

# CSI - Ohio

The Common Sense Initiative

## Business Impact Analysis

Agency Name: State Board of Career Colleges and Schools

Regulation/Package Title: 2014-2015 Rule Review Process

Rule Number(s): 3332-1-01, 3332-1-04.5, 3332-1-09, 3332-1-10, 3332-1-11, 3332-1-12, 3332-1-12.1, 3332-1-14, 3332-1-18, 3332-1-19, 3332-1-20, 3332-1-22, 3332-1-22.1

Date: June 22, 2015

**Rule Type:**

New

Amended

5-Year Review

Rescinded

The Common Sense Initiative was established by Executive Order 2011-01K and placed within the Office of the Lieutenant Governor. Under the CSI Initiative, agencies should balance the critical objectives of all regulations with the costs of compliance by the regulated parties. Agencies should promote transparency, consistency, predictability, and flexibility in regulatory activities. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

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## **Regulatory Intent**

### **1. Please briefly describe the draft regulation in plain language.**

*Please include the key provisions of the regulation as well as any proposed amendments.*

#### **3332-1-01 Authority for rule adoption.**

This regulation addresses the Board's process for adopting administrative rules. Only minor grammatical changes are being made to this regulation.

#### **3332-1-04.5 Suspension or revocation of certificate of registration.**

This regulation addresses rule violations that may result in disciplinary action by the Board. Minor changes are being made to the rule to reflect the current practice of electronically submitting documents. In addition a clarification is made to disciplinary provisions related to qualified faculty members.

#### **3332-1-09 Student enrollment policies and practices.**

The regulation sets forth the standards for student enrollment policies and practices. The regulation is being amended to all for the development of an online student disclosure course that will replace the current paper form.

#### **3332-1-10 Tuition and fees.**

The regulation sets forth the standards for collecting and refunding tuition and fees. The regulation is being amended to allow schools to collect a fee for a student disclosure course.

#### **3332-1-11 Scholarships and institutional grants.**

The regulation addresses approval of institutional scholarship and grant plans. The proposed amendment clarifies the current process for approving scholarship and grant applications.

#### **3332-1-12 Advertising, promotional literature and publicity.**

The regulation addresses school advertising, promotional literature and publicity. The proposed amendment is a paragraph that was taken from rule 3332-1-12.1 and placed into this rule because it is consistent with the rest of the provisions of this rule.

#### **3332-1-12.1 Recruitment and solicitation of students.**

The regulation addresses the recruitment and soliciting of students. The proposed amendment is to remove a paragraph from this rule that will be added to rule 3332-1-12 because the content of the paragraph is more consistent with rule 3332-1-12.

**3332-1-14 Student surveys.**

The regulation addresses the administration and content of student surveys. Only minor grammatical changes are being made to this regulation.

**3332-1-18 Complaint procedure.**

The regulation addresses the process for filing complaints against registered schools. Only minor grammatical changes are being made to this regulation.

**3332-1-19 Student tuition recovery fund.**

The regulation addresses the student tuition recovery fund. Minor clarifications are being made to this regulation.

**3332-1-20 Penalties.**

The regulation addresses the penalties for violations of the Board’s statutes and administrative rules. Only minor grammatical changes are being made to this regulation.

**3332-1-22 Fees for certificate of registration and program authorization.**

The regulation addresses the fees assessed for certificates of registration and program authorization. The proposed amendment will reduce the number of different gross annual tuition categories for assessing fees by eliminating the middle categories. This will result in a fee reduction for smaller schools.

**3332-1-22.1 Miscellaneous fees.**

The regulation addresses miscellaneous fees. The proposed amendments will eliminate the agent fee and the student registration fee and establish a fee for the student disclosure course.

**2. Please list the Ohio statute authorizing the Agency to adopt these regulations.**

The regulations are authorized by Ohio Revised Code Section 3332.031.

**3. Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?**

*If yes, please briefly explain the source and substance of the federal requirement.*

No

- 4. If the regulation includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.**

Not applicable.

- 5. What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?**

The regulations are designed to establish the minimum standards for the registration and operation of private career colleges and schools. The proposed amendments are intended to assure that schools and school personnel operate in a manner consistent with the Board's rules and regulations.

- 6. How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?**

Ultimately, success will be measured based upon the number of student complaints the Board receives and the number of violations of the Board's rules and regulations.

#### **Development of the Regulation**

- 7. Please list the stakeholders included by the Agency in the development or initial review of the draft regulation. (If applicable, please include the date and medium by which the stakeholders were initially contacted.)**

- 8. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?**

Stakeholders were included in all phases of the development of the proposed rule amendments. The process began in the fall of 2014 with the drafting of proposed changes to the regulations and the establishment of a rule review committee. The rule review committee consisted of representatives of the State Board of Career Colleges and Schools' staff as well as representatives from registered schools. The purpose of the rule review committee was to review the recommended changes and proposed any additional changes or revisions to the regulations. Rule review committee meetings were held on October 14, 2014 and October 21, 2014. The proposed regulatory changes were formally approved by SBCCS at its January 28, 2015 Board meeting.

**9. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?**

No scientific data was collected, however, the rules and regulations of other states and other state agencies were reviewed during the process.

**10. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?**

Alternative regulatory language was considered and the final proposed language represented the consensus of the interested parties and stakeholders.

**11. Did the Agency specifically consider a performance-based regulation? Please explain. *Performance-based regulations define the required outcome, but don't dictate the process the regulated stakeholders must use to achieve compliance.***

There were no proposed changes to the rules that would necessitate performance based standards.

**12. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?**

The regulations are specific to career colleges and schools and not duplicative of any other Ohio regulation.

**13. Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.**

The regulations will be implemented in a manner consistent with past implementation practices. Schools will be informed multiple times about new requirements and the Board will work proactively with schools to assure compliance with the requirements.

### **Adverse Impact to Business**

**14. Provide a summary of the estimated cost of compliance with the rule. Specifically, please do the following:**

- a. Identify the scope of the impacted business community;**
- b. Identify the nature of the adverse impact (e.g., license fees, fines, employer time for compliance); and**
- c. Quantify the expected adverse impact from the regulation.**

*The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a “representative business.” Please include the source for your information/estimated impact.*

Any increased costs associated with the new regulations will likely be the result of the online student disclosure course requirements that are included in the new regulations. The cost of this requirement is estimated at \$25 per student. In reviewing the new regulations with regulated schools and the Ohio Association of Career Colleges and Schools it was determined that the best way to offset these costs was to permit schools to pass these costs on through the school’s enrollment agreement. Thus the rules were modified to allow schools to assess this cost in their enrollment agreement.

**15. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?**

The Board implemented a paper disclosure requirement in 2007 that was successful and well received. In addition, the Board implemented a training requirement for licensed admissions representatives (agents) in 2010 that was also successful. In particular, the training increased the agents familiarity with the Board’s rules and regulations and further reinforced the school’s own internal compliance programs. The Board surveyed schools through the Ohio Association of Career Colleges and Schools regarding additional student disclosure requirements and determined that schools were receptive to the proposed student disclosure changes.

### **Regulatory Flexibility**

**16. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.**

The Board will work with the Ohio Association of Career Colleges and Schools to provide information and resources to schools about cost-effective ways for schools to achieve compliance.

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**17. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?**

The Board is committed to working with schools in a productive manner to assure that the requirements are met in a timely manner. The Board has always worked with schools to assist them in coming into compliance with regulatory requirements and does not needlessly fine or penalize schools for paperwork violations.

**18. What resources are available to assist small businesses with compliance of the regulation?**

The Board staff and field consultants are available to assist schools with questions about the regulations. In addition, the Board will work with the Ohio Association of Career Colleges and Schools to provide information and resources to schools about cost-effective ways for schools to achieve compliance.