

**ALASKA COMMISSION ON POSTSECONDARY EDUCATION
INSTITUTIONAL STANDARDS AND EVALUATION COMMITTEE**

Teleconference: 1 (800) 315-6338; Code: 67401#

Wednesday, June 23, 2021

1. 9:00 a.m. Convene/Roll Call
2. Presentation on Regulatory Changes – Tyler Eggen,
 Institutional Authorization Program Coordinator
3. Committee Members' Questions & Feedback
4. Institutional Representatives' Questions & Feedback
5. 10:00 a.m. Adjourn

REVISIONS TO THE INSTITUTIONAL AUTHORIZATION PROCESS AND FEES



WELCOME

- Sana Efird, Executive Director
- Kate Hillenbrand, Director of Communications & Outreach
- Tyler Eggen, Institutional Authorization Program Coordinator



INSTITUTIONAL AUTHORIZATION LAW

- Alaska Statute 14.48 sets out authorities and responsibilities
- Alaska Administrative Code 20 AAC 17 is the regulation that implements the statute
- Regulation must comply to the Statute



INSTITUTIONAL AUTHORIZATION HISTORY

- 20 years since last comprehensive review
- 22 years since last fee increase
- Lacking in modern standards
- Process is overly complex and regulation is hard to understand
- Regulations project began in early 2018 with survey and feedback sessions



PROPOSED CHANGES

- Authorization processes streamlined
- Fees aligned with services
- Annual financial and student outcomes reporting
- Annual student data reporting published in
 - Alaska Career Information System
 - Higher Education Almanac



ANNUAL REPORTING/RENEWAL

Annual - Simplified Reauthorization Process

- Financial Health
- Appropriate Surety Bonding / Insurance
- Student Outcomes
- Certification of no changes to programs, leadership, location



FEES

- No general funds are provided for institutional oversight, although mandated in statute
- 14.48.090 directs the commission to establish fees
- Fees were last modified in 1998
 - To keep up with inflation, fees would need to increase 62%.
 - Fees charged to institutions cover less than 1/4 of cost of services required by statute.



NEW PROPOSAL – FEES

- Overall increases to IA fees while considering the impacts on schools
- Annual fees align with the proposed annual reporting structure
- Removes fee exemption for 501(c)(3) with less than 30 students
- Exemption from authorization
 - Institutions needing certifications for accreditors. (Mostly out of state institutions) \$250.00 biennial renewal.
 - Others \$250.00 upon request with five-year renewal. (Mostly in state institutions).

FEE COMPARISON

	Current Fee	Proposed Fee
Initial Authorization or Change in Ownership	\$2500	\$2750 (for 3 programs, + 750 for each additional program, includes site visit) \$5000 Maximum
Renewal of Authorization or Annual Reporting	\$500 Minimum \$2500 Maximum (3% of tuition revenue) 1 to 5 years	\$400 Minimum \$1000 Maximum (1.2% of annual tuition revenue) Paid Annually
Change in Location	\$500	\$500
Change in Mission	\$100	\$750
New Program	\$100	\$750 per program
Program Amendment	\$100	\$750 per program
Administrative Determination	--	\$200
Late Fee	\$250	\$500
Site Visit	\$500	\$750



OTHER STATES COMPARISON

	Initial Fee	Renewal Fee
Arizona	\$800	Revenue Fee 1. Less Than \$50,000 \$600 2. \$50,000 to \$249,999 \$750 3. \$250,000 to \$499,999 \$1,000 4. \$500,000 to \$999,999 \$1,300 5. \$1,000,000 to \$2,499,999 \$1,650 6. \$2,500,000 to \$6,999,999 \$2,000 7. \$7,000,000 and over \$2,300
Colorado	\$5000 per School \$2500 for Additional Campus	\$2,500 Annually
Hawaii	For institutions with enrollment of: 100 or less \$10,000 100+ \$19,000	For institutions with enrollment of: 100 or less \$10,000 100+ \$19,000
New Mexico	\$1,000 plus fees	Based on annual gross tuition revenue: • \$1,000,000+ \$5,000 • \$500,000/\$999,999 \$3,000 • \$250,000/\$499,999 \$2,000 • \$50,000/\$249,999 \$1,000 • Less than \$50,000 \$500
Utah	Accredited institutions = \$1,500 Unaccredited degree and non-degree granting institutions = \$500	One percent (1%) of the gross tuition income of the registered program(s) during the previous year, but not less than \$500 or more than \$2,500.

RENEWAL COST COMPARISON

Current Fee Schedule For 3 Year Authorization				Annual Reporting Cost Over 3 Years	
Tuition Revenue	Renewal Fee	Annual Cost		Tuition Revenue	Annual Cost
\$20,000	\$ 600	\$200		\$20,000	\$ 300
\$50,000	\$1500	\$500		\$50,000	\$ 600
\$75,000	\$2250	\$750		\$75,000	\$ 900
\$83,333 + *	\$2500	\$833		\$83,333 + *	\$1000

*The majority of schools fall into this category .

The Commission may grant renewal period for up to 5 years. Typical period is between 1 to 3 years.



STUDENT OUTCOME DATA

- Collected annually
- Student data from your institution published in online platform Alaska Career Information System and in the Higher Education Almanac
- Already required in renewal of authorization process will be simplified and collected annually
- Free resource available to Alaska students and general public
- Influence student decision on where to invest their education \$.



NEW ANNUAL REPORT

Simplified financial reporting requirements

Institution may provide one of the following to the commission:

- (1) internally prepared financial statements; or
- (2) financial statements audited by an independent licensed certified public accountant; or,
- (3) a compilation report with full disclosure

Online reporting of completion and placement of vocational students

Similar to the process used for institutions that publish in annual Almanac

Include specific data on student contact information, place of employment, position, and date employed



OTHER REGULATIONS REVISIONS

- Improve clarity
- Modernize outdated standards
- Simplify application process
- Annual reporting ensures oversight between renewal periods



NEXT STEPS

- After receiving feedback on the proposed changes, staff will finalize the recommendations
- Present changes to Commission in July to open public comment period
- Adoption or modifications by Commission in October
- Once adopted, forms will be revised and a website specific to IA will be created.



IA REGULATION REVIEW

Questions?





Sectional Analysis for Alaska Administrative Code Chapter 17

ARTICLE 1. AUTHORIZATION TO OPERATE AND AGENT'S PERMITS

20 AAC 17.015 Exemptions

- Reorganizes section.
- Adds new exemption for paid on-the-job training or apprenticeship programs.
- Adds new exemption for programs that are operated by another state agency or political subdivision of the state.
- References 20 AAC 17.055(a) for fees.
- Changes timeframe and fee for exemption renewals –
 - Current: Biennial renewal with a \$100 fee.
 - Out of state distance education (not member of NC-Sara) still have a biennial renewal. All other exemption categories: have a five-year renewal period, or sooner if conditions change.
- References criminal penalties under AS 14.48.190 and AS 14.48.200 for providing the false information to the commission in order to appear to qualify for exemption from authorization.

20 AAC 17.020 Application for authorization to operate

- Reorganizes section.
- Clarifies if an institution does not qualify for exemption, an authorization to operate in the state is required.
- References 20 AAC 17.055(a) for fees.
- Outlines the application process, timeline, and conditions resulting in a late fee.
- Removes the procedural type details relating to action the commission may take when reviewing an application for authorization. Instead, regulation now states the commission may approve, approve with conditions, deny, or grant a continuation of an application.
- Changes initial authorization period from "up to two years" to 18 months.
- Adds statement that academic soundness evaluation by a third party may be required. If required, the applicant will pay the third party review fee.

20 AAC 17.025. Renewal of authorization to operate

- Outlines the application process, timeline, and conditions resulting in a late fee.
- Indicates authorization approval period for up to five years.

20 AAC 17.030 Application for agent's permit

- Reorganizes section.
- Clarifies independent recruiters must apply to the commission for an agent's permit.
- References 20 AAC 17.055(a) for fees.
- Outlines the application process and deadline for submitting applications.

20 AAC 17.040 Status changes

- References 20 AAC 17.055(a) for fees.
- Removes requirement to notify the commission of change in senior management. Expands status change to include change in physical location or tuition and fees. Most status change Notices are now required 90 days in advance or as soon as plans for the change are known.
- Changes notification requirement from 30 to 90 days for change of ownership.
- Adds a requirement for institutions to provide communications with accrediting agencies or oversight bodies that document changes that depart from recent authorization application.
- Adds a requirement for institution to notify commission prior to change in curriculum or instructional delivery method.
- Add that authorization is restricted to courses or study indicated in authorization application at the approved location. Changes require a program amendment application and commission approval.

20 AAC 17.045 Bonding requirements

- Removes option for Cash Deposit.
- Changes bonding requirement to be based on revenues, in the most recent calendar, or fiscal, 12 month period rather than program period, term, or semester from the previous academic year.
- Removes Pay-As-You-Go-School bonding amounts. Example: flight school
- Relocates subsections H, I, and J (financial soundness) to new section: 20 AAC 17.102 Financial soundness.

20 AAC 17.055 Fees

- Changes fee structure to a fee schedule reviewed and adopted by the Commission annually instead of fees set out in regulation.
- Removes fee waiver for institutions that are tax-exempt under U.S.C 501(c) (3) and have an annual enrollment of less than 30 students.

20 AAC 17.060 General operating standards

- Adds requirement for institutions to document a student meets generally accepted pre-requisites for licensing and employment standards for their field of study, prior to enrolment.
- Relocates (b) An authorization to operate an institution is restricted to the fields or courses specifically indicated in the application for authorization. The holder of an authorization shall present a program amendment application for approval of additional fields or courses in which it seeks to offer instruction. An institution may offer courses of study only at locations for which it has been approved - to 20 AAC 17.040 Status Changes.
- Relocates I, J, K, and L (financial soundness, unaudited financial statement criteria, definitions) to a new section: 20 AAC 17.102 Financial Soundness.

20 AAC 17.062 Student outcomes

- Changes section title to annual reporting standards.
- Reorganizes section.
- Establishes annual reporting of student performance indicators, financial soundness, surety, and life-safety requirements for schools not reporting to Integrated Postsecondary Education Data System (IPEDS).
- Revises reporting categories for career technical or vocational institutions. Data similar to similar to what is reported in the Almanac.
- Adds that institutions with high withdrawal (+25%) or placement (-70%) rates shall provide a written explanation and plan for improvement.
- Adds statement that data collected may be made publicly available.

20 AAC 17.070 Advertisement and solicitation

- Adds requirement for all institutions to disclose the delivery method of courses offered and percent offered online.
- Prohibits an institution from advertising a program that prepares a student for employment unless the program meet application licensure requirements.

20 AAC 17.075 Catalog

- Adds that institutions must disclose the cost for any testing and licensure requirements.

20 AAC 17.090 Supervisors and instructors

- Adds that there must be a supervisor responsible for the operation of the online education learning management system, if applicable.
- Adds that instructors must be competent in the use of any online education learning management system.

20 AAC 17.095. Facilities and equipment

- Adds new requirement for institution must have adequate technology and infrastructure to support management, operations academic programs and support services. ACPE may request a demonstration.

20 AAC 17.102 Financial soundness (new section)

- New location for some information from 20 AAC 17.045 (bonding requirements) and 20 AAC 17.060 (general operating standards) to add clarity and streamline processes.
 - Defines financial soundness
 - Lists requirements for institutions that do not meet criteria for financial soundness
 - Lists conditions for which ACPE will accept unaudited financial statements
 - Lists documents that must be included with financial statements
- Adds that an applicant for initial authorization, who has not yet begun operations, may submit a business plan with market analysis, a budget, and documentation of working capital sufficient for a minimum of one year of operation, as supported by budget projections, as evidence of financial soundness.
- Lists documentation requirements for annual financial reporting.

20 AAC 17.110 Records

- Creates data subcategories to organize the section: demographics, academic records, attendance records, financial records, and other records.
- Adds requirement for institutions, upon closure, to provide ACPE with student transcripts in an electronic form.

20 AAC 17.115. Tuition and refund policy

- Increases non-refundable application fee from \$75.00 to \$100.00.

ARTICLE 2. AUTHORIZATION TO OPERATE AS A UNIVERSITY, COLLEGE, JUNIOR COLLEGE, COMMUNITY COLLEGE, OR CAREER COLLEGE

Explanation of changes: Regulations in Article 2 require institutions to comply with national accreditor requirements that may not mirror those of their accrediting body. This can make it difficult for the institution to comply with our requirements and those of their accreditor. Changes in this section require accredited institutions to comply with their specific accreditor standards in order to be authorized to operate.

20 AAC 17.205. Use of the terms university or college

- Updates regulatory reference.

20 AAC 17.210 General guidance for degree program criteria

- Removes references to specific accrediting organizations.
- Adds that guidelines regarding degrees may also be from the accrediting body of the institution.

20 AAC 17.225 Requirements for degrees and degree programs

- Adds a degree program shall adhere to the standards of the accreditor.
- Removes content relating to standards of degree programs and when institutions may award an undergraduate degree. Institution to comply with our requirements and those of the accrediting body.
- Adds that online or distance delivered programs must meet the requirements of campus-based programs.

20 AAC 17.230 Financial and record keeping standard

- Removes reference to complying with Northwest Commission on Colleges and Universities (NWCCU) and adds that institutions must be compliant with accreditor requirements.
- Amends guidance document to reference the most current version.

20 AAC 17.235 Learning resource program

- Amends information to require that an institution comply with accreditor's standards. Removes all other standards and information relating to cooperative agreements.

20 AAC 17.245 Faculty standards

- Amends information to require that an institution comply with accreditor's standards. Removes all other standards.

20 AAC 17.255. Reporting (new section)

- Adds a requirement for institutions to report determinations, decisions, or actions of the accrediting body, affecting the institution, to the commission within 30 days.

ARTICLE 3. GENERAL PROVISIONS

20 AC 17.900 Definitions

- Alphabetizes definitions.
- Adds definitions for Integrated Postsecondary Education Data System (IPEDS).

20 AAC 17.910 Access to institutional authorization files

- Removes fees for photocopying will be in accordance with the annually approved commission fee schedule. Remove reference to charge of \$.20 per page.