TOPIC: DEGREE AUTHORIZATION ACT: STRAYER UNIVERSITY -

REQUEST FOR PROVISIONAL AUTHORIZATION

PREPARED BY: HEATHER DELANGE, ACADEMIC POLICY OFFICER

I. <u>SUMMARY</u>

This item recommends provisional authorization for Strayer University to operate as an authorized non-public, degree-granting institution in Colorado pursuant to the Degree Authorization Act.

II. <u>BACKGROUND</u>

The Colorado Commission on Higher Education has statutory responsibility for administration of Title 23, Article 2 of the Colorado Revised Statutes, commonly referred to as the Degree Authorization Act, which outlines the terms by which certain types of institutions¹ may offer degrees or degree credits. Persons or organizations that violate the provisions of the statute are subject to legal penalties.

All private colleges and universities, out-of-state public colleges and universities, seminaries and bible colleges are required to register with the Colorado Department of Higher Education and meet criteria in CCHE Policy Section I Part J, Degree Authorization Act, in order to have authorization to offer degrees within Colorado. Authorization by CCHE 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.

Pursuant to state law, a private college or university is required to be accredited on the basis of an on-site review in Colorado by a nationally recognized regional or national accrediting association.

II. STAFF ANALYSIS

Strayer University is applying for provisional authorization in order to establish a new campus in Colorado. Strayer University is a private, for-profit postsecondary institution with its main campus in Washington D.C that is accredited by the Middle States Commission on Higher Education, a regional accrediting agency headquartered in Pennsylvania. It is a wholly owned subsidiary and main asset of Strayer Education, Inc., an education services holding company that

¹ (1) properly accredited private colleges and universities; (2) out-of-state, public institutions; (3) postsecondary seminaries and bible colleges; and (4) private occupational schools authorized by the Division of Private Occupational Schools.

is publically traded. The university offers degree programs in 23 states in addition to Washington D.C. The degree programs are offered on campus (92 campuses) and online with a current student enrollment of approximately 50,000 students. Strayer is seeking to open two campuses in the Denver metropolitan area by 2013-2014 and provide programs through online Global Campus and on-ground classes in 6 different areas:

- Business
- Information Technology
- Accounting
- Management
- Criminal Justice

As required by the Degree Authorization Act, Strayer University submitted the initial documentation concerning its organization, programs, and finances along with an application fee of \$3,000 which is required of institutions that are accredited by a U.S. Department of Education recognized accrediting agency. Department staff empanelled an evaluation team to review Strayer University's application. Staff provided the team with statutory references, DAA rules and regulations, Strayer's application materials and supporting documents and charged the team with assessing whether Strayer University has the ability to provide appropriate student services and has the financial ability to support all operations at its proposed site.

Recent changes to the Degree Authorization Act as well as the CCHE policy promulgated by the law require private colleges and universities to file evidence of surety in the amount of \$5,000 in the first year of operation in Colorado. Strayer University shall recalculate the amount of the surety annually to ensure that the institution has the ability to provide students with the financial resources required by Colorado law. The amount will continue to be \$5,000 until such time that the maximum prepaid, unearned tuition and fees exceeds this amount. Strayer University has posted a bond to cover this requirement through Travelers Casualty and Surety Company of America.

Under the Degree Authorization Act, an institution that has received provisional authorization by the CCHE will not be eligible for full authorization until the institution's accrediting agency conducts an on-site accreditation visit resulting in the accreditation of the site.

The evaluation team noted minor concerns to which the applicant provided additional documentation. After reviewing all responses from Strayer University representatives, the evaluation team provided a favorable recommendation for authorization.

IV. <u>STAFF RECOMMENDATION</u>

Staff recommends that the Commission approve provisional authorization for Strayer University.

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STATUTORY AUTHORITY

C.R.S. §23-2-103.3 C.R.S. §23-2-103.8 (5)