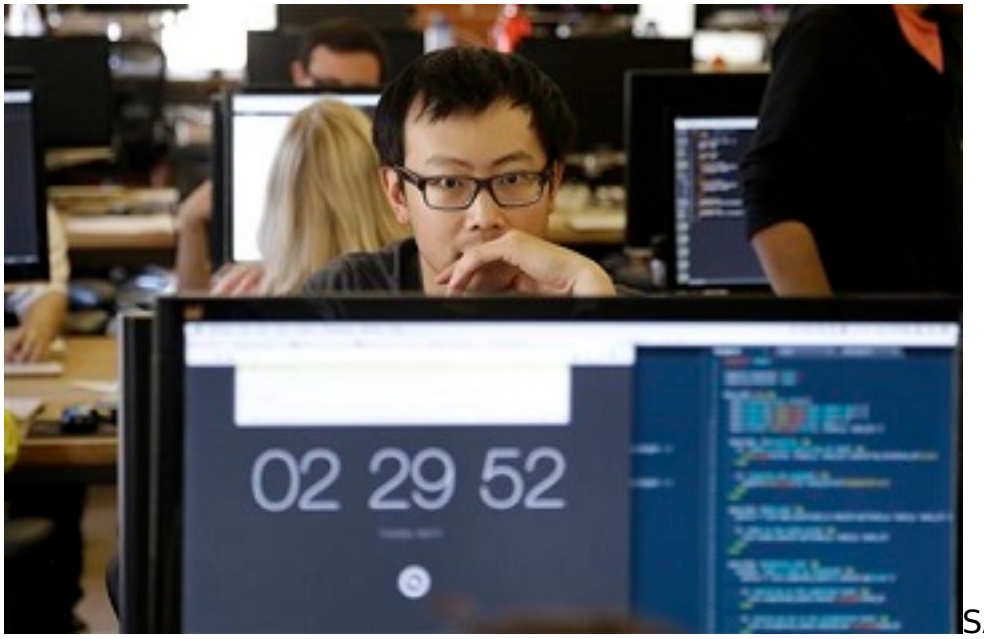
California Cracks Down on Computer Boot Camps

The Associated Press



SAN FRANCISCO (AP) — California consumer protection officials are threatening to close a number of fast-paced, fast-growing computer coding boot camps that train people to work in the technology industry, saying they failed to get licensed as private schools before they started accepting students.

The Bureau for Private Postsecondary Education issued citation letters this month to at least six computer-programming academies in the San Francisco Bay Area, according to Dev Bootcamp co-founder Shereef Bishay, whose 2-year-old, nine-week program is the oldest of the group. The letters order the schools to immediately stop enrolling students and to issue refunds to past students until they receive approval to operate.

The schools could be fined $50,000 if they fail to comply, according to the orders, which first were reported by the online news site Venture Beat.

Bishay said his company is eager to satisfy the state and already has submitted a lengthy application outlining the $12,000-a-session boot camp's curriculum, completion rate, testing methods and other details. But with 60 people now taking classes and hundreds more signed up through mid-summer, suspending the program while awaiting word from the postsecondary education bureau is unfeasible, he said.

"A big problem for us is it's such a huge life commitment. Our students, they quit jobs, they rearrange their lives around this, so shutting down would be catastrophic," he said. "Our businesses might survive it, but it would definitely be catastrophic for the students."

California Department of Consumer Affairs spokesman Russ Heimerich said that as educational institutions that charge "a fairly hefty chunk of money" and are not operated by religious organizations or accredited by another agency, the coding boot camps clearly fall under the regulatory authority of the Bureau for Private Postsecondary Education, which oversees about 1,400 career schools and for-profit colleges.

"We did discover that these organizations existed, we looked into it, we found that, yeah, based on what they are doing and how they are doing it, they are not exempt from the law," Heimerich said.

He added, however, that the stern language in the cease-and-desist letters was designed primarily to get the operators' attention and that it was unlikely the bureau would be moving to shut them down as long as they made a good-faith effort to come into compliance.

"We are trying to get them to become licensed," Heimerich said, adding that the agency has not received any complaints about the boot camps and learned about them from a staff investigator who saw them mentioned on a technology blog. "So if they are doing that, they fall to the bottom or close to the bottom of our enforcement priorities because there are many more serious threats to student consumers."

The bureau assesses schools it regulates $1 per student, money that goes into a fund that helps reimburse students who paid to attend a school that is shuttered by the state or goes out of business. If their operating applications are approved, the boot camps would not have to immediately pay the assessment because the fund currently has the $2.5 million balance authorized under California law, he said.

Bishay said he and his competitors met Wednesday to talk about how to deal with the state's threat and agreed to welcome state oversight. When Dev Bootcamp was launched, he thought of it as an apprenticeship program, not an educational enterprise, and there are aspects of his business, which receives no government funding or student financial aid, that do not fit neatly within state regulations.

For example, the state also requires schools to seek approval for every change in their curricula, a potential problem in an industry where change happens quickly. The bureau also requires instructors at private academies to hold bachelor's degrees and three years' teaching experience. One of his best instructors, an experienced engineer, has neither, Bishay said.

"If you are getting a 95 percent job placement rate, do you really care if the teacher has a diploma?" he said. "It hurts us to even have the question be out there unresolved."

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