



# STATE BOARD OF CAREER COLLEGES AND SCHOOLS

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## STATE BOARD OF CAREER COLLEGES AND SCHOOLS BUDGET TESTIMONY

Presented by: John Ware, Executive Director

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Mr. Chairman, members of the Higher Education Subcommittee, my name is John Ware, Executive Director for the State Board of Career Colleges and Schools. On behalf of the members of the Board, I thank you for this opportunity to present testimony in support of the Fiscal Year (“FY”) 2016-2017 budget request for our agency.

The State Board of Career Colleges and Schools is responsible for monitoring and regulating 280 private career schools in the State of Ohio. These schools enroll over 60,000 Ohio students in 2,000 approved programs ranging from two-week certificate programs to four-year baccalaureate degrees. Career colleges and schools provide valuable career and workforce training and generally enroll higher percentages of non-traditional students than are served by other sectors of higher education. According to data compiled by the U.S. Department of Education’s National Center for Education Statistics, 74% of students who enroll in accredited career colleges are females, 30% are African-Americans and nearly 60% are age 25 years or older. Average graduation rates for career colleges exceed 45% and placement rates compiled by this agency for show that over 75% of career college students are placed after graduation. In addition to student enrollments, career colleges and schools employ over 6,000 faculty and staff and pay wages in excess of \$200,000,000.

The State Board of Career Colleges and Schools fulfills its statutory responsibilities by ensuring that programs, instructors, equipment and facilities are in compliance with sound educational standards as required by the Board's administrative rules. This is accomplished through periodic reviews and site visits conducted by the Board and its staff. Activities of the Board and its staff during FY 2014 included over 225 site visits, 542 new program and degree approvals, 25 new school certificates of registration, 158 renewals for existing certificates of registration, and over 1,200 program and degree re-authorizations.

Another part of the Board's oversight of registered schools occurs through the investigation of complaints filed by students or other interested parties. Corrective measures available to the Board range from consent agreements and civil penalties to the revocation of a school's certificate of registration. During FY 2014, the Board initiated 83 preliminary investigations, which included 45 student complaints. The vast majority of these complaints were resolved by the Board by obtaining voluntary compliance from registered schools. In addition to the Board's general school oversight responsibilities, the Board also maintains the Ohio Student Tuition Recovery Fund, financed by assessments to registered schools, that provides tuition recovery options to the students of closed schools.

The Board's funding recommended in the Governor's budget and approved by the House for FY 2016-2017 (\$579,328 per year) is identical to the Board's appropriation for the past three fiscal years. The proposed funding is necessary to assist the Board in carrying out its statutory obligations and no fee increases will be necessary to meet the Board's funding request, in fact, the Board reduced or eliminated a number of fees at the beginning of FY 2010. Despite these fee reductions the Board continues to generate revenue well in excess of its expenditures. During FY 2014 the Board generated over \$782,000 in revenue and during the first 10 months of FY 2015 the Board has generated over \$680,000 in revenue. Under the Board's current fee

structure, revenue for FY 2016 and future fiscal years is conservatively estimated at approximately \$650,000 per fiscal year. Thus, the funds requested for FY 2016-2017 represent the funding necessary to sustain minimum Board activities and should have no impact on current fees, GRF funds, or any excess fee revenue the Board currently has in the 4K9 fund.

In conclusion, the State Board of Career Colleges and Schools shares the philosophy of the Office of Budget and Management who has emphasized the need for “prudent and efficient management” and “restraining the growth of state government.” These concepts are not new to the Board. For many years the Board has focused on internal efficiency and budget restraint as evidenced by the fact that the Board’s recommended budget for FY 2016 (\$579,328) and FY 2017 (\$579,328) remains lower than the amount appropriated to the Board in FY 1997 (\$584,094).

Thank you for your consideration. I would be happy to answer any questions that you might have.