

Academic Policy and Authorization

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Policy Option Package 409 – GF Staff Support Request

**Purpose:**

The PPS division of the Office of Academic Policy and Authorization is proposing to reestablish General Fund subsidies in order to ensure it can continue to fulfill its vital consumer protection function. The request is to support the cost of creating a permanent 1.0 FTE Compliance Specialist 3 (CS3) position for the PCS unit, a 1.0 FTE Program Analyst 1 position for the PCS unit, and a new position (1.0 FTE Operations and Policy Analyst 2) for the Office of Degree Authorization.

**Justification:**

The Private Postsecondary Education (PPS) unit at the HECC consists of two offices: the Office of Degree Authorization (ODA) and the Private Career Schools (PCS) Licensing unit. Both are responsible for policy and regulation of private institutions serving Oregonians. Without approval or explicit exemption from regulation from the HECC, a school cannot legally operate in our state, or offer degrees or certificates or college credit to Oregonians. Both units also provide educational leadership, technical assistance, and provide student and consumer protection.

The PCS unit was transferred from Oregon Department of Education to the HECC in 2013. The unit is funded with fees from licensing career schools, registering teachers, and other activities. Fee revenues have never been sufficient to support the unit, and at ODE the program was subsidized with General Fund revenue until 2017.

Currently, the ODA office serves 104 institutions with just two full-time staff, and the PCS Licensing Unit serves 214 private career schools (with at least 24 institutions in queue for approval) with just two full-time specialists, 1 full-time, limited-duration CS3 position, and 1.0 FTE Office Specialist 2 position. Providing consumer protection when there are 318 institutions and so few staff is not sustainable. Staff are exhausted and can fall significantly behind when they take much-deserved time off for vacation, work on other necessary/required projects, or become ill. The adverse impact on consumer service is an ongoing concern. It also impacts staff morale. The addition of funds to add staff members would ensure the unit can continue to perform their vital consumer protection role at the level of quality and efficiency legislatively required to minimize risks to businesses and students. Office of Degree Authorization:

Funding and Revenue

- The Office of Degree Authorization is required to be a “fee supported” or “Other Fund” office within the agency, i.e. it receives no public funds for its operations, but the office performs a public good through its consumer projection, and compliance function that goes beyond the service it provides to these private schools for authorization and licensing.

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Personnel

The Office has been working with just one Education Program Specialist (Level 1), and a Compliance Specialist 2. However, the increase in the number of institutions regulated and the increasing regulatory complexity of the work especially with innovations in online and remote program delivery across state lines, requires the office add an OPA2.

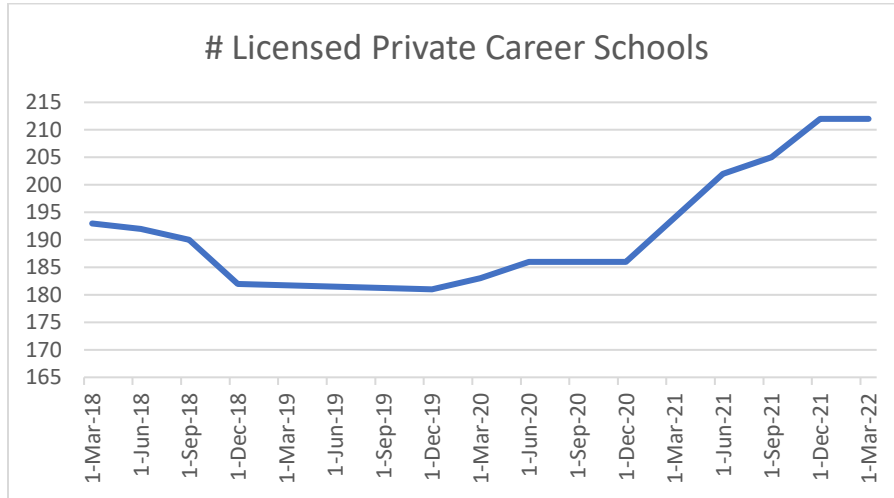
PCS:

Funding and Revenue

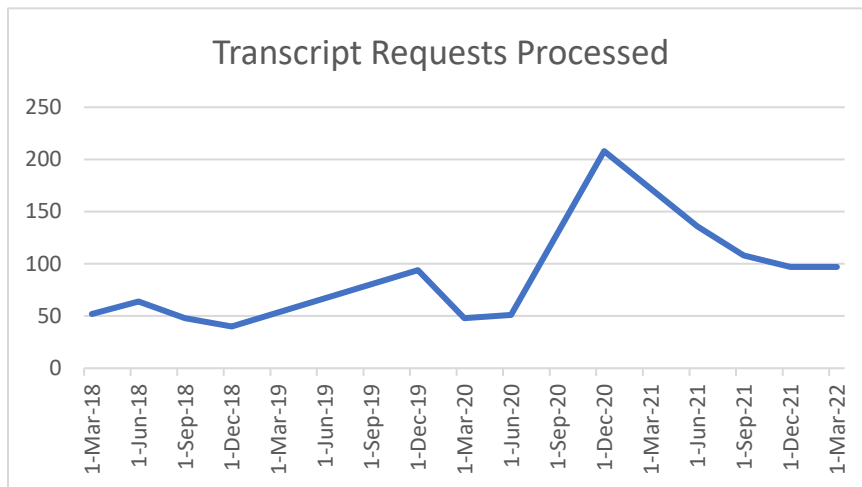
- Private Career Schools Office is required to be a “fee supported” or “Other Fund” office within the agency, i.e. it receives no public funds for its operations.
- That was not always the case, however. Until very recently, PCS received both state General Fund “backfill” and federal funds because it had Veterans Administration State Authorization as part of its function. That function was moved to the OSAC.
- PCS has never before been fully sustained by fee revenue alone. When it was at the Oregon Dept of Education, it had a much larger FTE count, and ran a deficit of approximately 200,000 per biennium, made up with federal and state funds.
- When it moved to HECC, PCS had as many as six FTE, and was supported with a one-time grant of state funds to ease the transition to a fee supported unit within the agency.
- Since that time, we have been operating with lowest number of staff in the unit’s history, at the same time that the workload has increased.

Personnel

- In the “# Licensed Private Career Schools” table you can see that the number of authorized schools PCS is responsible for, has increased significantly over time, and during this time the unit has had the smallest staff in its history.



- Right now we have just one 1.0 FTE Office Specialist tasked with duties such as data entry, mail, filing, calendaring, tracking payments, printing licenses, and student transcript requests. Student transcript requests have doubled since 2018 and remained high over time:



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- As recently as 2016, HECC-PCS had 5-6 FTE performing its compliance, authorization, complaint investigations, and teacher registration duties.
- Currently we are down to 3 FTE, and 1 limited duration CS3 position. PCS is now at its lowest staff level in its history. Significant changes in service will need to be made if we cannot make the CS3 position permanent, and with the steady growth in schools, it is essential we get a Program Analyst 1, to allow for time for site visits, and other vital student protection functions. The Unit is unable to efficiently and effectively serve schools, instructors, and students in its regulatory and consumer protection roles. The concern for risk and liability cannot be overstated.

An alternative to dedicated general funds, is to raise the fees charged to schools for services. We recently raised fees twice for the PCS division of PPS: in 2017 for a nominal amount, and again, in 2019 at a higher percent, 30%. Stakeholders expressed substantial concern over the second large increase and efforts to increase fees again would likely receive significant pushback. While raising fees helped the office become solvent, it did not leave room for hiring additional staff to address the growing complexity in the field, or to address the increase in workload, growing backlogs, staff exhaustion and low morale as a result of the growing high school to staff ratio.

**How Achieved:**

Support General Funded staff positions in PCS and ODA.

**Equity Impact:**

Demographic data on the student populations served is incomplete. However, it is safe to assume that private postsecondary schools as a whole, are education and career paths for those who are ill-served and underserved by current public and private systems of postsecondary training, low-income and first-generation students and recent immigrants in particular. Recent data from the HECC Office of Research and Data (2019-2020) revealed that less than half of students who attend PCS are white and the vast majority are over the age of 25. It is therefore essential that we have the appropriate number of staff to continue to provide student protections for all students, and in particular underserved students and students of color

**Staffing Impact:** The positions outlined below are requested to ensure the success of each program. Services & Supplies and Capital Outlay (if applicable) were applied using the agency’s position pricing model:

Position Number	Classification Title	Classification Number	2023-25			2025-27		
			Pos Count	FTE Count	Pos Budget	Pos Count	FTE Count	Pos Budget
	Operations Policy Analyst 2							
	Program Analyst 1							
	Compliance Specialist 3							
	<b>Total</b>		<b>1</b>	<b>1.00</b>	<b>221,504</b>	<b>1</b>	<b>1.00</b>	<b>230,807</b>

Expenditure Category	2023-25			2025-27		
	GF	OF	FF	GF	OF	FF
Personal Services (staffing)	\$221,504			\$230,807		

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Services & Supplies (staffing)	\$26,926			\$28,058		
<b>Total</b>	\$248,430			\$258,865		
<b>Positions</b>	<b>1</b>			<b>1</b>		
<b>FTE</b>	<b>1.00</b>			<b>1.00</b>		

Note - Services & Supplies are based on the position pricing model for new

positions

**Outcomes:**

Receipt of funding for the three positions will result in the following:

- A program analyst would take on more routine student protection work such as:
  - “cease and desist” work where unauthorized institutions operating in Oregon are warned and potentially penalized if they do not come into compliance and pursue authorization with student protections in place
  - Reviewing teacher registration application and renewals to ensure students are served by qualified and safe teachers
  - Reviewing and evaluating school renewals to ensure, among other concerns, the schools have an adequate student complaints policy, the schools are current on their tuition protection funds, and schools have appropriate and transparent policies in place to ensure a quality education for Oregon students.
  - Ensuring and supporting data collection, so that we can closely monitor how private careers schools are serving students
- With the aforementioned work allocated to the program analyst, the specialists will have more time to devote to important policy concerns, such as determining how to best protect students in Oregon Psilocybin Training programs—the first program of its kind in the country.
- Our current limited duration CS3 position, in addition to the student protection work outlined under the work we would have the program analyst assist with, has been able to make a number of essential improvements that we would otherwise not have had time to make. The CS3 has identified holes in our administrative rules that could expose students to risk, for example, we require any school who teaches minors to have teachers get a fingerprint and background check. However, we do not have rules outlining requirements if the students (through practicum or training, such as in cosmetology) interacts with minors. Our limited duration CS3 is drafting proposed rule changes to address these gaps in protections.
- Having the PA1 tackle more of the routine work would also allow the CS3 and the specialists to resume more frequent site visits to ensure schools violating state rules and endangering student safety, are brought into compliance.
- With respect to an OPA2 in ODA, we are seeing growth in challenging policies and complex financial arrangements as large institutions merge with other institutions, and institutions seek to offer online/distance training to Oregon’s students. To ensure students are protected the office needs someone who can propose SARA Policy Modifications reviews, help develop regulations for Branch Campuses, conduct institutional financial stability determinations involving increasingly complex organizational structures, and development of state rules requiring surety bonds for Oregon participating schools for student protection. The ability to regulate, ensure financial stability, and propose new policies all helps ensure students who attend ODA schools attend a quality institution and have the opportunity to receive a meaningful degree.

Revenue Source:

POP #203 – Strong Start Expenditure Category	2023-25			2025-27		
	GF	OF	FF	GF	OF	FF
Personal Services	0	0	0	0	0	0
Services & Supplies	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0
Special Payments		0	0		0	0
<b>Total POP #203 – Strong Start</b>		<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
Positions	0	0	0	0	0	0
FTE	0	0	0	0	0	0