



January 23, 2026

The Honorable Monique Limón  
Senate President Pro Tempore  
1021 O Street, Room 8518  
Sacramento, CA 95814

The Honorable Robert Rivas  
Speaker of the Assembly  
1021 O Street, Room 8330  
Sacramento, CA 95814

## **Re: Office of Student Assistance and Relief Annual Report**

Dear President Pro Tempore Limón and Speaker Rivas:

Pursuant to Education Code section 94949.72(d), the Office of Student Assistance and Relief (OSAR) is pleased to provide this annual report and update on OSAR's activities to protect students and perform its mandated duties over the reporting period from January 1, 2025, to December 31, 2025.

### **Background**

Senate Bill 1192 (Hill, Chapter 593, Statutes of 2016) established OSAR on July 1, 2017, within the Bureau for Private Postsecondary Education (Bureau). OSAR is tasked by law with conducting outreach and providing information and assistance to students affected by a private postsecondary educational institution's (school) unlawful activities or closure and serving as a primary point of contact to address the needs of students by working in consultation with other state and federal agencies. This report provides an annual update on OSAR's ongoing duties and activities.

### **OSAR Overview**

In the past year, OSAR has demonstrated its ability to carry out its core statutory purposes – “advancing and promoting the rights of prospective students, current students, or past students of private postsecondary educational institutions” – while quickly adapting to leadership transitions and external changes.

The first transition to highlight is that of OSAR Chief. In May 2025, founding OSAR Chief Scott Valverde retired, leaving behind a strong legacy of advocacy and care for California's postsecondary education students. I joined OSAR as the

new Chief in August 2025 and bring to this role over a decade of experience advocating on behalf of students as a former legal services attorney, policy expert, and federal employee. Having previously served as an attorney at OSAR's partner organizations, such as the Project on Predatory Student Lending and Consumer Financial Protection Bureau, I am delighted to be leading an office that is deeply committed to serving students at a Bureau that is raising the bar for private postsecondary education in California. My vision for OSAR focuses on expert outreach that responds to student needs, student-centered synergies across Bureau functions, and providing resources that help students prepare for the challenges ahead. I am excited and grateful for the opportunity to grow with the OSAR team, deepen OSAR's partnerships and advance OSAR's work on behalf of students.

The past year also brought significant and sometimes sudden changes in the federal higher education landscape, with resource and policy changes significantly impacting OSAR's work with several partners. OSAR's work with the U.S. Department of Education has been impacted by the closure of the regional office and staffing reductions at Federal Student Aid (FSA), leading to extended processing times for federal loan relief applications and reduced visibility into the status of students' federal loans. Policy changes and litigation has restricted the activities of the Consumer Financial Protection Bureau's Student Loan Ombudsman, and proposed regulatory changes at the Department of Education would narrow the availability of relief for students impacted by school closures and unlawful activity. Federal legislation introduced new caps on financial aid, which may contribute to increased reliance on private student loans, while federal oversight shifted dramatically away from longstanding norms on accreditation and financial responsibility. Additionally, a 43-day federal shutdown led to the cancellation of trainings on military bases, interrupting OSAR's schedule of outreach to veterans interested in pursuing postsecondary education.

In this environment, OSAR's work on behalf of students is more important than ever. The sections below highlight OSAR's continuing outreach to students, deepening collaboration across Bureau functions, and development of an updated and expanding set of student resources and tools.

## **II. Student Outreach**

Students have remained at the center of OSAR's work, and in 2025, OSAR connected with over 2,800 former, current, and prospective students.

Closed school outreach continues to be a centerpiece of OSAR's outreach to students. School closures can represent a challenging, confusing, and vulnerable time for students, who face a myriad of questions about continuing education, managing loans and debt, and navigating disruptions to their plans and routines. In these high-stress circumstances, OSAR acts as a trusted provider of free, reliable expertise. In addition to published resources and group workshops, OSAR provides individual assistance to help address each student's unique situation. In 2025, OSAR reviewed materials related to over 100 school closures, researched the closures, and developed tailored outreach plans to meet student need. OSAR provided email and phone outreach with critical information related to school closures to over 1,200 students and delivered in-person and virtual workshops to assist students. OSAR has supported over 1,250 students who have reached out with questions about obtaining transcripts or other post-closure concerns. Additionally, OSAR has communicated with over 1,425 students to provide information about the Student Tuition Recovery Fund (STRF) and helped to compile over 70 applications for STRF relief.

In addition to student outreach connected with school closures, OSAR has continued to engage in proactive outreach to provide information about private postsecondary schools and OSAR's services. In 2025, outreach to prospective students included 14 presentations in partnership with the California Department of Veterans Affairs, reaching 208 prospective students. OSAR attended six college fairs providing over a thousand attendees with information on identifying red flags and using Bureau tools to make informed education choices.

OSAR continues to serve as a primary point of contact for students. OSAR receives and provides timely responses to student calls and emails daily and routes inquiries when students are unclear where to turn. OSAR's partnerships with state agencies, legal aid organizations, and student-serving organizations has helped to ensure that students who can benefit from OSAR assistance are directed to OSAR. Conversely, these partners can provide specialized services when OSAR refers students for additional support.

### **III. Cross-Bureau Coordination**

OSAR's role as a central point of contact for students positions OSAR to serve as subject-matter experts on student needs for the Bureau as a whole. In the past reporting year, OSAR has coordinated closely with Bureau enforcement staff, increased early engagement with school closure processes, and deepened collaboration with the STRF unit.

OSAR is coordinating with the Bureau's enforcement unit to identify areas where OSAR can provide timely and appropriate outreach in response to student concerns that are submitted through the Bureau's complaint channel. Complaints submitted to the Bureau trigger investigations and potentially disciplinary actions. However, some complaints raise questions or concerns that OSAR can help to address on a student's behalf. For example, OSAR has reviewed complaints with questions about what school a student should attend, what steps a student can take to request a refund, or how a student can address credit reporting issues related to student loans. OSAR's flexibility provides an opportunity to reach out to students who have general concerns, provide a timely response, and refer matters back for further investigation where appropriate. In other cases, OSAR has begun serving as a source of expertise on the student experience, assisting the Bureau's enforcement unit in determining how to understand the student impact of potential law violations.

As described above, OSAR provides outreach and support to thousands of students who have experienced economic loss and faced educational setbacks as a result of school closures that interrupt their educational programs. Ongoing communications between OSAR and students improves the Bureau's capacity to manage school closures and mitigate student harm. OSAR has collaborated with Bureau staff who interface with school representatives on licensing reviews and closure planning to enhance OSAR's ability to conduct outreach, preserve student records, and ensure that schools on the brink of closure communicate appropriately about their status in any efforts to recruit new students.

Additionally, OSAR serves as a bridge between the student protection work that occurs during a school closure and the economic relief work of the STRF unit, which provides refunds to mitigate student harm following a school closure. OSAR has worked closely with the STRF team to further align and improve processes to streamline relief. For example, by collecting STRF-relevant school records and memorializing information gathered through OSAR's school closure research and outreach efforts, OSAR is further helping to support the work of the STRF unit, positioning students to get the relief to which they are entitled.

#### **IV. Refreshing and Expanding Tools and Information**

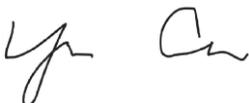
To further broaden the reach of OSAR's student impact, OSAR is refreshing and expanding the tools and information that are disseminated through its website, webinars, and published materials. For example, in preparing for the closure of a school that did not participate in federal financial aid but had partnered with

several private lenders, OSAR developed a frequently asked questions document for students about exercising their rights under California Education Code section 94916, which provides options for students who have private student loans. OSAR began to roll out this resource in October and will continue to work closely with partners to ensure that students are able to exercise defenses to private student loans.

OSAR is also reviewing publications and updating presentation materials related to school closures to ensure that students receive expert, up-to-date information in this rapidly changing policy landscape. Refreshed closure-workshop materials prioritize essential content, presented in a manner designed to facilitate engagement and encourage interaction with the team through group or one-on-one settings. OSAR plans to engage other Bureau experts as well as external partners to continue developing materials that help students know their rights, advocate for themselves, and connect with other organizations to file complaints and receive assistance.

In summary, OSAR continues to serve as a critical point of contact for students, while adapting to changes, deepening internal and external partnerships, and updating its resources. OSAR appreciates the opportunity to share this information. If you have any additional questions, please do not hesitate to contact me at (916) 879-3600 or [yan.cao@dca.ca.gov](mailto:yan.cao@dca.ca.gov).

Sincerely,



Yan Cao  
Chief, Office of Student Assistance and Relief

cc: Senator Angelique Ashby, Chair, Senate Committee on Business, Professions and Economic Development  
Senator Perez, Chair, Senate Committee on Education  
Assembly Member Marc Berman, Chair, Assembly Committee on Business and Professions  
Assembly Member Fong, Chair, Assembly Committee on Higher Education  
Tomiquia Moss, Secretary, Business, Consumer Services, and Housing Agency  
Christine Lally, Acting Director, Department of Consumer Affairs