

**ARIZONA STATE BOARD FOR
PRIVATE POSTSECONDARY EDUCATION**

**STRATEGIC PLAN
July 1, 2013 to June 30, 2017**

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Jason Pistillo, Chairman

EXECUTIVE SUMMARY

The Arizona State Board for Private Postsecondary Education (“State Board”) was established by the State Legislature in 1970 to license and regulate the private postsecondary educational institutions offering vocational programs. In 1985, the statutes were amended to include the private postsecondary educational institutions offering degree-granting programs. In 1989, the Student Tuition Recovery Fund was established to provide students’ financial restitution if the private postsecondary educational institution ceased to operate before providing the student the entire program in which they were enrolled.

In FY 2013, the State Board licensed and regulated 255 private postsecondary educational institutions. These private colleges and universities annually serve over 267,241 (need to add UoP non AZ online) students and generated over \$4.5 billion in revenue.

The programs offered by the private postsecondary educational institutions range from Bartending, Dog Grooming to a Ph.D. in many fields, Juris Doctorate and a Doctor of Dental Medicine. The programs are offered campus-based, online delivery or a combination of both.

The State Board has two programs: Licensing and Regulation of the private postsecondary educational institutions and administration of the Student Tuition Recovery Fund.

Licensing and Regulation: The State Board acts on license applications (to include new institutions, renewals, new programs, change/new location, change of ownership), determines compliance, investigates complaints and takes disciplinary action.

Student Tuition Recovery Fund: The State Board administers the Student Tuition Recovery Fund of @ \$500,000. The State Board takes possession of student educational records from closed institutions in order to provide students’ access to their educational records to further their education or verification for employment. The fund also provides financial restitution to students who were currently enrolled at the time of a school closure and unable to transfer to another institution.

To carry out the State Board’s statutory duties, the State Board has adopted the following goals:

- To improve legal operations, ethical practices and quality education in the private postsecondary education sector through effective and improved regulatory practices.
- To investigate and adjudicate complaints in a more timely and effective manner through streamlined and improved regulatory practices.

- To improve efficiency and administration of the licensing and regulation program through an internal re-structuring and enhancement of administrative practices.
- To provide equitable financial restitution, in a more timely manner, to students financially injured as a result of a school closure by streamlining the process of filing a STRF claim.
- Revised: To provide student's access to their educational records in a more timely manner though improvement in the administrative process

The State Board has seven members appointed by the Governor for 4-year terms and requires Senate confirmation. The Board membership is comprised of:

- 2 Members representing institutions offering vocational programs;
- 1 Member representing an institution offering an associate degree program;
- 2 Members representing an institution offering a baccalaureate or higher degree program;
- 2 Members representing the public.

The State Board's staff consists of the Executive Director, Investigator/Deputy Director, Licensing/Program Specialist and an Administrative Assistant. The State Board has legal representation through the Attorney General's office.

Sources of Revenue:

- Licensing and Regulation: The State Board is a 90/10 agency, collecting licensing fees from the private postsecondary institutions. The State Board retains 90% of the licensing fees and deposits 10% into the State's General Fund.
- The Student Tuition Recovery Fund is a non-appropriated fund and must maintain a minimum balance of \$500,000. The monies collected are from an assessment levied on the currently licensed institutions.

Partnerships: The State Board acts in partnership with other City, State and Federal agencies to provide consumer protection and quality education and policies.

- Throughout the country, the private postsecondary licensing boards in each state is part of the "Triad" in terms of oversight for the Federal Student Aid programs. The other "Triad" members include the U.S. Department of Education and the regional, national accrediting agencies. All three work very closely in monitoring compliance.
- For a private postsecondary educational institution to participate in the adult education programs funded by various state agencies, to include the Veteran's Administration, licensure by the State Board is required.
- The State Board also works very closely with other State Boards (i.e. State Board of Nursing, State Board of Massage Therapy) who share dual licensing responsibilities in terms of programmatic approval and practitioner licensing of the private postsecondary educational institution's graduates.

MISSION AND PURPOSE

The Arizona State Board for Private Postsecondary Education's mission is to protect the health, safety and welfare of the public by regulating private postsecondary educational institutions and providing services to their students.

The State Board will:

- Ensure Arizona residents that State Board licensed institutions are well managed, educationally sound and financially stable.
- Protect consumers and help licensed institutions through regulatory enforcement and processes that are reasonable, consistent, firm, fair and timely.
- Demonstrate a commitment to the private postsecondary education sector by supporting the success of students and licensed institutions.
- Holding licensed institutions accountable for improving their performance and effectiveness.
- Supporting options for innovation and quality educational programs offered by the licensed institutions.
- Continue to be an active partner through positive working relationships and alliances with other state agencies, U.S. Department of Education and Accrediting Agencies.

AGENCY CORE VALUES:

- **Consumer Protection**
- **Integrity and Teamwork**
- **Competent, Courteous and Professional Service**
- **Responsible Fiscal Management**

GOALS AND OBJECTIVES

LICENSING AND REGULATION PROGRAM

Goal 1:

To improve legal operations, ethical practices and quality education in the private postsecondary education sector through effective and improved regulatory practices.

Objectives:

- Maintaining effective and efficient regulation of the private postsecondary education sector.

Strategies:

1. Streamline and implement online annual process of licensed institutions' programs, policies, procedures and student materials to determine compliance.
 2. Streamline and implement online submission of supplemental license applications for new programs, new or change of location, change of ownership to determine compliance.
 3. Review the State Authorization Reciprocity Agreement and determine if administration of the Agreement will meet the Board's statutory requirements in the licensing of participating institutions.
 4. Improve knowledge and breadth of understanding in the increasing complex federal regulations and accrediting standards.
 5. Building of awareness of new careers and technologies.
- Improve Regulatory Rules and Processes.

Strategies:

1. Regular review of consumer protection mechanisms.
2. Review of all rules and regulations.
3. Streamline rules and processes.
4. Understanding the unique regulatory challenges for online learning.
5. Recurring assessment of regulatory knowledge for licensing and licensing of professionals.
6. Increase knowledge and breadth of understanding of increasing complex federal regulations and accrediting standards.
7. Keeping abreast of emerging trends in the postsecondary sector.

Goal 2:

To investigate and adjudicate complaints in a more timely and effective manner through streamlined and improved regulatory practices.

Objectives:

- Implement a Non-Student Complaint process

Strategies:

1. Formulate a Non-Student Complaint process in rule with a 1 year statute of limitations.
2. Ensure the process affords due process for the licensed institution and protects the public.
3. Define the types of non-student complaints that are under the State Board's jurisdiction.

- Improve the Student Complaint Process

Strategies:

1. Revise the current process changing the statute of limitation from three years to one upon completion of the student grievance procedure at the institution.
2. Require the institutions to respond to requests within a reasonable amount of time.
3. Encourage the students and licensed institutions to resolve the complaint amicably and fairly.
4. Continue to work with the licensed institutions to take corrective action in policies, procedures or educational programs to become compliant.

Goal 3:

To improve efficiency and administration of the licensing and regulation program through an internal re-structuring and enhancement of administrative practices

Objectives:

- To enhance our internal personnel structure and leadership capacity to respond to the growing complexity of the private postsecondary sector.

Strategies:

1. Reclassification of personnel to employ a "Program Compliance Manager". This will require a request for an increase in the appropriation.

2. The "Program Compliance Manager" will possess at a minimum a bachelor's degree with extensive higher education experience and knowledge in the complexity of federal regulations, accrediting agencies and other state agencies with dual oversight.
3. Improvement to the database.
4. Improved training and development of current staff.
5. Implement online processing of forms and applications.
6. Ensure competent, courteous and professional services to stakeholders and partners.

Performance Measures:

1. Number of new institutions, renewals and supplemental license applications licensed with the established timeframes
2. Number of new institutions, renewals and supplemental license applicants licensed outside of the established timeframes
3. Number of students enrolled
4. Number of adverse actions taken (remedial action required, additional reporting requirements and monitoring, higher surety bond)
5. Customer service satisfaction is above 90%
6. Number of student complaints resolved/dismissed
7. Number of student complaints resulting in disciplinary action
8. Number of non-student complaints resolved/dismissed
9. Number of non-student complaints resulting in disciplinary action
10. Average number of days in investigating and adjudicating student complaints
11. Average number of days in investigating and adjudicating non-student complaints

STUDENT TUITION RECOVERY FUND

Goal 1:

To provide equitable financial restitution, in a more timely manner, to students financially injured as a result of a school closure by streamlining the process of filing a STRF claim.

Objectives:

- To assist the institution in conducting an orderly closing and possible teach-out.

Strategies:

1. Work with the closing institution to open communications with the currently enrolled students to inform the students of the available options.
 2. Work with currently licensed institutions to provide available teach-out opportunities for the students in the closing institution
 3. Process Student Tuition Recovery Fund claims in a timely manner.
- To collect and secure monies sufficient to provide for student financial restitution.

Strategies:

1. Invest at least 75% of the fund with the State Treasurer's office to receive interest payments.
2. Request permission through the budget process to transfer excess funds from the Licensing and Regulation Fund Balance to the Student Tuition Recovery Fund.
3. If an assessment is necessary, inform the licensed institutions in advance in order for the licensed institution to properly budget.
4. Request a \$200,000 fund transfer from Licensing and Regulation in the FY2016 budget process.

Goal 2:

To provide student's access to their educational records in a more timely manner though improvement in the administrative process.

Objective:

- Continue to provide students copies of their student educational records in a timely manner.

Strategies:

1. Update the internal record keeping of the location of the student's educational records.
2. Encourage licensed institutions to maintain student records digitally to improve efficiency in retrieving student records information.

Performance Measures:

1. Student records are processed within three weeks of receipt
2. Student tuition recovery claims are processed/approved within 90 days.
3. Responsible fiscal management

RESOURCE ASSUMPTIONS

Licensing and Regulation Fund 2056:

	FY 2013 Actual	FY 2014 Appropriation	FY2015 Estimate	FY2016 Estimate	FY2017 Estimate
FTE	2.8	4.0	4.0	4.0	4.0
Appropriation	335.4	395.6	395.6	395.6	395.6

Student Tuition Recovery Fund 3027: A \$245,6000 Transfer in FY2014 and assumes a \$300,000 fund transfer in FY2017

	FY2013 Actual	FY2014 Estimate	FY2015 Estimate	FY2016 Estimate	FY2017 Estimate
Non-Appropriated Expenses	72.2	103.1	103.1	103.1	103.1
Fund Balance	486.0	636.8	542.0	438.9	635.8