Situation Assessment of the Regulation of For-Profit Degree-Granting Institutions and Private Vocational Schools in Washington

Prepared for the Washington State Legislature by the William D. Ruckelshaus Center

REVIEW DRAFT – December 2, 2016
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DISCLAIMER

The following report was prepared by the William D. Ruckelshaus Center, a joint effort of the University of Washington and Washington State University whose mission is to act as a neutral resource for collaborative problem solving in the State of Washington and the Pacific Northwest. University leadership and the Center’s Advisory Board support the preparation of this and other reports produced under the Center’s auspices. However, the key themes contained in this report are intended to reflect the opinions of the interviewed parties, and the findings are those of the Center’s assessment team. Those themes and findings do not represent the views of the universities or Advisory Board members.
Situation Assessment of the Regulation of For-Profit Colleges and Private Vocational Schools in Washington

I. Executive Summary

Project Background

As a 2013 report by the National Council of State Legislators states, “Critics of for-profit institutions argue that many schools and programs leave students with large amounts of debt, few employable skills, and at a greater risk of not completing a degree at all.” While this report came out a few years ago, continuing concerns prompted the Washington House of Representatives to pass draft legislation addressing oversight of for-profit degree-granting institutions and private vocational schools in the spring of 2016. After this legislation did not pass the state Senate, the Washington State Legislature in its Fiscal Year 2017 Supplemental Budget provided funds to the Washington Student Achievement Council (WSAC) to administer a study of the state’s oversight of for-profit higher education in collaboration with the Washington State Workforce Training and Education Coordinating Board (Workforce Board) and the Washington State Department of Licensing (DOL). The Legislature directed the three agencies to collaborate “to objectively analyze and make recommendations about systemic overlaps and gaps in jurisdiction regarding for-profit post-secondary degree-granting institutions and private vocational schools in Washington state.”

After a series of consultations among key stakeholders to gauge the acceptability and appropriateness of the William D. Ruckelshaus Center (The Center) to conduct the study, the agencies agreed that the Center would conduct a neutral situation assessment complimented by applied research, culminating with this report to the Legislature addressing mandated recommendations by January 1, 2017. The purpose of this assessment is to understand and address issues associated with for-profit degree-granting higher education institutions and private vocational schools (known collectively as career colleges; see note at right) in Washington—including the state system of oversight and the students that attend them.

Between August and November 2016, the Center held 34 structured interviews with a balanced cross-section of parties to capture a wide range of perspectives relating to the state of the existing system of oversight and the nature of issues, challenges, and opportunities. Based on the interviews, the project team catalogued major themes and documented interests and perspectives on issues. The assessment also included additional technical analysis provided by Education Northwest, based in Portland, Oregon, subcontracted through a competitive bid process. The technical analysis conducted by Education Northwest included a review of relevant sections of the Washington Administrative Code and the Revised Code of Washington, a summary of data collection and reporting practices of career colleges, and interviews with agency personnel. Additional details about the project team and research methodology, a list of interviewees, and the questionnaire utilized for the structured interviews can be found in Appendices 1, 2, and 3.

A Note about Nomenclature

The legislation authorizing this work requested “an assessment…” related to oversight of “for-profit degree-granting institutions and private vocational schools” in Washington. This description does not encompass all the pertinent schools. More than one for-profit institution under the purview of one or more of the three state agencies now operates as a nonprofit. With both degree-granting and non-degree-granting schools operating under multiple business models, any terminology attempting to encapsulate all the relevant institutions grows cumbersome. Thus, for purposes of simplicity, this report uses the term “career colleges” to encompass those educational institutions offering vocational or career-oriented programs of study regulated by the Workforce Board and DOL.
This report summarizes the current regulations governing career colleges in Washington, reviews the framework of jurisdictions and the practices of agencies and schools, considers the support services in place for students, analyzes the prospects for collaboration to address issues and identify and achieve desired policy changes, and recommends constructive steps for the State Legislature to consider. The report addresses upfront the six tasks that the Legislature required for this study. The body of the report delves into the themes and issues identified by participants in the assessment, as well as data yielded through the technical analyses. These findings both inform the responses to the six tasks as well as provide a deeper understanding of challenges and opportunities for improvements.

The institutional system reviewed during this study is immensely complex and “decentralized,” involving eight or more state agencies along with multiple federal bureaucracies and both regional and national accrediting agencies. The short duration of the assessment did not allow for a complete, comprehensive mapping of the entirety of the relevant agencies, programs, and actors within this sprawling system; therefore, this report attempts to capture a high-level snapshot of the important components while suggesting follow-on work.

**National Context: Increased Federal Scrutiny of For-Profit Institutions**

The United States (U.S.) Department of Education (DOE) has moved aggressively in recent years to address concerns related to for-profit higher education schools, most notably by increasing scrutiny of federally-approved accrediting agencies and implementation of the Gainful Employment Act of 2014, which requires most for-profit programs and certificate programs at private non-profit and public institutions to prepare students for “gainful employment in a recognized occupation.” Schools and programs are considered to provide gainful employment “if the estimated annual loan payment of a typical graduate does not exceed 20 percent of his or her discretionary income – what is left after basic necessities like food and housing have been paid for – or 8 percent of his or her total earnings.”

In June of this year, DOE recommended the termination of the Accrediting Council for Independent Colleges and Schools (ACICS), based on reports of lower outcomes for students at schools they accredited. This jeopardizes access to federal financial aid for 243 institutions nationwide, including many for-profits (with 766 branch campuses), which have more than 800,000 students enrolled. It is unknown whether there may be changes in federal oversight in the new administration.

Recently, the September 2016 closure of ITT Technical Institute, which had about 660 students at three Washington state campuses, provided a case study for the types of issues that can impact students. Additional details about the ITT closure and the state’s response can be found in Appendix 4.

As DOE has stepped up its scrutiny for for-profit colleges and universities, it has developed accountability tools based on the data it collects to educate students and their families about college options, allow them to compare institutions on factors that include costs and student debts, and flag institutions on the department’s “watch list.” DOE and the federal Consumer Financial Protection Bureau have also created student loan ombuds positions to help students resolve disputes with the holders of their federal student loans. It is unknown whether there may be changes in federal oversight in the new administration.
Overview of For-Profit Higher Education in Washington

As in other states, the higher education sector in Washington is overseen by multiple state and national agencies and organizations. State agencies are responsible for licensing or authorizing institutions to operate, monitoring compliance, and protecting consumers. The DOE (and to a lesser extent, the Department of Veterans Affairs) oversees institutions that participate in federal financial aid programs. Finally, regional and national accrediting organizations certify the academic quality of institutions and programs through a self-regulation and peer-review process.

Figure 1: Regulation of For-Profit Higher Education in Washington

Figure 1 illustrates this overlapping oversight, identifies the types of institutions that are the focus of this study, and lists the key Washington state agencies overseeing them. These schools include a variety of school sizes, enrollments program offerings, student demographics, and practices. As shown in Figure 2 and Table 1, they are also complemented by a mix of other public and nonprofit higher education institutions in the state.
The creation and durability of three distinct state regulatory agencies overseeing the for-profit degree-granting institutions and private career schools that are the focus of this study relates to their different foci and areas of expertise. WSAC maintains purview over degree-granting institutions, characterized by relatively longer-term programs and general-education courses of study. In contrast, the Workforce Board focuses on schools providing skill-specific career training with targeted occupational outcomes. The DOL has an advisory board (not a board of directors) whose members hold subject matter expertise intended to ensure that schools it licenses provide trainees sufficient knowledge and skills to protect consumers receiving cosmetology services from graduates.

Issues related to career schools must be examined in the context of overall workforce development in Washington state. This encompasses the different types of career colleges, high school vocational programs, public community and technical colleges, Workforce Development Councils, the state WorkSource program, business and industry, and of course students. Career schools are seen as
flexible and responsive to quickly changing industry needs. To that end, Workforce Development Councils are seen as serving as “brokers” among employers, CTCs, and career colleges, assisting with communication between private companies in the business sector on workforce needs and appropriate curriculum. WorkSource, “a statewide partnership of state, local and nonprofit agencies that provides an array of employment and training services to job seekers and employers in Washington,” refers job-seekers to career training programs. All of these efforts combine with a framework of state and federal aid programs to assist students in financing the cost of school.

Response to Issues Specified in Legislative Request

The budget proviso authorizing this study listed six discrete tasks for the three agencies to include in the assessment. The following summary of high-level responses to these tasks synthesizes technical data along with responses from interviewees. More detailed responses are provided in subsequent sections of this report.

Summary of the current Washington state regulations governing for-profit degree-granting and private vocational schools

Through a detailed analysis of the relevant sections of the Washington Administrative Code (WAC) and, when necessary, the Revised Code of Washington (RCW), substantial differences in how the three primary regulators of for-profit degree-granting institutions and private career colleges in Washington exercise oversight emerged. These differences, confirmed in interviews with regulatory agency staff, are summarized in Appendix 5 and detailed in Appendix 6.

Review of whether, and how, different standards are applied to the institutions and schools by different Washington state agencies

The detailed review of relevant state laws and regulations, interviews with agency staff, and reviews of agency authorization/licensure materials identified differences in oversight and accountability standards among the regulatory agencies. The regulations and standards applied to career schools under regulation of the Workforce Board are generally more explicit than those applied to schools regulated by WSAC and DOL. Other key differences include:

- **Waivers:** Only the WSAC WACs have language enabling the agency to waive authorization requirements of in-state schools. In addition, Washington is a member of the State Authorization Reciprocity Agreement (SARA) that allows member states to accept authorization from the home state of degree-granting distance education programs.

- **Application and renewal processes:** There are differences in the amount of detail included in the WACs regarding application requirements, including financial documentation, participation in school visits, renewal frequency, and fees.

- **Suspensions:** All WACs address the ability of the regulating agencies to suspend schools for noncompliance. Only the Workforce Board can designate a school “at risk,” allowing the agency to support the school and the school to respond accordingly.

- **Data reporting:** The WACs for the Workforce Board and DOL address specific data that must be reported to the agency on a regular basis. WSAC’s regulations do not include this provision.
- **Admissions:** The WACs differ in the way schools approach determining eligibility for enrollment, including minimum educational requirements, testing, and students’ potential for program completion or job placement.

- **Contracts/enrollment agreements:** The Workforce Board and DOL require an enrollment agreement in the form of a contract each student must sign; for WSAC, this document is optional.

- **Consumer protection:** Students of all regulated schools are all covered under the Consumer Protection Act (RCW 19.86), but additionally:
  - The Workforce Board’s WACs include just cause language and further define “unfair business practice” and “substantial” and “significant” violations;
  - The WSAC WACs further defines false academic credentials; and
  - The DOL WACs include language that addresses violations of unprofessional conduct and the Uniform Regulation of Business and Professions Act.

- **Complaint processes:** While all agency WACs address how schools or the agencies must deal with complaints, only the Workforce Board WACs specifically addresses what information schools must provide students. The Workforce Board is the most involved in the complaint process; WSAC becomes involved after a student first accesses their school’s complaint process; and the DOL refers students with complaints to the civil courts.

- **Tuition recovery:** All regulated schools must establish a fund for settling substantiated student complaints. The Workforce Board uses a pooled fund established from contributions from all schools; WSAC and DOL require schools to obtain a surety bond. Funds vary, from a minimum of one million dollars in the pooled fund to a maximum of $250,000 for WSAC schools and $50,000 for DOL schools. Reasons differ among the agencies for when these funds can be accessed and what costs can be reimbursed.

- **Credit transfer:** The Workforce Board requires that schools not imply their credits will automatically transfer to another school. The required accreditation of WSAC schools aides in credit transfer; unaccredited schools file an affidavit showing their credits transfer to other schools. The DOL’s WACs have language addressing how students can transfer between schools.

- **School closure:** Workforce Board and WSAC require schools to notify the agency and students about closures and to address teach-out (if applicable), refunds, and records management. The DOL’s WACs do not address this. None of the schools differentiate between planned and abrupt school closures.

These differences are described at greater length in following sections of the report. They are accompanied with recommendations for how agency regulations can be aligned to provide more consistent oversight and accountability.
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Recommended changes necessary to achieve consistent regulatory oversight and accountability of these institutions in Washington State.

In addition to aligning agency laws and regulations, the structured interviews yielded additional recommendations. Most notably, a majority of respondents favor aligning the performance measures the three agencies use.

Using the term “authorizer” to describe a core function of the three state agencies collaborating on this study, an American Enterprise Institute (AEI) report from November 2016 lists specifics that echo suggestions made by stakeholders in this sector:

“This report offers recommendations for states looking to shore up, standardize, and streamline their regulatory frameworks. It suggests that authorizers should:

- Implement explicit minimum performance thresholds for institutions, which would help identify and sanction poorly performing schools;
- Require and disclose program-level outcomes, in addition to institution-level outcomes;
- Work to standardize outcomes reporting across agencies, and potentially use existing state authorization reciprocity agreements as a vehicle for producing common definitions for student outcomes measurements; and
- Rely less on institutions to report certain outcomes indicators and, instead, require only basic and essential reported data from institutions. Authorizers should then link that information to independently verifiable, administrative data sources so as to produce more and better information on outcomes.”

In addition, the project team reviewed other state’s oversight and student-support practices to identify common or promising models or practices Washington might consider adopting. A summary of these approaches is provided in Appendix 10 categorized by whether they are focused internally on improving the capacity and efficiency of state regulation or externally on reigning in problematic institutions and/or providing information to consumers and the public so that they can make more informed choices. Types of approaches implemented by other states include:

- Curtailing or limiting allowed activities and/or access to state resources;
- Streamlining, integrating, or consolidating regulatory structures and processes; and
- Improving outreach to the public.

Additional suggested changes are identified in the “Potential Recommendations” section of the report.

Data collection and reporting practices by these institutions compared to community and technical colleges in Washington state, along with recommendations on the methods of collecting, analyzing, and reporting data—including what measurements to use to ensure that data from for-profit degree-granting institutions and private vocational schools can be accurately compared to data from the community and technical colleges.

Interviews with agency staff and a review of agency reporting requirements, guidebooks, and tools identified differences between the definitions, breadth, and depth of data collected by for-profit degree-granting institutions and career schools and the state’s 34 community and technical colleges. Appendix 7 summarizes the reporting systems usage by the different types of schools and how data reported by schools is validated and shared with the public. Appendix 8 reviews reporting metrics.
utilized by the State Board for Community and Technical Colleges (SBCTC), Workforce Board, DOL, and WSAC.

Annual reporting requirements and practices are the most comprehensive for the community and technical colleges overseen by the SBCTC. While not as comprehensive as the SBCTC, the reporting systems utilized by the Workforce Board and the DOL do support a minimum level of ongoing compliance monitoring for the private vocational schools they license. Overlapping requirements and reporting duplication of effort was a concern raised by several interviewees, including a representative of a small vocational school who shared the multiple reporting systems she was required to use (see Appendix 9). State data collection is less comprehensive for, degree-granting institutions under WSAC regulation.

State regulators could also look to the SBCTC for guidance on metrics that allow a finer-grained look at access, completion, and outcomes for different subpopulations of students. All state reporting systems could benefit from adopting or expanding reporting measures that assess the student debt loads of Washington postsecondary students. There may be opportunities to standardize performance metrics and reporting tools across institution types to achieve consistent oversight and accountability.

A detailed discussion of differences in reporting practices, and potential recommendations for changes are provided later in this report.

**Determination of whether there are inconsistencies and discrepancies in the practices of the for-profit degree-granting institutions and private vocational schools.**

Stakeholder interviews and a review of recent research highlighted areas of concern regarding the educational and business practices for for-profit schools, particularly of national, corporate degree-granting institutions. Multiple interviewees emphasized differences between the practices of these national, corporate institutions and private, Washington-based career colleges. These interviewees stated that the large, corporate institutions are far more likely to engage in problematic practices relating to student recruitment, proprietary loans (using federal funds), and restitution.
The practices mentioned included aggressive recruitment targeting at risk populations; low barriers to entry; proprietary loans with high interest rates; lack of transparency of the total cost of education; lack of student-support services; and delivery of poor student outcomes, including poor quality of education; and lack of assistance with job placement. Of note, the strong action by DOE has increased pressure on these so-called “bad actors” to produce better results. As a result, several interviewees expressed belief that any schools not reforming their practices in light of the stepped-up federal enforcement will be forced to go out of business.

**Recommendations to implement a cohesive method for guiding and assisting current and prospective students who have questions and concerns, including whether an ombuds position is needed.**

In addition to taking a broad look at what other states do to oversee and support the students of for-profit degree-granting and private career colleges (see Appendix 10) and interviewing stakeholders about their perspectives on the utility of establishing an ombuds position, we took a closer look at the existing uses of ombuds positions in higher education, as well as in state and local government in Washington. Our review did not immediately identify an example of a specialized, statewide, publicly funded ombuds position serving students of for-profit schools in other states. We then chose to examine in greater detail four existing statewide ombuds positions in Washington for lessons about what might be required to establish a statewide for-profit postsecondary ombuds. Additional research on the potential constituency and caseload of a for-profit postsecondary ombuds position is needed to obtain accurate estimates of its utility and costs.

In addition, interview participants were split on whether or not they saw a need for an ombuds, especially considering limited state resources. Strong support was expressed for providing resources and focus on the prevention of problems through increased access to consistent information, culturally-appropriate outreach, access to neutral financial advising, and adequate consumer protections. There was also support for adequate oversight and enforcement. This study revealed support for a preventative approach focused on the front end of the student experience.

### At-Risk Populations

- Limited financial literacy
- Easy access to federal financial aid
- English language learners (ELLs)
- Low literacy
- Military veterans
- Limited family support
- Parents of young children
- First generation college students
- Less success in public school system
- Minorities
- Non-traditional students

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**December 2, 2016**
Specific recommendations to consider include:

- Requiring student disclosures, including where to go with a complaint, in multiple languages;
- Providing a single portal for complaints to state agencies;
- Requiring students to watch a standardized video explaining student protections before signing enrollment agreement contracts;
- Producing easy-to-read fact sheets with color graphics and large print to accompany student catalogs;
- Considering how to provide free financial advising to prospective students;
- Increasing resources available to state agencies and/or developing partnerships with non-profits for student outreach; and
- Asking a multi-sector collaborative work group to consider and agree on:
  - Ways the state can partner with other public entities, career colleges, and nonprofits to increase outreach to students;
  - Changes to align tuition recovery fund policies; and
  - Ways to enhance oversight and enforcement powers for state agencies to identify and penalize problematic school practices.

II. Summary of Findings

Introduction

The diversity of stakeholders we interviewed and the technical analysis we conducted provided broad and deep views into the nature of the issues, opportunities, and challenges in the oversight of for-profit degree granting institutions and private career colleges. Many of the issues discussed in the interviews and experiences shared were multi-faceted and showed the importance of focusing on the interactions (or lack thereof) between institutions, businesses, state and federal agencies and programs, private financial institutions, private legal entities, and individuals and families. The lack of identifying and compiling appropriate and comprehensive data, particularly around student debt and quality and utility of education, makes it difficult to analyze the nature and the extent of problems as well as who is most significantly and/or uniquely impacted. Also, without shared values, objectives and clarity on the desired state it is difficult to align policies, processes and evaluation metrics.

This section represents a consolidation of interview feedback and overarching themes that emerged. Where appropriate, data from the technical analyses – especially the WACs analysis – are interspersed to reinforce, test, or expand on the stakeholder perspectives shared.
General Agency Oversight

Differences between National Corporate vs. other Schools

A clear theme emerged that respondents generally believe that the profit motive compels so-called “Wall Street-traded” institutions to engage in unfair business practices that favor profit over educational and financial needs of students, while schools based on other financial models are less likely to engage in those practices. Stakeholders noted DOE’s actions to curb problematic practices, in part by cracking down on accreditors. Their concerns and experiences related to deceptive marketing and predatory lending were focused on the large, publicly-trade schools.

Interviewees mentioned that some for-profits (most notably Corinthian Colleges) have reincorporated as private nonprofits, without providing specific ramifications for oversight. Several interviewees also noted the proliferation of online providers, commenting on the challenge of regulating and monitoring these programs and institutions.

Complex, Decentralized, Difficult to Navigate

The landscape of oversight of proprietary higher education is vastly complicated. The multiple layers of oversight and jurisdiction include inconsistencies and overlap among requirements across the state agencies in addition to the requirements of the DOE and Veterans Affairs along with accreditors. In addition, challenges related to interstate oversight were highlighted, including

- Credit transferability across state lines;
- Jurisdiction of schools not based in Washington; and
- Lack of clarity in what tools or recourse the state has as a member of SARA related to oversight of online schools based in other states.

Multiple interviewees noted that workforce training involves not only career schools and community and technical colleges, but high school skill centers and Workforce Development Councils. Some suggested that agencies with oversight and accountability of career colleges should consider aligning their oversight to incorporate consideration of these other entities.

Desire for Interagency Collaboration

Agency coordination and collaboration is key to improving the efficiency and effectiveness of the system. Some respondents raised the prospect of consolidating agencies, as other states have done. Several respondents acknowledged support for current efforts by agency staff to update and align their WACs as well as to identify more opportunities to collaborate.
Authority and Resources to Protect Students

An overarching common theme crystallized through this study: that students have the right to the education they were told they would get, at the price they agreed to pay, that provides them the chance to attain the outcomes they understood the program would allow them to achieve. Clearly, this does not always occur. When agencies identify schools that are not providing students with the training required (or advertised) to afford them the opportunity to earn a living wage in their field of study, the agencies need the wherewithal to take action.

This consists of two basic elements: the enforcement mechanism, and the resources (e.g. staffing, funding). Related to the former, as the AEI report states, “only a handful of state agencies have explicit thresholds for institutional performance in their rules and regulations…it is also rare for regulations to explicitly allow agencies to act on these performance standards.” The state could strengthen its oversight in the interest of protecting students by adopting explicit standards for institutional performance, and requiring each school meet those standards to obtain reauthorization from the appropriate state agency (currently, schools must meet performance measures to qualify for eligibility for public financial aid but not for reauthorization to simply operate). Those respondents who did touch on the question of whether state agencies have the resources to provide adequate oversight tended to think the agencies could use more resources.

Recommendations

- Clearly delineating definitions (exempt and joint jurisdiction) and the different agencies involved might be helpful. Consolidating school authorization and licensure in one entity might be something to consider. Furthermore, the state might want to consider redefining the schools licensed by the DOL as private vocational schools, giving those students access to the protections addressed in the Workforce Board WACs but not DOL’s.

- As Washington is a member of SARA, it might want to engage in some type of analysis to determine the degree to which other SARA states are more or less rigorous in their authorization processes. If Washington is more rigorous than other states, belonging to SARA and accepting schools authorized to operate by their respective state’s authorization entity might not be in the best interest of Washington residents.

- Consider establishing explicit thresholds (e.g. student completion rate, job placement rate) for institutional performance and tying these to the reauthorization process. In the event an institution falls below a threshold, the relevant agency could place the school on an improvement plan (for retention or placement), with periodic progress reports due to the agency.
Meeting Student Needs/Student Guidance

Based on stakeholder input, for-profit degree-granting institutions and career colleges should provide students with a quality education, a credential, fair and honest engagement, and the ability to get a paid job in the field/profession they studied for. These core elements of a so-called “student bill of rights” should be complimented by easy access to information to compare schools, awareness of state resources and guidance, adequate advising for the duration of their training, and counseling related to loans and credit.

Currently, the abovementioned complexity of the higher education jurisdictional framework makes it hard for students to access information, especially related to complaint processes, and creates challenges and redundant reporting for schools. Several interviewees expressed concern over the lack of resources for public agencies to do adequate outreach to students on the front end to help them to understand their rights, options, or recourse in the event of problems. This presents acute challenges when students make financial decisions without adequate information or understanding of available information.

Lack of Student Awareness of State Resources and Services

Discrepancies exist between those who see current practices for notifying students of available state resources and services as sufficient, and those who believe that students do not have ways of knowing the state can help guide them and meet their needs. The agencies require schools to disclose to students their rights and recourses in writing in any enrollment agreement and in student catalogs; however, respondents repeatedly stated that students simply do not know where to go when they have a concern (citing language barriers or difficulty reading and understanding contracts or other written materials). This indicates that the number of complaints brought to state agencies do not necessarily indicate the number of students who have or have had problems.

Need and Support for Student Services

Schools differ in the level of support they provide students, whether related to loans and credit, navigating classes, gaining adult basic education skills, or translating their training into job opportunities. This may result, in part, from differences in agency regulations, as shown in Table 2 below. Colleges may not have the range of services that can help a student to succeed. This may especially be true for at-risk populations. Interviewees suggested that when state agencies see schools doing a good job providing support to students, they might identify these as “best practices” and suggest or require other schools to adopt them. Interviewees also expressed support for the proactive provision of a range of student services and resources (from schools and agencies) comprising “wrap-around services” for at-risk populations.
Table 2: Comparison of Agency WACs Addressing Student Support

<table>
<thead>
<tr>
<th>WAC Component</th>
<th>Workforce Board</th>
<th>WSAC</th>
<th>DOL</th>
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<tr>
<td>Catalog</td>
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<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Enrollment agreement</td>
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<tr>
<td>Student Services</td>
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<td>●</td>
<td>○</td>
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<tr>
<td>Financial Aid</td>
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<td>●</td>
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<tr>
<td>Job counseling/Placement</td>
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<td>●</td>
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<tr>
<td>Admissions</td>
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<td>●</td>
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<tr>
<td>Advising/Guidance</td>
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<td>●</td>
<td>●</td>
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<tr>
<td>Student records</td>
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<td>Library</td>
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</tr>
<tr>
<td>Student Notification of Complaint Process</td>
<td>●</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

○ Addressed/required
● Addressed to lesser extent/ optional
◐ Not addressed

Student Financial, Cultural, and Personal Challenges

Almost universally, interviewees report that the students who attend for-profit degree granting institutions and career colleges face financial challenges. This connects to the fact they attract at-risk populations, individuals who (for whatever reason) have not achieved great educational success in public schools. Interviewees often described students as one or more of: parents of young children; the first generation in their family to attend higher education programs; English language learners (ELL); and/or veterans of the U.S. military.

Meeting Differing Education Needs by Having a Range of Educational Options

Traits characterizing students of career colleges may influence them to select schools based on their flexibility, responsiveness, evening classes, and efficient (short-term) programs. The lack of educational achievement for some of these students may mean they enter the career training programs without some elemental learning skills. Respondents suggested considering requiring career colleges to offer Adult Basic Education and potentially other building blocks provided by community and technical colleges (e.g., associate/transfer degrees, workforce training). The WACs address admissions requirements, including minimum education requirements, testing, program completion and job placement to varying degrees, as shown in Table 3 below.
Situation Assessment of the Regulation of For-Profit Colleges and Private Vocational Schools in Washington

Table 3: Comparison of Agency WACs Addressing Admissions

<table>
<thead>
<tr>
<th>WAC Admissions Requirements</th>
<th>Workforce Board</th>
<th>WSAC</th>
<th>DOL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admissions test</td>
<td>●</td>
<td>●</td>
<td>○</td>
</tr>
<tr>
<td>Language proficiency test</td>
<td>●</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>HS diploma/GED, or beyond the age of compulsory education</td>
<td>○</td>
<td>○</td>
<td>●</td>
</tr>
<tr>
<td>Graduate can work in field</td>
<td>●</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Applicant can complete program</td>
<td>○</td>
<td>●</td>
<td>○</td>
</tr>
</tbody>
</table>

● Addressed/required
○ Addressed to lesser extent/ optional
◇ Not addressed

Student Ability to Make Informed Decisions

Students may make relatively uninformed choices for career training, as some think they tend to apply to for-profit or career colleges based on advertising or word of mouth. The majority of participants in this study would like to see a system in which students have easy access to information that allows them to make “apples-to-apples” comparisons between schools and programs. The Workforce Board’s CareerBridge site [www.careerbridge.wa.gov](http://www.careerbridge.wa.gov) represents a helpful framework for students to “shop around” for educational products. It monitors student completion and job placement rates for each school it authorizes on the state’s Eligible Training Provider List, and independently cross-checks wage statements from the Washington Department of Labor and Industries (three quarters after program completion).

In order to publicize this information, data must first be uniformly collected from schools. The WACs address required annual reporting differently as described in Table 4. The Workforce Board monitors student completion and job placement rates for schools it authorizes, and independently cross-checks wage statements from the Washington Department of Labor and Industries (nine months after program completion) to ensure accuracy in schools’ reports of average starting salaries.

Table 4: Comparison of Agency WACs Addressing Reporting

<table>
<thead>
<tr>
<th>WAC Component</th>
<th>Workforce Board</th>
<th>WSAC</th>
<th>DOL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance</td>
<td>●</td>
<td>○</td>
<td>●</td>
</tr>
<tr>
<td>Outcomes</td>
<td>●</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

● Addressed/required
○ Addressed to lesser extent/ optional
◇ Not addressed

The salience of concerns around student debt prompted the suggestion that the state could fill a need by creating an office or agency staff position tasked with outreach and education related to
financial planning, loans, and credit. One idea was to create or work with a non-profit to provide a financial guidance hotline.

**Accountability of Schools**

Multiple layers within the existing system are designed to instill accountability and quality. All agencies require prospective schools to gain state approval to offer programs. This initial and ongoing renewal process includes a review of many elements (see Table 5), at least biennially, including:

- **Programmatic quality**: For degree-granting institutions, this comes from accreditation; for vocational schools it comes from agency review, and for cosmetology schools it comes from the Cosmetology Advisory Board.

- **Financial viability**: Providing evidence of financial viability in initial applications is difficult, but both the Workforce Board and WSAC address documentation required to differing degrees; at renewal, all agencies require an audit.

- **Staff qualifications**: All agencies include minimum qualifications for faculty and some staff. The qualifications of administrators in degree-granting schools are more rigorous than those in vocational schools. Names of teaching staff in vocational and cosmetology schools must be reported to their agency annually, as well as any staffing changes that occur midyear.

<table>
<thead>
<tr>
<th>WAC Reporting Requirements</th>
<th>Workforce Board</th>
<th>WSAC</th>
<th>DOL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program approval</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Accreditation</td>
<td>●</td>
<td>●</td>
<td>○</td>
</tr>
<tr>
<td>Finances</td>
<td>●</td>
<td>●</td>
<td>○</td>
</tr>
<tr>
<td>Staffing</td>
<td>●</td>
<td>●</td>
<td>○</td>
</tr>
<tr>
<td>School Visit</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Renewal</td>
<td>Annual</td>
<td>Biennial</td>
<td>Annual</td>
</tr>
</tbody>
</table>

*● Addressed/required
*● Addressed to lesser extent/ optional
*○ Not addressed

*Table 5: Comparison of Agency WACs Addressing Applications*

In addition, all three agencies also have the ability to suspend or withdraw/revoke the authorization or license of an operating school. They also provide some time after issuing a suspension to allow the school to respond before they take further action. The Workforce Board has the additional authority to designate a school as “at-risk.” It can do so for issues related to financial viability, misrepresentation, decreased enrollment, substantiated complaints, and staff turnover. While designated at-risk, the agency can work with the school to address problems before they worsen. It is difficult to determine how effective the accountability mechanisms are and if they are sufficient, especially considering agencies seem to have limited resources and capacity to do regular site visits.
Surety Bonds/Tuition Recovery Funds

All the WACs require schools to establish a fund for the purpose of settling substantiated student complaints. The agencies take varied approaches in establishing these funds. They also have varied monetary limits, and reimburse students for varied costs for varied reasons (see Table 6). Whether these funds are sufficient and should be consistently applied among agencies is an area for further analysis and consideration.

<table>
<thead>
<tr>
<th>WAC Component</th>
<th>Workforce Board</th>
<th>WSAC</th>
<th>DOL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source</td>
<td>Fund</td>
<td>Surety bond</td>
<td>Surety bond</td>
</tr>
<tr>
<td>Liability Amount</td>
<td>At least $1M</td>
<td>$250,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Liability covers:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition &amp; fees</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Other educational costs</td>
<td>●</td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Other claims</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>In the event of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unfair business practice</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>School closure</td>
<td>●</td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td>●</td>
</tr>
</tbody>
</table>

- Addressed/required
- Addressed to lesser extent/optional
- Not addressed

Table 6: Comparison of Agency WACS Addressing Student Refunds

Recommendations

- The state could fill a need by creating an office or agency staff position tasked with outreach and education related to financial planning, loans and credit. One idea was to create or work with a non-profit to provide a financial guidance hotline.

- Topics for collaborative state and stakeholder consideration:
  - Consider establishing uniform amounts and ways of establishing funds for the purpose of settling student complaints.
  - Proactive provision of a range of student services and resources (from schools and agencies) comprising “wrap-around services” in recognition of student demographics including literacy, ELL, first-generation higher education, minorities, veterans, students with children, non-traditional students.
  - Consider specific ways schools do a good job providing support to students, identify these as “best practices” and suggest or require other schools to adopt them.
Process for Handling Complaints

Student Complaint Process Notification and Student Consumer Rights

The biggest issue interviewees raised about complaints is that students do not know where to go when they have problems. Existing practices by some state agencies include requiring schools to notify (in enrollment agreements, school and student catalogs, and/or other notices) to students of who or how to register a complaint. The Workforce Board WACs are very specific; WSAC WACs require schools to include the contact information of a staff member responsible for handling complaints in their catalog; and DOL does not address the issue of notifying students about the complaint process in either the RCW or WACs (although it does address notifying clients receiving services in licensed facilities). All of the WACs do address complaint processes. Nonetheless, as noted, many interviewees emphasized that students do not know where to turn when they have concerns about a school. Several noted that agencies face constraints on funding, outreach tools, and staff time. While all the WACs or RCWs address complaints, they don’t all address how students are to be notified of the complaint process. Only the Workforce Board explicitly addresses how students are to be notified about what to do when they have a complaint.

The state would do well to focus on preemptive, proactive tools and tactics to communicate with students. Respondents characterized the current process as a “complaint-driven” process. The state could consider adopting a principle or value of improving the flow of information to students, making sure they know their rights and options to make informed decisions.

Inconsistencies across agencies

Agencies approach dealing with student complaints differently. The Workforce Board is the most involved in working with students from the time a student files a complaint. Students in their career schools are advised to first contact the agency with a complaint. On the other hand, WSAC asks students to first work with their school. The WACs for DOL indicate complaints are filed through the district or superior court. Students with loan issues are referred to the DOE or Veterans Affairs in most instances; other cases go to the state Attorney General's Office. Ultimately, students may seek private legal assistance.

Students Knowing What to Do and Where to Go/Agency Differences

The biggest issue interviewees raised about complaints is that students do not know where to go when they have problems. In addition, there are differences in agency grievance processes. The WACs for vocational schools include the most explicit language around grievances (see sidebar). While those for degree-
granting schools indicate what the agency will do upon receiving a complaint, they only require the school catalog to include the name and contact information of the school staff member responsible for handling student complaints (this is in the application, not the WACs). Nothing in the cosmetology WACs or RCW indicate what information must be provided to students. The RCW gives them the right to take a claim to the superior or district court.

Follow-up Authority

Several interviewees observed that state agencies rarely take punitive action when problems are brought to their attention. Some attributed this to a high burden of proof for fraud (that makes the state legally liable), so state agencies take action as a last resort, and often only after a federal agency or accreditor has cracked down on a school. Others noted that state agencies do not have enough staff resources to conduct regular enough audits and site visits to allow for identifying problems. Stakeholders expressed frustration that state agencies lack the enforcement capability, whether due to the statutes not having enough “teeth,” fear of liability, insufficient staff resources to identify problems. Suggestions arose to give state agencies more resources to act on information they receive through data collection.

Possibility of Creating an Ombuds Position

This study revealed a broad range of opinions on whether the state should create an ombuds position to provide a unified, cohesive method for assisting students with complaints. After 34 structured interviews, 15 parties said “Yes,” nine said “No,” eight said “Maybe,” and two did not express an opinion. Opinions varied widely about whether an existing state agency should house an ombudsperson (e.g. WSAC, Attorney General’s Office, Workforce Board, or even the Office of the Superintendent of Public Instruction alongside the K-12 ombudsperson), or if it should be a standalone office.

The project team reviewed materials regarding the use of ombuds positions in higher education in the U.S. to complement stakeholder perspectives and identify inputs to consider in evaluating the feasibility of an ombuds position. Establishing an ombuds position or department is one approach some higher education agencies and organizations have taken to field and act on complaints when existing grievance processes have been found to be inadequate or difficult for constituents to access or engage with.

This is particularly true in the area of student loan borrower assistance. For example, DOE and the Consumer Financial Protection Bureau have established, respectively, the Federal Student Aid Ombudsman Group and the Private Education Loan Ombudsman to support borrowers with concerns and disputes regarding federal and private student loans. Many student loan lenders and guarantors, as well as state student assistance agencies, have ombuds or customer advocate staff to help borrowers of the student loans they originate, guarantee, hold, or service.

In addition, higher education institutions, particularly larger ones, have established ombuds positions or offices to provide confidential and informal assistance to students and/or staff with academic issues, employment, or administrative concerns or complaints. Hundreds of colleges and universities in the US have ombuds positions or departments serving students and/or staff of the main institution or a constituent department or program, including in Washington Bellevue College,
Central Washington University, the University of Washington, and Washington State University and its College of Pharmacy.

Our review of state practices did not immediately identify an example of a specialized, statewide, publicly funded ombuds position serving students of for-profit degree-granting institutions and private vocational schools as envisioned in prior legislation. We sought examples of existing public ombudsman positions in state and local agencies across Washington State, and selected four for closer examination (see Table 7).

Interviews with agency staff indicated they received relatively few complaints from students, and that they generally focused on disagreements on how much of a tuition refund a student was due (for schools overseen by the Workforce Board and WSAC) and disagreements about the number of clock-hours of training a student had received (in the case of schools overseen by the DOL).

Also, while the number of for-profit degree-granting institutions and private career schools is known, information was not readily available from WSAC for the enrollment of students in degree-granting schools. This made an assessment of the potential constituency for a for-profit higher education ombuds position difficult to assess. Should the Legislature continue to entertain the prospect for such a position, we recommend additional, focused research to determine the ombuds potential constituency, the scope of the ombuds responsibilities, a realistic assessment of resources required, and whether the ombuds should be housed within an existing agency or be established as an independent office.

As noted, stakeholder sentiment did coalesce in desiring the state to be more proactive. This stands in contrast the current system, characterized as “complaint-driven.” Multiple respondents pointed to existing tools and rules, encouraging the state to align them across agencies and explore options for coordination with the federal government departments (DOE, V.A.) and accreditors. Generally, when discussing challenges facing students, respondents favor front-end (proactive) measures for oversight and student guidance—along with adequate oversight and enforcement versus after-the-problem dispute resolution.
Table 7: Assessment of Selected Statewide Ombuds Positions in Washington

<table>
<thead>
<tr>
<th>Host Agency</th>
<th>Office of the Education Ombuds</th>
<th>Office of the Family and Children’s Ombuds</th>
<th>Open Government Ombuds</th>
<th>Washington State Long-Term Care Ombudsman</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Governor’s Office</td>
<td>Governor’s Office</td>
<td>Office of the Attorney General</td>
<td>Multi-Service Center (a 501(c)3 nonprofit contracted through the Washington Department of Commerce)</td>
</tr>
<tr>
<td>Purpose</td>
<td>Resolves complaints and disputes between parents, students and K-12 schools.</td>
<td>Responsible for investigating complaints against state agencies involving the protection of children from abuse and neglect, and/or the provision of child welfare services.</td>
<td>Provides informal ombudsman assistance to members of the public who are having difficulty obtaining public records.</td>
<td>Protects and promotes quality of life for people living in licensed, long-term adult care facilities (nursing homes, adult family homes, and assisted living facilities).</td>
</tr>
<tr>
<td>Constituency</td>
<td>Represents approximately 1.1 million K-12 students and their families in 295 school districts.</td>
<td>233,361 clients of the Children’s Administration; clients of other children- and family-serving agencies</td>
<td>Represent residents of Washington state (approx. 5.6 million age 18 and older).</td>
<td>Represent residents of facilities licensed by the Washington State Department of Social &amp; Health Services: • 230 nursing facilities • 536 assisted living facilities • 2,794 adult family homes</td>
</tr>
<tr>
<td>Budget &amp; Personnel</td>
<td>$684,000 (2016 enacted supplemental budget); 5 employees</td>
<td>$1,380,000 (2015-2017 Governor’s budget request); approximately 7 FTEs</td>
<td>$100,000 (estimate based on 2013 state employee salary database); 1.0 FTE</td>
<td>$1,770,406 (including $943,163 in Washington State funds); 11 FTEs (3 at Multi-Service Center, 8 at subgrantees)</td>
</tr>
<tr>
<td>Caseload</td>
<td>Fielded 1,140 concerns in 2015-2016</td>
<td>In 2014-2015, conducted 678 complaint investigations regarding 1,065 children and 636 families</td>
<td>Unknown</td>
<td>4,501 complaints received, 2,780 cases opened, 2,715 cases closed (2014-2015)</td>
</tr>
</tbody>
</table>

Consumer Protection Act

The WACs/RCW of the Workforce Board, WSAC, and DOL all reference to the Consumer Protection Act, but address consumer protections differently by the way they provide additional definitions or reference to other RCWs. The Workforce Board WACs include just-cause language and further defines unfair business practice, “substantial” and “significant” violations. WSAC
Situation Assessment of the Regulation of For-Profit Colleges and Private Vocational Schools in Washington

further defines false academic credentials. The DOL addresses violations of unprofessional conduct and the Uniform Regulation of Business and Professions Act.

Recommendations

- Establish an independent credit counselor, requiring schools to notify students (via video and/or culturally-appropriate materials) of its availability prior to executing any proprietary loan.

- Explore ways to give state agencies what they need to act on problems—whether identified through information received through data collection or by other means.
School Practices

Several career college business models exist. As a briefing paper sent to the Ruckelshaus Center by the Northwest Career Colleges Federation (NWCCF) states, “Schools in Washington are established in a variety of structures:

- Privately held business organized in Washington with one location offering multiple certificate programs (unaccredited). Example: TLG Learning
- Privately held business organized in Washington with one or more locations in Washington offering a single program (unaccredited). Example: Commercial Driver School
- Privately held business organized outside Washington offering certificate programs with locations in the state (accredited). Example: Cortiva Institute
- Privately held Washington business authorized to grant degrees and award certificates (accredited). Example: Seattle Film Institute
- Privately held business organized outside Washington authorized to grant degrees and award certificates (accredited). Example: Pima Medical Institute
- Publicly traded schools operating in multiple states. Example: ITT Technical Institute
- Non-profit school (accredited). Example: Perry Technical Institute
- Non-profit school (unaccredited). Example: Construction Industry Training Council”

Consumer Protection

Schools vary as to how and whether they provide student services, financial aid advising, credit transfer, job placement, stable tuition, etc. These practices determine the quality of the experience for students, the utility of the education, and the long-term financial impact on students and their families. All agencies protect students against this variability to some extent, as all WACs include reference to the Consumer Protection Act. In addition, each further address consumer protection by the way they provide additional definitions or reference to other RCWs as shown to the right.

Marketing/Recruiting Tactics, Disclosures to Students

Interviewees typified the problems of the sector as perpetrated by large, national, corporate schools. These problems include aggressive and high-pressure recruitment tactics (combined with low barriers to entry), overpromising outcomes and under-communicating total costs. While a school may follow the letter of the law related to disclosing tuition raises, interest rates on proprietary loans, and other costs impacting a student’s fiscal outlook, these can be hidden “in the fine print” of enrollment agreements or loan contracts. A suggestion emerged for state agencies to compare the amount a school spends on recruiting with the money spent on student support services, using this metric to gauge the quality of the experience provided by each school to those attending it.
Student Services and Guidance

Differing perspectives emerged about the level of support for students provided by for-profit degree-granting institutions and career colleges. Some participants in this study characterize the profit motive as prohibiting or limiting spending by schools on student support services, while others posited that without tax moneys subsidizing their operations, career colleges must work hard to keep their students by providing a high level of support. Respondents suggested the state can require schools to supply a higher level of student services.

One opportunity for this relates to English Language Learning (ELL) populations: agencies could require schools to provide student catalogs, loan contracts, and other information in multiple languages. Another way interviewees thought the state could assist students in succeeding would be to require the provision of adult basic education classes (either offered directly by the school or in partnership with community colleges)—this can improve the readiness of students to adapt to and succeed in the learning environment of higher education before they begin taking classes in vocational programs. Lack of focus on identifying and addressing the specific needs of at-risk populations was a concern.

Several respondents noted that students attending the schools present challenges for outreach and communications. Whether due to language barriers, lack of internet access or aptitude, or other reasons, schools and agencies alike can struggle to establish and maintain regular channels of communication with students. A collaborative work group or advisory panel (of school representatives to help state agencies coordinate with them) might provide an opportunity to share best practices in this regard.

Quality/Utility of Training Programs

Several interviewees suggested the state establish and communicate criteria to rate the quality of schools and programs, with something similar to a “Good Housekeeping Seal.” Others pointed to the 2014 Gainful Employment Act as providing the equivalency. At least one noted the Gainful Employment Act’s intent to create just such a screening tool. For students to succeed in translating career college training to the work force, several elements must work in harmony:

A. Matching Curriculum & Cohort Sizes to Local Workforce Demands

Schools must match available training and degree programs to the needs and opportunities in the evolving job market. Schools do well when they communicate regularly with employers, planning ahead to develop and deliver curricula that provide graduating students with the skills to meet demand in the job market. Some respondents report this is not always the case with some schools/programs.

B. Students Have Opportunity to Get Job They Trained for, at a Living Wage

Students often select programs by looking at the program length and what percentage of graduates obtain employment. However, this does not take into account the wage scale of the available jobs as compared to the program cost. For example, students learning how to care for elderly people may have a high rate of job placement, but such jobs may not tend to pay a living wage.
C. Faculty/Trainer Qualifications

Hiring and retaining knowledgeable, experienced faculty/trainers plays an important role in the ability of schools to supply usable credentials for students seeking viable career skills. State agencies hold some responsibility for ensuring faculty members possess sufficient expertise and credentials (see Table 8). Stakeholders expressed concerns that oversight of faculty/trainer qualifications may not be sufficiently robust.

<table>
<thead>
<tr>
<th>Workforce Board</th>
<th>WSAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>490-105-044:</td>
<td>250-61-100</td>
</tr>
<tr>
<td>The education and experience of administrators, faculty, and other staff must be adequate to ensure that students will receive educational services consistent with the stated program objectives.</td>
<td>(2) Faculty.</td>
</tr>
<tr>
<td>(4) Faculty must be qualified to provide instruction in their areas of specialization as demonstrated by possession of the following:</td>
<td>(a) Faculty shall be professionally prepared and graduates of accredited institutions and, as a group, the institutions from which they earned their degrees shall be diverse.</td>
</tr>
<tr>
<td>(a) Industry recognized certification when available; and</td>
<td>(c) Faculty teaching academic courses at the undergraduate degree level shall have a master's degree in the assigned or related program area from an accredited institution. Faculty assigned to teach in vocational-technical subjects shall have educational credentials and experience compatible with their teaching assignment. Faculty assigned to teach general education courses within any undergraduate program shall have a master's degree in a related area from an accredited institution.</td>
</tr>
<tr>
<td>(b) Two years of relevant education or work experience or relevant, current teaching experience that particularly qualifies them to provide instruction in their areas of specialization; or</td>
<td>(d) Faculty teaching at the master's degree level in programs which emphasize advanced study and exploration in a discipline shall have an earned doctorate in a related field from an accredited institution and experience in directing independent study and research. Faculty teaching in master’s programs which emphasize professional preparation shall have, as a minimum, a master’s degree from an accredited institution and documented achievement in a related field.</td>
</tr>
<tr>
<td>(c) Current evidence of being qualified to teach that has been issued by a regulatory agency of this or another state.</td>
<td>(e) Faculty teaching at the doctoral level shall have an earned doctorate in a related field from an accredited institution and experience in teaching and directing independent study and research.</td>
</tr>
<tr>
<td>(5) Faculty who teach a course related to an occupation for which the student must subsequently be licensed or certificated must hold or be qualified to hold such a license or certificate.</td>
<td></td>
</tr>
</tbody>
</table>

Table 8: WAC Requirements for Staff Qualifications

Tuition Increases (and Oversight of This)

The cost of programs surfaced repeatedly as an issue worth examining and potentially addressing via policy revisions. In addition to the high cost of programs and degrees, respondents raised concerns about a lack of transparency regarding tuition increases and total cost of the education compared to the amount of student loans needed.
Recommendations

- **Transcript holds**: Any one of several circumstances might cause a student to request a transcript from a previously-attended school. Interviewees mentioned situations in which students had not been able to obtain their transcripts from a career college, preventing them from continuing their education and attaining a degree. Both the Workforce Board and WSAC WACs indicate that to be eligible to receive a transcript, students must have satisfied all financial obligations to the school. In the case of school closure, the Workforce Board requires schools to transfer records to the agency; WSAC requires schools to submit a plan for how they will maintain records. In the event that WSAC believes records may not be accessible, it has the authorization to seek a court order to take possession of them. DOL requires monthly reporting of hours students accumulate in different activities. This ensures their records are accessible, if needed.

- **Disclosures and Enrollment Agreements**: The WACs address disclosures to students differently. For example, the Workforce Board is explicit on the types of information that a student catalog must include, while the WSAC and DOL are much more general in their language. In addition, enrollment agreements are required by the Workforce Board and DOL, but optional for WSAC.

- **Credit Transfer**: In considering the state’s response to the September 2016 closure of ITT Technical, this study revealed that different schools handle credit transfers in different ways. In other words, no statewide uniform credit transfer protocol exists, nor does certainty for students that credit can be transferred. For example, some schools will not accept ITT credits since ITT was not accredited by a regional accreditor (it was accredited by a national accreditor); however, the required accreditation of their schools aides in credit transfer; furthermore, unaccredited schools are required to file an affidavit showing their credits transfer to other schools. Finally, the DOL WACs have language addressing how students can transfer across schools. Students may be able to receive competency-based credit. Each school allocates credit for prior learning via their own policy, covered by a broad policy held by the regional accreditor that oversees community and technical colleges (the Northwest Commission on Colleges and Universities). This lack of consistency and certainty creates numerous problems for students when a school closes or a student changes programs or schools.

Additional recommendations may include:

- Reviewing just cause language; definitions of unfair business practices, substantial and significant violations, false academic credit and misrepresentation of credits; and possible violations of unprofessional conduct and the Uniform Regulation of Business and Professions Act might allow the state obtain a better understanding of what students are and are not covered by.

- A student bill of rights could provide a mechanism of ensuring all students are equally protected and have access to a process of redress that advocates for them regardless of the type of school they attend.

- The state (and stakeholders) might want to consider what pieces of information students most crucially need to know and understand prior to enrolling. This could include financial aid and career counseling, and any or all of a set of other conditions, to become required components of the catalog. While an actual contract might not be necessary across the board, a signed statement
by the student acknowledging they received the information—and had an opportunity to meet
with school administrators to discuss it—could be an option.

• Implement explicit minimum performance thresholds for institutions, to help identify and
sanction poorly performing schools.

• Consider requiring schools to devote a certain percentage of their tuition income to addressing
student services/notification on an annual basis.

• A work group with representation across the sector might be a way to approach how these
requirements might be addressed by the various players.

• State agencies could compare the amount a school spends on recruiting with the money spent
on student support services, using this metric to gauge the quality of the experience provided by
each school to those attending it.

• The state could assist students in succeeding would be to require the provision of adult basic
education classes (either offered directly by the school or in partnership with community
colleges)

• Adopting a common requirement for information that must be provided to students, regardless,
of the type of school could be an option to pursue. This would provide students access to
similar information across the sectors allowing them to make informed decisions regarding:

  ○ Total tuition, fees, costs for the current year and estimates of what they might be for the
usual length of time a student takes to complete the program. History of tuition
increases for the past number of years might be included as well.

  ○ Access to financial aid, if the school participates in state or federal financial aid programs
a requirement that students engage in counseling to understand their debt burden upon
graduation. This might be via WSAC for state aid and the Department of Education for
federal aid. Conversely, the state might want to develop some type of form that students
would be required to fill out that walks them through the financial aid process, allowing
them to enter sources of income to pay for their education while enrolled, debt
estimates, realistic earnings estimates, and repayment options. Federal Student Loans
Being a Responsible Borrower might be a resource:

  ○ Potential employment outcomes (including links to information provided on job outlook
and earning in the state).

  ○ Rights as stated under 49.60 RCW;

  ○ School refund policies for both in-state and distance learning courses;

  ○ Admissions policies that address informing students about realistic opportunities for
employment;

  ○ Process they could anticipate in the event of school closure including tuition refunds,
teach out opportunities, and credit transfer (including language that their credits/hours
are transferrable to some number of similar schools/programs in WA).

  ○ Staff qualifications and facility and equipment statements that include feedback from
alumni and the process the school uses to continually maintain and upgrade them,
including steps it is currently taking or plans to take as evidenced by budgets.
○ Course content including what completion of the program provides in terms of certificates, degrees, and the success rate of graduates in obtaining licenses and other credentials required to work in the applicable field. If the program of study, or portions of it are available online, the extent to which the course content is similar to that provided in the classroom could be documented as well.

○ Availability of student services; if key services are not readily available the school could address why not and how the student could find alternatives in the vicinity of the school.
Loan/Grants/Financial Aid

A common theme in this study centered on affordability issues with schools, especially when considering the total cost of attendance when added to the cost of living. Most interviewees noted that the majority of students of for-profit degree-granting institutions and career colleges require aid in the form of loans or grants to pay for career training and/or higher education degrees. Financial aid comes in several different guises, via multiple programs at both the federal and state level (federal aid comprises the majority of the funding streams). Major sources of public funding for student tuition assistance mentioned frequently in this study included federal Title IV funds and Pell Grants and State Need Grants (overseen by WSAC). In addition, financial assistance may be attainable from private financial institutions and the schools themselves (at times using federal aid moneys).

A common theme from respondents is that the state needs better data on the student loan picture. This is complicated by the lack of data from private third-party loans. The scope and nature of the problem(s) are difficult to pinpoint without credible data. Specifically-cited issues associated with financial aid follow.

G.I. Bill Funding

To administer financial aid programs under so-called Title IV funding, WSAC, as a State Approval Agency, partners with the Veteran’s Administration to examine data and monitor student outcomes, loan conditions, and other aspects. One problem surfaced with G.I. Bill funding was, once a military veteran uses the allocation they were given, they have no opportunity to reapply or increase the amount of their loan—even if there is a problem with their school.

Average Earnings vis-a-vis Average Debt

Respondents described situations in which a credential does not yield a job with sufficient wages to pay off loan(s), but the student still faces the debt payments. The importance of the ratio of earnings to debt payments shows in the DOE’s adoption of that as the core metric of the Gainful Employment Act. The state could consider establishing the same (or similar) ratio as the federal government.

Impacts on Extended Family

Multiple interviewees mentioned instances when student debt caused negative consequences for parents and grandparents of students, when they co-signed for student loans. This appears to occur in instances when students face insufficient job prospects or earnings after graduating, had high debt, or could not complete the program. This can lead to lawsuits against students from collectors or loan buyers and limit their and their families’ prosperity in the long term.

Oversight of Private Student Loans

When students augment public loans by taking on debt from independent (often online) purveyors, it becomes difficult for schools or state or federal agencies to track these loans. A handful of respondents brought up the possibility of asking the Washington State Department of Financial Institutions (DFI) if it might be able to assist in monitoring total student debt load. It could be
worth further study to assess whether DFI can supply data for loans issued to fund higher education to WSAC, the Workforce Board, and the DOL.

**Independent Financial and Loan Advisors**

It could mitigate some of the fiscal challenges faced by higher education students in Washington if the state were to establish—and publicize—the service of independent loan counseling for prospective students. In theory, agencies could require schools to inform students (before enrolling them) that they have the option to receive guidance from a public servant on securing and managing loans.

**Recommendations**

- The state could consider establishing the same (or similar) earnings-to-debt-payments ratio (5:1) as the federal government.
- Another area of future study might involve an inventory of existing tools for debt relief, to gauge which might make sense to put in place in Washington state.
- State establish—and publicize—the service of independent loan counseling for prospective students. Agencies could require schools to inform students (before enrolling them) that they have the option to receive guidance from a public servant on securing and managing loans.
Data Collection, Reporting, and Sharing

The oversight of higher education—whether by state, federal, or accrediting agencies—relies on the collection and reporting of student information. This study revealed a complicated framework of reporting metrics, definitions of terms, data portals/repositories and tracking systems, and data sharing and public viewing tools. Ideally the state and stakeholders can consider best practices for data collection, reporting, and sharing at several levels: interagency (state, federal, accreditors), with the public, with nonprofits and other stakeholders. Despite opportunities to improve, multiple interviewees stated that compared to other states, Washington does a good job of data collection, verification, and sharing.

Clarifying the purposes for data collection could assist in identifying the utility of the data and what is useful to share with whom. Participants in this study focused on a pair of purposes: for students to be able to make “apples-to-apples” comparisons of career training programs, and for regulators to ensure schools are providing students with the desired outcomes.

Common Measurements

Different agencies and programs use different definitions for various metrics, measuring the same basic concept (e.g. “student retention,” “employment”) using varied calculations. Several interviewees noted that this prevents what many suggested would benefit students: the ability to make “apples-to-apples” comparisons among schools or programs. While this brings up the obvious opportunity to unify metrics across agencies, respondents noted that this would impact longitudinal tracking (by making any data on indicators with changed metrics not easily comparable to data collected preceding the change in metrics).

Reporting Burdens

With multiple state and federal agencies along with independent accreditors all playing a role in overseeing the various types of career colleges, multiple respondents expressed interest in mitigating the regulatory burden facing these schools. Data reporting presents an opportunity to do so. Those familiar with the requirements facing career schools noted duplication in the state system alone. Some proprietors apparently must report the same information in multiple places. One small career college proprietor described a regulatory burden in the form of a dizzying array of reporting requirements involving painstakingly long forms and detailed information for every student, across eight different agencies and programs. A table displaying basic information about these reporting requirements is provided in Appendix 9 to illustrate some of the duplication and complexity.

Utility of Data

Numerous respondents expressed interest in making school and student information more accessible and practical for use by decision-makers—whether policy makers, agency staff, or students weighing career training options. Several interviewees expressed the ideal vision that a
prospective student should be able to go online and compare total program costs, employment and wage rates, and other vital metrics at the program level—not aggregated by school, but by specific training program—including comparing career college options with those offered by community colleges.

**Important Data Metrics**

Stakeholders described the need for the data collected by agencies to focus on outcomes, specifically on employment and wage data. A crucial related metric is total program cost. Students must be able to understand before enrollment how much a program or degree will cost in total. Multiple interviewees emphasized the importance of tracking loan information since the brunt of problems faced by students lie in the realm of personal finance. The multiple grant and loan programs at the state and federal level, combined with students taking on private loans, make this quite challenging.

**Inter-Agency Data Sharing**

The three core state agencies in this study (Workforce Board, WSAC, and DOL) each address data collection differently. Only the Workforce Board and DOL WACs address data collection, and the data collected by those two agencies differs. Based on suggestions that inter-agency data sharing is limited, it appears there are opportunities for more data sharing. Sharing was described as important because individual actors have different pieces of the puzzle, so no one knows the full picture on their own. It will take a focused effort to inventory and assess existing systems and tools by those entities and staff directly involved in data collection and reporting to determine opportunities to eliminate overlap, find efficiencies, and enhance viewing “dashboards” for agencies, schools, and students to enable more easily used data.

The DOE may offer models for definitions, performance thresholds, and other key elements of data collection and sharing. It also may be worth exploring linkages with data metric conversations in connection with the Talent and Prosperity for All plan (Washington’s implementation of the federal Workforce Opportunity and Innovation Act, or WIOA). The U.S. Departments of Labor and Education have reportedly collaboratively issued WIOA provisions related to performance accountability. Other initiatives also exist to improve the collection of nationally collected data, like IPEDS.

**Monitoring Trends, Detecting and Acting on Problems**

One key purpose of data collection is to enable regulators to monitor school and student performance in order to detect and correct problems. Any single agency or accreditor can track student retention and completion rates, average earnings, and other important elements. However, when a school offers both degree and non-degree programs, oversight involves at least two state agencies and an accreditor. With varying definitions and requirements, coordinating oversight becomes quite difficult across agencies.

In the event a school’s data (or other reports) show potential problems with a school, the state bears a high burden of proof to show fraud by a privately-owned institution. Respondents noted that agencies attempting to crack down on poor-performing schools can bring about libel suits that can cost the state in time, legal expense, and potentially penalties.
Virtue of a Single Data Portal for Reporting

Many interviewees expressed support for a lone portal that all state agencies can share, which would eliminate the duplication of schools having to enter the same information for the state in multiple places. This step is reportedly feasible, though as noted, a broader-scale effort to align definitions and key metrics to the extent practicable across the multiple levels of jurisdiction will require a focused effort by those entities and individuals who deal regularly with data collection and reporting.

The Workforce Board operates www.CareerBridge.wa.gov, an online system intended to help prospective students find vocational programs that suit their interests and background. Some interviewees noted opportunities for improving CareerBridge, stating that the dataset is incomplete and includes a significant time lag between collection and reporting.

Recommendations

- As noted earlier, only the Workforce Board and DOL WACs address data collection; the data collected by those two entities differs. At a minimum all schools could provide their oversight entity with social security numbers of their students.
- Require and disclose program-level outcomes, in addition to institution-level outcomes;
- Work to standardize outcomes reporting across agencies, and potentially use existing state authorization reciprocity agreements as a vehicle for producing common definitions for student outcomes measurements; and
- Rely less on institutions to report certain outcome indicators and, instead, require only basic and essential reported data from institutions. Authorizers should then link that information to independently verifiable, administrative data sources so as to produce more and better information on outcomes.”
- A collaborative group might begin with the vision that a prospective student should be able to go online and compare total program costs, employment and wage rates, and other vital metrics at the program level—not aggregated by school, but by specific training program—including comparing career college options with those offered by community colleges.
- The state can ease some complexity and duplication for schools, and improve inter-agency coordination, by establishing a common reporting portal for those metrics used by multiple agencies.
- Consider options for adopting a statewide, cross-sector, unified data-collection and reporting system. As this would be a huge undertaking with both political and practical opportunities and challenges, it would probably be best approached through convening a multi-stakeholder data-collection subcommittee or workgroup. Potential tasks the subcommittee could work on include identifying a shared, consistent set of performance measurement definitions and metrics, and assessing the feasibility of adopting a single, cross-sector portal for collecting data of common interest.
- Aligning reporting systems and practices for the Workforce Board and the DOL, given that both oversee career-oriented schools. Such alignment could streamline reporting for schools and support employment matching and other outcomes assessments for graduates of cosmetology programs.
Consider establishing common definitions for key demographic groups the state is interested in monitoring (e.g., first generation postsecondary students) and requiring the reporting of these data as well.

Modify the RCW and/or the WACs to enable the Workforce Board to publish performance results for all schools it collects data for, not just those listed on the Eligible Training Provider List.

Identify if and how data elements tracking student loan debt can be integrated into all reporting systems to provide a closer look at which Washington students are accumulating loan debt and if they are finding jobs that enable them to pay back the loans.

Consider modifying the RCW and/or the WACs to allow minimum targets for completion, employment, and earnings for vocational schools a condition for licensure.

At a minimum all schools could provide their oversight entity with social security numbers of their students to be matched against employment insurance wage files (as the Workforce Board regularly does) and data used by the National Student Clearinghouse to match against post-secondary enrollment and graduation data.

Since different schools serve students seeking disparate outcomes, the state might consider establishing a common set of definitions to gage student intent (similar to SBCTC). This could allow the state to analyze student outcomes by the intent of the student.
III. Prospects for Collaboration

The legislation authorizing this assessment mentions a potential second phase, if deemed appropriate, of facilitated discussions amongst agencies, regulated entities, and stakeholders to reach agreed-upon recommendations. Interviews included questions to gauge the prospects for a set of facilitated meetings to build broad agreement on policy changes and improvements. This section describes those prospects and offers suggestions on structure, participants, and topics for collaboration.

Some respondents expressed skepticism about the chance of success of a collaborative effort; however, most interviewees supported the idea. Interviewees stated that a clear purpose, an effective process, and focus on discreet areas that can be enhanced by collaboration would increase the likelihood of success. Neutral, knowledgeable, skilled facilitation can allow constructive dialogue among the many public, private, and nonprofit entities involved in these schools and the related complex of issues.

Building on past collaboration (toward legislation) and current efforts (by agencies), this report recommends establishing a multi-sector leadership committee with the intent to forge agreement on both policy changes the State Legislature might adopt into law, and administrative and programmatic improvements that agencies can codify in their WACs.

Caveats

Any collaborative policy work presents challenges. It is complex, uncertain, dynamic, sometimes frustrating work—though it also holds potential to transform relationships, views, practices, and laws. At least two caveats bear mentioning here, due to the fact that, if not addressed somehow, either one could prohibit improvements from proceeding:

- **Legislative sponsorship:** Before beginning a set of facilitated meetings, it will be vital to communicate with legislative offices in the House and Senate to determine whether committee chairs, caucus leaders, and other parties integral to passing laws will commit to supporting one or more bills to enact recommendations of a diverse collaboration.

- **Interest in maintaining status quo:** More than one participant in this assessment noted the vested interest of some parties in maintaining elements of the current regulatory framework. This could impact the ability of a diverse group to achieve full consensus on any potential recommendation to consolidate existing regulatory structures.

Basics of a Collaborative Process

As noted, based on stakeholder input, an optimal structure might include a core collaborative group consisting of representatives of various state entities (agency and legislators/staff), plus a few others (at least the Northwest Career Colleges Federation). That core group would start by identifying desired conditions, values, and objectives for career colleges (in light of the whole institutional system).

That core group can identify existing state, nonprofit, and private sector joint assets and strengths—and creatively think about areas for improvements based on those. That should reveal specific areas
for improved collaboration and coordination, the resources needed, and who is best positioned to take responsibility for and lead for a series of working groups to focus on specific areas for improvement (for regulatory changes, etc.) whose composition will vary depending on the needs of the topic.

Collaborative groups often begin working together by collectively identifying shared values, discussing visions of ideal outcomes, and articulating common interests. When and if a common information base exists, these elements can guide the formation of potential solution options.

Respondents varied in what they thought should comprise the goal for a prospective collaboration. The most common themes included:

- Identifying and recommending agency best practices for data collection, audits and site visits, authorization, outreach and guidance to students, and potentially working with federal agencies (i.e. State Authorizing Agencies for financial aid from the U.S. V.A., specifics of working with the U.S. DOE),
- Agreeing on and aligning minimum performance standards for institutions;
- Other efficiencies and streamlining measures to regulatory framework: what are the most important oversight functions and how can agencies’ ability to carry them out be simplified and strengthened?
- Giving agencies more tools and abilities to identify poorly performing schools and address problems.

Participants

Interviewees expressed a variety of opinions about the composition of a prospective steering committee. The most common list of task force partners cited by respondents had, at a minimum, the three state agencies named in the budget proviso (WSAC, the Workforce Board, and DOL) and the Northwest Career Colleges Federation. Other commonly mentioned entities included one proprietor of each major type of school overseen by the three primary agencies (private vocational school, degree-granting, and cosmetology), and representatives of the following constituencies:

- Student of a career college (perhaps a former student now teaching at one)
- D and R legislators from Higher Education Committees in House and Senate (or their staff)
- SBCTC
- Council of Presidents
- Attorney General’s office
- Four-year nonprofit higher education institutions (e.g. Independent Colleges of Washington)
- Someone with extensive knowledge of veterans’ issues related to career colleges

Ideally, steering committee partners would be insightful, experienced people who can separate themselves from their agency or school.

Possible topics to open dialogue:

**Shared Values** *(Sample discussion questions: “What do we value? What will make educational experience for students fair, successful, etc.? What is our vision for an ideal state considering what we value and care about?”)*
Several respondents expressed some version of an ideal oversight framework along the lines of “an efficient, easy-to-navigate system meeting the workforce development and consumer protection needs of both students and the private sector.” However, several noted that the state has yet to articulate its own core values or principles. This could be done by the agencies together laying the groundwork, in a relatively short time, for confirmation by the legislature. This could lay important groundwork for a larger collaborative body deliberating potential policy changes.

**What Issues Do We Want to Know More about?**

With an overall landscape or institutional system of great complexity, different stakeholders come to a prospective collaboration from different corners of the landscape. It could prove valuable for any task force addressing these issues to collectively compile and agree on an institutional system map. With the known universe of higher education entities established, the steering committee could then identify issues it would like to address. Different issue categories could require specific work groups or subcommittees to address them (see below for specific suggestions).

**What Information Do We Need to Make Decisions?**

With a system map and issues on the table, it would be necessary to gain agreement on relevant facts and data—without agreement on facts, collaborative groups cannot agree on solutions. Agency staff may be able to supply applied research on specific topics established by issue-based subcommittees—provided their fact-finding is credible in the eyes of each participating entity.

**Structure: Plenary Task Force with Issue-Focused Work Groups:**

Collaborative processes to address complex sets of issues and policy questions often feature one decision-making body (steering committee) with issue-specific work groups or subcommittees. It helps to allow the steering committee to collectively establish clear decision-making protocols and agree on group norms or ground-rules to focus behavior on solutions, keep media and public relations constructive, charter sub-groups, and determine any other relevant process design elements.

Potential subcommittees or work groups on higher education might include the following.

1. **State Agencies and Legislative Staff**

As noted, the creation of state principles to guide higher education policy should guide legislative and agency decision-making. This becomes more important in light of the change in federal administration, which stands to bring unpredictability and likely great change in U.S. DOE policy and practice.

State entities should also explore ways to increase efficiency or simplicity of state oversight, or at least continue existing interagency collaboration and look for ways to increase coordination among agencies. It would be a healthy step, and helpful, to invite other partners to contribute to this conversation (e.g. a representative of each major category of school to explain the various frameworks to which it must report information).
2. **Data Collection, Reporting, and Sharing**

This set of topics represents perhaps the most complicated arena. Sub-topics and discussion questions raised during this study include:

- What data is it important for us to track?
- How do we collect the data needed?
- Establish universal/common metrics against which to compare different institutions
- Integration of tools/portals; reduce redundancy of data collection; common interface?
- To the extent possible, how can the system offer apples-to-apples comparisons for regulators, schools, and students (i.e. the guidance and information to make good choices)?
- Data-sharing agreements between agencies.
- Federal scorecards/accountability center as one potential model for data integration.
- Career Bridge could serve as a model, or provide the “bones” of a system, but currently not viewed as comprehensive/robust enough.

3. **Student Guidance and Protections**

Suggested goal: Provide improved information and outreach, focusing on how to inform, guide, and support students on the “front end.” Discussion topics and questions include:

- Inventory existing tools, intent to enhance/expand resources through cross-sector partnerships, interagency collaboration
- Adult basic education (skills/classes provided by community colleges or workforce centers could provide a structure)
- Provide information and materials and disseminate to advocacy community (student advocates, consumer credit counselors)
- Re-allocation of dollars (or increase authorizing/licensing fees to support neutral student-support (could be on a sliding scale)?
- “Student Bill of Rights”
- Require provision of catalogs, enrollment and loan agreements in multiple languages

4. **Loans, Grants, and Finance**

This topic comprises the bulk of the problems described by participants in this study. Possible discussion topics and questions suggested:

- Explore idea of independent credit counselor (require schools to ascertain student has received credit counseling before issuing loan)
- Earnings-to-loan payments ratio (a la U.S. DOE)
- Consider equalizing surety bonds across agencies

**Recommendations**

- Continue existing inter-agency collaboration and explore opportunities for more.
- Establishing a multi-sector leadership committee with the intent to forge agreement on both policy changes the State Legislature might adopt into law, and administrative and programmatic improvements that agencies can codify in their WACs.
This leadership Steering Committee determine:

- High-level goals, e.g.:
  - Identifying and recommending agency best practices for data collection, audits and site visits, authorization, outreach and guidance to students, and potentially working with federal agencies (i.e. State Authorizing Agencies for financial aid from the U.S. V.A., specifics of working with the U.S. DOE),
  - Agreeing on and aligning minimum performance standards for institutions;
  - Other efficiencies and streamlining measures to regulatory framework: what are the most important oversight functions and how can agencies’ ability to carry them out be simplified and strengthened?
  - Giving agencies more tools and abilities to identify poorly performing schools and address problems.

- Clear decision-making protocols and agree on group norms or ground-rules to focus behavior on solutions, keep media and public relations constructive, charter sub-groups, and determine any other relevant process design elements.

- Topics for, and composition of, specific collaborative work groups to tackle.

- State agencies develop principles or values for higher education in collaboration with core career college entity/entities
### IV. Recommendations for Consideration

#### Recommendations to Consider related to *implement(ing) a cohesive method for guiding and assisting current and prospective students who have questions and concerns*

1. Requiring student disclosures, including where to go with a complaint, in multiple languages.

2. Providing a single portal for complaints to state agencies.

3. Requiring students to watch a standardized video explaining student protections before signing enrollment agreements/contracts.

4. Producing easy-to-read fact sheets with color graphics and large print to accompany student catalogs.

5. Considering how to provide free financial advising to prospective students.

6. Increasing resources available to state agencies and/or developing partnerships with non-profits for student outreach.

7. Asking a multi-sector collaborative work group to consider and agree on:
   a. Ways the state can partner with other public entities, career colleges, and nonprofits to increase outreach to students;
   b. Changes to align tuition recovery fund policies; and
   c. Ways to enhance oversight and enforcement powers for state agencies to identify and penalize problematic school practices.

#### Possible Recommendations to Consider related to *General Agency Oversight*

1. Clearly delineating definitions (exempt and joint jurisdiction) and the different agencies involved might be helpful. Consolidating school authorization and licensure in one entity might be something to consider. Furthermore, the state might want to consider redefining the schools licensed by the DOL as private vocational schools, giving those students access to the protections addressed in the Workforce Board WACs but not in the DOL WACs.

2. As the state is a member of SARA, it might want to engage in some type of analysis to determine the degree to which other SARA states are more or less rigorous in their authorization process. If WA is more rigorous than other states, belonging to SARA and accepting schools authorized to operate by their respective state's authorization entity might not be in the best interest of WA residents.

3. Consider establishing explicit thresholds (e.g. student completion rate, job placement rate) for institutional performance and tying these to the reauthorization process. In the event an institution falls below a threshold, the relevant agency could place the school on an improvement plan (for retention or placement), with periodic progress reports due to the agency.

#### Possible Recommendations to Consider related to *Meeting Student Needs/Student Guidance*

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**December 2, 2016**
1. The state could fill a need by creating an office or agency staff position tasked with outreach and education related to financial planning, loans and credit. One idea was to create or work with a non-profit to provide a financial guidance hotline.

2. Topics for collaborative state and stakeholder consideration:
   a. Consider establishing uniform amounts and ways of establishing funds for the purpose of settling student complaints;
   b. Proactive provision of a range of student services and resources (from schools and agencies) comprising “wrap-around services” in recognition of student demographics including literacy, ELL, first-generation higher education, minorities, veterans, students with children, non-traditional students; and
   c. Consider specific ways schools do a good job providing support to students, identify these as “best practices” and suggest or require other schools to adopt them.

**Possible Recommendations to Consider related to the Process for Handling Complaints**

1. Establish an independent credit counselor, requiring schools to notify students (via video and/or culturally-appropriate materials) of its availability prior to executing any proprietary loan.

2. Explore ways to give state agencies what they need to act on problems—whether identified through information received through data collection or by other means.

**Possible Recommendations to Consider related to School Practices**

1. Reviewing just cause language; definitions of unfair business practices, substantial and significant violations, false academic credit and misrepresentation of credits; and possible violations of unprofessional conduct and the Uniform Regulation of Business and Professions Act—might allow the state to obtain a better understanding of what coverage students do and do not have.

2. A student bill of rights could provide a mechanism of ensuring all students are equally protected and have access to a process of redress that advocates for them regardless of the type of school they attend.

3. Implement explicit minimum performance thresholds for institutions, to help identify and sanction poorly performing schools.

4. Consider requiring schools to devote a certain percentage of their tuition income to addressing these requirements on an annual basis.

5. A work group with representation across the sector might be a way to approach how these requirements might be addressed by the various players.

6. State agencies could compare the amount a school spends on recruiting with the money spent on student support services, using this metric to gauge the quality of the experience provided by each school to those attending it.
7. The state could assist students in succeeding would be to require the provision of adult basic education classes (either offered directly by the school or in partnership with community colleges).

8. Adopting a common requirement for information that must be provided to students, regardless, of the type of school could be an option to pursue. This would provide students access to similar information across the sectors allowing them to make informed decisions regarding:
   a. Total tuition, fees, costs for the current year and estimates of what they might be for the usual length of time a student takes to complete the program. History of tuition increases for the past number of years might be included as well;
   b. Access to financial aid; if the school participates in state or federal financial aid programs a requirement that students engage in counseling to understand their debt burden upon graduation. This might be via WSAC for state aid and the Department of Education for federal aid. Conversely, the state might want to develop some type of form that students would be required to fill out that walks them through the financial aid process, allowing them to enter sources of income to pay for their education while enrolled;
   c. Debt estimates, realistic earnings estimates, and repayment options. Federal Student Loans Being a Responsible Borrower might be a resource (https://studentaid.ed.gov/ssa/sites/default/files/responsible-borrower.pdf);
   d. Potential employment outcomes (including links to information provided on job outlook and earning in the state);
   e. Rights as stated under 49.60 RCW;
   f. School refund policies for both in-state and distance learning courses;
   g. Admissions policies that address informing students about realistic opportunities for employment;
   h. Process they could anticipate in the event of school closure including tuition refunds, teach out opportunities, and credit transfer (including language that their credits/hours are transferrable to some number of similar schools/programs in WA);
   i. Staff qualifications and facility and equipment statements that include feedback from alumni and the process the school uses to continually maintain and upgrade them, including steps it is currently taking or plans to take as evidenced by budgets;
   j. Course content including what completion of the program provides in terms of certificates, degrees, and the success rate of graduates in obtaining licenses and other credentials required to work in the applicable field. If the program of study, or portions of it are available online, the extent to which the course content is similar to that provided in the classroom could be documented as well; and
   k. Availability of student services; if key services are not readily available the school could address why not and how the student could find alternatives in the vicinity of the school.

Possible Recommendations to Consider related to Loans, Grants, or Financial Aid

1. The state could consider establishing the same (or similar) earnings-to-debt-payments ratio (5:1) as the federal government.
2. Another area of future study might involve an inventory of existing tools for debt relief, to gauge which might make sense to put in place in Washington State.

3. State establish—and publicize—the service of independent loan counseling for prospective students. Agencies could require schools to inform students (before enrolling them) that they have the option to receive guidance from a public servant on securing and managing loans.

**Possible Recommendations to Consider related to Data Collection, Reporting, & Sharing**

1. As noted earlier, only the Workforce Board and DOL WACs address data collection; the data collected by those two entities differs. At a minimum all schools could provide their oversight entity with social security numbers of their students to be matched against employment insurance wage files (as the Workforce Board regularly does) and data used by the National Student Clearinghouse to match against post-secondary enrollment and graduation data. WA might also consider establishing common definitions for key demographic groups they are interested in monitoring (e.g., first generation college students) and requiring the reporting of these data as well. Finally, as different schools serve students seeking disparate outcomes, WA might consider establishing a common set of definitions to gauge student intent (similar to SBCTC).

2. Work to standardize outcomes reporting across agencies, and potentially use existing state authorization reciprocity agreements as a vehicle for producing common definitions for student outcomes measurements.

3. Rely less on institutions to report certain outcomes indicators and, instead, require only basic and essential reported data from institutions. Authorizers should then link that information to independently verifiable, administrative data sources so as to produce more and better information on outcomes.”

4. A collaborative group might begin with the vision that a prospective student should be able to go online and compare total program costs, employment and wage rates, and other vital metrics at the program level—not aggregated by school, but by specific training program—including comparing career college options with those offered by community colleges.

5. The state can ease some complexity and duplication for schools, and improve inter-agency coordination, by establishing a common reporting portal for those metrics used by multiple agencies.

6. Consider options for adopting a statewide, cross-sector, unified data-collection and reporting system. As this would be a huge undertaking with both political and practical opportunities and challenges, it would probably be best approached through convening a multi-stakeholder data-collection subcommittee or workgroup. Potential tasks the subcommittee could work on include identifying a shared, consistent set of performance measurement definitions and metrics, and assessing the feasibility of adopting a single, cross-sector portal for collecting data of common interest.

7. Aligning reporting systems and practices for the Workforce Board and the Department of Licensing, given that both oversee career-oriented schools. Such alignment could streamline
reporting for schools and support employment matching and other outcomes assessments for graduates of cosmetology programs.

8. Consider establishing common definitions for key demographic groups they are interested in monitoring (e.g., first generation postsecondary students) and requiring the reporting of these data as well.

9. Modify the RCW and/or the WACs to enable the Workforce Board to publish performance results for all schools it collects data for, not just those listed on the Eligible Training Provider List.

10. Identify if and how data elements tracking student loan debt can be integrated into all reporting systems to provide a closer look at which Washington students are accumulating loan debt and if they are finding jobs that enable them to pay back the loans.

11. Consider modifying the RCW and/or the WACs to allow minimum targets for completion, employment, and earnings for vocational schools a condition for licensure.

12. At minimum all schools could provide their oversight entity with social security numbers of their students to be matched against employment insurance wage files (as the Workforce Board regularly does) and data used by the National Student Clearinghouse to match against post-secondary enrollment and graduation data.

13. Since different schools serve students seeking disparate outcomes, the state might consider establishing a common set of definitions to gauge student intent (similar to SBCTC). This could allow the state to analyze student outcomes by the intent of the student.

14. Streamline reporting practices: Are there inconsistencies in how frequently data comes in?

Recommendations to Consider Related to Collaboration

1. Continue existing inter-agency collaboration and explore additional joint research, coordination, and planning activities.

2. Establish a multi-sector leadership committee with the intent to forge agreement on both policy changes the State Legislature might adopt into law, and administrative and programmatic improvements that agencies can codify in their WACs.

3. This leadership (Steering) Committee determine:
   a. High-level goals, such as:
      i. Identifying and recommending agency best practices for data collection, audits and site visits, authorization, outreach and guidance to students, and potentially working with federal agencies (i.e. State Authorizing Agencies for financial aid from the U.S. V.A., specifics of working with the U.S. DOE);
      ii. Agreeing on and aligning minimum performance standards for institutions;
      iii. Other efficiencies and streamlining measures to regulatory framework: what are the most important oversight functions and how can agencies’ ability to carry them out be simplified and strengthened; and
iv. Giving agencies more tools and abilities to identify poorly performing schools and address problems.

b. Clear decision-making protocols and agree on group norms or ground-rules to focus behavior on solutions, keep media and public relations constructive, charter sub-groups, and determine any other relevant process design elements;

c. Topics for, and composition of, specific collaborative work groups to tackle; and

d. State agencies develop principles or values for higher education in collaboration with core career college entity/entities.

**High-level and immediate recommendations**

1. Washington should develop common, shared principles or values for the purpose of higher education.

2. Continue existing inter-agency collaborations and explore opportunities to align WACs and performance metrics.

3. Consider and act on goals and structure of a collaborative workgroup or taskforce.
V. Conclusion

The higher education system in Washington plays a vital role in the state’s economic health and quality of life. The career colleges under consideration in this study provide an important alternative to the more traditional public (and private four-year) schools. By focusing on principles of quality and service to all students in the state, the decision-makers in agencies and the Legislature can address real challenges and create noteworthy improvements.

This assessment suggests that the most overarching and important next steps to address identified issues include the following high-level recommendations to consider for immediate action:

- Informed by representatives of career colleges, state (agency and legislative) leaders in higher education should develop principles or values to guide the decision-making on regulatory improvements;
- Staff at the three state agencies should continue existing inter-agency collaboration and explore opportunities to align WACs and performance metrics; and
- Agency and legislative leaders should consider and act on the goals and structure of a collaborative work group.

The William D. Ruckelshaus Center is pleased to submit this report to the Washington Student Achievement Council on behalf of WSAC, the Workforce Training and Education Coordinating Board, and the Department of Licensing. For any questions, please contact the Center at ruckelshauscenter@wsu.edu, 509-335-2937 or 206-428-3021.
VI. Appendices

Appendix 1: Project Team and Methodology

Chris Page (Ruckelshaus Center Project and Development Lead) led the project and partnered with Phyllis Shulman (Special Projects Advisor) Autumn Fielding and Trevor Robinson (Ruckelshaus Center staff and intern, respectively) provided project support. Chris Page and Phyllis Shulman designed the assessment process, developed the protocols and questions for the interviews (see Appendix 2), conducted and summarized the interviews, and along with Education Northwest developed recommendations.

After agreeing on a contract and scope of work with WSAC, the Center’s assessment team developed a set of protocols to govern the interview process, based on university human subject research principles and best practices in the field of collaborative decision-making. The WSU Office of Research Assurances reviewed the study and protocol, and determined that the study satisfied the criteria for Exempt Research at 45 CFR 46.101(b)(2) and could be conducted without further review by the WSU Institutional Review Board.

Interviewees were invited by email and/or phone to participate in an interview and received background information explaining the process, the purpose and how information from the interview would be used. The preliminary information emphasized that the interview would be confidential (to be consistent with university research protocols and encourage interviewees to be as candid as possible), in that the results would be aggregated in a summary report and specific statements would not be attributed to individual interviewees. Interviewer notes on the conversations were not retained beyond the drafting of the report, per research protocol. Interviews were conducted by phone, with participating entities given the option to identify one respondent or hold a group interview (as three parties did).

The Education Northwest team consisted of Angela Roccograndi (Senior Advisor for Evaluation), Erich Stiefvater (Senior Advisor, Training and Technical), supervised by Chris Mazzeo (Director, Center for Research, Evaluation and Analysis) and with technical review by Michelle Hodara (Senior Researcher, Postsecondary Readiness and Success).

The Center conducted background research and consulted with the three state agencies and an initial group of additional interested stakeholders convened by WSAC, including legislative aides, Attorney General’s Office representative, and the Northwest Career College Federation (NWCCF). This bulleted list shows a preliminary list of types of perspectives to include:

- Higher education institutions of different sizes, subject matters, and business models;
- Students (and/or student advocacy organizations) of for-project higher education schools;
- Representatives from three primary state agencies;
- Legislators from Higher Education Committees from both parties in the Washington state Senate and Washington House of Representatives;
- Accrediting agencies;
- Attorney General’s Office; and
- Other interests as identified by initial interviewees.
## Appendix 2: Interview List

<table>
<thead>
<tr>
<th>Name</th>
<th>Category</th>
<th>Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Administrator</td>
<td>Accreditation agencies</td>
<td>National Accrediting Commission for Career Arts &amp; Sciences</td>
</tr>
<tr>
<td>Education Policy Advisor</td>
<td>Federal government: legislative staff</td>
<td>US Congress</td>
</tr>
<tr>
<td>Seaquist, Larry</td>
<td>Resident</td>
<td>WA State House of Representatives (former)</td>
</tr>
<tr>
<td>Dubow, Emily</td>
<td>Schools: career colleges</td>
<td>Perry Technical Institute</td>
</tr>
<tr>
<td>Gale, Nancy</td>
<td>Schools: career colleges</td>
<td>TLG Learning</td>
</tr>
<tr>
<td>Johnston, John Paul</td>
<td>Schools: career colleges</td>
<td>Divers Institute of Technology</td>
</tr>
<tr>
<td>Kennelly, Moira</td>
<td>Schools: career colleges</td>
<td>Gene Juarez Academy</td>
</tr>
<tr>
<td>McNeely, Dion</td>
<td>Schools: career colleges</td>
<td>Commercial Driver School</td>
</tr>
<tr>
<td>Shulman, David</td>
<td>Schools: career colleges</td>
<td>Seattle Film Institute</td>
</tr>
<tr>
<td>Wikstrom, Gena</td>
<td>Schools: career colleges</td>
<td>Northwest Career Colleges Federation</td>
</tr>
<tr>
<td>Dellinger, Jennifer</td>
<td>Schools: community &amp; technical colleges</td>
<td>WA State Board of Community &amp; Technical Colleges</td>
</tr>
<tr>
<td>Mahoney, Katherine</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rockwell, Michele</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Francis, Paul</td>
<td>Schools: public universities</td>
<td>WA Council of Presidents</td>
</tr>
<tr>
<td>Alves, Jason</td>
<td>State government: agency staff</td>
<td>WA Department of Veterans Affairs</td>
</tr>
<tr>
<td>Audette, Heidi</td>
<td></td>
<td></td>
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<tr>
<td>Lozano, Rafael</td>
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<tr>
<td>Schmidt, Peter</td>
<td></td>
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</tr>
<tr>
<td>Austin Hall, Ellen</td>
<td>State government: agency staff</td>
<td>WA Attorney General's Office</td>
</tr>
<tr>
<td>Ball, Mike</td>
<td>State government: agency staff</td>
<td>WA Student Achievement Council</td>
</tr>
<tr>
<td>Collard, Susan</td>
<td>State government: agency staff</td>
<td>WA Department of Licensing</td>
</tr>
<tr>
<td>Papadakis, Eleni</td>
<td>State government: agency staff</td>
<td>WA Workforce Training &amp; Education Coordinating Board</td>
</tr>
<tr>
<td>Bailey, Barbara</td>
<td>State government: elected officials</td>
<td>WA State Senate</td>
</tr>
<tr>
<td>Haler, Larry</td>
<td>State government: elected officials</td>
<td>WA State House of Representatives</td>
</tr>
<tr>
<td>Liias, Marko</td>
<td>State government: elected officials</td>
<td>WA State Senate</td>
</tr>
<tr>
<td>Pollet, Gerry</td>
<td>State government: elected officials</td>
<td>WA State House of Representatives</td>
</tr>
<tr>
<td>Tarleton, Gael</td>
<td>State government: elected officials</td>
<td>WA State House of Representatives</td>
</tr>
<tr>
<td>Zeiger, Hans</td>
<td>State government: elected officials</td>
<td>WA State House of Representatives</td>
</tr>
<tr>
<td>Aultman, John</td>
<td>State government: executive staff</td>
<td>WA Governor's Office</td>
</tr>
<tr>
<td>McCarthy, Clint</td>
<td>State government: legislative staff</td>
<td>WA State Senate Higher Education Committee</td>
</tr>
<tr>
<td>Goss, Ellisa</td>
<td>Students or student advocates</td>
<td>WA Student Association</td>
</tr>
<tr>
<td>Henry, Christina</td>
<td>Students or student advocates</td>
<td>Henry, DeGraff, &amp; McCormick</td>
</tr>
<tr>
<td>Kellison, Julia</td>
<td>Students or student advocates</td>
<td>Northwest Justice Project</td>
</tr>
<tr>
<td>Spenser, Ariel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nepomuceno, Anna</td>
<td>Students or student advocates</td>
<td>UW Tacoma student</td>
</tr>
<tr>
<td>Scott, Martez</td>
<td>Students or student advocates</td>
<td>Former student at a career school in WA</td>
</tr>
<tr>
<td>Sotelo, Lili</td>
<td>Students or student advocates</td>
<td>Columbia Legal Services</td>
</tr>
<tr>
<td>Mattke, Mark</td>
<td>Workforce development (non-school)</td>
<td>Spokane Area Workforce Development Council</td>
</tr>
</tbody>
</table>
Appendix 3: Interview Questions

1. Please tell us about your background, affiliation, involvement, and interests with respect to for-profit degree-granting institutions and private vocational schools in Washington state.

2. This effort is to better understand the existing system of jurisdiction related to these schools and the issues that may be affecting the students attending them. What would you describe as issues associated with these schools and their students? Are there challenges or barriers to addressing these issues? If so, what are they?

3. Are you familiar with the data collection and reporting practices of any of these types of schools? Can you describe any inconsistencies or issues related to data collection and reporting? What information should be collected and reported that is not currently being collected?

4. Data collection, reporting, and measurements used by for-profit degree-granting institutions and private career schools may differ from community and technical colleges; likewise, different state agencies may require the reporting of different data/measurements from the same types of schools. Should those practices be the same? If yes, can you suggest specific changes? If no, why not?

5. What issues do you see associated with guiding and assisting current and prospective students who have questions and concerns?

6. Do you believe an ombuds position serving students of for-profit degree-granting institutions and private vocational schools should be created? If so, do you have an opinion on which state agency should house the ombuds? If yes: what authority or responsibility or role should that position hold?

7. Do you think a collaborative process might be appropriate to address any of the issues we are discussing? (In this context, a collaborative process means a solution-focused dialogue among all the key interests, participating willingly, that is convened and facilitated by a neutral third party). What would you hope could be accomplished in such a process—what would a successful outcome look like?

8. Who would need to be involved to reach and implement a collaboratively-developed set of solutions? Would you/your organization be willing to participate, if appropriate? What issues or rules should be part of the conversation, and which ones should not?

9. Do you think that there is incentive for those who would need to be part of a collaborative process on these issues to participate—to negotiate and seek common ground? What barriers to a collaborative process do you see, and do you see ways around them?

10. What information would be needed to provide a common information base for participants in a potential collaborative process? What entity is best-positioned to provide that information?

11. If a collaborative approach is not appropriate, what (if anything) do you think should happen next?

12. Who do you think it is important that we interview as part of this assessment? Why is it important to speak to him/her?

13. What should we have asked that we did not?

14. Do you have any questions for us?
Appendix 4: Overview of ITT Closure and State Response

As of August 1, 2016, ITT Technical Institute (a publicly-traded private career college operating nationwide) had 662 students enrolled across three campuses in Washington state. On August 25, the U.S. Department of Education (DOE) blocked ITT Tech from receiving federal aid for its students and required ITT to increase its surety bond by 40%.

On August 28, WSAC removed ITT from eligibility to receive state financial aid for the 2016-2017 academic year, notifying students by email three days later. On September 1, WSAC suspended ITT’s ability to enroll additional students at its Washington campuses.

On September 6, ITT Tech closed all campuses nationwide. On September 9, WSAC emailed or mailed letters to all 662 ITT students in Washington, informing recipients of their options for loan recovery or credit transfer, and referring to additional online resources. September 14, WSAC sent a similar message to 489 other students who had attended ITT within the previous 120 days, and emailed additional information to these students through mid-September. WSAC created and maintained a website with information for ITT students, including:

- Contact information for apprenticeship programs, WorkSource Washington, state community & technical colleges, and other higher education institutions in WA
- Procedures for filing fraud complaints with WSAC or the WA Office of the Attorney General
- Links to federal financial aid resources from the DOE, including loan forgiveness procedures
- Upcoming information sessions for ITT students (hosted by schools and other organizations)
- Instructions for ordering transcripts

WSAC worked with the Workforce Board and a number of educational institutions to provide options and support for ITT students wanting to continue their education. WSAC, the Workforce Board, the SBCTC, and a number of individual schools each identified a point person to assist ITT students. Several programs (e.g. Washington Governors University, Seattle Colleges, and Spokane Community Colleges) provided funds for ITT students interested in transferring.

WSAC gave ITT students the option to pursue loan relief or transfer ITT credits to another school. Each school made its own decision on accepting ITT transfer credits; a number of schools declined to accept ITT credits (due to ITT’s lack of regional accreditation), though most of those schools allowed students to earn competency-based credits.

The Ruckelshaus Center finalized its situation assessment protocol after the ITT closure, so did not proactively ask interviewees about ITT. However, a number of individuals mentioned ITT in responses to other questions. Some applauded the state response, particularly praising WSAC and the SBCTC for providing outreach and resources to help students understand their options. However, others expressed disappointment that the state did not take action until after DOE suspended ITT’s federal student aid eligibility—suggesting that the state should be able to take more proactive steps when it becomes aware of problems. Others suggested that state agencies had to be prodded to take action (or take more robust action) even after DOE sanctioned ITT.
### Appendix 5: Summary Comparison of Regulatory Agency Laws (RCWs) and Regulations (WACs)

<table>
<thead>
<tr>
<th>KEY AREAS ADDRESSED</th>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RCW AND WAC AREAS RELATED TO PROGRAM OVERSIGHT</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>DEFINITION:</strong> Describes the type of school regulated by the laws and regulations.</td>
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<td>●</td>
</tr>
<tr>
<td><strong>EXEMPTION:</strong> Relieves schools from some or all of the regulations related to licensure or authorization. Accordingly, exemption criteria differ as they apply to different types of schools. The exemption process could include monitor exempt schools to ensure the criteria that originally made them exempt continues.</td>
<td>●</td>
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<td>●</td>
</tr>
<tr>
<td><strong>WAIVER:</strong> Relieves non-exempt schools from some or all of the regulations related to licensure or authorization. This includes membership in the State Authorization Reciprocity Agreement (SARA) for distance education programs.</td>
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</tr>
<tr>
<td><strong>INITIAL AND RENEWAL APPLICATION:</strong> Provides up-to-date information regarding the program(s), staffing, and financial viability of a school seeking licensure or authorization to operate. This includes frequency of renewal, school visits, steps applicants (including new owners) can take if their application is conditionally approved or denied, related fees, and receipt and display of license or authorization.</td>
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<tr>
<td><strong>SUSPENSION:</strong> Temporarily restricts or prohibits a school from some or all business-as-usual activities due to an identified issue of non-compliance. This includes provisions for when the agency can suspension a school, what activities the school must cease, grace periods for the school to comply, and possible agency intervention or support.</td>
<td>●</td>
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<tr>
<td><strong>APPEAL/HEARING:</strong> Allows a school to challenge an official action, including denial of initial/renewal applications for exemption/licensure/authorization, suspension, and revocation/withdrawal of license or authorization. The appeal process is outlined in 34.05 RCW.</td>
<td>●</td>
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<tr>
<td><strong>PROGRAM CONTENT:</strong> Provides a minimum set of standards a new/updated education program must meet to obtain approval. Includes accreditation; joint regulation; externships/internships, clinical/practicums, and apprentice programs; credit hours and hours; and ongoing program improvement.</td>
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<tr>
<td><strong>DISTANCE LEARNING:</strong> Provides guidance on offering some or all the curriculum for a course of study via the Internet.</td>
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</tbody>
</table>
### KEY AREAS ADDRESSED

<table>
<thead>
<tr>
<th>Section</th>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STAFF QUALIFICATIONS</strong></td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>Provides minimum standards for instructional, support, and administrative staff, including moral character, criteria for ongoing staff improvement, and regular reporting of teaching staff members.</td>
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</tr>
<tr>
<td><strong>EQUIPMENT AND FACILITIES</strong></td>
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</tr>
<tr>
<td>Provides minimum standards for equipment (addressing both adequacy and currency) and facilities (main and auxiliary), including language regarding safety.</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>DATA/REPORTING</strong></td>
<td>•</td>
<td>○</td>
<td>•</td>
</tr>
<tr>
<td>Provides minimum-compliance reporting requirements.</td>
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<td></td>
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<tr>
<td><strong>RECORDS</strong></td>
<td>•</td>
<td>•</td>
<td>•</td>
</tr>
<tr>
<td>Describes the length of time and types of student educational and financial records schools are required to maintain.</td>
<td></td>
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<tr>
<td><strong>COMPLAINT PROCESS (AGENCY ACTIONS)</strong></td>
<td>•</td>
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<td>•</td>
</tr>
<tr>
<td>Provides a process for how agencies respond to student complaints, including clarifying eligible complainants and the process eligible complainant must use to submit a complaint.</td>
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</tbody>
</table>

### RCW AND WAC AREAS RELATED TO INFORMED DECISIONMAKING AND STUDENT PROTECTIONS

<table>
<thead>
<tr>
<th>Section</th>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NOTIFICATION STATEMENT</strong></td>
<td>•</td>
<td>•</td>
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</tr>
<tr>
<td>Provides minimum language schools need to use in statement posted or included in written/publicized documents stating agency licensed or authorized the school to operate.</td>
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</tr>
<tr>
<td><strong>DISCRIMINATION</strong></td>
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</tr>
<tr>
<td>Addresses protections afforded to students in 49.60 RCW (Discrimination—Human Rights Commission).</td>
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<tr>
<td><strong>CATALOG</strong></td>
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</tr>
<tr>
<td>Printed information provided to students that addresses various aspects of enrollment and matriculation, such as availability of financial aid, job placement services, refund policies, staff, and school calendar.</td>
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<tr>
<td><strong>SCHOOL REFUND POLICY</strong></td>
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<td>•</td>
</tr>
<tr>
<td>Describes the policy the school will use for refunding tuition, fees, and other expenses to students.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>STUDENT SERVICES</strong></td>
<td>•</td>
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<td>○</td>
</tr>
<tr>
<td>Services and instructional resources available to assist students, such as admissions, advising and guidance, financial assistance, student records, disability accommodations, placement services, and library.</td>
<td></td>
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</tr>
<tr>
<td><strong>ADMISSIONS</strong></td>
<td>•</td>
<td>•</td>
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</tr>
<tr>
<td>Addresses the minimum processes the school must apply when determining eligibility for enrollment, including minimum educational requirements, testing, and the students' potential for program completion or job placement.</td>
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<td></td>
</tr>
</tbody>
</table>
### Key Areas Addressed

<table>
<thead>
<tr>
<th><strong>Key Areas Addressed</strong></th>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enrollment Agreement</strong>: Refers to a binding agreement between the school and the student describing what the school will provide to the student and associated fees.</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td><strong>Consumer Protection</strong>: Addresses protections in the Consumer Protection Act (RCW 19.86) and additional, protections, if any, afforded to students.</td>
<td>●</td>
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<td>●</td>
</tr>
<tr>
<td><strong>Complaint Process (School Actions)</strong>: Provides guidance to schools on how they must inform students about the complaint process</td>
<td>●</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td><strong>Tuition Recovery Fund</strong>: Establishes a required fund for settling substantiated student complaints. Includes how the school establishes the funds, initial and ongoing maintenance, what the fund can reimburse and for what reasons.</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td><strong>Credit Transfer</strong>: Addresses the extent to which students might transfer credits or hours earned at one school to another school.</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td><strong>Transcripts</strong>: Describes the practice schools must use to provide eligible students with copies of their educational records.</td>
<td>●</td>
<td>●</td>
<td>○</td>
</tr>
<tr>
<td><strong>School Closure</strong>: Describes the policies the school will follow in the event of closure, including notifying the agency and students about opportunities for teach out, tuition refunds, and records maintenance.</td>
<td>●</td>
<td>●</td>
<td>○</td>
</tr>
</tbody>
</table>

- ● Addressed to some extent
- ○ Not addressed
Appendix 6: Detailed Comparison of Regulatory Agency Laws (RCWs) and Regulations (WACs)

### OVERSIGHT

<table>
<thead>
<tr>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DEFINITION OF SCHOOL:</strong> All RCWs and/or WACs provide a definition of school covered by the laws/regulations.</td>
<td>Institutions offering degree-granting programs and/or academic credit.</td>
<td>Institutions of postsecondary study.</td>
</tr>
<tr>
<td>Private vocational school, any school that provides education and training that prepares people for careers.</td>
<td>WACs further define terms used in RCW; only exempts cosmetology schools.</td>
<td>Effectively, only exempts apprentice programs.</td>
</tr>
<tr>
<td>EXEMPTIONS: Relieve schools from some or all of the regulations related to licensure or authorization. Accordingly, Workforce Board and WSAC exemption criteria differ as they apply to different types of schools. Both of these agencies monitor exempt schools to ensure they remain exempt.</td>
<td>Does not include agencies with joint jurisdiction.</td>
<td>WACs further define terms used in RCW; adds exemptions for three additional types of schools.</td>
</tr>
<tr>
<td>WACs further define terms used in RCW; only exempts cosmetology schools.</td>
<td>Does not address joint jurisdiction; nursing programs are only mentioned in authorization letter.</td>
<td></td>
</tr>
<tr>
<td>WAIVERS: Relieve non-exempt schools from some or all of the regulations related to licensure or authorization.</td>
<td>Can waive authorization requirements of in-state schools. Washington is a member of the State Authorization Reciprocity Agreement, which allows the state to accept the out-of-state authorization of distance education programs.</td>
<td></td>
</tr>
<tr>
<td>INITIAL APPLICATION AND RENEWAL: All schools must complete initial and renewal applications and receive approval to operate. Applications cover a variety of areas including minimum programmatic quality, staffing, and school financial stability.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Requirements</strong></td>
<td>Includes specific language.</td>
<td>Includes general language.</td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td>Not addressed.</td>
<td>Includes visits, evaluation, and public comment period.</td>
</tr>
<tr>
<td><strong>School visit</strong></td>
<td>Not addressed.</td>
<td>By agency discretion.</td>
</tr>
</tbody>
</table>

---

1 Workforce Board, Workforce Training & Education Coordinating Board; WSAC, Washington Student Achievement Council; DOL, Department of Licensing; WACs, Washington Administrative Codes; RCW, Revised Code of Washington.
## Situation Assessment of the Regulation of For-Profit Colleges and Private Vocational Schools in Washington

<table>
<thead>
<tr>
<th></th>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Approval/ denial</strong></td>
<td>Applicants denied licensure can address the deficiencies and reapply within 30 days for free.</td>
<td>Conditional authorization may be granted, which allows the school to submit additional information. Applicants denied authorization can reapply within a year for a discounted fee.</td>
<td>Approval language is geared toward individuals and does not address denial. Schools that do not pass renewal inspection are provided time to address deficiencies. License renewal requires verification of the student–teacher ratio.</td>
</tr>
<tr>
<td><strong>Frequency</strong></td>
<td>Annual.</td>
<td>Biennial.</td>
<td>Annual.</td>
</tr>
<tr>
<td><strong>Financial requirements</strong></td>
<td>Includes explicit language for required financial documentation in initial/renewal application, such as a scored credit report and proposed operating budget and business plan.</td>
<td>Includes general language for financial documentation; requires annual audit.</td>
<td>Requires annual audit.</td>
</tr>
<tr>
<td><strong>Fees</strong></td>
<td>Based on tuition income of the school. Issues fee for late filings of Tuition Recovery Trust Fund deposits.</td>
<td>Flat fees.</td>
<td>Flat fees. Issues fees for late renewal.</td>
</tr>
<tr>
<td><strong>New ownership</strong></td>
<td>New owners must reapply. License extension allows a school to continue providing instruction while the application is in process.</td>
<td>New owners must reapply. Temporary certificate of authorization allows a school to continue providing instruction while the application is in process.</td>
<td>New owners must reapply.</td>
</tr>
<tr>
<td><strong>License/ authorization</strong></td>
<td>Must be displayed on the school’s premises in a prominent place.</td>
<td></td>
<td>Must be displayed.</td>
</tr>
</tbody>
</table>

**SUSPENSION:** Temporarily restricts or prohibits a school from some or all business-as-usual activities due to an identified issue of non-compliance.

- Licenses can be suspended for just cause and unfair business practices.
- Stops instruction of new students for up to 30 days.
- Schools can be designated as “at risk” prior to suspension, which allows agency staff to provide support and schools to address issues of non-compliance. If corrected, schools receive a provisional license. Schools can be deemed “at risk” for issues related to financial viability, misrepresentation, decreased enrollment, substantiated complaints, and staff turnover.
- Stops recruitment and enrollment.
- Provides schools the opportunity and time to address issues of noncompliance and have a suspension withdrawn.
- Schools may be provided time to address issues of noncompliance.
## Situation Assessment of the Regulation of For-Profit Colleges and Private Vocational Schools in Washington

<table>
<thead>
<tr>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>APPEAL/HEARING:</strong> Allows a school to challenge an official action, including denial of initial/renewal exemption/licensure/authorization application, suspension, and revocation/withdrawal of license or authorization. Appeal process is outlined in 34.05 RCW.</td>
<td>Additional actions can trigger an appeal.</td>
<td></td>
</tr>
<tr>
<td><strong>PROGRAM CONTENT:</strong> Agencies have the ability to regulate the content of a course of study. Content changes or additions must be approved before they are offered to students. Programs must be reviewed by the school on a regular basis to ensure content is current (program improvement).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reviews and approves all program and course offerings. Does not require institutional accreditation as recognized by U.S. Department of Education as a requirement for program approval or accreditation as a requirement for school approval.</td>
<td>Requires institutions to be accredited or to be in the process of obtaining accreditation. Programs should meet accrediting standards.</td>
<td>Approves curriculum.</td>
</tr>
<tr>
<td>Addresses approval and requirements for externship/internship and clinical/practicum experiences.</td>
<td>Includes specific language on credit hours needed for degrees.</td>
<td>Provides specific language on hours needed for licensure.</td>
</tr>
<tr>
<td></td>
<td>Requires feedback from alumni as part of the program improvement process.</td>
<td>Addresses approval and requirements for apprentice programs, including inspection.</td>
</tr>
<tr>
<td><strong>DISTANCE LEARNING:</strong> Providing some or all curriculum for a course of study via the Internet.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defines distance education, out-of-state school, physical presence, cancellation/refund procedures.</td>
<td>Defines operate in a way similar to WORKFORCE BOARD’s definition of out-of-state school and physical presence.</td>
<td>Restricts content to theory only.</td>
</tr>
<tr>
<td>Addresses sequence of course in catalog.</td>
<td>Addresses the quality of the content, including that it be similar to that of residence programs.</td>
<td></td>
</tr>
<tr>
<td><strong>STAFF QUALIFICATIONS:</strong> All agencies provide minimum criteria for instructional staff, a moral character clause, and criteria for ongoing staff improvement. The criteria for instructional staff credentials differ.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Requires staffing and changes to be reported; addressed issues related to educational support staff and sales agents.</td>
<td>Requires faculty to be graduates of accredited institutions.</td>
<td>Requires staffing and changes to be reported.</td>
</tr>
<tr>
<td>Includes specific language in moral character clause.</td>
<td>Includes specific language for minimum qualifications of administrative staff</td>
<td>Defines instructor; requires they are licensed and that they renew their license every two years. Addresses issues related to educational support staff and student–teacher ratios.</td>
</tr>
<tr>
<td>Includes general language for administrative staff qualifications.</td>
<td></td>
<td>Does not address administrative staff qualifications.</td>
</tr>
<tr>
<td><strong>Workforce Board (Career Schools)</strong></td>
<td><strong>WSAC (Degree-Granting Schools)</strong></td>
<td><strong>DOL (Cosmetology Schools)</strong></td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>------------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td><strong>EQUIPMENT AND FACILITIES:</strong> All agencies provide minimum criteria for equipment (addressing both adequacy and currency) and facilities (main and auxiliary), including language regarding safety.</td>
<td></td>
<td>Includes safety and sanitation standards for licensees and additional disinfection standards for school instructors, apprentice trainers, and students.</td>
</tr>
<tr>
<td>Allows exemptions for auxiliary facilities.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>DATA/REPORTING:</strong> Minimum-compliance reporting requirements.</td>
<td>Requires annual reporting on 14 specific items, including student social security number, birthdate, race, gender, age, disability status, veteran status, and prior education level.</td>
<td>Requires monthly reporting primarily focused on time spent in educational activities; includes reporting of withdrawals, terminations, and leaves of absence.</td>
</tr>
<tr>
<td><strong>RECORDS:</strong> Describes the length of time and types of student educational and financial records schools are required to maintain.</td>
<td>Required to maintain records similar to WSAC, for a lengthy period of time, including transcripts.</td>
<td>Required to maintain records for three years; final records must be shared with the agency.</td>
</tr>
<tr>
<td>Required to maintain records similar to Workforce Board, for a lengthy period of time, including transcripts.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>COMPLAINT PROCESS:</strong> (AGENCY ACTIONS) Provides a process for how agencies respond to student complaints, including clarifying eligible complainants, the process eligible complainant must use to submit a complaint, determining refunds and accessing the tuition recovery fund.</td>
<td>Indicates the agency is the first point of student contact. Includes additional language about who qualifies to register a complaint. Includes language that makes it clear that the student has the right to appeal an agency decision regarding a complaint, as does the school.</td>
<td>Requires students to first access the school’s process. Allows students and instructor trainees to file complaint using the superior or district court.</td>
</tr>
</tbody>
</table>

---

2 For schools with programs on the state’s Eligible Training Provider List, the Workforce Board matches with state wage records to provide a “consumer report” on completion rate, employment rate and wages through the CareerBridge website.
### INFORMED DECISIONMAKING AND STUDENT PROTECTIONS

<table>
<thead>
<tr>
<th>Workforce Board (Career Schools)³</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NOTIFICATION STATEMENT:</strong> A statement included on written/publicized documents stating, at a minimum, the school is licensed or authorized by the agency.</td>
<td>Required on all written/publicized documents.</td>
<td>Requires license to be posted.</td>
</tr>
<tr>
<td>Required on all written/publicized documents. Requires license to be posted.</td>
<td>Required on all written/publicized documents.</td>
<td>Requires license to be posted.</td>
</tr>
<tr>
<td><strong>DISCRIMINATION:</strong> Addresses 49.60 RCW (Discrimination—Human Rights Commission).</td>
<td>Includes broad language regarding discrimination, including accommodations for people with disabilities.</td>
<td>Includes language about making accommodations for people with disabilities.</td>
</tr>
<tr>
<td>Includes broad language regarding discrimination, including accommodations for people with disabilities.</td>
<td>Includes language about making accommodations for people with disabilities.</td>
<td>Not addressed.</td>
</tr>
<tr>
<td><strong>CATALOGS:</strong> Printed information provided to students that addresses aspects of enrollment and matriculation.</td>
<td>Includes general language; many of the WORKFORCE BOARD requirements—such as information about job placement and financial aid—are required elsewhere, but explicitly required in a catalog.</td>
<td>Required, but not prescribed. Does not address job placement or financial aid.</td>
</tr>
<tr>
<td>Includes specific requirements, such as information on job placement and financial aid.</td>
<td>Includes general language; many of the WORKFORCE BOARD requirements—such as information about job placement and financial aid—are required elsewhere, but explicitly required in a catalog.</td>
<td>Required, but not prescribed. Does not address job placement or financial aid.</td>
</tr>
<tr>
<td><strong>SCHOOL REFUND POLICY:</strong> Policy the school will use to refund tuition, fees, and other expenses to students.</td>
<td>Refunds must meet federal guidelines established by the U.S. Department of Education and the standards established by the school’s accrediting association.</td>
<td>Required but not defined.</td>
</tr>
<tr>
<td>Mandates schools to follow a state refund policy when a contract is cancelled and a student withdraws or is terminated from a program, among other minimum requirements outlined in the WAC; individual school policies can include more.</td>
<td>Refunds must meet federal guidelines established by the U.S. Department of Education and the standards established by the school’s accrediting association.</td>
<td>Required but not defined.</td>
</tr>
</tbody>
</table>

³ WORKFORCE BOARD, Workforce Training & Education Coordinating Board; WSAC, Washington Student Achievement Council; DOL, Department of Licensing; WACs, Washington Administrative Codes; RCW, Revised Code of Washington
### Workforce Board (Career Schools)
### WSAC (Degree-Granting Schools)
### DOL (Cosmetology Schools)

#### STUDENT SERVICES: Support services and instructional resources available to students

<table>
<thead>
<tr>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required to include information about the availability of financial aid and job counseling</td>
<td>Required to provide information about student services that usually include admissions, advising and guidance, financial assistance, student records, disability accommodations, placement services, and library</td>
<td>Not addressed.</td>
</tr>
</tbody>
</table>

#### ADMISSIONS: Addresses minimum processes the school must apply when determining eligibility for enrollment.

<table>
<thead>
<tr>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requires schools only enroll students able to work in the field after completion. Testing required, including English language proficiency.</td>
<td>Requires schools only enroll students able to complete the program. Testing required.</td>
<td>Requires schools only enroll students with a high school diploma or GED or who are beyond the age of compulsory education.</td>
</tr>
</tbody>
</table>

#### ENROLLMENT AGREEMENT: A contract between the school and the student describing what the school will provide and the associated fees.

<table>
<thead>
<tr>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required. Includes a list of nine areas that need to be addressed, including cancellation policy, refund policy, how to file a complaint and who to send the complaint to, name of the program and total number of hours to complete it, tuition cost and itemized charges for the training. Also includes a “notice to the buyer” section with information about the legal underpinnings of the enrollment agreement. Students must read the agreement before they sign.</td>
<td>Optional. If an agreement is used, it must be discussed with the student.</td>
<td>Required, not prescribed. Students also sign a contract with licensed salons/shops when earning credit.</td>
</tr>
</tbody>
</table>

#### CONSUMER PROTECTIONS: All students are protected by the Consumer Protection Act (RCW 19.86).

<table>
<thead>
<tr>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Includes just cause language and further defines unfair business practice to include financial aid, accreditation, discrimination, advertising, and “substantial” and “significant” violations.</td>
<td>Further defines false academic credential. RCW and WACs similarly address misrepresentation of credits and soliciting persons to seek/earn such credits.</td>
<td>Includes language addressing violations of unprofessional conduct and the Uniform Regulation of Business and Professions Act. 19.86 RCW was not written specifically to protect students, but could be used by a student who is filing a complaint against a school.</td>
</tr>
</tbody>
</table>

#### COMPLAINT PROCESS: Provides guidance to schools on how they must inform students about the complaint process
### TUITION RECOVERY FUND: A fund established for the purpose of settling student complaints. Required for initial and ongoing licensure and authorization.

<table>
<thead>
<tr>
<th>Establishment</th>
<th>Description</th>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pooled across institutions and administered by the state. Deposits range from a minimum of $305 to a maximum based on tuition and fee revenue. Schools are vested after contributing for 10 years.</td>
<td>Requires initial surety bond of $25,000; thereafter bond amount is based on tuition and fee revenue not to exceed $250,000.</td>
<td>Requires initial surety bond of $10,000; thereafter bond amount is based on annual gross tuition not to exceed $50,000.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Replenishment</th>
<th>Description</th>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td>After payout, requires the affected school, if still in business, to replenish; if the affected school is no longer in business, requires all schools to contribute to replenishment.</td>
<td>Must be reestablished after payout.</td>
<td>Not addressed.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reimburses</th>
<th>Description</th>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition, fees, and other expenses associated with enrollment.</td>
<td>Tuition and fees, not to exceed total liability of the bond.</td>
<td>Unearned prepaid tuition, not to exceed total liability of the bond.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cause</th>
<th>Description</th>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unfair business practice and closure.</td>
<td>Unfair business practice, which could include closure.</td>
<td>No limitations.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### CREDIT TRANSFER: Addresses the extent to which credits or hours earned at one school can be transferred to another.

<table>
<thead>
<tr>
<th>Description</th>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Includes language stating that a school shall not imply that credits earned at their institution are automatically transferrable to another institution.</td>
<td>Requires accreditation; schools exempt from accreditation must file an affidavit showing their credits are transferrable to two other colleges or universities.</td>
<td>Includes language addressing students’ ability to transfer between schools.</td>
<td></td>
</tr>
</tbody>
</table>

### TRANSCRIPTS: Describes the practice schools must use to provide eligible students with copies of their educational records.

<table>
<thead>
<tr>
<th>Description</th>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Situation Assessment of the Regulation of For-Profit Colleges and Private Vocational Schools in Washington

<table>
<thead>
<tr>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requires schools to provide to students in good financial standing a copy of their education record. Requires agency to permanently maintain student transcripts from all closed private vocational schools and furnish transcripts to students upon request.</td>
<td>Requires schools to provide to students in good financial standing a copy of their education record. Requires schools to submit a plan for how they will maintain records after closure. In the event that WSAC believes records may not be accessible, it has authorization to seek a court order to take possession.</td>
<td>Not addressed.</td>
</tr>
</tbody>
</table>

## SCHOOL CLOSURE: Policies the school will follow in the event of closure.

<table>
<thead>
<tr>
<th>Workforce Board (Career Schools)</th>
<th>WSAC (Degree-Granting Schools)</th>
<th>DOL (Cosmetology Schools)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requires schools to notify the agency, take responsibility for teaching out students or refunding tuition, and informing students of those processes. Teach out is encouraged, but not required; if offered, options must be of same quality and content. In the event of a sudden closure, the agency immediately attempts to obtain student records and contact affected students to advise them of their rights to continue and complete their education and training. In some cases, when teach-outs are not available, the agency oversees distribution of funds from the Tuition Recovery Trust Fund to help students recover their financial investment. Addresses data/record requirements that must be submitted to the agency. Further defines closure.</td>
<td>Requires schools to notify the agency, take responsibility for teaching out students or refunding tuition, and informing students of those processes. Teach out is encouraged, but not required. Addresses data/record requirements that must be submitted to agency, including allowing the agency to obtain a court order to maintain the integrity of records.</td>
<td>Not addressed. Includes language allowing students to transfer schools/receive credit toward completing the curriculum.</td>
</tr>
</tbody>
</table>
## Appendix 7: Performance Reporting and Accountability System Utilization

<table>
<thead>
<tr>
<th>Reporting System Usage</th>
<th>Community and Technical Colleges</th>
<th>Private Vocational Schools</th>
<th>For-Profit, Degree-Granting Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Career Schools</td>
<td>Cosmetology Schools</td>
<td></td>
</tr>
<tr>
<td>IPEDS</td>
<td>●</td>
<td>○1</td>
<td>○1</td>
</tr>
<tr>
<td>SBCTC Data Warehouse</td>
<td>●</td>
<td>○2</td>
<td>○2</td>
</tr>
<tr>
<td>Workforce Board Student Data System</td>
<td>○3</td>
<td>●</td>
<td>○3</td>
</tr>
<tr>
<td>Department of Licensing School/Student Portal</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Accréditor Reporting Systems</td>
<td>●</td>
<td>○</td>
<td>●</td>
</tr>
<tr>
<td>WSAC State Aid Reporting</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

### Accountability Mechanisms

<table>
<thead>
<tr>
<th></th>
<th>Community and Technical Colleges</th>
<th>Private Vocational Schools</th>
<th>For-Profit, Degree-Granting Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Career Schools</td>
<td>Cosmetology Schools</td>
<td></td>
</tr>
<tr>
<td>Employment Matching</td>
<td>●</td>
<td>●</td>
<td>○</td>
</tr>
<tr>
<td>Performance Reports</td>
<td>●</td>
<td>●</td>
<td>○</td>
</tr>
<tr>
<td>Federal Scorecard</td>
<td>●</td>
<td>○1</td>
<td>○1</td>
</tr>
<tr>
<td>State Scorecard (CareerBridge)</td>
<td>○3</td>
<td>○3</td>
<td>○3</td>
</tr>
</tbody>
</table>

**Key**
- ● All (or substantially all) regulated entities participate/are required to participate
- ○ At least some regulated entities participate/are required to participate
- ○ No regulated entities participate/are required to participate

**Notes:**
1) If school/program is participating in Title IV federal student aid programs; 2) If school/program is participating in a workforce grant program administered by SBCTC; 3) If school/program is participating in the state Eligible Training Provider List administered by the Workforce Board
## Appendix 8: Comparison of Selected Data Elements Collected by Regulatory Agencies

<table>
<thead>
<tr>
<th>Workforce Board</th>
<th>DOL</th>
<th>SBCTC</th>
<th>WSAC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Student Demographics</strong></td>
<td>Name, contact information, age, race, Hispanic origin, gender, disability, veteran status</td>
<td>Name, contact information</td>
<td>Name, date of birth, gender, race/ethnicity, age, military status, Pell status</td>
</tr>
<tr>
<td><strong>Student Identifiers</strong></td>
<td>Social Security Number</td>
<td>Social Security Number, school identifier, photo ID</td>
<td>Social Security Number, institution identifier, postsecondary student unique identifier, citizenship status, state residency status</td>
</tr>
<tr>
<td><strong>Course Information</strong></td>
<td>Program title, award type, e-learning</td>
<td>Exam area, required clock hours, required exams (written and practical)</td>
<td>Course title, course mode of instruction, course grade, student credit hours attempted, student credit hours earned, academic term, remedial course completion, gateway course completion, e-learning</td>
</tr>
<tr>
<td><strong>Degree/Credential Information</strong></td>
<td>Start date, exit date, credential type, GPA, pass/fail</td>
<td>Start date, completed clock hours</td>
<td>Degree awarded, degree date, cumulative credit hours, cumulative GPA, graduation rate</td>
</tr>
<tr>
<td><strong>Student Metrics</strong></td>
<td>Prior education, enrollment status</td>
<td>Approval/authorization for licensure testing; completion status (leave of absence, terminated, restart, transfer to new school)</td>
<td>Prior colleges attended, retention rate, enrollment status (first-time, transfer, continuing), student intent/degree-seeking status, full time/part-time status, first term academic history, program/major</td>
</tr>
<tr>
<td><strong>Financial Aid</strong></td>
<td>Dependency status, family income, federal financial aid, state financial aid, institutional financial aid, other financial aid, merit-based aid, need-based aid, revenues and expenditures</td>
<td></td>
<td>Dependency status, family income, federal financial aid, state financial aid, institutional financial aid, other financial aid, FAFSA fields, merit-based aid, need-based aid</td>
</tr>
</tbody>
</table>

4 Collected quarterly from institutions participating in state financial aid programs. Other student record-level data is not collected.
### Appendix 9: Case Study of Vocational School Reporting Requirements

Reporting requirements for a small, private vocational school in WA State.
Information provided by senior school official via interview (with email follow-up).

<table>
<thead>
<tr>
<th>Agency/Program</th>
<th>Data Required</th>
<th>Format/Portal Frequency</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOL</td>
<td>Student records, school operations, curriculum, safety, sanitation, post bond for tuition recovery fund.</td>
<td>Online state system and via email. Approximately twice a year on site visit. Usually one is unannounced.</td>
<td>Hours, new students, graduates and withdrawn students input monthly. Yearly, renewal application includes a site visit.</td>
</tr>
<tr>
<td>NACCAS (sample accreditor)</td>
<td>Student records, facilities information, curriculum, student feedback, outcomes, financial statements, financial responsibility calculations,</td>
<td>Outcomes and financial statements yearly. On-site visits 1-6 year cycle based on performance</td>
<td>On-site visits are 1-2 days per campus based on size of the school.</td>
</tr>
<tr>
<td>US Dept. of Education (DOE)</td>
<td>Financial statements (annual) and recertification every three years. IPEDS completion info, financial aid, demographics, financial, staffing levels, aid awarded (not disbursed) to first time post-secondary students. Net Price calculator.</td>
<td>To DOE: yearly and every three years. To IPEDS: (four times/year)</td>
<td>Completion rates measured differently by different entities.</td>
</tr>
<tr>
<td>State Need Grant (SNG—WA legislature &amp; others?)</td>
<td>Application each spring. Reconcile quarterly and year-end report. Format is “unit record report” for students with grant aid and/or Title IV loans. Financial Aid data including COA and aid disbursed.</td>
<td>Annually with applications to participate in the spring, end of the year reporting on results.</td>
<td></td>
</tr>
<tr>
<td>Opportunity Grant (SBCTC)</td>
<td>Auditing, end of year reporting. Some demographic information and completions</td>
<td>Yearly</td>
<td></td>
</tr>
<tr>
<td>Eligible Training Provider List (Workforce Board)</td>
<td>Demographic data, completion data</td>
<td>Online portal</td>
<td>See above. ETPL is basic requirement for state aid but not a guarantee and not sufficient for SNG, Opp Grant. Also covers Title IV students.</td>
</tr>
<tr>
<td>Worker Retraining Program</td>
<td>Application and projection of funds needed in the spring. Completion data including demographics, Auditing, end of year report</td>
<td>Yearly</td>
<td></td>
</tr>
<tr>
<td>U.S. Dept. Veterans Affairs</td>
<td>Funds disbursed, hours earned, satisfactory progress audits</td>
<td>Federal agency online portal for eligibility. On-site file audits of student progress.</td>
<td></td>
</tr>
</tbody>
</table>

*Agencies may use different metrics and/or calculations to measure things like “completion rate.”*
## Appendix 10: Other State Approaches to For-Profit School Oversight and Student Support

<table>
<thead>
<tr>
<th>Goal</th>
<th>Restriction</th>
<th>Integration</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Curtail or limit allowed activities and/or access to state resources</td>
<td>Streamline or consolidate existing regulatory structures and processes</td>
<td>Better inform the public</td>
</tr>
</tbody>
</table>

**Examples From Other States**

- Limit or curtail access to state financial aid
- Increase surety bond for at-risk schools
- Increase alignment of regulations between regulatory agencies to standardize and streamline processes
- Combine overlapping or redundant functions
- Integrate and or/standardize common processes administered by individual agencies or departments
- Align performance measures and reporting practices among all regulated schools
- Implement integrated data systems serving multiple regulatory agencies
- Require outcomes reporting
- Prepare and post online performance “scorecards”
- Prepare informational materials for the public and prospective students
- Develop public education campaigns
- Establish student loan ombuds positions
- Provide support and information to student-serving support and advocacy groups
- Provide a consumer-oriented postsecondary planning/institutional accountability website
### Example States

<table>
<thead>
<tr>
<th>Restriction</th>
<th>Integration</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>MD, OR</td>
<td>OR, NJ</td>
<td>MA, CT</td>
</tr>
</tbody>
</table>
VII. References

General Background/Context


Center for Analysis of Postsecondary Education and Employment, “What’s Next for For-Profit Higher Education?” http://capseccenter.org/whats-next-for-for-profit-higher-education/


Accreditation


Data Use in Postsecondary Education


Washington State Board for Community and Technical Colleges:

- Completions Table Definitions and Codes for Data Elements in the SBCTC Data Warehouse, https://www.sbctc.edu/resources/documents/colleges-staff/data-services/data-warehouse/Completions_000.doc
- Student Achievement Transfer Cohort, https://www.sbctc.edu/resources/documents/colleges-staff/data-services/data-warehouse/SACohortsDataDictionary.xlsx

Situation Assessment of the Regulation of For-Profit Colleges and Private Vocational Schools in Washington

U.S. Department of Education

State Regulation of For-Profits


National Consumer Law Center (June 18, 2014). Ensuring Educational Integrity: 10 Steps to Improve State Oversight of For-Profit Schools. Online: http://www.nclc.org/issues/ensuring-educational-integrity.html


Oversight and Student Support


California Bureau for Private Postsecondary Education, http://www.bppe.ca.gov/


New Jersey Office of the Secretary of Higher Education, “Student Unit Record (Sure) System,”
http://www.nj.gov/highereducation/research/SURE_Overview.shtml

Oregon Higher Education Coordinating Commission, “Higher Education Governance and Funding Structures,”

**Ombuds Positions**


King County, “King County Ombudsman,”


Seattle Public Schools, Ombudsperson,
https://www.seattleschools.org/families_communities/ombudsman

Student Loan Borrower Assistance, Ombudsman Programs,
http://www.studentloanborrowerassistance.org/resources/referral-resource/ombudsman-programs/

Washington State Department of Social and Health Services, Aging and Long-Term Support Administration, “Factsheets,” https://fortress.wa.gov/dshs/adsaapps/about/factsheets/

Washington State Long-Term Care Ombudsman Program, http://www.waombudsman.org/

http://www.atg.wa.gov/open-government-ombuds-function

United States Consumer Financial Protection Bureau, Private Education Loan Ombudsman,
http://www.consumerfinance.gov/students/

United States Department of Education, Federal Student Aid Ombudsman Group,
https://studentaid.ed.gov/sa/repay-loans/disputes/prepare/contact-ombudsman