



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

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”) 2018-2019 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 50,000 Ohio students in 1,400 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, 70% 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 5,000 faculty and staff and pay wages in excess of \$150,000,000.

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 2016 included over 200 site visits, 324 new program and degree approvals, 27 new school certificates of registration, 129 renewals for existing certificates of registration, and over 900 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 2016, the Board initiated 58 preliminary investigations, which included 50 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 budget appropriation recommended in the Governor's budget for FY 2018-2019 (\$540,260 per year) is a 6.7% reduction from the Board's FY 2017 funding level. The Board requested a reduction after our cost projections for the FY 2018-2019 biennium demonstrated that the Board's current expenses will drop slightly during the next biennium primarily due to decreases in personnel costs. These personnel decreases result from the Board's restructuring of its personnel by eliminating one vacant position and the reclassification of another position. Although some additional personnel and operational expenses are expected to increase, the Board believes that it can absorb these increases through other savings, thus the Board requested a decrease in funding for the biennium.

During FY 2015-2016 the Board averaged over \$685,000 in yearly fee revenue, however, the Board is anticipating a drop in fee revenue in FY 2017 due to a reduction in the number of schools and programs. However, fee revenue for FY 2018-2019 biennium and future fiscal years is estimated to be in excess of \$550,000 per fiscal year. Thus, the funds requested for FY 2018-2019 should have no impact on GRF funds or any excess fee revenue the Board currently has in the 4K90 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 2018 (\$540,260) and FY 2019 (\$540,260) remain 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.