

Bureau of Proprietary School Supervision (BPSS)

Presentation to the Board of Regents
January 14, 2013

In Fiscal Year 2011, BPSS data included:

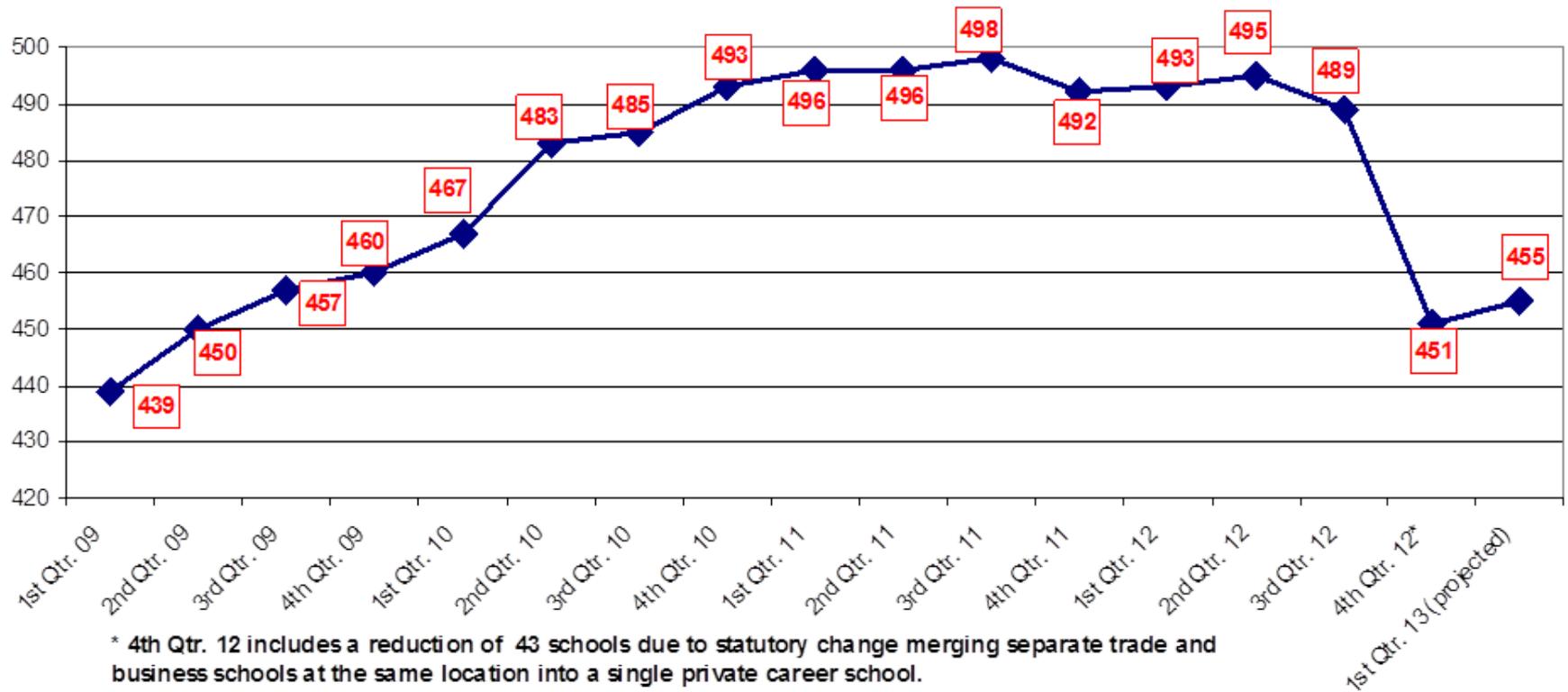
- ▶ 451 Licensed Schools
 - ▶ Over \$592 Million in Annual Gross Tuition
 - ▶ 7,621 Licensed Instructors
 - ▶ 2,187 Licensed Admissions Agents
 - ▶ 239 Complaints Filed Against Schools
 - ▶ \$369,891.62 Refunded to Complainants as a Result of Investigations
 - ▶ Tuition Reimbursement Account threshold is \$1.3 million
 - ▶ Supervision Account Annual Revenue of \$3 Million Projected to Increase by Approximately \$700,000
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Scope of BPSS Responsibilities

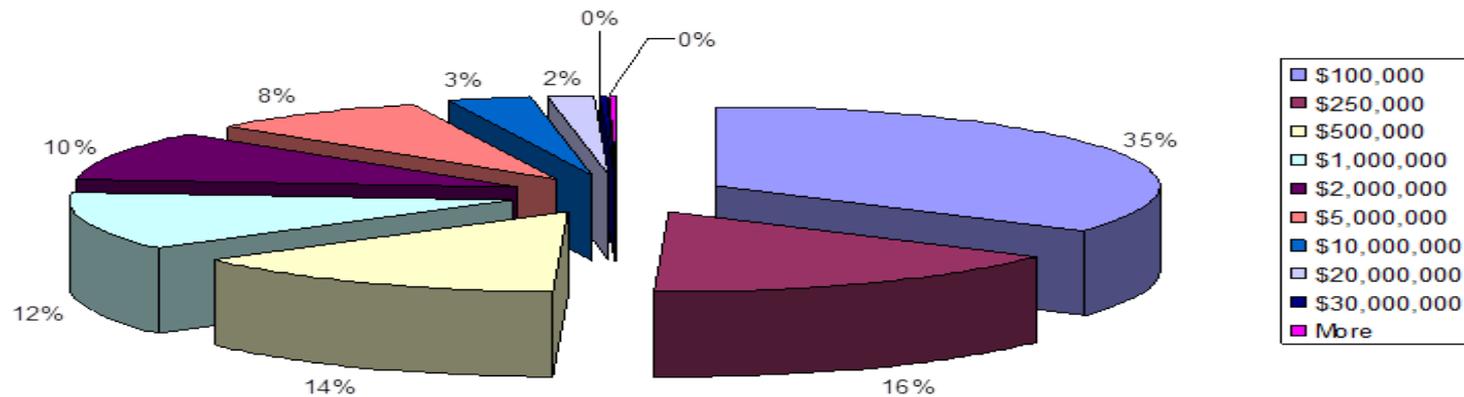
BPSS' oversight focuses on prevention and protection

- ▶ Operating responsibilities are: Licensing, Education and Curriculum, and Investigations
 - The Licensing Team: All aspects of a school are examined, including facilities, school forms, curricula, personnel, financial viability, and school ownership
 - The Education and Curriculum Team: Review, with curriculum experts, all courses and curricula for relevancy to the job market and assurance that course graduates will be eligible for entry-level positions in the field
 - The Investigations Team: Responsible for the student complaint system. All valid complaints are investigated. BPSS cooperates with SED Counsel and State and federal law enforcement agencies on investigations and school closures.

Number of Licensed Private Career Schools and ESL Schools Licensed by Quarter



Percentage of Private Career Schools and ESL Schools by Gross Tuition Income (based on 2012-13 assessment billing year)



SED Recognizes:

- ▶ A static number of staff and aging technology infrastructure has caused slow response time.
- ▶ A limited ability to support existing programs.
- ▶ Data management and record keeping in need of improvement.

OSC Audit Concerns*:

- ▶ Issues with time needed to process new applications.
- ▶ Inefficiency of actions being taken toward unlicensed schools.
- ▶ Inadequacy of Department Systems for maintaining data on schools.

There is no refuting that BPSS needs the additional resources the New Law will enable to support the additional staff and a modern data, and record keeping system.

*Back in 2008, SED first proposed legislation that would enhance consumer protection and oversight and increase fees to support additional staffing and IT system capacity. The Department's legislative advocacy was even more focused and intense the past 2 ½ years as SED worked with the industry, Legislative Chairs in the Assembly and Senate, and the Executive to get this important legislation passed and signed by the Governor. The practical effect of these changes will be to significantly improve oversight by SED and ensure students are receiving career training they need. In December 2011, after SED had proposed legislation but before the bill was passed, the Office of State Comptroller initiated a program audit.

On December 15, 2012, the following changes took effect in BPSS:

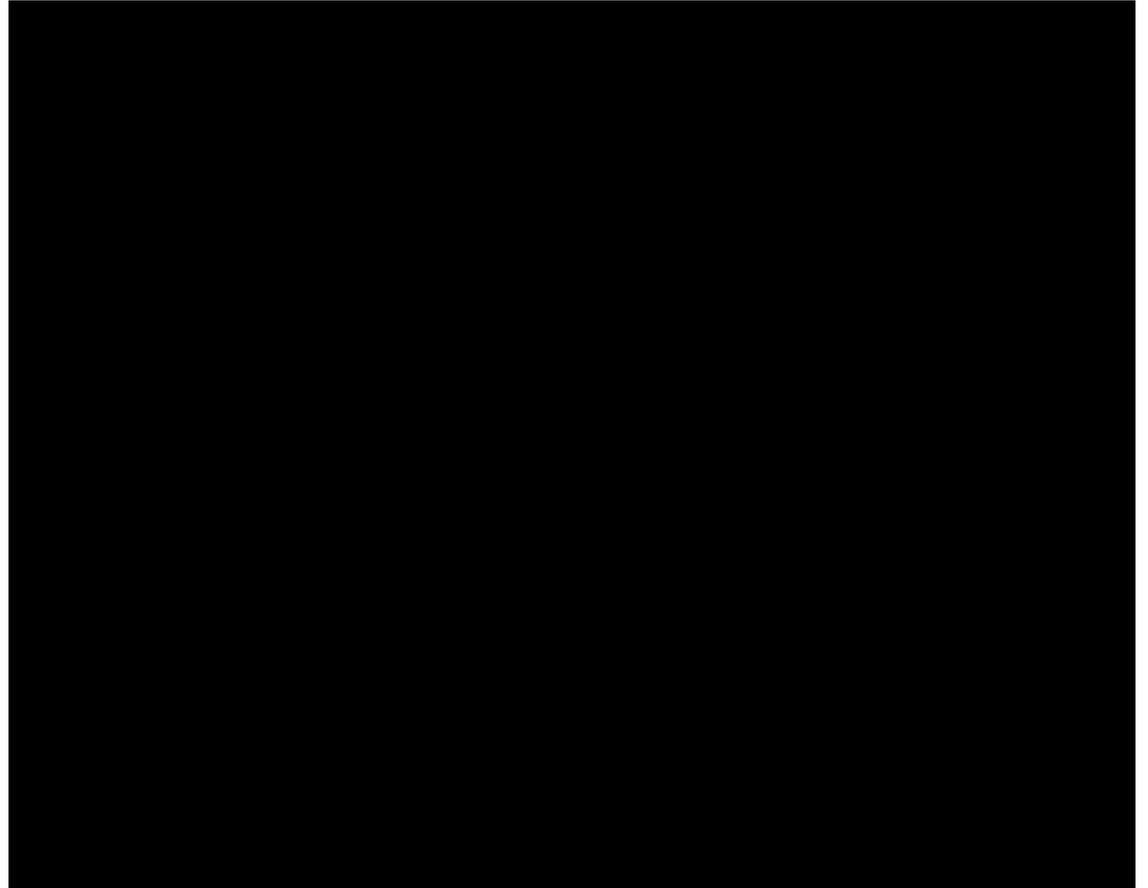
- ▶ The financial reporting threshold has increased to \$500,000 for annual audits but requires that all schools have a full audit at least every other year
- ▶ Proprietary Schools transferring more than 20% of ownership are now required to submit a new application
- ▶ Proprietary Schools are now required to develop a segmented tuition payment schedule based on length/cost of programs to limit the impact on the Tuition Reimbursement Account
- ▶ Fees and Fines have been increased
- ▶ Licensed instructors will be able to teach at multiple schools without having to apply for an additional license for each school
- ▶ Access to the Tuition Reimbursement Account, for up to \$200,000, may be used for SED to scan closed student records

Scope of BPSS Schools

- ▶ Allied Health
 - ▶ Appearance Enhancement
 - ▶ Automotive Technology
 - ▶ Business Education
 - ▶ Casino Gaming
 - ▶ Computer Careers
 - ▶ Construction/Building Trades
 - ▶ Culinary Arts/Bartending
 - ▶ Dramatic Art/Music
 - ▶ English for Speakers of Other Languages
 - ▶ Environmental Occupations
 - ▶ Fashion Design/Merchandising
 - ▶ Health/Fitness
 - ▶ Home and Garden
 - ▶ Insurance/Real Estate
 - ▶ Jewelry/Clocks
 - ▶ Legal Careers
 - ▶ Advertising/Graphic Arts
 - ▶ Dog Training
 - ▶ Pet Grooming
 - ▶ Security Guard Training
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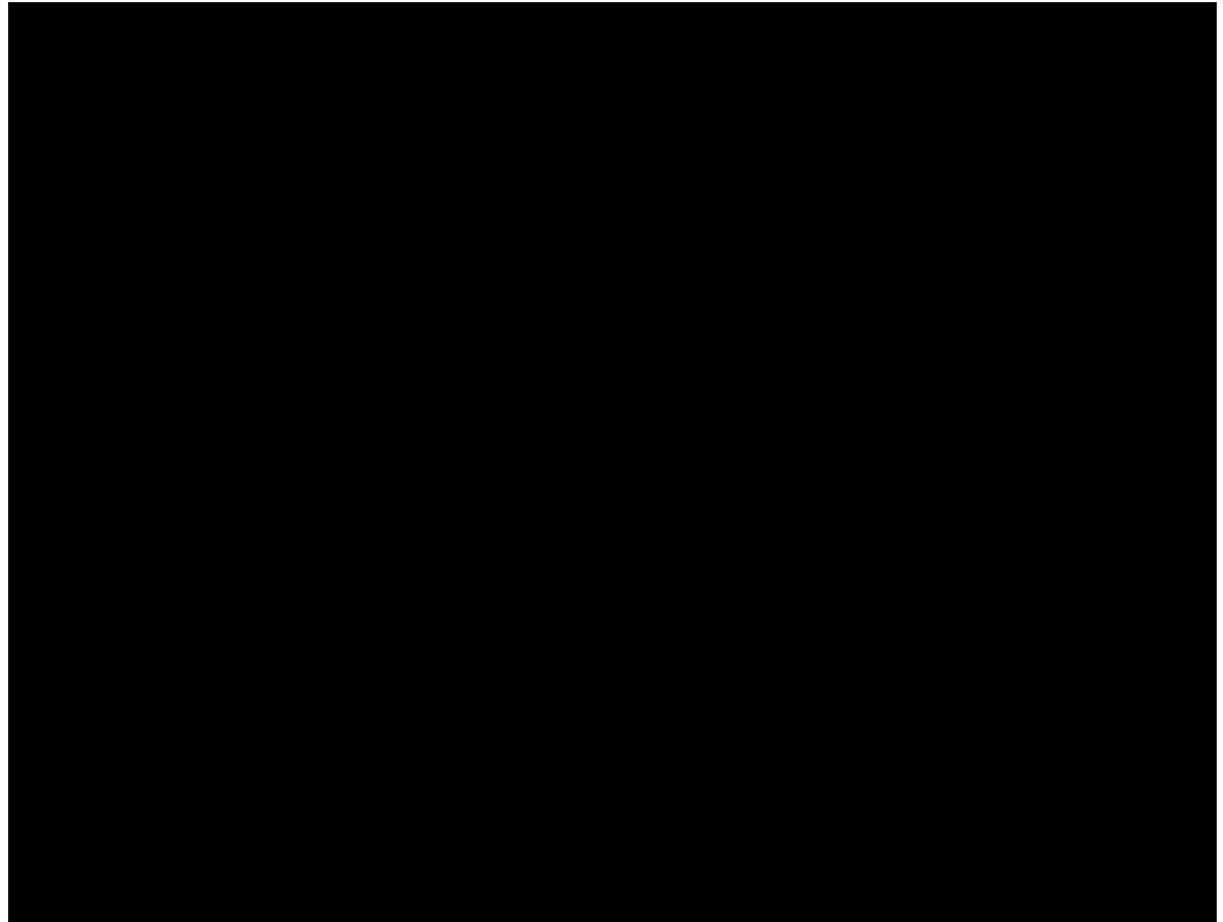
Appearance Enhancement

- ▶ Barber
- ▶ Cosmetology
- ▶ Electrolysis
- ▶ Laser Hair
Removal
- ▶ Nail Specialty
- ▶ Tattoo Artistry
- ▶ Waxing

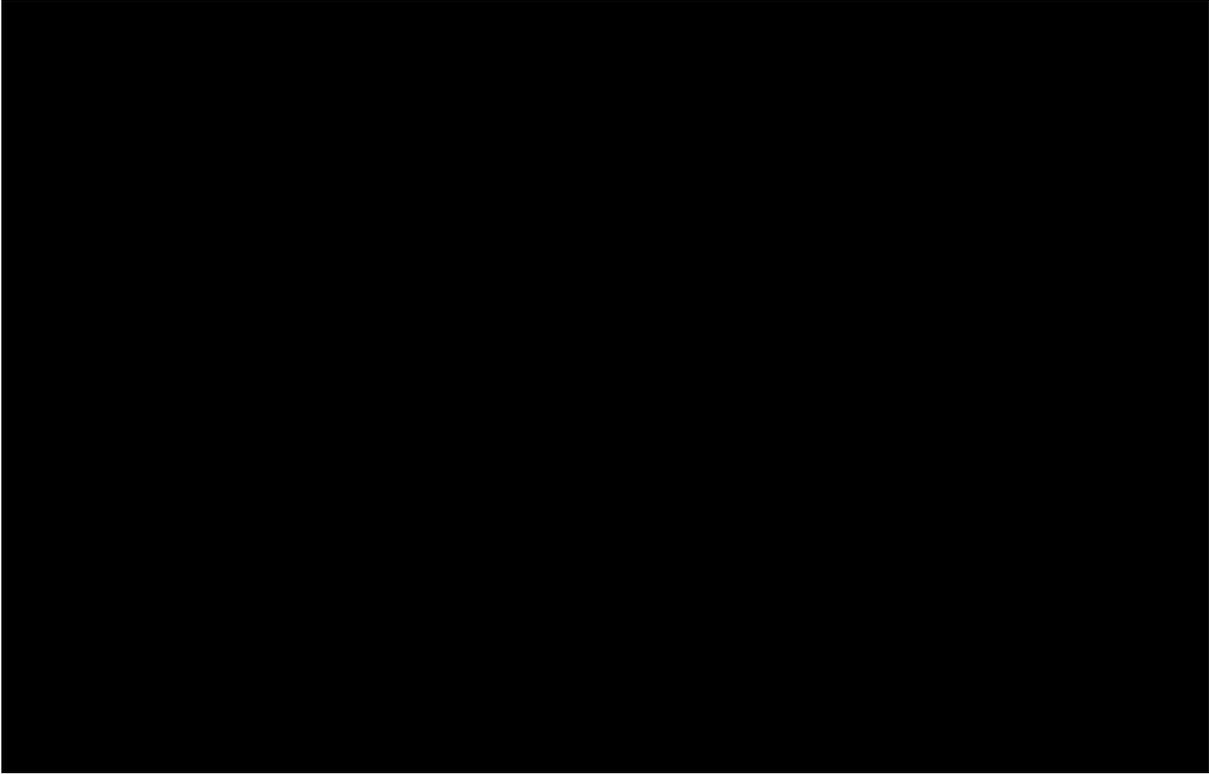


Automotive Technology

- ▶ Body Repair
- ▶ Electronics
- ▶ Mechanics



Culinary Arts and Bartending

- ▶ Pastry Arts
 - ▶ Cooking and Catering Techniques
 - ▶ Event Planning
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Media

- ▶ Advertising Art & Design
- ▶ Computer Graphics
 - Advertising
 - Video Animation
- ▶ Graphic Arts
- ▶ Photography
- ▶ Audio/Video
 - Editing
 - Production
 - Recording Engineer

