

**ARIZONA STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION**

**STRATEGIC PLAN**

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## 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 2019, the State Board licensed and regulated 203 private postsecondary educational institutions. These private colleges and universities annually serve over 155,000+ students and generated over \$2.5 billion in revenue.

The programs offered by the private postsecondary educational institutions range from 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.

1. **Licensing and Regulation**: The State Board acts on license applications (to include new institutions, renewals, new programs, change of location, additional location, change of ownership), determines compliance, investigates complaints and takes disciplinary action.
2. **Student Tuition Recovery Fund**: The State Board administers the Student Tuition Recovery Fund of at a minimum \$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 the e-Licensing platform.
- To provide equitable financial restitution, in a timely manner, to students financially injured as a result of a school closure by streamlining the process of filing a STRF claim.

- To provide and improve student access to their educational records in a more timely manner by requiring student records be digitized and to digitize the paper copies of student records maintained by the Records Management Center.

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, Records Manager, Licensing Manager and 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 are partners 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:

- Monitor and assist licensed institutions to be 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**
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## GOALS AND OBJECTIVES

### LICENSING AND REGULATION

#### 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 sector.

#### Strategies:

1. Improve and enhance the e-Licensing platform to streamline the licensing processes (renewals and all supplemental license applications for new programs, change of locations, change of owners or change of name) for both licensees and Board staff.
2. Pursue legislative changes to increase fees. The fund balance will continue to decline if action is not taken.
3. Improve knowledge and breadth of understanding in the increasing complex federal regulations and accrediting standards.
4. Work with licensed institutions to improve policies and procedures to improve the operation of the institution and to the benefit of the students.
5. Continue to serve with the Community Colleges and the State University on the AZ-SARA Council.

- Improve Regulatory Rules and processes.

#### Strategies:

1. Regular review of policies and procedures for improvement and efficiency.
2. Recurring assessment of regulatory knowledge for licensing and licensing of professionals
3. Increase knowledge and breadth of understanding of increasing complex federal regulations and accrediting standards.
4. 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.

### **Objective:**

- Improve the Student Complaint Process

#### **Strategies:**

1. Require the institutions to respond to requests within a 10-day time period.
2. Encourage the students and licensed institutions to resolve the complaint amicably and fairly.
3. Continue to work with the licensed institutions to take corrective action to inequitable policies or to improve consumer protection.

## **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. Improvement and enhancement to the e-Licensing platform.
2. Improved training and development of current staff.
3. Continue to provide prompt, courteous and professional services to all stakeholders and partners.
4. Survey institutions regarding service satisfaction. Seek input for improvements.

### **Performance Measures:**

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

10. Average number of days in investigating and adjudicating non-student complaints.

### STUDENT TUITION RECOVERY FUND

#### Goal 1

To provide equitable financial restitution, in a 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. An assessment will continue for FY20 through FY2025 in order to maintain the \$500,000 minimum STRF Requirements.
2. Require at-risk institutions to provide the State Board with electronic copies of student records in a format that conforms to third party records provider (Parchment).
3. Discuss legislative changes to revise the assessment calculation and require all institutions to pay the assessment.

#### Goal 2

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

#### **Objective:**

- \* Continue to provide students copies of their student educational records in a timely manner.
- \* Digitize currently stored student records.
- \* Secure student educational records from institutions that may be at risk.

**Strategies:**

1. Secure educational records from institutions that are at risk.
2. Work with ADOA/RMC in digitizing the currently housed student records.
3. Update the internal record keeping of the location of the student's educational records.
4. Require licensed institutions to maintain student records digitally to improve efficiency in retrieving student records information.

**Performance Measures:**

1. Student records are processed within 10 days of receipt.
2. Student tuition recovery claims are processed/approved within 90 days.
3. Responsible fiscal management.



**RESOURCE ASSUMPTIONS**  
**BASED UPON NO CHANGES TO EXISTING FEES OR STRF ASSESSMENTS**

**Licensing and Regulation Fund 2056**

	FY2019 Actual	FY2020 Estimate	FY2021 Estimate	FY2022 Estimate	FY2023 Estimate	FY2024 Estimate
FTE	4.0	4.0	4.0	4.0	4.0	4.0
Revenue	347.3	348.0	348.	348.	348.	348.
Appropriation	388.1	423.3	423.3	423.3.	423.3	423.3
Fund Balance	262.4	187.1	111.8	36.5	(38.8)	(114.1)

**Student Tuition Recovery Fund 3027**

	FY2019 Actual	FY2020 Estimate	FY2021 Estimate	FY2022 Estimate	FY2023 Estimate	FY2024 Estimate
FTE	1.0	1.0	1.0	1.0	1.0	1.0
Revenue	195.5	181.0	181.0	181.0	181.0	181.0
Unappropriate d Expenses	372.8	250.3	250.3	250.3	250.3	250.3
Fund Balance	149.6	80.3	11.0	(58.3)	(127.6)	(196.9)