(k) The Department of Consumer Affairs shall review, and revise if necessary, the department's conflicts of interest regulations to ensure that each advisory committee member is required to disclose conflicts of interest to the public.

(l) The advisory committee shall elect annually from among its members a chair and vice chair. A member shall not serve in the chair or vice chair position for more than a combined two years.

(m) The advisory committee shall adopt reasonable rules for the conduct of its affairs consistent with this section.

SEC. 6. Section 94885.1 of the Education Code is amended to read:

94885.1. (a) An institution that is not accredited by an accrediting agency recognized by the United States Department of Education and offering at least one degree program, and that has obtained an approval to operate from the bureau on or before January 1, 2015, shall be required to satisfy at least one of the following no later than July 1, 2015:

(1) Accreditation by an accrediting agency recognized by the United States Department of Education, with the scope of that accreditation covering the offering of at least one degree program by the institution.

(2) Compliance with subdivision (b).

(b) The bureau shall identify institutions that are subject to subdivision (a) and notify those institutions by February 1, 2015, of the accreditation requirements pursuant to this section and that the institution is required to provide the following information to the

bureau if the institution plans to continue to offer a degree program after July 1, 2015:

(1) An accreditation plan that, at a minimum, identifies an accrediting agency recognized by the United States Department of Education from which the institution will seek accreditation, with the scope of that accreditation covering the offering of at least one degree program, and outlines the process by which the institution will achieve accreditation candidacy or pre-accreditation by July 1, 2017, and full accreditation by July 1, 2020.

(2) Evidence of having achieved accreditation candidacy or pre-accreditation by July 1, 2017.

(3) Evidence of having obtained full accreditation by July 1, 2020.

(4) Any additional documentation the bureau deems necessary.

(c) An institution that satisfies the requirements of subdivision (b) shall comply with all of the following:

(1) Notify students seeking to enroll in the institution, in writing, before the execution of the student's enrollment agreement, that the institution's approval to offer a degree program is contingent upon the institution being subsequently accredited.

(2) A visiting committee, empaneled by the bureau pursuant to Section 94882, shall review the institution by January 1, 2017, and determine if the institution is likely to achieve full accreditation by July 1, 2020. If the visiting committee finds the institution deficient in its accreditation plan, the bureau may prohibit the institution from enrolling new students in its degree program or programs, and require the execution of a teach-out plan for its enrolled students.

(d) (1) The bureau shall, upon the timely submission of sufficient evidence that an unaccredited institution is making strong progress toward obtaining accreditation, or if warranted by the accrediting agency's conditions for applying for accreditation related to student enrollment or graduation, grant an institution's request for an extension of time, not to exceed a combined total of five years, to meet the requirements of this section.

(2) Evidence submitted to the bureau pursuant to paragraph (1) shall include, but is not limited to, an amended accreditation plan adequately identifying why pre-accreditation, accreditation candidacy, or accreditation outlined in the original plan submitted to the bureau was not achieved, active steps the institution is taking to comply with this section, and documentation from an accrediting agency demonstrating either the institution's likely ability to meet the requirements of this section or the accrediting agency's relevant conditions for an institution to apply for accreditation.

(3) The bureau may establish policies and procedures to comply with the requirements in this subdivision. Establishment of these policies and procedures are exempt from Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), Chapter 4.5 (commencing with Section 11400), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(e) (1) Except as provided in paragraph (2), an institution that fails to comply with the requirements of this section by the dates provided, as required, or for which accreditation is removed or revoked by the accrediting agency, shall have its approval to operate with respect to its degree programs automatically suspended on the applicable date. The bureau shall issue an order suspending the degree programs of the institution and that suspension shall not be lifted until the institution complies with the requirements of this section or has its accreditation reinstated. An institution that has its degree programs suspended shall not enroll new students in any of its degree programs, and shall execute a teach-out plan for its enrolled students in those degree programs.

(2) (A) This section does not prohibit an institution from voluntarily ceasing to pursue accreditation. An institution that voluntarily ceases to pursue accreditation shall immediately notify the bureau in writing of the institution's intent to stop offering its degree programs and shall comply with all other applicable laws and regulations. Upon the bureau's receipt of the notification, the institution's approval to operate with respect to the degree programs is deemed voluntarily surrendered.

(B) An institution offering both degree and nondegree programs that has its provisional approval to operate degree programs suspended or that voluntarily ceases to pursue accreditation may continue to offer its nondegree programs, subject to all other laws and regulations.

(C) An institution that is pursuing accreditation under this section shall not make a change in ownership, change in control, or change in business organization form pursuant to Sections 94893 and 94894 until the institution obtains full accreditation.

(f) The bureau shall adopt emergency regulations for purposes of implementing this section. The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare for purposes of Sections 11346.1 and 11349.6 of the Government Code. These emergency regulations shall become law through the regular rulemaking process within one year of the enactment of this section.

(g) This section shall remain in effect until January 1, 2023, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2023, deletes or extends that date.

SEC. 7. Section 94885.5 of the Education Code is amended to read:

94885.5. (a) If an institution that has not been accredited by an accrediting agency recognized by the United States Department of Education seeks to offer one or more degree programs, the institution shall satisfy the following requirements in order to be issued a provisional approval to operate degree programs from the bureau:

(1) The institution may not offer more than two degree programs during the term of its provisional approval to operate degree programs.

(2) The institution shall submit an accreditation plan, approved by the bureau, for the institution to become fully accredited within five years of issuance of its provisional approval to operate degree programs. The plan shall include, at a minimum, identification of an accreditation agency recognized by the United States Department of Education, from which the institution plans to seek accreditation, and outline the process by which the institution will achieve accreditation candidacy or pre-accreditation within two years, and full accreditation within five years, of issuance of its provisional approval to operate degree programs.

(3) The institution shall submit to the bureau all additional documentation the bureau deems necessary to determine if the institution will become fully accredited within five years of issuance of its provisional approval to operate degree programs.

(b) If an institution is granted a provisional approval to operate degree programs pursuant to subdivision (a), the following is required:

(1) Students seeking to enroll in that institution shall be notified in writing by the institution, before the execution of the student's enrollment agreement, that the institution's approval to operate is contingent upon it being subsequently accredited.

(2) Within the first two years of issuance of the provisional approval to operate degree programs, a visiting committee, empaneled by the bureau pursuant to Section 94882, shall review the institution's application for approval and its accreditation plan, and make a recommendation to the bureau regarding the institution's progress to achieving full accreditation.

(3) The institution shall provide evidence of accreditation candidacy or pre-accreditation within two years of issuance of its provisional approval to operate degree programs, and evidence of accreditation within five years of issuance of its provisional approval to operate degree programs, with the scope of that accreditation covering the offering of at least one degree program.

(c) (1) Except as provided in paragraph (2), an institution required to comply with this section that fails to do so by the dates provided, as required, or for which accreditation is removed or revoked by the accrediting agency, shall have its provisional approval to operate degree programs automatically suspended on the applicable date. The bureau shall issue an order suspending the institution's degree programs and that suspension shall not be lifted until the institution complies with the requirements of this section or has its accreditation reinstated. An institution that has its degree programs suspended shall not enroll new students in any of its degree programs and shall execute a teach-out plan for its enrolled students in those degree programs.

(2) (A) This section does not prohibit an institution from voluntarily ceasing to pursue accreditation. An institution that voluntarily ceases to pursue accreditation shall immediately notify the bureau in writing of the institution's intent to stop offering its degree programs and shall comply with all other applicable laws and regulations. Upon the bureau's receipt of the notification, the institution's approval to operate degree programs is deemed voluntarily surrendered.

(B) An institution offering both degree and nondegree programs that has its provisional approval to operate degree programs suspended or that voluntarily ceases to pursue accreditation may continue to offer its nondegree programs, subject to all other laws and regulations.

(C) An institution that is pursuing accreditation under this section shall not make a change in ownership, change in control, or change in business organization form pursuant to Sections 94893 and 94894 until the institution obtains full accreditation.

(d) (1) The bureau shall, upon the timely submission of sufficient evidence that an unaccredited institution is making strong progress toward obtaining accreditation, or if warranted by the accrediting agency's conditions for applying for accreditation related to student enrollment or graduation, grant an institution's request for an extension of time, not to exceed a combined total of five years, to meet the requirements of this section.

(2) Evidence submitted to the bureau pursuant to paragraph (1) shall include, but is not limited to, an amended accreditation plan adequately identifying why preaccreditation, accreditation candidacy, or accreditation outlined in the original plan submitted to the bureau was not achieved, active steps the institution is taking to comply with this section, and documentation

from an accrediting agency demonstrating either the institution's likely ability to meet the requirements of this section or the accrediting agency's relevant conditions for an institution to apply for accreditation.

(3) The bureau may establish policies and procedures to comply with the requirements in this subdivision. Establishment of these policies and procedures are exempt from Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), Chapter 4.5 (commencing with Section 11400), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(e) An institution issued a provisional approval to operate degree programs under this section is required to comply with all other laws and regulations.

(f) The bureau shall adopt emergency regulations for purposes of implementing this section. The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare for purposes of Sections 11346.1 and 11349.6 of the Government Code. These emergency regulations shall become law through the regular rulemaking process within one year of the enactment of this section.

SEC. 8. Section 94889 of the Education Code is amended to read:

94889. Except as provided in subdivision (b) of Section 94890, an approval to operate shall be for a term of five years.

SEC. 9. Section 94894 of the Education Code is amended to read:

94894. The following changes to an approval to operate are considered substantive changes and require prior authorization:

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

(b) A change in ownership.

(c) A change in control.

(d) A change in business organization form.

(e) A change of location.

(f) A change of name.

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

(h) An addition of a separate branch more than five miles from the main or branch campus.

(i) An increase or decrease of 25 percent or more in the number of clock hours or credit hours required for successful completion of the program.

(j) Participation in federal student financial aid programs authorized by Title IV of the federal Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1070 et seq.).

(k) A change in the academic measurement of an educational program from clock hours to credit hours.

(l) A change in the distance education learning management system.

SEC. 10. Section 94937 of the Education Code is amended to read:

94937. (a) As a consequence of an investigation, which may incorporate any materials obtained or produced in connection with a compliance inspection, and upon a finding that an institution has committed a violation, the bureau may place an institution on probation or may suspend or revoke an institution's approval to operate for:

(1) Obtaining an approval to operate by fraud.

(2) A material violation or repeated violations of this chapter or regulations adopted pursuant to this chapter that have resulted, or may result, in harm to students. For purposes of this paragraph, "material violation" includes, but is not limited to, misrepresentation, fraud in the inducement of a contract, and false or misleading claims or advertising, upon which a student reasonably relied in executing an enrollment agreement and that resulted, or may result, in harm to the student.

(b) The bureau shall adopt regulations, within one year of the enactment of this chapter, governing probation and suspension of an approval to operate.

(c) The bureau may seek reimbursement pursuant to Section 125.3 of the Business and Professions Code.

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

SEC. 11. Section 94950 of the Education Code is amended to read:

94950. This chapter shall remain in effect only until January 1, 2023, and as of that date is repealed.

SEC. 12. 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.