

TOPIC: DEGREE AUTHORIZATION ACT – PROPOSED POLICY

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I. SUMMARY

This action item amends CCHE policies concerning administration of the Degree Authorization Act to comply with Senate Bill 08-167.

II. BACKGROUND

The Commission has statutory responsibility for the administration of Title 23, Article 2 of the Colorado Revised Statutes, commonly referred to as the Degree Authorization Act (DAA). All non-occupational degree-granting private colleges and universities, out-of-state public colleges and universities, and seminaries or bible colleges are required to be authorized by the Colorado Commission on Higher Education and must meet criteria found in CCHE Policy Section I Part J, Degree Authorization Act, in order to offer degrees within Colorado. Such authorization must be received by the institution prior to offering any program of instruction, academic credits, or degrees; opening a place of business; soliciting students or enrollees; or offering educational support services.

The growing number of degree granting institutions seeking DAA authorization prompted Department of Higher Education (DHE) staff to review the authorization process, existing policy and student protection. Staff researched policy and procedures used in nine other states (Connecticut, Georgia, Massachusetts, Minnesota, Missouri, New Mexico, Oregon, South Carolina and Washington), the rules and authority of the Colorado Division of Private Occupation Schools, information available from national organizations and questions posted on a list-serve that is comprised of other states' degree authorization policy analysts and officers. The findings from the review prompted the introduction of legislation in the 2008 session. Senate Bill 08-167, signed into law on May 29, 2008 by Governor Ritter, amended the Degree Authorization Act to, among other provisions, authorize the Department to collect fees to conduct an initial review of an application for a new authorization and to administer the DAA, and increase protection for students enrolled in private degree granting institutions.

Policy revisions to comply with the new law are shown in Attachment A.

II. STAFF ANALYSIS

DHE review of the DAA identified three key issues: over-reliance on the accreditation process as the basis for state authorization; the lack of fees to cover administrative costs; and limited student protection. Senate Bill 08-167 addressed these issues, as follows.

Past Reliance on the Accreditation Process

Prior to 2008, DHE relied heavily on the process of outside accrediting agencies in determining whether to permit an applicant institution to start to operate in the state. Once an institution had a relationship with an accrediting agency and demonstrated progress toward accreditation, the institution could apply for Category II authorization, allowing it to enroll students and award degrees. Generally, an institution can demonstrate progress towards accreditation without a full evaluation by the accrediting agency. Without authority to make and pay for its own examination of an applicant's qualifications, DHE depended on the preliminary assessment of accrediting agencies and the state ended up authorizing institutions to start the accreditation process and open for business with little quality control. This put the state in a position of recognizing the degree granting authority of an institution with little demonstration that the institution met minimum standards. Under the new law, DAA authorization no longer relies exclusively on the institution being accredited or being in the process of becoming accredited with the regional or national accrediting agency that is recognized by the U.S. Department of Education. With the authorization to charge fees (see below), DHE is able to conduct a review and base its initial authorization on that review.

Authorization Fees

SB08-167 and the associated policy changes here proposed allow DHE to collect fees from new applicant institutions for initial authorization. These fees will be used to conduct a full evaluation of the institution to determine if the applicant institution has the ability to become accredited. With approval of the attached policy, the fee structure for initial authorization will be set in Commission policy, based on the cost incurred by DHE in conducting its evaluation.

Student Protection

The level of student (consumer) protection varies from state to state, with some states relying solely on the attorney general's office to handle all student grievance investigations. In Colorado, C.R.S. 12-59-117 and C.R.S. 12-59-118 define deceptive trade practices, and complaints of deceptive trade practices, respectively, for institutions subject to regulation by Colorado's Division of Private Occupational Schools (DPOS). In order to provide appropriate student protection, SB 08-167 added language to C.R.S. 23-2 to define deceptive practices and clarify a student's right to file a complaint and the Commission's responsibility to act on complaints. The change to C.R.S. 23-2 mirrors DPOS statute, with necessary revisions to reflect the differences between postsecondary occupational institutions and degree granting institutions.

III. RECOMMENDATION

Department staff recommends the Commission formally approve the attached draft policy to comply with Senate Bill 08-167.

STATUTORY AUTHORITY

23-2-101 C.R.S.