TOPIC: DEGREE AUTHORIZATION ACT: REVISIONS TO CCHE

POLICY: SECTION I, PART J

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I. <u>SUMMARY</u>

This action item recommends approval for the revised Colorado Commission on Higher Education (CCHE) policy, Section I, Part J, enacted by HB12-1155.

II. BACKGROUND

House Bill 12-1155 was signed into law on June 4, 2012. This bill included major revisions to the state's Degree Authorization Act, §23-2-101, et seq., C.R.S. These new statutes authorized the CCHE to create new procedures with specific reference to:

- 1. Renewal, maintenance, and revocation of authorization;
- 2. Establishment of a fee schedule;
- 3. Data collection;
- 4. Collection of student records; and
- 5. Financial integrity by means of surety.

The changes to the Degree Authorization Act necessitate a policy revision for the operations of the private, degree granting and out-of-state public colleges and universities operating in Colorado.

The basis for the Commission's Degree Authorization Act policy is found in §23-2-103.1, C.R.S., which states the following:

(1) The Commission shall:

- a. Establish procedures for authorizing, reauthorizing, and revoking the authorization of private colleges and universities and seminaries and religious training institutions in accordance with the provisions of this article, including but not limited to procedures by which an institution may apply for authorization or reauthorization and the procedures the Department shall follow in reviewing applications and making recommendations to the Commission;
- b. Grant or deny authorizations, renew authorizations, and revoke authorizations pursuant to sections 23-2-103.3 and 23-2-103.4;

- c. Establish the types and amounts of fees that a private college or university or seminary or religious training institution shall pay as required in section 23-2-104.5; and
- d. Establish policies to require private colleges and universities and seminaries and religious training institutions to submit to the Department, upon request data that is directly related to student enrollment and degree completion and, if applicable, student financial aid and educator preparation programs as described in §23-1-121.

III. STAFF ANALYSIS

Department staff and representatives from authorized private colleges and universities in the state participated in three working meetings to develop both the policy proposed herein. Representatives from the following institutions participated in this process:

- University of Denver,
- Regis University,
- Colorado Christian University,
- University of Phoenix,
- Westwood College,
- Johnson & Wales University,
- Rocky Vista University,
- Denver School of Nursing,
- American Sentinel University,
- Jones International University,
- Ashford University,
- College for Financial Planning,
- Colorado Technical University,
- Columbia College,
- DeVry University,
- ITT-Technical Institute,
- National American University,
- Nova Southeastern University,
- Platt College,
- University of the Rockies
- Webster University,
- Lesley University, and
- Wellington University.

With guidance from statute and feedback from representatives from the institutions mentioned above, new policy language (see Addendum B) was developed for the following areas:

1. Renewal, maintenance, and revocation, of authorization

a. Previous Commission policy did not provide procedural language for an institution to maintain its authorization with the Commission. This proposed policy outlines what is expected of authorized institutions for renewal, maintenance, and revocation of authorization.

2. Establishment of a fee schedule

a. Current Commission policy includes a fee for initial authorization but does not provide guidance for direct and indirect costs of administering the statute.

3. Data collection

a. Private colleges and universities do not participate in the Student Unit Record Data System (SURDS) that is maintained by Department staff. Statute requires authorized private colleges and universities to report enrollment numbers and completion numbers to SURDS. Participation from the private colleges and universities will add an estimated 75,000-100,000 student unit records to the state system of higher education. Through this reporting mechanism, the state will gain thousands of enrollment numbers and completions.

4. Collection of student records

a. Current policy states that if an institution closes, its owner, president, etc., shall contact the Department to notify staff as to where the student records are kept. The proposed policy creates a procedure for the Department to maintain those student records, thus, providing a process for students to request their transcript if an institution is no longer operating.

5. Financial integrity by means of surety

a. Procedures created to ensure financial integrity will assist

to aid students in the event an institution unexpectedly ceases operation and has collected unearned, prepaid tuition from the students. The procedures created for this provision are meant to provide students with the indemnification and/or alternative enrollment options, if necessary.

During the working meetings with the institutions, several options for a fee schedule were proposed and discussed. Due to the various enrollment levels of these institutions, Department staff created tiered institutional rates based on the institution's enrollment numbers in an effort to assess fees in an equitable way.

Since the October 4, 2012 Commission meeting, staff has communicated with the institutions regarding the fees proposed for FY 12-13. The institutions that provided feedback expressed the view that the fees appeared reasonable and equitable. The fee schedule proposed herein (see Addendum A) imposes annual assessments based upon enrollment numbers reported by the institutions, without regard to the number of campuses an institution operates within the state. The fees for private colleges and universities will likely fluctuate from year to year based on changes in enrollments, the number of institutions authorized to operate in the state, and the number of institutions operating under a provisional or probationary authorization.

A draft of this policy was discussed by the Commission at its October 4, 2012 meeting. At this meeting, the Commission provided opportunities for institutions impacted by this law to provide public testimony regarding the language in the proposed policy as well as the proposed fee structure.

IV. STAFF RECOMMENDATION

Staff recommends that the Commission approve and adopt the revised Degree Authorization Act policy as CCHE Section I, Part J.

STATUTORY AUTHORITY

C.R.S. §23-2-101, et seq.

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Addendum A: Proposed Fee Schedule for FY12-13

Colorado Department of Higher Education Colorado Commission on Higher Education

1560 Broadway Suite 1600, Denver, CO 80202

FEE SCHEDULE

Effective Date: November 1, 2012

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Fee Type	Fee Amount
Initial Application Fee:	
Non-Accredited Institution	\$6,000-7,000/campus
Accredited Institution	\$3,000-4,500/campus
Annual Fee (for institutions with provisional or probationary	
authorization):	
Provisional	\$2,500
Probationary	\$2,500
Annual Fee(for institutions with full authorization):	
Enrollment < 500*	\$975
Enrollment 500-999*	\$1,200
Enrollment >1,000*	\$1,750
Educator Preparation Site Visit Fee***(plus direct expenses, as	
applicable):	\$5,500 (estimate)
Educator Preparation New Program Review (Single	\$600-750
Program):	
gtPathways Review:	\$6,000 (estimate)
Cost per course:	\$350-700
Student Transcript** (for closed institutions):	\$25

^{*}Enrollment includes all students served by the Colorado authorized campus.

PLEASE NOTE:

- 1. Fees are NOT refundable.
- 2. Fees are established pursuant to C.R.S. 23-2-104.5 "for the direct and indirect costs of the administration of [the Degree Authorization Act]" (amended 2012).

^{**}Student transcripts are not available through the Department of Higher Education for institutions that closed prior to June 4, 2012.

^{***}Assumes moderate to large site visit. The Executive Director of the Department of Higher Education may adjust fees based on scope of the review.

Colorado Commission on Higher Education (CCHE) November 1, 2012

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Addendum B: Proposed Policy Section I, Part J