



Reminder: July 1 Deadline for Out-of-State Schools to Register to Enroll Distance Learning Students in California

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The California Bureau for Private Postsecondary Education (BPPE) has issued [emergency regulations](#) and published the new [application](#) for private, out-of-state institutions to register to enroll California students.

As noted in our earlier [Cooley update](#), effective July 1, private postsecondary institutions outside of California that enroll California students are generally subject to the new “Out-of-State Institution Registration” regulations. California defines an “out-of-state private postsecondary educational institution,” as a private entity without a physical presence in California that offers postsecondary distance education to California students for a fee, regardless of whether the entity has any affiliates located in California.

However, it is important to note that the rule exempts private, *non-profit*, accredited degree granting institutions outside of California. And because the BPPE so narrowly defines “private postsecondary institution,” out-of-state *public* institutions which enroll California students online are also not covered by the new rule. Note also that CA has not adopted the [State Authorization Reciprocity Agreement](#) (SARA) that has now been adopted by the vast majority of states, so California schools do not get the benefit of that regime and out-of-state institutions must instead follow CA law.

Out-of-state institutions covered by the new regulation must complete and submit the BPPE “Application for Registration or Re-Registration of Out-of-State Institutions”, along with supporting documentation and a \$1,500 registration fee on or before July 1, 2017. Once processed and accepted, registration is valid for two years. Institutions that fail to apply for registration or fail to submit the requisite documentation are not eligible to enroll California students.

As of July 1, institutions subject to the new statute and regulations must begin complying with [Student Tuition Recovery Fund](#) (STRF) requirements established under the California Education Code and the Bureau’s implementing regulations, even if their applications have not been approved.

There is a further complication: Because BPPE is not notifying institutions that are affected by the emergency regulations, it is the responsibility of each institution that seeks to enroll California students to determine whether it will need to register with the agency. An institution that fails to register is subject to a fine of \$100,000 and other sanctions.

Please contact Cooley if you need more information on the California regulations or assistance determining their applicability to your institution.

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