

Agenda Item #6.B.2.



BUSINESS, CONSUMER SERVICES, AND HOUSING AGENCY · GOVERNOR EDMUND G. BROWN JR.

BOARD OF VOCATIONAL NURSING & PSYCHIATRIC TECHNICIANS
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COVER SHEET

SUBJECT: Prime Career College, Vocational Nursing Program – Consideration of Report of Program Closure (Director: Vacant, Vallejo, Solano County, Private)

Recommendation:

1. Accept the voluntary closure of the Prime Career College Vocational Nursing Program.
2. Remove the program from the *List of Approved Vocational Nursing Programs*, effective immediately.

Rationale: On May 12, 2015, the Board received correspondence from the school administrator confirming that Prime Career College has elected to close the vocational nursing program and requested removal from the Board's *List of Approved Vocational Nursing Schools*.

Based on submitted program documents and materials, the program admitted its last class of 18 students in March 2014. Documentation from the administrator indicates that the class completed program requirements on April 24, 2015 and that graduates are being provided a review class, at no cost and two (2) months in length, in preparation for completing the NCLEX/PN®.

Subsequent research by Board staff identified information regarding the Bureau's denial of the school's application to operate. The *Statement of Issues* dated April 8, 2015, lists five (5) causes for the Bureau's action. Without authority from the Bureau to instruct students, Prime Career College cannot give such course of instruction.

Agenda Item #6.B.2.



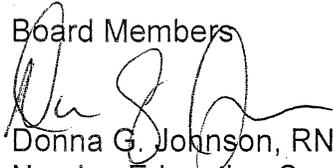
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DATE: August 5, 2015

TO: Board Members

FROM: 
Donna G. Johnson, RNP, MS, MA
Nursing Education Consultant

SUBJECT: Prime Career College, Vocational Nursing Program – Consideration of Report of Program Closure (Director: Vacant, Vallejo, Solano County, Private)

On November 17, 2005, Prime Career College Vocational Nursing Program was approved to begin an initial class of 30 students on January 9, 2006. On September 8, 2006, the program was granted full accreditation¹ for the period from September 8, 2006, through September 7, 2010.

On February 28, 2014, the program was placed on provisional approval due to non-compliance with regulations relative to licensure examination pass rates. At that time, the program's average annual pass rate was 46%. The program was approved to admit 20 students to a class beginning on March 10, 2014 and graduating April 10, 2015.

On May 15, 2014, the program submitted a request to admit students. On July 11, 2014, after consultation with the assigned consultant regarding inadequate clinical facilities to support proposed students, the program withdrew the request.

On May 12, 2015 the program reported the intent to close, effective immediately. The program also requested the Board to remove Prime Career College Vocational Nursing Program from the list of approved schools immediately.

History of Prior Board Actions

(See Attachment A, History of Prior Board Actions)

¹ Prior to January 1, 2012, references in article 4 of the Vocational Nursing Practice Act and article 4 of the Psychiatric Technicians Law provided that the Board accredits all vocational nursing and psychiatric technicians programs. Pursuant to Business and Professions Code Sections 2883 and 4532 (Senate Bill 539, Chapter 338, Statutes of 2011), **accredit** was changed to **approve**. There was no change to the Board's authority or jurisdiction.

Enrollment

Prime Career College Vocational Nursing Program offered full-time classes that were 54 weeks in length. Board approval was required prior to the admission of each class. The pattern of admissions for prior classes is seen in the enrollment table below.

The following table represents student enrollment based on class starts and completions. The table indicates a **maximum enrollment of 48 students** for the period April 2012 through April 2015. The program reported adding returning students to the March 2014 class, yielding a greater number of completing students than students admitted.

ENROLLMENT DATA				
CLASS DATES		#Students Admitted	#Students Current or Completed	Total Enrolled
Start	Complete			
4/12		23	22	22
8/12		9	9	22 + 9 = 31
4/13		18	17	31 + 17 = 48
	6/13 (4/12 Class)		-22	48 - 22 = 26
	9/13 (8/12 Class)		-9	26 - 9 = 17
3/14 FT		10	18	17 + 18 = 35
	6/14 (4/13 Class)		-17	35 - 17 = 18
	4/15 (3/14 Class)		-18	18 - 18 = 0

Licensing Examination Statistics

The following statistics, furnished by Pearson VUE and published by the National Council of State Boards of Nursing as "Jurisdictional Summary of All First-Time Candidates Educated in Member Board Jurisdiction" for the period January 2012 through June 2015, specify the pass percentage rates for graduates of the Prime Career College Vocational Nursing Program on the National Council Licensure Examination for Practical/Vocational Nurses (NCLEX-PN®).

NCLEX-PN® Licensure Examination Data							
Quarterly Statistics					Annual Statistics*		
Quarter	# Candidates	# Passed	% Passed	State Average Quarterly Pass Rate	Program Average Annual Pass Rate	State Average Annual Pass Rate [CCR §2530(l)]	Variance from State Average Annual Pass Rate
Jan - Mar 2012	5	3	60%	77%	67%	74%	+7
Apr - Jun 2012	6	3	50%	72%	64%	74%	-10

NCLEX-PN® Licensure Examination Data							
Quarterly Statistics					Annual Statistics*		
Quarter	# Candidates	# Passed	% Passed	State Average Quarterly Pass Rate	Program Average Annual Pass Rate	State Average Annual Pass Rate [CCR §2530(l)]	Variance from State Average Annual Pass Rate
Jul – Sep 2012	6	3	50%	74%	60%	74%	-14
Oct – Dec 2012	6	4	67%	70%	57%	74%	-17
Jan – Mar 2013	7	4	57%	75%	56%	73%	-17
Apr – Jun 2013	2	1	50%	78%	57%	73%	-16
Jul – Sep 2013	3	0	0%	75%	50%	74%	-24
Oct – Dec 2013	16	8	50%	76%	46%	76%	-30
Jan – Mar 2014	6	4	67%	74%	48%	76%	-28
Apr – Jun 2014	5	2	40%	66%	47%	73%	-26
Jul – Sep 2014	7	2	29%	72%	47%	73%	-26
Oct – Dec 2014	8	3	38%	72%	42%	72%	-30
Jan – Mar 2015	4	2	50%	73%	38%	71%	-33
Apr – Jun 2015	1	0	0%	69%	35%	72%	-37

*The Annual Pass Rate changes every quarter. It is calculated by dividing the number of candidates who passed during the current and previous three quarters by the number of candidates who tested during the same period. If no data is available for the relevant period, the statistic is carried over from the last quarter for which data is available.

California Code of Regulations, Section 2530(l) states:

“The program shall maintain a yearly average minimum pass rate on the licensure examination that does not fall below 10 percentage points of the state average pass rate for first time candidates of approved vocational nursing schools for the same period.”

This data substantiates the program’s noncompliance with regulatory requirements for the past **twelve (12)** consecutive quarters including **every quarter since placement on provisional approval**.

Based on the **most recent data available** (April through June 2015), the program’s average annual pass rate is **35%**. The California average annual pass rate for graduates from approved vocational nursing programs who took the NCLEX-PN® Licensure Examination for the first time during the same period is 72%. The average annual pass rate for the Prime Career College Vocational Nursing Program is **37** percentage points **below** the state average annual pass rate.

Faculty and Facilities

The program has closed and no longer has faculty or facilities.

Other Considerations

On May 18, 2015, the Board received correspondence from the program. The program reported that the last students graduated on April 24, 2015 and the director was reported to have ended employment with the program on May 8, 2015. According to the program, recent

graduates were being provided a free NCLEX review and staff were completing applications for students to take the licensure examination. (See Attachment B).

On May 22, 2015, the administrator responded to the Board's request for final enrollment data.

On July 14, 2015, research by Board staff identified a *Statement of Issues* filed by the Bureau for Private Postsecondary Education (Bureau) on April 8, 2015. The *Statement of Issues* lists five (5) causes for the Bureau's denial of Prime Career College's Application for Renewal of Approval to Operate an Institution Non-Accredited. (See Attachment C).

In light of the Bureau's action, Prime Career College is prohibited from instructing students in its vocational nursing program. Further, the school is prohibited from enrolling new classes. To ensure clarity and consistency, Prime Career College is presented to the Board for consideration of program closure.

Recommendation:

1. Accept the voluntary closure of the Prime Career College Vocational Nursing Program.
2. Remove the program from the *List of Approved Vocational Nursing Programs*, effective immediately.

Rationale: On May 12, 2015, the Board received correspondence from the school administrator confirming that Prime Career College has elected to close the vocational nursing program and requested removal from the Board's *List of Approved Vocational Nursing Schools*.

Based on submitted program documents and materials, the program admitted its last class of 18 students in March 2014. Documentation from the administrator indicates that the class completed program requirements on April 24, 2015 and that graduates are being provided a review class, at no cost and two (2) months in length, in preparation for completing the NCLEX/PN®.

Subsequent research by Board staff identified information regarding the Bureau's denial of the school's application to operate. The *Statement of Issues* dated April 8, 2015, lists five (5) causes for the Bureau's action. Without authority from the Bureau to instruct students, Prime Career College cannot give such course of instruction.

Attachment A: History of Prior Board Actions.

Attachment B: Program Correspondence, Dated May 12, 2015, Received May 15, 2015.

Attachment C: BPPE Statement of Issues, Dated April 8, 2015.

Agenda Item #6.B.2., Attachment A

PRIME CAREER COLLEGE VOCATIONAL NURSING PROGRAM

History of Prior Board Actions

- On November 17, 2005, the Executive Officer approved Prime Career College's request to begin a vocational nursing program with an initial class of 30 students on January 9, 2006, only: **and** approved the program curriculum for 1598 hours, including 628 theory, and 970 clinical hours.
- On September 8, 2006, the Executive Officer approved initial full accreditation for the Prime Career College Vocational Nursing Program for the period from September 8, 2006, through September 7, 2010, **and** directed issuance of a certificate accordingly.

Additionally, the following program requests were approved.

- a. Approval to admit a full-time class of 30 students starting April 2, 2007, only, to **replace** students graduating February 9, 2007.
 - b. Approval to admit a full-time class of 30 students on October 9, 2006, only.
- On December 29, 2006, the program notified the Board that commencement of the October 2006 class was delayed to January 2, 2007.
 - **On March 2, 2007, a new director was approved.**
 - On August 1, 2007, the Board approved the program's request to admit a full-time day class of 30 students, September 10, 2007 graduating October 23, 2008.
 - **On February 29, 2008, a new director was approved.**
 - On June 2, 2008 the Executive Officer approved the program's request to admit a full-time evening class of 30 students on May 19, 2008; and approved the program's request to admit a full-time day class of 30 students on September 8, 2008.
 - On February 27, 2009 the Executive Officer approved Prime Career College, Vallejo, Vocational Nursing Program's request to admit 30 students into a full-time evening replacement class on March 2, 2009; and required the program to submit an analysis of the program, identification of problems, and a specific plan of action to correct the problems and issues of noncompliance relative to section 2530(l) of the Vocational Nursing Rules and Regulations. This analysis and plan of action is to be submitted to the Board by March 27, 2009.

- On March 30, 2010, the Board received the Program Records Survey for continued accreditation.
- On June 2010, the Executive Officer approved continued full accreditation for the Prime Career College Vocational Nursing Program for the period September 8, 2010 through September 7, 2014, and issued a certificate accordingly.

Additionally, the program was required to submit a report that included a comprehensive analysis of the program, specific actions taken to improve program pass rates, timelines for expected results, and the effectiveness of corrective actions taken to address the following elements by **July 5, 2010**:

- a. Current Student Enrollment.
- b. Admission Criteria.
- c. Screening and Selection Criteria.
- d. Terminal Objectives.
- e. Curriculum Objectives.
- f. Instructional Plan.
- g. Theory and Clinical Objectives for Each Course.
- h. Lesson Plans for Each Course.
- i. Textbooks.
- j. Attendance Policy.
- k. Remediation Policy.
- l. Evaluations of Theory and Clinical Faculty.
- m. Evaluations of Theory Presentations.
- n. Evaluations of Clinical Rotations and Their Correlation to Theory Presentations.
- o. Evaluation of Student Achievement.

The program was approved to admit one (1) **replacement** evening class to start on July 12, 2010, only, graduating August 19, 2011.

The program is required to obtain Board approval prior to the admission of each class.

- On August 31, 2010, the program submitted the required comprehensive analysis. An extension was allowed by the Nursing Education Consultant from the original due date of July 5, 2010.
- On November 30, 2010, the Executive Officer approved the program's request to admit a full – time class of 30 students on February 12, 2011, only, graduating March 23, 2012, to **replace** the class that graduated December 2009; and continued the program's requirement to obtain Board approval prior to the admission of each class.
- On March 28, 2011, the director notified the Board that the class approved to begin February 12, 2011 had been delayed due to a lack of students. The program director anticipated they would have enough student interest to start in April 2011.
- On April 21, 2011, the Executive Officer approved the program's request to admit a full – time class of 30 students on June 6, 2011, only, graduating July 13, 2012, to **replace**

the class that graduated October 2010; **and**, required the program to obtain Board approval prior to the admission of each class.

- On January 4, 2012, a **notice of violation** was sent to the program relative to the failure to provide "care of the sick child". A plan to correct the deficiency was **due on January 27, 2012**.
- On February 3, 2012, the Board received the program's plan to prevent a reoccurrence of the violation issued on January 4, 2012.
- On April 16, 2012, the Executive Officer approved Prime Career College Vocational Nursing Program's request to admit a full – time class of 30 students on April 23, 2012, only, graduating June 7, 2013, to **replace** the class that graduated June 3, 2011; **and**, continue the program's requirement to obtain Board approval prior to the admission of each class.
- On April 14, 2012, the Executive Officer approve Prime Career College Vocational Nursing Program's request to admit 30 students into the full-time, evening, class on August 20, 2012, with a projected graduation on September 27, 2013, to **replace** students who graduated on October 28, 2011; **and**, required the program to continue to obtain Board approval prior to the admission of each class.
- On April 15, 2013, the Executive Officer Approve Prime Career College Vocational Nursing Program's request to admit 30 students into the full-time, day, class on April 22, 2013, only, with a projected graduation on June 6, 2014, to **replace** students who graduated on September 30, 2012; **and**, required the director to submit a written report by May 31, 2013 relative to the program's identification of cause(s) of the recent decline in the programs licensure pass rates and a plan of correction to bring the pass rates up; **and**, continue the program's requirement to obtain Board approval prior to the admission of each class.
- On May 7, 2013, the director was notified the program has four (4) quarters of low licensure pass rates. The director was required to submit a plan to improve the pass rates by May 31, 2013.
- On June 3, 2013, the director submitted a plan to improve licensure pass rates.
- On July 29, 2013 the director was notified the program has five (5) quarters of low licensure pass rates. Proof that the program's plan to improve pass rates has been implemented is due to the Board on August 16, 2013.
- On August 23, 2013, the program director submitted documentation specifying that the plan had been implemented.
- On November 18, 2013 the director was notified the program has six (6) quarters of low licensure pass rates. An evaluation of the plan to improve student outcomes is due to the Board on November 27, 2013.

- On December 6, 2013, the Executive Officer denied Prime Career College VN Program's request to admit 20 students into the full-time, day, class on class on January 13, 2013, with a projected graduation on February 10, 2015 to **replace** students who graduated on June 6, 2013; **and** denied the program's request to admit 20 students into the full-time, day, class on March 10, 2013, with a projected graduation on April 10, 2015 to **replace** students who graduated on October 25, 2013; **and** continued the program's requirement to obtain Board approval prior to the admission of each class; **and** placed the program on the February 2014 Board agenda for consideration of placement on provisional approval.
- On December 6, 2013, the Board received the director's updated plan to improve licensure pass rates.
- On February 28, 2014, the Board approved the following recommendations: Place the Prime Career College Vocational Nursing Program on provisional approval for a two (2) year period from February 28, 2014, through February 28, 2016 and issue a notice identifying specific areas of noncompliance and requirements for correction as referenced in Section 2526.1 (e) of the California Code of Regulations.
 1. Approve the program's request to admit 20 students into a full-time day class on March 10, 2014 only, with a projected graduation on April 10, 2015, to **replace** students who graduated on June 6, 2013, provided that the program has no more than ten (10) students per instructor during clinical experience.
 2. Require the program to admit no additional classes without prior approval by the full Board.
 3. Require the program to bring its average annual pass rate to no more than ten (10) percentage points below the State average annual pass rate.
 4. Require the program to submit a follow-up report in nine (9) months but no later than **November 1, 2014** and 21 months but no later than **November 1, 2015**. The report must include a comprehensive analysis of the program, specific actions taken to improve program pass rates, timeline for implementation, and the effect of employed interventions. The following elements must be addressed in the analysis.
 - a. Current Student Enrollment.
 - b. Admission Criteria.
 - c. Screening and Selection Criteria.
 - d. Terminal Objectives.
 - e. Curriculum Objectives.
 - f. Instructional Plan.
 - g. Theory and Clinical Objectives for Each Course.
 - h. Lesson Plans for Each Course.
 - i. Textbooks.
 - j. Attendance Policy.
 - k. Remediation Policy.
 - l. Evaluations of Theory and Clinical Faculty.
 - m. Evaluations of Theory Presentations.

- n. Evaluations of Clinical Rotations and Their Correlation to Theory Presentations.
 - o. Evaluation of Student Achievement.
5. Require the program to comply with all approval standards in Article 4 of the Vocational Nursing Practice Act, commencing at Business and Professions Code section 2880, and Article 5 of the Board's Regulations, commencing at California Code of Regulations, Title 16, section 2525.
 6. Require the program to demonstrate incremental progress in correcting the violations. If the program fails to satisfactorily demonstrate incremental progress, the full Board may revoke the program's approval.
 7. Failure to take any of these corrective actions may cause the full Board to revoke the program's approval.
 8. Place the program on the **February 2016** Board agenda for reconsideration of provisional approval.
- On May 15, 2014, the program submitted a request to admit students. The requested start date preceded the next Board meeting at which the program could request students. The program subsequently revised the request and submitted required documentation.
 - On July 11, 2014, the program withdrew the request to admit students after consultation with the assigned consultant regarding inadequate clinical facilities.
 - On November 7, 2014, the Board received the program's updated comprehensive analysis.
 - On December 18, 2014, after consultation with the assigned consultant, the Board received the program's revised updated comprehensive analysis.
 - On May 18, 2015, the Board received correspondence from the program reporting closure of the program and requesting removal from the Board's list of approved vocational nursing programs.

Agenda Item #6.B.2., Attachment B



PRIME Career College

A Division of PRIME Health Partners, Inc.

May 12, 2015

BVNPT
2015 MAY 15 AM 11:55

Donna Johnson, R.N., MSN, NEC
California Board of Vocational Nursing & Psychiatric Technicians
2535 Capitol Oaks Drive
Sacramento, CA. 95833

BMPT Received
on 5/18/15 with

EDU
J

Ms. Johnson,

This is to inform you and the Board that PRIME Career College Vocational Nursing Program is closing. The last approved class by the Board was on March 2014 and completed on April 24, 2015. PRIME Career College is hereby requesting the Board to remove PRIME Career College on the lists of approved schools immediately. There are no students affected by the program closure.

We will continue to provide students with the FREE review for approximately two (2) months to prepare them to take the NCLEX-PN as per our submitted plan of correction to improve pass rate.

Marivic Aquino-Macalino, R.N., BSN, MSN, our VN Program Directors' last day as VN Program Director was on May 8, 2015. The applications for our students to take the NCLEX are currently being put together by our staff for submission.

We would like to extend our thanks to the BVNPT for all the support and guidance that they provided PRIME Career College throughout the past years.

Respectfully,

A handwritten signature in black ink that reads "Micheal D. Morrow".

Micheal D. Morrow
Administrator
PRIME Career College

www.PrimeCareerCollege.com

Agenda Item #6.B.2., Attachment C

1 KAMALA D. HARRIS
Attorney General of California
2 DIANN SOKOLOFF
Supervising Deputy Attorney General
3 CARTER OTT
Deputy Attorney General
4 State Bar No. 221660
1515 Clay Street, 20th Floor
5 P.O. Box 70550
Oakland, CA 94612-0550
6 Telephone: (510) 622-2219
Facsimile: (510) 622-2270
7 E-mail: Carter.Ott@doj.ca.gov
Attorneys for Complainant

8
9 **BEFORE THE**
DEPARTMENT OF CONSUMER AFFAIRS
10 **FOR THE BUREAU FOR PRIVATE POSTSECONDARY EDUCATION**
STATE OF CALIFORNIA

11
12 In the Matter of the Statement of Issues
Against:

Case No. 999720

13 **PRIME CAREER COLLEGE; MICHAEL**
14 **D. MORROW, 50% Owner; RAPHAEL C.**
15 **PASCUA, 50% Owner**

STATEMENT OF ISSUES

16 **Applicant for Renewal of Approval to**
Operate

17 Respondent.

18
19 Complainant alleges:

20 PARTIES

21 1. Joanne Wenzel (Complainant) brings this Statement of Issues solely in her official
22 capacity as the Chief of the Bureau for Private Postsecondary Education, Department of
23 Consumer Affairs.

24 2. On or about March 7, 2012, the Bureau for Private Postsecondary Education (Bureau)
25 received an Application for Renewal of Approval to Operate an Institution Non-Accredited from
26 Prime Career College; Michael D. Morrow, 50% owner; and Raphael C. Pascua, 50% owner
27 (Respondent). On March 12, 2012, the Bureau issued Respondent a letter explaining the
28 deficiencies in its application. After the Bureau did not receive a response to this letter, it sent the

1 deficiency letter to Respondent again on June 13, 2012. On May 28, 2013, the Bureau received a
2 response to its deficiency letter from Respondent.

3 3. On April 5, 2013, the Bureau issued an abandonment letter to Respondent. On May
4 6, 2013, the Bureau received a response to its deficiency letter.

5 4. On June 13 and September 12, 2013, the Bureau issued Respondent letters explaining
6 the deficiencies in its application. On October 11, 2013, the Bureau received a response from
7 Respondent.

8 5. On November 23, 2013, the Bureau issued Respondent a letter explaining the
9 deficiencies in its application. On December 10, 2013, the Bureau received a response to this
10 letter.

11 6. On May 13, 2014, the Bureau sent Respondent a Notice of Denial of Application for
12 Renewal of Approval to Operate. On May 19, 2014, Respondent submitted to the Bureau a letter
13 requesting an administrative hearing.

14 JURISDICTION

15 7. This Statement of Issues is brought before the Director of the Department of
16 Consumer Affairs (Director) for the Bureau for Private Postsecondary Education, under the
17 authority of the following laws. All section references are to the Education Code unless
18 otherwise indicated.

19 STATUTORY PROVISIONS¹

20 8. Code section 94887 states:

21 "An approval to operate shall be granted only after an applicant has presented sufficient
22 evidence to the bureau, and the bureau has independently verified the information provided by the
23 applicant through site visits or other methods deemed appropriate by the bureau, that the applicant
24 has the capacity to satisfy the minimum operating standards. The bureau shall deny an
25 application for an approval to operate if the application does not satisfy those standards."

26 _____
27 ¹ The California Private Postsecondary Education Act of 2009 was recently amended, effective
28 January 1, 2015. See Senate Bill No. 1247. This Statement of Issues is based on the pre-
amendment version of the Act.

1 9. Code section 94891, subdivision (b), states:
2 “(b) To be granted a renewal of an approval to operate, the institution shall demonstrate its
3 continued capacity to meet the minimum operating standards.”

4 10. Code section 94897 states, in part:
5 “An institution shall not do any of the following:
6 ...

7 “(1) Use the terms ‘approval,’ ‘approved,’ ‘approval to operate,’ or ‘approved to operate’
8 without stating clearly and conspicuously that approval to operate means compliance with state
9 standards as set forth in this chapter. If the bureau has granted an institution approval to operate,
10 the institution may indicate that the institution is ‘licensed’ or ‘licensed to operate,’ but may not
11 state or imply either of the following:

12 “(1) The institution or its educational programs are endorsed or recommended by the state
13 or by the bureau.

14 “(2) The approval to operate indicates that the institution exceeds minimum state standards
15 as set forth in this chapter.
16 ”

17 11. Code section 94909, subdivision (a), states, in part:
18 “(a) Prior to enrollment, an institution shall provide a prospective student, either in writing
19 or electronically, with a school catalog containing, at a minimum, all of the following:
20 ...

21 “(2) Except as specified in Article 2 (commencing with Section 94802), a statement that the
22 institution is a private institution and that it is approved to operate by the bureau.
23 ...

24 “(7) Information regarding the faculty and their qualifications.

25 “(8) A detailed description of institutional policies in the following areas:

26 “(A) Admissions policies, including the institution's policies regarding the acceptance of
27 credits earned at other institutions or through challenge examinations and achievement tests,
28 admissions requirements for ability-to-benefit students, and a list describing any transfer or

1 articulation agreements between the institution and any other college or university that provides
2 for the transfer of credits earned in the program of instruction. If the institution has not entered
3 into an articulation or transfer agreement with any other college or university, the institution shall
4 disclose that fact.

5 ...

6 “(C) Probation and dismissal policies.

7 ...

8 “(13) If the institution provides placement services, a description of the nature and extent of
9 the placement services.

10 “(15) The following statement:

11 “NOTICE CONCERNING TRANSFERABILITY OF CREDITS AND CREDENTIALS
12 EARNED AT OUR INSTITUTION

13 ““The transferability of credits you earn at (name of institution) is at the complete discretion
14 of an institution to which you may seek to transfer. Acceptance of the (degree, diploma, or
15 certificate) you earn in (name of educational program) is also at the complete discretion of the
16 institution to which you may seek to transfer. If the (credits or degree, diploma, or certificate) that
17 you earn at this institution are not accepted at the institution to which you seek to transfer, you
18 may be required to repeat some or all of your coursework at that institution. For this reason you
19 should make certain that your attendance at this institution will meet your educational goals. This
20 may include contacting an institution to which you may seek to transfer after attending (name of
21 institution) to determine if your (credits or degree, diploma or certificate) will transfer.’

22 ...”

23 12. Code section 94911 states, in part:

24 “An enrollment agreement shall include, at a minimum, all of the following:

25 ...

26 “(b) A schedule of total charges, including a list of any charges that are nonrefundable and
27 the student's obligations to the Student Tuition Recovery Fund, clearly identified as
28 nonrefundable charges.

1 “(c) In underlined capital letters on the same page of the enrollment agreement in which the
2 student's signature is required, the total charges for the current period of attendance, the estimated
3 total charges for the entire educational program, and the total charges the student is obligated to
4 pay upon enrollment.

5 ...

6 “(e)(1) A disclosure with a clear and conspicuous caption, ‘STUDENT’S RIGHT TO
7 CANCEL,’ under which it is explained that the student has the right to cancel the enrollment
8 agreement and obtain a refund of charges paid through attendance at the first class session, or the
9 seventh day after enrollment, whichever is later.

10 “(2) The disclosure shall contain the institution's refund policy and a statement that, if the
11 student has received federal student financial aid funds, the student is entitled to a refund of
12 moneys not paid from federal student financial aid program funds.

13 “(3) The text shall also include a description of the procedures that a student is required to
14 follow to cancel the enrollment agreement or withdraw from the institution and obtain a refund.

15 ...

16 “(h) The transferability disclosure that is required to be included in the school catalog, as
17 specified in paragraph (15) of subdivision (a) of Section 94909.

18 ”

19 13. Code section 94913, subdivision (a), states, in part:

20 “(a) An institution that maintains an Internet Web site shall provide on that Internet Web
21 site all of the following:

22 ...

23 “(2) A School Performance Fact Sheet for each educational program offered by the
24 institution.

25 ...

26 “(4) A link to the bureau’s Internet Web site.

27 ”

28 ////

1 REGULATORY PROVISIONS

2 14. California Code of Regulations, title 5, section 70000, subdivisions (q) and (r), state:

3 “(q) ‘Mission’ means an institution’s stated educational reasons to exist. A mission
4 statement contains all of the following characteristics:

5 “(1) The mission includes the institution's broad expectations concerning the education that
6 students will receive, including the acquisition of the body of knowledge presented in the
7 educational program, the development of intellectual, analytical, and critical abilities, and the
8 fostering of values such as a commitment to pursue lifelong learning; and

9 “(2) The mission relates to the educational expectations of the institution's students, faculty
10 and community that the institution serves.

11 “(r) ‘Objectives’ are the goals and methods by which the institution fulfills its mission and
12 transforms it into measurable student learning outcomes for each educational program.”

13 15. California Code of Regulations, title 5, section 71700 states:

14 “The Bureau may request that an institution document compliance with the standards set
15 forth in the Act and this Division to obtain and maintain an approval to operate.”

16 16. California Code of Regulations, title 5, section 71475, subdivision (w), states, in part:

17 “(w)(1) The application shall contain a statement that the institution has and can maintain
18 the financial resources required pursuant to section 71745.

19 “(2) The institution shall submit current, audited financial statements at the time it applies
20 for approval to operate. Each set of financial statements shall comply with Section 74115 of this
21 chapter.”

22 17. California Code of Regulations, title 5, section 71745, subdivision (a), states, in part:

23 “(a) The institution shall document that it has at all times sufficient assets and financial
24 resources to do all of the following:

25 “(1) Provide all of the educational programs that the institution represented it would
26 provide.

27 “(2) Ensure that all students admitted to its educational programs have a reasonable
28 opportunity to complete the programs and obtain their degrees or diplomas.

1 “(3) Maintain the minimum standards required by the Act and this chapter.
2 “(4) Pay timely refunds as required by Article 13 of the Act.
3 “(5) Pay all operating expenses due within 30 days.
4 “(6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the
5 end of the most recent fiscal year when using generally accepted accounting principles, or for an
6 institution participating in Title IV of the federal Higher Education Act of 1965, meet the
7 composite score requirements of the U.S. Department of Education. For the purposes of this
8 section, current assets does not include: intangible assets, including goodwill, going concern
9 value, organization expense, startup costs, long-term prepayment of deferred charges, and non-
10 returnable deposits, or state or federal grant or loan funds that are not the property of the
11 institution but are held for future disbursement for the benefit of students. Unearned tuition shall
12 be accounted for in accordance with general accepted accounting principles.”

13 18. California Code of Regulations, title 5, section 71800, subdivision (e), states, in part:
14 “In addition to the requirements of section 94911 of the Code, an institution shall provide to
15 each student an enrollment agreement that contains at the least the following information:
16 ...
17 “(e) Itemization of all institutional charges and fees including, as applicable:
18 ...
19 (5) Textbooks, or other learning media;
20 ...”

21 19. California Code of Regulations, title 5, section 71810, subdivision (b), states, in part:
22 “(b) The catalog shall contain the information prescribed by Section 94909 of the Code and
23 all of the following:
24 ...
25 “(2) A statement of the institution's missions and purposes and the objectives underlying
26 each of its educational programs;

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1 “(3) If the institution admits students from other countries, whether visa services are
2 provided or whether the institution will vouch for student status, and any associated charges;

3 ...

4 “(7) The institution’s policies and procedures for the award of credit for prior experiential
5 learning, including assessment policies and procedures, provisions for appeal, and all charges that
6 a student may be required to pay;

7 ...

8 “(9) A description of the facilities and of the types of equipment and materials that will be
9 used for instruction;

10 ...

11 “(14) Policies on student rights, including the procedure for addressing student grievances .
12 ...”

13 20. California Code of Regulations, title 5, section 74112 states, in part:

14 “(a) Format. The format for the Performance Fact Sheet shall be in at least 12 pt. type, in
15 an easily readable font, with 1.15 line spacing. The Performance Fact Sheet shall contain all and
16 only the information required or specifically permitted by section 94910 of the Code or this
17 chapter.

18 “(b) In addition to the definitions contained in section 94928 of the Code:

19 “(1) ‘Number of Students Who Began Program’ means the number of students who began a
20 program who are scheduled to complete the program within 100% of the published program
21 length within the reporting calendar year, and includes all the students who remained enrolled
22 after their cancellation period.

23 “(2) ‘Number of Graduates’ means the number of students who completed the program
24 within 100% of the published program length within the reporting calendar year.

25 “(3) ‘Graduates Employed in the Field’ means those graduates who meet the definition of
26 section 94928(e) of the Code, who have reported their employment to the institution.

27 “(c) Reporting periods:

28 ...

- 1 a. Respondent's schedule of charges on the Vocational Nurse/Hemodialysis
2 Program Enrollment Agreement does not include the fees for textbooks students must purchase,
3 as required by Code section 94911, subdivision (b) and California Code of Regulations, title 5,
4 section 71800, subdivision (e)(5).
- 5 b. Respondent's schedule of charges on the Nurse Assistant enrollment agreement
6 does not include the fees for textbooks students must purchase, as required by Code section
7 94911, subdivision (b).
- 8 c. Respondent's Vocational Nurse/Hemodialysis enrollment agreement includes a
9 fee schedule for the Vocational Nursing program but mistakenly indicates that the fees are for the
10 Nursing Assistant Program. Accordingly, this agreement does not comply with Code section
11 94911, subdivision (b).
- 12 d. Respondent's Vocational Nurse/Hemodialysis Program Enrollment Agreement,
13 at pages 7 and 10, lists different and inconsistent total charges, and therefore does not comply
14 with Code section 94911, subdivision (c).
- 15 e. Respondent's statement, on page 3 of the Nurse Assistant enrollment
16 agreement, that indicates that a student has a right to a refund if the student cancels prior to or on
17 the first day of class is incorrect and fails to comply with Code section 94911, subdivisions (e)(1)
18 and (e)(2).
- 19 f. Respondent's Vocational Nurse/Hemodialysis Program Enrollment Agreement
20 states that Respondent's refund policy includes that a pro rata refund is based on the number of
21 hours completed in relation to the total course hours as mandated by the State of California. This
22 policy does not comply with Code section 94911, subdivision (e)(2).
- 23 g. Respondent's Vocational Nurse/Hemodialysis Program Enrollment Agreement,
24 at pages 2 and 5, offers two different and inconsistent procedures for cancelling the enrollment
25 agreement or withdrawing from the institution and obtaining a refund. Accordingly, this
26 agreement does not comply with Code section 94911, subdivision (e)(3).
- 27 h. In the transferability disclosure, Respondent's Vocational Nurse/Hemodialysis
28 Program Enrollment Agreement does not reference the specific credential type ("credits or

1 degree, diploma, or certificate”) to be awarded to students upon program completion, as required
2 by Code sections 94911, subdivision (h), and 94909, subdivision (a)(15).

3 THIRD CAUSE FOR DENIAL OF APPLICATION

4 (Financial Resources and Statements)

5 (Educ. Code §§ 94887 and 94891, subd. (b); Cal. Code Regs., title 5, §§ 71475, subs. (w)(1) and
6 (w)(2); 71745, subs. (a)(1)-(a)(6); and 74115, subd. (b)(1))

7 24. Respondent’s application is subject to denial because Respondent has not submitted
8 financial statements that include a balance sheet, income statement and cash flow statement,
9 conducted and prepared in accordance with the generally accepted accounting principles
10 established by the American Institute of Certified Public Accountants. In addition, the financial
11 statements offered by Respondent have not been prepared by an independent certified public
12 accountant. (Educ. Code §§ 94887 and 94891, subd. (b); Cal. Code Regs., title 5, §§ 71475,
13 subs. (w)(1) and (w)(2); 71745, subs. (a)(1)-(a)(6); and 74115, subd. (b)(1)).

14 FOURTH CAUSE FOR DENIAL OF APPLICATION

15 (Catalog)

16 (Educ. Code §§ 94887; 94891, subd. (b); 94897, subd. (l); 94909, subd. (a)(2), (a)(7), (a)(8)(A),
17 (a)(8)(C), (a)(13), and (a)(15); Cal. Code Regs., title 5, § 70000, subs. (q) and (r); 71810, subd.
18 (b)(2), (b)(3), (b)(7), (b)(9), and (b)(14))

19 25. Respondent’s application is subject to denial because it fails to include a proposed
20 catalog that complies with applicable laws and regulations. Respondent has therefore failed to
21 provide evidence that it has the capacity to meet the minimum operating standards. (Educ. Code
22 §§ 94887 and 94891, subd. (b)). In particular:

23 a. The meaning of “approval,” as required by Code section 94897, subdivision (l),
24 is not included in Respondent’s proposed catalog. (Educ. Code §§ 94909, subd. (a)(2), and
25 94897, sub. (l)).

26 b. Respondent’s proposed catalog does not include a statement of the institution’s
27 missions and objectives, as required by California Code of Regulations, title 5, sections 71810,
28 subdivision (b)(2), and 70000, subdivisions (q) and (r). Specifically, as stated in Respondent’s
proposed catalog, the institution’s mission does not include the educational expectations of the
institution’s faculty and the community it serves. In addition, Respondent’s proposed catalog

1 does not include objectives that demonstrate the methods by which the institution fulfills its
2 mission.

3 c. Respondent's proposed catalog does not include information regarding the
4 facilities and equipment that will be used for instruction, as required by California Code of
5 Regulations, title 5, section 71810, subdivision (b)(9).

6 d. Respondent's proposed catalog does not include insertion of the specific
7 credential type awarded to students, within the "Notice Concerning Transferability of Credits and
8 Credentials Earned at our Institution," as required by Code section 94909, subdivision (a)(15).

9 e. Respondent's proposed catalog does not contain the description required by
10 Code section 94909, subdivision (a)(8)(A).

11 f. Respondent's proposed catalog does not contain the information regarding
12 probation policies required by Code section 94909, subdivision (a)(8)(C).

13 g. Respondent's proposed catalog does not include its policies on student's rights,
14 as required by California Code of Regulations, title 5, section 71810, subdivision (b)(14). In
15 addition, the grievance procedure stated in Respondent's proposed catalog offers contact
16 information for the Board of Vocational Nursing and Psychiatric Technicians, rather than the
17 Bureau for Private Postsecondary Education. Furthermore, the proposed catalog indicates that the
18 telephone number included is a toll-free number, but it is the Bureau's local (not toll-free)
19 number. (Cal. Code Regs., title 5, § 71810, subd. (b)(14)).

20 h. Respondent's proposed catalog does not contain the information required by
21 California Code of Regulations, title 5, section 71810, subdivision (b)(7).

22 i. Respondent's proposed catalog does not contain the information required by
23 California Code of Regulations, title 5, section 71810, subdivision (b)(3).

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PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Director of the Department of Consumer Affairs issue a decision:

1. Denying Prime Career College; Michael D. Morrow, 50% owner; and Raphael C. Pascua, 50% owner an Application for Renewal of Approval to Operate an Institution Non-Accredited; and
2. Taking such other and further action as deemed necessary and proper.

DATED: 4-8-15


JOANNE WENZEL
Chief
Bureau for Private Postsecondary Education
Department of Consumer Affairs
State of California
Complainant

SF2014902599