

CSI - Ohio

The Common Sense Initiative

Business Impact Analysis

Agency Name: State Board of Career Colleges and Schools

Regulation/Package Title: 2013 Rule Review Process

Rule Number(s): 3332-1-04, 3332-1-04.3, 3332-1-08, 3332-1-09, 3332-1-12, 3332-1-16, 3332-1-17, 3332-1-17.1, 3332-1-17.2, 3332-1-21, 3332-1-24, 3332-1-25, 3332-1-26

Date: July 31, 2013

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Rescinded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.

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.

3332-1-04 Certificate of registration.

This regulation governs the general standards for the issuance of certificates of registration for the operation of a career college or school. The amended language clarifies the responsibility of schools that hire outside service providers to perform services covered by Ohio Revised Code Chapter 3332.

3332-1-04.3 Change of school ownership

This regulation addresses the standards and process for schools that are changing ownership. Only minor grammatical changes are being made to this regulation.

3332-1-08 School administration.

This regulation addresses general topics related to the administration and operation of a school personnel, records, and catalogs. The regulation is being amended to establish requirements for continuing education for specified school administrators, faculty and staff. In addition, the amendments set forth how the school may document the continuing education activities.

3332-1-09 Student enrollment policies and practices.

The regulation sets forth the standards for student enrollment policies and practices. The primary amendment to this regulation addresses how schools can properly verify high school completion during the enrollment process. In addition, there are several minor grammatical changes and clarifications that are being proposed.

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

The regulation addresses school advertising, promotional literature and publicity. Only minor grammatical changes are being made to this regulation.

3332-1-16 Program requirements.

This regulation establishes the standards and requirements for offering academic programs. There are amendments to the rule addressing the terminology “associate of applied science” as well as “program concentrations.” In addition, the proposed amendments address how schools can properly verify high school completion prior to enrollment in an associate degree program. There are also several minor grammatical changes and clarifications that are being proposed.

3332-1-17 Issuance of agent permits.

The regulation addresses issuance of agent permits. The proposed amendment clarifies the current requirement that agents complete continuing education and training.

3332-17.1 Disciplinary action involving agents.

The regulation addresses the prohibited conduct that may subject licensed agents to discipline by the Board. Only minor grammatical changes are being made to this regulation.

3332-1-17.2 The ethical code of conduct for agents.

The regulation addresses the ethical code of conduct for agents. Only minor grammatical changes are being made to this regulation.

3332-1-21 Board meetings.

The regulation addresses the process for holding Board meetings including requesting meeting notices. Only minor technical changes are being made to this regulation.

3332-1-24 Graduation and placement.

The regulation addresses standards for reporting graduation and placement rates. The amendments establish a formula for calculating graduation rates that is based on the IPEDS graduation rate formula.

3332-1-25 School closures.

The regulation addresses the process and procedures for closing a school. Only minor grammatical changes are being made to this regulation.

3332-1-26 Off campus learning centers.

The regulation addresses the standards for offering classes at off campus locations. No changes are being made to this regulation

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

The regulations are authorized by Ohio Revised Code Section 3332.031.

2. **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

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

Not applicable.

4. 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. In particular, the implementation of continuing education requirements are designed to assure that school personnel are properly trained and familiar with the rules and regulations of the Board.

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

In regards to the implementation of the continuing education requirements, success will be measured based upon the amount of increased training of career college and school personnel. Ultimately, success will be measured based upon the effect of training on the reduction in the number of violations of the Board's rules and regulations.

Development of the Regulation

6. 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.)

7. 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 2012 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 August 14, 2012 and September 6, 2012. The recommendations from the rule review committee were incorporated into the proposed regulations and they were presented to the Ohio Association of Career Colleges and Schools

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(OACCS) at their September 25, 2012 Board meeting for further review by stakeholder schools. Additional changes and revisions were made by the OACCS Board and they were incorporated into the proposed regulations that were presented to the State Board of Career Colleges and Schools (SBCCS) at its November 14, 2012 Board meeting. The proposed regulatory changes were formally approved by SBCCS at its January 30, 2013 Board meeting and were placed on the Board's web site for further comment and review by stakeholders.

8. 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.

9. 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.

10. 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.*

The language requiring continuing education reflected a performance based standard by requiring certain continuing education requirements but allowing the schools many alternatives for meeting the requirements.

11. 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.

12. 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

13. 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 continuing education requirements that are included in the new regulations. In reviewing the new regulations with regulated schools, the Board determined that most schools were already providing continuing education contemplated by the rules. However, some schools may be required to provide additional continuing education opportunities to staff members. The amount of increased costs will depend on a number of factors including, most importantly, the size of the school and the number of staff members. For schools that were not doing any continuing education and training for their employees it is estimated that the increased costs could be approximately \$300 per staff member for each staff member impacted by the new requirements.

In an effort to minimize the cost increases, the regulation recognizes a number of training activities that would meet the continuing education requirements including professional development activities and professional in-service training. The continuing education requirements were reviewed and discussed with schools during the development of the regulation and several suggested changes were incorporated into the proposed regulations.

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

The Board implemented a training requirement for licensed admissions representatives (agents) in 2010 that was successful and well received. 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 regarding additional continuing education requirements and determined that schools were receptive to the proposed changes.

Regulatory Flexibility

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

In regards to the continuing education requirements, there are a number of options available for schools to meet the requirements. 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.

16. 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.

17. 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.