

Student Protections at Certified Schools

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Presentation Overview

1. State authorization
2. SCHEV authority
3. Definition of quality of education
4. Current student protections
5. Protecting the most vulnerable students
6. Improvements previously implemented
7. Recommendations

State Authorization

SCHEV serves as the state authorizing agency for Virginia schools offering postsecondary education. The Private Postsecondary Education (PPE) unit regulates:

- Degree-granting, non-degree, non-profit, for-profit, in-state, out-of-state schools operating in VA
- 133 degree-granting; 165 non-degree granting

Virginia Administrative Code

Regulations include:

- Process to obtain state authorization (called “**certification**” in Virginia)
- Process for annual recertification
- Requirements schools must meet specific to “quality” of education
- Requirements schools must meet to protect students
- Fees

Quality of Education

- Administrator qualifications
- Faculty qualifications
- Board qualifications
- Credit hour requirements
- Standards for proper records maintenance
- Authority for SCHEV to conduct audits of schools
- Degree programs and courses must be of appropriate quality, content and length to achieve the stated objective
- Conformity to standards of training for non-degree schools

Current Student Protections

Student Protections (1)

Financial requirements for all schools

- New schools must maintain surety bonds for a minimum of five years
- Existing schools must meet USED composite financial responsibility score each year

Student Protections (2)

All schools must disclose a grievance policy that:

- Explains how a student can file a complaint;
- Provides information on how a student can file a complaint with SCHEV if they are not satisfied with the outcome determined by the school; and
- Informs students that schools may not retaliate against individuals who file a complaint.

Student Protections (3)

In the event of school closure, administrators must:

- **Make provisions for transfer of records to SCHEV or a records maintenance company approved by SCHEV.**
- **Arrange for the continued education of currently enrolled students via teach-out agreement or other practical solution.**
- **Provide information on current students to SCHEV.**

Improving Student Protections Helps Vulnerable Students

- **Virginia law and regulations provide some good student protections, but there are areas where changes would provide additional protections for the most vulnerable Virginia students.**

Examples of Vulnerable Students

- **Students attending schools that repeatedly violate regulations**
- **Virginia residents enrolled in unaccredited online schools based in other states**
- **Students enrolled in non-degree schools that use SCHEV's refund policy**

Examples of Vulnerable Students (2)

Virginia residents attending schools that close abruptly

- Discharge of federal loans is an imperfect solution
- State refunds are extremely limited
- Transfer issues
- While everyone talks about “teach-outs,” in Virginia these have only worked in cases where the school has a planned closure

Examples of Vulnerable Students (3)

Number of students impacted by abrupt school closures in the last three years:

- ITT Tech - 2,500
- Argosy University - 467
- Virginia College - 390

Steps SCHEV Has Taken to Improve Student Protections

Audit Process & Enrollment Agreement

- On January 14, 2018, Council approved new audit guidelines recommended by staff.
- In 2017, the General Assembly passed legislation making it mandatory for certified schools to have enrollment agreements containing disclosures about student protections.

Enrollment Agreements

Enrollment agreements will include:

- The school's refund policy and grievance policy;
- A labeled section titled "STUDENT'S RIGHT TO CANCEL," which shall provide the terms for cancellation; and
- For enrollees in programs leading to professional licensure, the school's annual pass rates for first-time test takers for the last three years.

Recommendations to Improve Student Protections

Recommendations

- 1. Prevent low-quality online schools from operating in Virginia.**
- 2. Improve the use of surety bonds to keep students from being victimized.**
- 3. Change refund policy so students have more time to withdraw without penalty.**

Change Requirement for Online Education

- **SCHEV is proposing legislation for the 2020 General Assembly session**
 - Any postsecondary school providing distance learning to Virginia residents from a location outside of the Commonwealth shall be a participant in a reciprocity agreement to which Virginia belongs, in accordance with Council's authority under § 23.1-211, for the purpose of consumer protection.

State Authorization Reciprocity Agreement (SARA)

Benefits of Legislation

- Unaccredited schools would be ineligible to provide online education to Virginia residents.
- Schools that cannot meet SARA's financial responsibility requirements would be ineligible to provide online education to Virginia residents.

Expand Purpose of Surety Bonds

- **Currently, bond proceeds can only be used to pay specific costs when a school closes:**
 - **Unearned tuition and fees for any given semester; and**
 - **SCHEV's administrative costs associated with filing a claim against the instrument.**

Expand Purpose of Surety Bonds (2)

- **Expand purpose to help with school closures:**
 - Include the costs associated with retrieving student records; and
 - Include expenses to pay for or subsidize the cost of providing facilities and instruction for students to complete their programs.
- **This requires both legislative and regulatory change.**

Expand Surety Bond Requirement

- We propose that if, as a result of an audit, staff finds that the school has made decisions that put it in financial jeopardy, SCHEV can require a surety.
- This requires regulatory change.

Change Refund Policy

- **New refund policy would give students up to 5 days to withdraw without being penalized 25% of full tuition.**
- **This requires regulatory change.**

QUESTIONS?