Arizona State Board for Private Postsecondary Education

FACT SHEET - FY 6/30/16

Mission: To protect the health, safety and welfare of Arizona citizens by regulating private postsecondary educational institutions and providing services to their students.

Goals: To ensure legal operations, ethical practices and quality education in the private postsecondary sector.

- Maintain effective and efficient regulation of the private postsecondary educational institutions.
- To assist those injured by private postsecondary educational institutions.
- To collect or secure monies sufficient to provide for student financial restitution. To provide financial restitution, in a timely manner, to students financially injured as a result of a school closure
- To provide student educational records in a timely manner.

Agency Description: The Board licenses and regulates 238 private postsecondary educational institutions operating vocational and degree programs. These private universities, colleges, career colleges, and vocational schools annually serve approximately 398,540 students. Formerly, students were only Arizona residents, however, with online programs; Arizona schools now provide training to students across the nation and around the world.

The Board has two primary programs: Licensing and Regulation and the Student Tuition Recovery Fund.

I. The Board acts on license applications, determines compliance, investigates complaints and violations, and takes disciplinary action.

II. Through the administration of the Student Tuition Recovery Fund, a fund of approximately $500,000+, the Board confiscates and retains student educational records from closed institutions, which provides students access to their educational records to continue their education and/or provide educational verification to a potential employer. The fund also provides financial restitution to students injured by private postsecondary institutional closures. The Board is currently the custodian of records for approximately 1 million students.

I. Licensing & Regulation Program: For FY 7/01/15 through 6/30/16, the Board:

- Licensed 238 schools (includes vocational/degree & accredited/non-accredited)
- Total Students Enrolled in Arizona Licensed Institutions: 398,540
- Approved 364 new programs.
- Approved 12 changes of ownership.
- Approved 4 changes of name.
- Approved 19 changes of location or new location
- Renewed 226 licenses.
- Investigated 8 student complaints and 12 non-student consumer complaints
- Responded to over 375 "inquiries" (Letter of Intent, State Authorization, Student inquiries)
- Conducted 19 inspections
- Supervised 15 school closures.
- Serviced 4,404 student record requests.
- Paid $93,271.52 in Student Tuition Recovery Fund claims
- Educational institutions generated over $3.56 billion in revenue in FY 2015
- Adverse Actions taken: 53 (Probation, require higher bonds, quarterly reporting, Letter of Concerns, Cease & Desist Orders, Monitoring)

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Each new license application contains 20 items that must be reviewed and approved by Staff and then the full State Board. This includes CPA prepared financial statements, certificates of insurance, surety bonds, course descriptions and faculty resumes to name a few. On average, it takes 120 days to process a new application.

Once licensed, each school must renew their license annually. During license renewal, each school must submit 13 separate items for staff review and approval. This process takes 60 days for each school to complete. Renewals are divided into 4 quarterly cycles. Renewal fees are determined by gross tuition revenues ranging from a minimum of $600 to a maximum of $2300. Fees have NOT been increased since 1996.

II. Student Tuition Recovery Fund Program:

The agency also administers the Student Tuition Recovery Fund (STRF). The STRF fund is a non-appropriated fund assessed from licensed institutions and maintains a minimum balance of $500,000. The fund is used to compensate students injured when a licensed school closes before a student has completed contracted coursework. The agency seizes student records and maintains and provides student records. The agency services approximately 4,404 student record requests annually. Students who attended postsecondary schools that have ceased operations may request copies of transcripts and student records to either continue or complete their education or obtain employment. Not all states provide this service.

The Board has a 10,000 square foot warehouse and is the custodian of student records for approximately 1 million students.

Public Information Requests:

The agency provides information to the public regarding:

- Licensed schools in Arizona
- Licensed programs
- The meaning of accreditation and which licensed schools are accredited
- Student Tuition Recovery Fund claims
- Grievance Procedures and how to file student complaints
- Locating records in other states
- Ordering student records in Arizona
- How to become a licensed institution

The agency has a Website that provides online information and downloadable forms to facilitate public information requests.

Agency Partnerships:

The Arizona State Board for Private Postsecondary Education serves as part of the "triad" is terms of oversight for the Federal Student Aid programs. The Board provides consumer protection and "creates a level playing field for schools within the state". The other partners include the U.S. Department of Education and the Accrediting Agencies.

The Arizona State Board for Private Postsecondary Education has developed partnerships with other City, State, and Federal agencies to facilitate the dissemination of information. They include:

- U.S. Department of Education
- Regional & National Accrediting Agencies
- Department of Health Services
- Department of Economic Security
- Other State Boards who share dual licensing responsibilities for schools

* Arizona Department of Education
* Veteran's Administration
* Workforce Innovation & Opportunity Act