

**TOPIC: DEGREE AUTHORIZATION ACT: REVISIONS TO CCHE  
POLICY: SECTION I, PART J**

**PREPARED BY: HEATHER DELANGE, ACADEMIC POLICY OFFICER**

**I. SUMMARY**

This discussion item meets the statutory requirement to provide a venue for the public, most especially affected institutions, to address the CCHE concerning revisions to the Commission's policy regarding the Degree Authorization Act (Title 23, Article 2 Colorado Revised Statutes). State law (HB 12-1155) directs the Commission to receive public comment on proposed policies at least thirty (30) days prior to taking formal action on such policies.

**II. BACKGROUND**

House Bill 12-1155 was signed into law on June 4, 2012. This bill contained several significant revisions to the statutes organized under the Degree Authorization Act, 23-2-101, et seq., C.R.S.

The changes to the Degree Authorization Act found in HB 12-1155 necessitate a policy revision for the operations of the private, degree granting colleges and universities in Colorado. Specifically, the new law charges the CCHE with creating procedures to implement the following new activities required by law:

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 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.

Section 23-2-104.5, C.R.S., *Fees – public hearing*, establishes an administrative hearing process to allow discussion and provide a venue for the public to provide testimony to the CCHE concerning the new policy thirty days prior to CCHE action.

### **III. STAFF ANALYSIS**

Since HB 12-1155 was enacted, Department staff and representatives from the authorized private colleges and universities in the state participated in three working meetings to develop the draft policy presented herein as well as establish a fee schedule consistent with the requirements of state law.

Representatives from the following institutions participated in this process: the 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, Webster University, Lesley University, and Wellington University.

With guidance from statute and the representatives from the institutions, new procedural language was created for:

#### **1. Renewal, maintenance, and revocation, of authorization**

- a. Previous Commission policy did not include procedures for institutions to maintain and renew their 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. Before HB 12-1155, a limited number of private colleges and universities participated in the Student Unit Record Data System (SURDS) that is maintained by Department staff. HB 12-1155 requires authorized private colleges and universities to report enrollment and completion data 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 be able to more accurately report student enrollment and completion figures.

**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 permanently maintain student records, thus, providing a process for students to request their transcript if an institution no longer operates in the state.

**5. Financial integrity**

- 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.

Though the proposed policy changes the scope of the Department's responsibilities considerably, it is important to keep in mind that the state role in the authorization process is important to institutions and is integrally related to accreditation and federal regulatory procedures. This is often referred to as "the federal triad." Under the federal

triad, the federal government has the responsibility for assessing the financial viability of education providers through Title IV (financial aid) program procedures; states have the primary responsibility for assuring that students, as the consumers of educational services, are protected from fraud, abuse, or inadequate provision of services by educational providers; and accreditors have the responsibility for assuring the adequacy of educational services provided by educational providers. The policy proposed in this agenda item fulfills the state's responsibilities for authorizing non-public institutions.

**Reciprocity** The development of the WICHE State Authorization Reciprocity Agreement (W-SARA) may have a direct impact on the private colleges and universities in Colorado. Currently, this proposed agreement, as well as the State Authorization Reciprocity Agreement developed by the Presidents' Forum and the Council of State Governments, have gone before the Commission on the Regulation of Distance Education and WICHE is awaiting that body's report and recommendations, which are expected by February, if not earlier. WICHE is waiting for the completion of this report before finalizing its reciprocity agreement. Additionally, WICHE is providing a draft "generic" SARA agreement to the other three regional compacts for their consideration and possible use. The CEOs of the other compacts are positive about the approach the W-SARA document has taken and believe the draft agreement will be well received by their commissions. HB 12-1155 authorizes the Colorado Commission on Higher Education to enter into reciprocity agreements for state authorization as long as the agreements conform to current Colorado State law and do not introduce new obligations on the institutions authorized in the state.

**Fee Schedule** State law (23-1-104.5 C.R.S.) directs the Colorado Commission on Higher Education to establish the following fees:

- (1) Fees to be paid by a private college or university or seminary or religious training institution for the administration of this article. The amount of the fees shall reflect the direct and indirect costs of administering this article. The commission shall propose, as part of the department's annual budget request, an adjustment in the amount of the fees that it is authorized to collect pursuant to this section. The budget request and the adjusted fees shall reflect the direct and indirect costs of administering this article.
- (2) The commission may establish a fee to be paid to the department by a private college or university that is authorized pursuant to this article and that applies for approval of an educator preparation program pursuant to section 23-1-121. The amount of the fee shall reflect the direct and indirect costs of the department in administering the provisions of section 23-1-121.
- (3) Prior to establishing a new fee or increasing the amount of an existing fee, the commission shall hold a public hearing to discuss and take testimony concerning the new fee or increase in fees. The commission shall provide notice of the public hearing and the proposed new fee or fee increase to each private college or university

and seminary and religious training institution at least thirty days prior to the date of the public hearing.

For the 2012-13 fiscal year, the Colorado Department of Higher Education was given \$96,000 in spending authority for the administration of the Degree Authorization Act. A copy of the proposed fee schedule for the 2012-13 fiscal year is presented in Addendum B.

During the working meetings with the institutions that took place in July, August, and September, several options for a fee schedule were proposed. The private colleges and universities that participated in these meetings preferred a flat, general fee over other fee options based on student assessment (headcount) and/or other variables. Due to the various enrollment levels of these institutions, Department staff created tiered institutional rates based on institutions' enrollment numbers in an effort to assess fees in an equitable manner.

Department staff expect fees for private colleges and universities to fluctuate from year to year based on the number institutions authorized to operate in the state, the number of educator preparation site visits that will occur at participating institutions, as well as the participation rate of the private colleges and universities in gtPathways.

#### **IV. STAFF RECOMMENDATION**

**This item is for discussion only. Staff will make a recommendation for approval of this policy at a future Commission meeting.**

#### **STATUTORY AUTHORITY**

C.R.S. §23-2-101, et seq.