

**HIGHER EDUCATION
COORDINATING COMMISSION**

**Agency Request Budget
2019-21**



HECC OPERATIONS: POP 205 PRIVATE CAREER SCHOOL LICENSURE

POLICY OPTION PACKAGE 205

2019-2021 Budget

Private Career School (PCS) Licensure

HECC Operations

PURPOSE

The Higher Education Coordinating Commission (HECC) Private Career Schools unit (PCS) is charged under ORS 345.015-450 with the licensure and regulatory compliance of the state's more than 200 private career schools, and licensure of more than 2,000 teachers for the private career school sector. This regulatory oversight includes a significant consumer protection and student protection component that is not served appropriately at current staff levels.

The PCS unit's staffing is at a current historic low point. While the unit was part of the Oregon Department of Education, it had as many as eight full time employees (FTE). Currently, under the HECC, the PCS unit is at 3.0 FTE, with 1.0 FTE (Compliance Specialist 1, limited duration) out for hire.

The purpose of this Policy Option Package (POP) is to stabilize the fluctuations in revenue for the PCS unit, and allow for the permanent addition of 1.5 FTE to the unit so that HECC PCS may offer greater consumer and student protection to the field in the form of student complaint investigation and the investigation and licensure of unlicensed career schools. This stabilization will be accomplished through a new, continuing General Fund appropriation to HECC PCS to fund its critical student and consumer protection work. Currently HECC PCS lacks an ending fund balance (EFB), where best practice suggests having six months of operating revenue in reserve for an Other Funds unit.

HOW ACHIEVED

The PCS unit formerly received General Fund backfill and subsidy when it was part of the Oregon Department of Education, and it received a one-time appropriation of \$215,000 from the legislature for the 2015-17 biennium, with the intention that the unit become entirely Other Fund supported (i.e. licensure and renewal fees) for the first time in its history. Despite a 30 percent increase in licensure and renewal fees in 2017 and staff attrition, the unit is currently running a structural deficit projected at \$200,000 for the biennium.

This Policy Option Package, along with a *further* 30 percent increase in licensure and renewal fees, will provide necessary revenue stability and shore up the consumer and student protection functions (noted above) of the PCS unit. Additionally, we expect the addition of staff to create efficiencies in key areas such as licensure, inspection, and rulemaking with stakeholders in the field.

STAFFING IMPACT

1.0 FTE Education Policy Specialist 1 (EPS1), would be restored to the unit.

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0.5 FTE Operations and Policy Analyst 2 (OPA2), would be restored to the unit

QUANTIFYING RESULTS

The HECC expects to see greater revenue stability for the PCS unit. The increased staff capacity will allow PCS to focus more of its limited resources on its most vital functions: consumer and student protection. The permanent hire of a Education Policy Specialist to take on the majority of student complaint, compliance, and investigatory duties of the PCS unit will allow a shifting of these duties from other staff. This will allow other current staff to concentrate on the most complex cases of regulatory compliance, student complaints requiring lengthy investigations, and analysis of curricula and other aspects of school licensing. The hiring of an Operations and Policy Analyst will also assist staff with regular analysis of the unit's revenue patterns, administrative rulemaking, and reporting to the PCS Advisory Committee, Legislature, and Commission on the impact of the private postsecondary sector in degree and certificate production, as part of the state's broader education achievement goals. By the end of the 2019-21 biennium, we expect to see revenues stabilized (i.e. no deficit for the unit), the establishment of the beginning of an EFB, and significant reduction in turnaround times, both for complaints and for school licensing.

In addition, the HECC expects:

- Increased capacity to receive, process, investigate and resolve consumer and student complaints, resulting to quicker resolution times.
- Significant decrease in turnaround times for initial licensure and licensure renewal of private career schools (wait times are currently six to eight months, due to limited staff capacity).
- Restoration of mandatory services to the field such as site inspections
- Decreased time and greater effectiveness in rulemaking in fields where curricular standards are encoded in Oregon Administrative Rule, such as cosmetology.

This investment would have a positive impact on the following Key Performance Measures (KPMs): KPM 4 (Oregon Educational Attainment); KPM 15 (Customer Service)

REVENUE SOURCE

Funding Requirements:	Personal Services	\$294,439
	Services & Supplies	\$27,642
	TOTAL:	\$322,081

Funding Source: General Fund

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Cross Reference Name: HECC Operations
Cross Reference Number: 52500-101-00-00-00000

Higher Education Coordinating Commission
Pkg: 205 - Private Career School Licensure

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							322,081
General Fund Appropriation	322,081	-	-	-	-	-	322,081
Total Revenues	\$322,081	-	-	-	-	-	\$322,081
Personal Services							
Class/Unclass Sal. and Per Diem	178,752	-	-	-	-	-	178,752
Empl. Rel. Bd. Assessments	122	-	-	-	-	-	122
Public Employees' Retire Cont	30,334	-	-	-	-	-	30,334
Social Security Taxes	13,675	-	-	-	-	-	13,675
Worker's Comp. Assess. (WCD)	116	-	-	-	-	-	116
Mass Transit Tax	1,072	-	-	-	-	-	1,072
Flexible Benefits	70,368	-	-	-	-	-	70,368
Total Personal Services	\$294,439	-	-	-	-	-	\$294,439
Services & Supplies							
Instate Travel	1,478	-	-	-	-	-	1,478
Employee Training	7,664	-	-	-	-	-	7,664
Office Expenses	4,378	-	-	-	-	-	4,378
Telecommunications	3,284	-	-	-	-	-	3,284
Data Processing	1,424	-	-	-	-	-	1,424
Publicity and Publications	1,094	-	-	-	-	-	1,094
Employee Recruitment and Develop	876	-	-	-	-	-	876
Dues and Subscriptions	1,094	-	-	-	-	-	1,094
Other Services and Supplies	1,094	-	-	-	-	-	1,094

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Higher Education Coordinating Commission
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Cross Reference Name: HECC Operations
 Cross Reference Number: 52500-101-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							5,256
Expendable Prop 250 - 5000	5,256						
Total Services & Supplies	\$27,642						\$27,642
Total Expenditures							322,081
Total Expenditures	322,081						
Total Expenditures	\$322,081						\$322,081
Ending Balance							
Ending Balance							
Total Ending Balance							
Total Positions							2
Total Positions							
Total Positions							2
Total FTE							1.50
Total FTE							
Total FTE							1.50

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM
 2019-21
 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 205 - Private Career School Licensur

POSITION NUMBER CLASS COMP CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
250005 OAS C0871 AP OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	02	4,727.00	113,448 63,234				113,448 63,234
250050 OAS C2300 AP EDUCATION PROGRAM SPECIALIST 1	1	.50	12.00	02	5,442.00	65,304 51,381				65,304 51,381
TOTAL PICS SALARY						178,752				178,752
TOTAL PICS OPE						114,615				114,615
TOTAL PICS PERSONAL SERVICES =	2	1.50	36.00			293,367				293,367