



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Carrie Kuruc, Director

MEMORANDUM

TO: John Ware, Ohio State Board of Career Colleges and Schools

FROM: Jacob Ritzenthaler, Regulatory Policy Advocate

DATE: February 18, 2021

RE: **CSI Review – Five Year Review Rules (OAC 3332-1-01, 3332-1-04.3, 3332-1-04.5, 3332-1-06, 3332-1-10, 3332-1-11, 3332-1-12.1, 3332-1-14, 3332-1-18, 3332-1-19, 3332-1-20, 3332-1-21, 3332-1-22, and 3332-1-26)**

On behalf of Lt. Governor Jon Husted, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Board as provided for in ORC 107.54.

Analysis

This rule package consists of nine amended rules and six no change rules proposed by the Ohio State Board of Career Colleges and Schools (Board). This rule package was submitted to the CSI Office on December 18, 2020, and the public comment period was held open through January 25, 2021. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI Office on December 18, 2020.

Ohio Administrative Code (OAC) Chapter 3332-1 establishes general provisions for the Board. OAC 3332-1-01 sets forth the rule adopting authority of the Board and is proposed without changes. OAC 3332-1-04.3 concerns a change in school ownership and is amended to establish a time period for notifying the Board of a change in ownership. OAC 3332-1-04.5 lists the reasons a certificate of registration may be suspended or revoked, including fraudulent information, discrimination, failure to provide requested information, or failing to provide a safe and sanitary premise. OAC 3332-1-06 provides standards for distance education programs and is amended to include new provisions for emergency approval of distance learning programs during a pandemic,

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which requires a temporary distance education plan and time limits on the temporary plan. OAC 3332-1-09 and 3332-1-10 concern student enrollment policies, tuition, and fees. The rules are amended to make explicit requirements for enrollment agreement review and financial aid notification, as well as including provisions for military leaves of absence, matriculation and graduation of students with unpaid tuition, and obtaining records from schools that have closed. OAC 3332-1-11 and 3332-1-12.1 provide guidelines for scholarships and grants provided by a school and the recruitment of students. OAC 3332-1-14 and 3332-1-18 establish requirements for surveying students and the complaint process. OAC 3332-1-19 and 3332-1-20 set forth requirements for the student tuition recovery fund and penalties that may be assessed for violations of the rules. OAC 3332-1-21 concerns meetings of the Board and includes minor amendments that address electronic notification. OAC 3332-1-22 establishes the fees required for certification of schools and includes amendments that raise the cost of registration fees for new schools or owners and registration renewal, as well as new and renewal program authorization fees. OAC 3332-1-26 addresses off-campus learning centers and is amended to allow the Board Director to approve learning centers if a school as submitted applications, faculty compliance information, and required fees.

During early stakeholder outreach, the Board conducted meetings with relevant industry stakeholders to accept feedback, including registered schools, education consultants, and school boards. During that time, the Board incorporated suggestions from received from stakeholders. During the CSI public comment period, the Board received comments related to online courses and students with unpaid fees. In response to stakeholder comments, the Board amended OAC 3332-1-10 to clarify that penalties must be outlined in a school's institutional payment plan or school catalog.

The business community impacted by the rules include approximately 220 registered career colleges and schools in Ohio. The adverse impacts created by the rules include the time and effort spent by schools to comply with new administrative requirements, such as maintaining student records after a school closes or revising enrollment agreements, as well as fees for registering a school or new program. Amendments to the rules increase fees for schools as follows: for schools with gross tuition income of less than \$100,000, registration fees cost \$200 and renewal costs \$400; for schools between \$100,000 and \$999,999 gross tuition income, registration costs \$350 and renewal costs \$700; and schools with over \$1 million in gross tuition income, registration costs \$1,000 and renewal costs \$2,000. Annual fees for new programs cost \$200 for a certification or diploma program, \$275 for an associate's degree program, \$450 for a bachelor's degree or other program, and \$150 for a major within a degree program. The Board notes that fees have not increased since 2003. The Board states that the rules are necessary to ensure that career colleges and schools operate consistently with standards for information distribution and enrollment.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that the Board should proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.