



SPECIAL REPORT

Submitted by:

California Preparatory College
245 East Redlands Blvd,
San Bernardino, CA 92408

to

Accrediting Commission for Community and Junior Colleges

April 10,2024

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Introduction

On January 16, 2024 California Preparatory College (CPC) received an action letter from ACCJC placing CPC on probation with a directive to provide solutions for the deficiencies within 3 months.

It has been and will continue to be the intention of the College to meet every requirement of deficiency, meet every accreditation standard, and be a fully approved active member of ACCJC.

Department Of Education Title IV Application. In general, the financial reporting and deficiencies outlined in the action letter were a result of a lack of reporting and payment in the financial area. Shortly after approval of accreditation by ACCJC in 2022, CPC applied for Department of Education (DOE) approval pursuant to Title IV seeking to be authorized to receive Pell Grants for its students. The DOE application was submitted approximately 60 days after ACCJC accreditation approval. Unfortunately, Covid happened 30 days later. Because of the COVID policy at the federal government, the application process was stopped for nearly two years. When it resumed, all the previously submitted information, including audit information and other data submitted in the process, required a restart.

Forced Change Of Location. Near this same time, the College was required to move its campus due to the previous building owner selling to a foreign investor.

Covid Causes Lack of International and Domestic Students. The primary source of revenue for CPC since its beginning nearly 17 years ago has been international students receiving certification through our Western Healthcare Practice and Communications (WHPC) program.

During almost 3 years of living with COVID, we enrolled only 5% of our normal international WHPC students as international travel and the student visa process also came to a standstill.

Further, because we did not have DOE Title IV approval, all the domestic students who would have otherwise qualified for a Pell Grant were given tuition reduction at the equivalency of a Pell Grant amount. Of course, this tuition reduction was self-funded and further damaged the College's financial condition.

Needless to say, the timing did not work out very well for CPC being able to capitalize on its newly granted ACCJC accreditation in January of 2022 – as the higher education industry and the DOE almost came to a standstill during COVID and students simply quit or stopped enrolling.

Institutional Improvement. Despite the troubled times outlined above, CPC has improved its condition and corrected its issues as follows:

- The College was able to locate and sign a long-term lease for a newer, much better facility that better serves the needs of CPC. The new campus location is much safer, comes at a much lower lease, and is a much higher quality building.
- We have reestablished our international WHPC program back to its original population.
- We have added new partnerships for a certificate CNA program with Adventist Health, a large, multi-hospital health system operating throughout California.
- And finally, we have continued to improve our associate degree programs to a higher level than they were prior to our accreditation.

The above improvements have stabilized CPC resulting in a **recent growth of 30% in student population**. In addition, despite having to go through this difficult period, CPC was able to maintain its quality programs and actually has had significant academic and employee improvements since the receipt of its accreditation.

The fact that CPC has overcome these challenges supports the fact that it is CPC's desire and commitment to continue its activities as an active, high quality member of ACCJC - meeting every accreditation standard.

Annual Fiscal Reports 2022 & 2023

Completed annual fiscal reports for 2022 and 2023 will be submitted by the April 10, 2024 deadline via the ACCJC online portal and/or directly via email.

External Audits for 2021, 2022, and 2023

External Audits for 2021 and 2022. These specific audits were already mostly completed at the end of each fiscal year. However, due to COVID we had to find new auditors, our financial condition was severely impacted, and when changes were needed in the mostly completed drafts – the new auditors did not know how to handle the requested changes based on information only the former auditors had. These complications resulted in the completion of both audits being delayed. When the January 2024 action letter was received, the audit process was reignited with the auditors. Despite being in the midst of their tax season, they agreed that by mid-April they would have those two years completed. CPC was notified in late March that it would be closer to April 15th or 16 than April 10 as a completion date. ACCJC representative to CPC, Kevin Bontenbal, was notified of the time frame and agreed in

an email that a submission by Mid-April would be acceptable. Currently the auditors inform the college that they are still on track to complete the audits by this agreed upon time.

The External Audit of 2023. This audit will be completed by early May 2024 pursuant to promises by CPC's auditors. Communication was also made to ACCJC of this timeline and permission was given to have this 2023 audit submitted by early May 2024.

Payment of Dues Owed

Required payment of dues owed was paid several weeks prior to the April 10 deadline.

Teach-Out Plan

See attached Teach-Out Plan submitted as Exhibit A.

Conclusion

For all the above reasons, CPC is eager to have the probationary status removed and, as stated previously, it is CPC's desire and commitment to continue its activities as an active, high quality member of ACCJC - meeting every accreditation standard.

Please let CPC's President, Gene Edelbach, know if there is any further information or evidence that the College can provide to assist ACCJC in determining the status of the College.

EXHIBIT A

CPC Teach-out Plan



Teach-Out Plan

Submitted by:

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Circumstances Requiring the Need for a Teach-Out Plan

On January 16, 2024 California Preparatory College (CPC) received an action letter from Dr. Mac Powell, President of ACCJC, placing CPC on probation and indicating a need to submit a teach-out plan. This letter also included the various corrections that needed to be made in order to be considered in compliance with the standards of ACCJC.

The primary violations centered around the lack of reporting annual reports, audits, and payment of dues. The required dues were paid several weeks before the April 10 deadline. CPC fully expects to submit all other required documents as requested and meet and exceed all other deficit conditions. The two partially completed annual reports will be fully completed by the deadline of April 10, 2024. Communication has already taken place between CPC and its ACCJC representative regarding the three missing audits. It was agreed that two of the missing audits will be submitted by mid-April 2024 and the third one will be submitted in early May 2024. This is the fastest that the auditors could complete the three years of audits.

CPC allowed itself to get into this negative financial situation because of outside circumstances related to a need to move the campus, a long sequence of issues related to not being able to apply for U.S. Department of Education Title IV approval, and the lack of tuition revenues due to COVID - especially due to the inability to enroll international students for a 2-year period during Covid.

Fortunately, the situation has been remedied and the College has 1) moved to a much improved and lower cost facility; 2) has improved its enrollment by 30%; 3) continued its process of institutional improvement by strengthening its procedures, programs, faculty, and staff; and 3) will be able to meet all ACCJC requirements and standards in the future.

Current Enrollment in College Degree and Certificate Programs

Program Name	Award Type	Enrollment
CNA - Certified Nurse Assistant	Non-credit bearing certificate	13 students in spring 3 month program
WHPC- Certificate in Western Healthcare Practices and Communication	Non credit bearing Certificate	77 students
ESL English as a Second Language	Non- credit bearing Certificate	11 students
Associate in Health Science	Associate of Science in Health Science. Credit bearing Diploma	27 students
Associate in Business	Associate of Arts in Business. Credit Bearing Diploma	13 students

See also List of Students Currently Enrolled in Each Program.

Institutions with Similar Programs

Program Name	Award Type	Institution with Similar Program
Associate in Health Science	Associate of Science in Health Science. Credit Bearing Diploma	Riverside Community College, Riverside California San Bernardino Valley Community College, San Bernardino California Crafton Hills College, Yucaipa California
Associate in Business	Associate of Arts in Business, Credit Bearing Diploma	Riverside Community College, Riverside California San Bernardino Valley Community College, San Bernardino California Crafton Hills College, Yucaipa California

Planned Procedures for Verifying Receiving Institutions

CPC has five primary programs.

CPC's CNA certificate program would continue to operate under state certifications and in partnership with Adventist Health. None of these courses require ACCJC accreditation for state certification to continue to be earned by students. Program length is 3 months and not reliant on any federal funding.

The WHPC certificate program would continue to operate but will eventually need, within a year, to go through a process of notifying Homeland Security of the loss of ACCJC accreditation. Although operated without accreditation for more than 14 years, CPC will need to reestablish this program to operate without accreditation. There will be sufficient time to teach-out WHPC students. None of the WHPC courses require ACCJC accreditation for operation or certification and do not receive any federal or state funding.

The number of students in the College's ESL program are generally under 10 students at any given time and these students do not stay in the program more than one year. This program operated for 14 years before accreditation and would continue to operate as these courses are not given transferable credit. Students would be given the option to transfer to a local community college or the ESL program of their choice. This course does not require ACCJC accreditation for certification and does not receive any state or federal funding.

Associate in Business and Associate in Health Science students are the students that will transfer to other institutions. CPC has already verified Riverside Community College, San Bernardino Valley Community College, and Crafton Hills College as having every course required for our students to complete their degrees. Such students will be given the option, as previously noted, of these three highly established local community colleges. The programs are very standard and the classes are also very standard classes which transfer easily to any junior or community college. **Please see the link to websites for [San Bernardino Valley Community College](#), [Riverside Community College](#), and [Crafton Hills College](#).**

Planned Procedures for Notifying Students and Ensuring Access to Transcripts

Because CPC has never received federal or state funding there would be very little immediate financial impact. CPC's employees would continue to work as volunteers and stipend workers as the College completed the teach-out process for students. There would be very little difference in the College's operational income or expenses. The CNA program, WHPC program, and ESL program would all continue to operate for the

foreseeable future under the current financial system until students completed their program - or the programs would continue as a non-accredited program.

The College's academic records are cloud-based and paper-based and held by an academic records company, ThinkWave. The College would continue as an institution and would continue to pay the \$119 a month to service the academic records and maintain an office with paper records. The College currently keeps 5 years of financial records as well. The College would continue to maintain a records manager on a part-time basis. In addition to overseeing the records for the CNA, WHPC, and ESL student programs that would continue to be in existence, the records manager would also manage any request for transcripts of students in the associate degree programs. Again, it is CPC's intent not to lose ACCJC accreditation and to build these associate programs by increasing enrollment as an ACCJC accredited institution, but for now, they are only a small percentage of the current student population.

As is known, the College has a relatively small student body of approximately 145 students enrolled at any given semester. Of that group, approximately 40 are associate degree students that would be highly impacted by the loss of ACCJC accreditation. All students would be notified of the change, however special counseling would be given to all associate degree students who would be encouraged to transfer to one of our three local community colleges: San Bernardino Community College, Riverside Community College, or Crafton Hills College. Our life counselors, who are part-time, would continue to work taking care of the students in the non-affected certificate programs and would also give personal counseling to every student who is in an associate degree program and who wishes to transfer.

With a small number of students - every student is seen multiple times each semester by the College's administrators and staff. They will all have personal conversations regarding the teach-out process and will be given a transfer plan and a transcript. They will be assisted with applications and counseling as they transfer to a school of their choice or to one of the 3 chosen local community colleges. They will receive initial communication through email, texting, and the College's messaging system via its electronic ID badge app.

Planned Procedures for Ensuring Availability of Resources to Support Students

CPC is significantly different from most any other college that would be in a teach-out plan. Never in CPC's 17 years of history has it received any federal or state funds or any other outside funding for our students. Although the College desperately wishes to keep accreditation, and believes it will meet every requirement to do so, losing accreditation would make very little difference on the current revenue sources. The majority of CPC's revenues come from cash payments from students in certificate programs that are not related to our accredited associate degrees. These programs are as follows:

1. The Western Healthcare Practices and Communications program (WHPC) which assists international nurses to become licensed healthcare providers in the United States. This program existed for 14 years without ACCJC accreditation and would continue to exist.
2. The CNA program which is done in partnership with Adventist Health and again does not have accredited classes.
3. The ESL program is also not offering accredited classes.

These three programs would still most likely need to prove to state and immigration officials that they could continue without accreditation, getting state approval to operate and maintain status. CPC operated under this model for 14 years and would seek to reestablish itself under that procedure.

Almost every student who is currently taking associate degree courses that are not part of the WHPC, ESL or CNA certificate program take CPC's courses for a very low price or free. So again, while the College would need to eventually end these programs, it would continue with the teach-out process with almost identical revenues that it has been receiving for 17 years.

CPC's administrators and the majority of our instructors work on stipends or volunteer, and with similar income revenues continuing, would be able to continue their work for CPC since there would be little loss in revenues.

Although the College will follow any procedures to encourage its associate degree students to transfer to the local community colleges, it will operate as it used to prior to receiving accreditation.

Again, despite the teach-out plan as outlined above, it is the goal and strong desire of CPC not to lose accreditation and to instead grow all of its programs as an ACCJC accredited institution.