

Schools' Perspective on Regulatory Issues:

**Working with schools to promote
effective regulatory measures in
your state**



Agenda

- Introduction – George Roedler,
Minnesota Office of Higher Education
 - The Economy and its Impact on Higher
Education – John Sabatini,
Laureate Higher Education Group
 - Creating a More Level Playing Field –
Dan Litteral, Apollo Group, Inc.
 - Measures to Aid Regulators and Institutions in
Saving Time and Money –
Sharyl Thompson, Capella University
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The economy and its impact on higher education

- The role of state regulatory boards
 - The role of accredited national/multi-state institutions
 - Issues facing the current regulatory environment
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The role of state regulatory boards

- Ensure consumer protection
 - Ensure quality programs are offered
 - Ensure integrity of degrees awarded
 - Require evidence of quality of program offerings, faculty, and financial stability
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The role of accredited national/multi-state institutions

Provide:

- ❑ Increased access to postsecondary education
 - ❑ Students, particularly adults, with increased postsecondary educational opportunities
 - ❑ Courses and degree programs that directly respond to local employment and workforce needs
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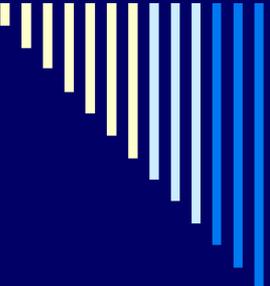
Issues facing the current regulatory environment

- Current fiscal crisis negatively impacting institutions nationally, and their ability to serve educational needs of residents
 - Except Alaska, North Dakota, and Wyoming, institutions are struggling with major budget cuts
 - To cover budget gaps, publicly-supported institutions are likely to raise tuition, reduce course offerings, faculty, staff, and student services; cap enrollments, and enlarge class sizes
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Issues facing the current regulatory environment

- Recommendation of National Center for Public Policy and Higher Education
 - Employers demanding more qualified employees to satisfy workforce needs and students are seeking greater access to higher education
 - While the American Recovery and Reinvestment Act of 2009 may provide additional stimulus to the states, higher education is expected to see increases targeted at Pell Grants, teacher education grants, and statewide data systems, but not operating funds
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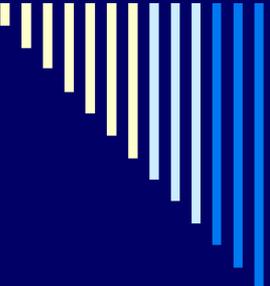
Creating a more level playing field

National/Multi-State Institution Concerns



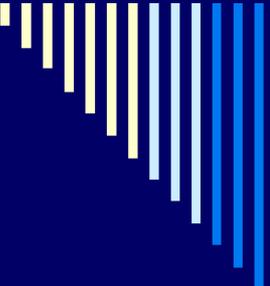
Distinctive regulation of for-profit institutions

- Many, if not most institutions in sector are operated on for-profit basis
 - These include the largest national or multi-state institutions (serving the most students)
 - Some states impose additional regulations and reporting requirements on such institutions
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Comparison of for-profit with not-for-profit institutions

- Each enjoys the same accreditation standards
 - At the regional level, no distinction made between operating regimes
 - Many have -
 - Comparable completion rates with not-for-profit counterparts
 - Comparable student debt loads; and
 - Greater financial stability, while serving increased **"at-risk populations."**
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At-risk factors, as defined by US DOE, include

- ❑ Enrolling part-time
 - ❑ Delaying entry into postsecondary education
 - ❑ Not having a regular high school diploma
 - ❑ Having children
 - ❑ Being a single parent
 - ❑ Being financially independent of parents
 - ❑ Working full-time while enrolled
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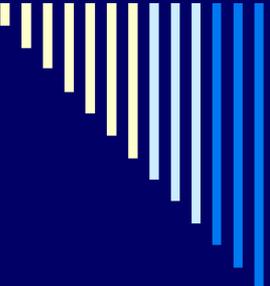


Concerns of out-of-state institutions

- Program and/or location "needs" analysis, particularly those that differ from in-state institutions

Example:

In addition, the out-of-state institution shall demonstrate that the proposed program for which the institution is making application meets a critical and compelling statewide need and is consistent with the State Plan for Postsecondary Education.



Additional concerns of out-of-state institutions

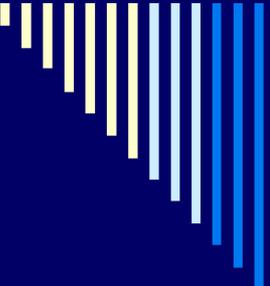
- Program duplication analysis, particularly if different from in-state schools:

Example:

The Commission will consider applications for ... accreditation from degree-granting institutions located outside State X provided, however, the following conditions are met by the applicant institution:

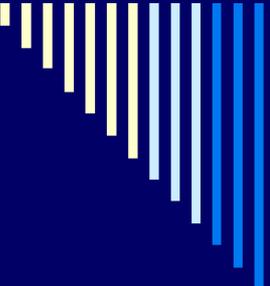
3.1.2.1 The applicant institution is accredited by one of the six regional accrediting bodies¹; and

3.1.2.2 Evidence is provided by the applicant institution that the demand for the course/program cannot be met by existing higher education institutions in State X.



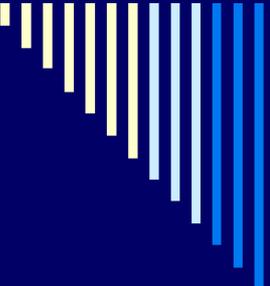
Additional concerns of out-of-state institutions

- Some state regulatory environments evidence the lack of a level playing field in terms of:
 - Requiring strict regulatory oversight by non-traditional, national, or multi-state institutions, while ignoring activities by traditional out-of-state institutions that operate through:
 - Provision of distance education without physical presence, and/or
 - Student teaching, internships, or other placements that create a physical presence.
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Additional concerns of out-of-state institutions

- Additional or supplemental regulations and reporting requirements
 - For example, some states have required the following **only** from for-profit schools:
 - Separate governing board requirements
 - Elongated review processes
 - Reduced initial and renewal licensure periods
 - And more.....
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Is there good rationale for differing regulations?

- ❑ Does it reduce regulatory risk?
 - ❑ Is it the most effective use of limited and dwindling state regulatory resources?
 - ❑ Is it constitutional?
 - ❑ Most importantly, does it serve those who both the regulators and the regulated serve? -- OUR STUDENTS
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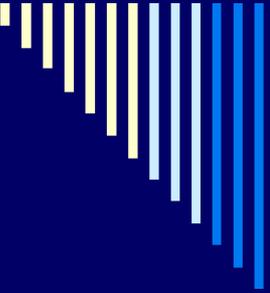
Measures to save time and money

- Access
 - Affordability
 - Accountability
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Access

- If current higher education access and participation rates continue, the US will be 16 million degrees short of the number needed by 2025 to match other countries and sustain economy
- The number of high school graduates entering the job market is now less than the number of adults leaving it
 - The focus must be on adults 25 and older in order to sustain the workforce



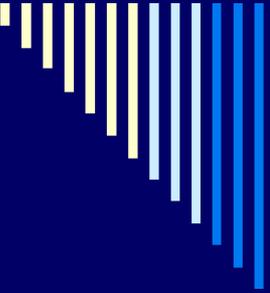
Affordability

- For-profits typically charge less than the private not-for-profits and about the same as what public institutions charge for out-of-state students - and they pay taxes
- Rising costs for approvals to operate in states impact the tuition the residents of those states are charged
 - Fees increasing
 - More reporting required, increasing time and resources



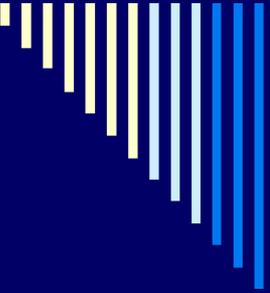
Accountability

- Institutions like those we represent
 - want the consumer protected
 - want to offer quality programs
 - want to be accountable
 - There must be innovative ways to accomplish all of this more efficiently
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Accountability

- Could we consider:
 - Creating and testing a model process or model forms
 - Allowing reciprocity based on home-state approval and regional or national accreditation
 - Participation in a national accountability initiative
 - Partner through NASASPS to develop a pilot involving a number of interested states and institutions
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Conclusion

Questions?
