

CSI - Ohio

The Common Sense Initiative

Business Impact Analysis

Agency Name: State Board of Career Colleges and Schools

Regulation/Package Title: 2016-2017 Rule Review Process

Rule Number(s): 3332-1-02, 3332-1-03, 3332-1-04.1, 3332-1-04.2, 3332-1-04.4, 3332-1-05,
3332-1-06, 3332-1-07, 3332-1-09, 3332-1-10, 3332-1-10.1, 3332-1-13, 3332-1-15, 3332-1-22,
3332-1-22.1, 3332-1-23, 3332-1-24, 3332-1-27, 3332-1-28, 3332-1-29, 3332-1-30,
3332-1-31

Date: October 24, 2017

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☐ Rescinded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.

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117
CSIOhio@governor.ohio.gov

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.

3332-1-02 Definition of Terms

This regulation addresses definitions of terms found within the administrative rules. No changes are being made to this regulation.

3332-1-03 Exempt Universities, Courses, Schools or Colleges

This regulation addresses exempt institutions. No changes are being made to this regulation.

3332-1-04.1 Change of Address

This regulation addresses procedures for changes of address. No changes are being made to this regulation.

3332-1-04.2 Name of School

This regulation addresses restrictions on names of institutions. No changes are being made to this regulation.

3332-1-04.4 Renewal of Certificate of Registration

This regulation addresses the renewal of certificates of registration. Minor grammatical changes are being made to this rule as well as changes to submission deadlines that reflect the change from paper submissions to online submissions.

3332-1-05 Out-of-State Schools

This regulation addresses the approval of out-of-state institutions. No changes are being made to this regulation.

3332-1-06 Distance Education Programs

This regulation addresses regulations for schools offering distance education programs. No changes are being made to this regulation.

3332-1-07 Equipment and Facilities

This regulation addresses standards for equipment and facilities at schools. No changes are being made to this regulation.

3331-1-09 Student Enrollment Policies and Practices

This regulation addresses student enrollment policies and practices. Changes are being made to the provision of the rule that addresses the Board's online student disclosure course to clarify issues about the administration of the course.

3332-1-10 Tuition and Fees

This rule address tuition and fee charges at schools. Due to legislative changes made in House Bill 49, language is being removed from the rule that allowed schools to asses a fee for the student disclosure course.

3332-1-10.1 Refunds for Books and Supplies

This regulation addresses student refunds for books and supplies. No changes are being made to this regulation.

3332-1-13 Surety Bonds

This regulation addresses surety bonds maintained by registered schools. No changes are being made to this regulation.

3332-1-15 Program Authorization

This regulation addresses program authorization. Minor grammatical changes are being made to this rule as well as changes to submission deadlines that reflect the change from paper submissions to online submissions.

3332-1-22 Fees for Program Authorization and Certificate of Registration

This rule addresses fees for program authorization and certificates of registration. Minor grammatical changes are being made to this rule as well as changes to submission deadlines that reflect the change from paper submissions to online submissions. In addition, language addressing fees charged for late payment have been taken from rule 3332-1-22.1 and added to this rule in subsection(H).

3332-1-22.1 Miscellaneous Fees

This rule addresses miscellaneous fees and is being eliminated. Some provisions of the rule are being incorporated into administrative rule 3332-1-22.

3332-1-23 Annual Report

This regulation addresses annual reports filed by registered schools. No changes are being made to this regulation.

3332-1-24 Completion and Placement

This regulation addresses completion and placement standards. Changes are being made to this rule to allow schools to report data in a manner consistent with how data is reported to the US Department of Education or their accrediting agency. Additional clarifications have also been added to the rule to further define how the program data is reviewed where there are small cohorts and to clarify the reporting of student placement data.

3332-1-27 Personal Information Systems Definitions

This regulation addresses personal information systems definitions. No changes are being made to this regulation.

3332-1-28 Procedures for Accessing Confidential Personal Information

This regulation addresses procedures for accessing confidential personal information (CPI). No changes are being made to this regulation.

3332-1-29 Valid Reasons for Accessing Confidential Personal information

This regulation addresses reasons for accessing CPI. No changes are being made to this regulation.

3332-1-30 Confidentiality Statutes, Regulations and Rules

This regulation addresses confidentiality rules and regulations. No changes are being made to this regulation.

3332-1-31 Restricting and Logging Access to Confidential Personal Information

This regulation addresses procedures for logging access for CPI. No changes are being made to this regulation.

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.

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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 summer of 2016 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' (SBCCS) 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. The rule review committee meeting was held on October 27, 2016 and the committee recommendations were initially approved by SBCCS on November 16, 2016 and the proposed changes were posted on the Board's web site. After additional feedback was received, additional changes to the rules were approved by SBCCS at its January 25, 2017 Board meeting.

Due to changes introduced in House Bill 49 (State Budget Bill), the proposed rule changes were delayed pending the finalization of the House Bill 49 provisions. Following the approval of House Bill 49, the State Board of Career Colleges and Schools approved additional changes to the administrative rules at its September 27, 2017 Board meeting and those changes were posted on the Board's web site and are reflected in this filing with CSI.

- 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.

- a. The scope of the impacted business community would be the approximately 250 registered career colleges and schools under the Board's jurisdiction.
- b. The nature of the adverse impact would be the increased costs associated with the new regulations will likely be the result of the online student disclosure course requirements that were modified in response to Ohio Revised Code section 3332.071 that prevent schools from passing on the cost to students.
- c. The cost of the online school disclosure requirement is estimated at \$25 per student. The impact for each registered school is dependent on the number of students enrolled. In

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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 and SBCCS had previously modified its rules to allow schools to assess this cost in their enrollment agreement. However, in accordance with Ohio Revised Code section 3332.071 schools are not permitted to assess this cost to students so those provisions were removed from the rule.

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

The rule change that most likely creates an adverse impact to the regulated business community was implemented in response to adoption of Ohio Revised Code section 3332.071.

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.

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.

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