Arizona State Board for Private Postsecondary Education

FACT SHEET - FY 6/30/11

Mission: To protect the health, safety and welfare of Arizona citizens by regulating private postsecondary educational institutions and providing services to their students.

Goals: To ensure legal operations, ethical practices and quality education in the private postsecondary sector.

- Maintain effective and efficient regulation of the private postsecondary educational institutions.
- To assist those injured by private postsecondary educational institutions.
- To collect or secure monies sufficient to provide for student financial restitution. To provide financial restitution, in a timely manner, to students financially injured as a result of a school closure
- To provide student educational records in a timely manner.

Agency Description: The Board licenses and regulates 252 private postsecondary educational institutions operating vocational and degree programs. These private universities, colleges, career colleges, and vocational schools annually serve approximately 779,042+ students. Formerly, students were only Arizona residents, however, with online programs, Arizona schools now provide training to students across the nation and around the world.

The Board has two primary programs: Licensing and Regulation and the Student Tuition Recovery Fund.

I. The Board acts on license applications, determines compliance, investigates complaints and violations, and takes disciplinary action.

II. Through the administration of the Student Tuition Recovery Fund, a fund of approximately $500,000+, the Board confiscates and retains student educational records from closed institutions, which provides students access to their educational records to continue their education and/or provide educational verification to a potential employer. The fund also provides financial restitution to students injured by private postsecondary institutional closures

I. Licensing & Regulation Program: For FY 7/01/09 through 6/30/010, the Board:

- Licensed 252 schools (includes vocational/degree & accredited/non-accredited)
- Approved 470 new programs.
- Approved 3 changes of ownership.
- Approved 4 changes of name.
- Approved 31 changes of location or new location
- Renewed 223 licenses.
- Investigated 13 student complaints and 11 consumer complaints
- Responded to over 105 "inquiries"
- Conducted 25 inspections
- Supervised 11 school closures.
- Serviced 2341 student record requests.
- Total Students Enrolled in Arizona Licensed Institutions: 779,042
- **Educational institutions generated over $5.4 billion in revenue in FY 12/09**

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Each new license application contains 20 items that must be reviewed and approved by Staff and then the full State Board. This includes CPA prepared financial statements, certificates of insurance, surety bonds, course descriptions and faculty resumes to name a few. On average, it takes 120 days to process a new application.

Once licensed, each school must renew their license annually. During license renewal, each school must submit 13 separate items for staff review and approval. This process takes 45 days for each school to complete. Renewals are divided into 4 quarterly cycles. Renewal fees are determines by gross tuition revenues ranging from a minimum of $600 to a maximum of $2300.

II. Student Tuition Recovery Fund Program:

The agency also administers the Student Tuition Recovery Fund (STRF). The STRF fund is a non-appropriated fund assessed from licensed institutions and maintains a minimum balance of $500,000. The fund is used to compensate students injured when a licensed school closes before a student has completed contracted coursework. The agency seizes student records and maintains and provides student records. The agency services approximately 1900+ student record requests annually. Students who attended postsecondary schools that have ceased operations may request copies of transcripts and student records to either continue or complete their education or obtain employment. Not all states provide this service.

During FY 6/30/10:

- 6 Student Tuition Recovery Claims were paid
- Total amount of claims paid total $16,615.25

Public Information Requests:

The agency provides information to the public regarding:

- Licensed schools in Arizona
- Licensed programs
- The meaning of accreditation and which licensed schools are accredited
- Student Tuition Recovery Fund claims
- Grievance Procedures and how to file student complaints
- Locating records in other states
- Ordering student records in Arizona
- How to become a licensed institution

The agency has a Website that provides online information and downloadable forms to facilitate public information requests.

Agency Partnerships:

The Arizona State Board for Private Postsecondary Education serves as part of the "triad" is terms of oversight for the Federal Student Aid programs. The Board provides consumer protection and "creates a level playing field for schools within the state". The other partners include the U.S. Department of Education and the Accrediting Agencies.

The Arizona State Board for Private Postsecondary Education has developed partnerships with other City, State, and Federal agencies to facilitate the dissemination of information. They include:

- U.S. Department of Education
- Regional & National Accrediting Agencies
- USA Group Loan Assistance
- Department of Economic Security
- Other State Boards who share dual licensing responsibilities for schools

* Arizona Department of Education
* Workforce Investment Act
* Veteran's Administration