



STATE BOARD OF CAREER COLLEGES AND SCHOOLS

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STATE BOARD OF CAREER COLLEGES AND SCHOOLS BUDGET TESTIMONY

Presented by: John Ware, Executive Director

Mr. Chairman, members of the Senate Finance Committee, my name is John Ware, Executive Director for the State Board of Career Colleges and Schools. On behalf of the members of the Board, I thank you for this opportunity to present testimony in support of the Fiscal Year ("FY") 2012-2013 budget request for our agency.

The State Board of Career Colleges and Schools is responsible for monitoring and regulating 300 private career schools in the State of Ohio. These schools enroll over 100,000 Ohio students in 1,700 approved programs ranging from two-week certificate programs to four-year baccalaureate degrees. Career colleges and schools provide valuable career and workforce training and generally enroll higher percentages of non-traditional students than are served by other sectors of higher education. According to data compiled by the U.S. Department of Education's National Center for Education Statistics, 74% of students who enroll in accredited career colleges are females, 30% are African-Americans and nearly 60% are age 25 years or older. Average graduation rates for career colleges exceed 45% and placement rates compiled by this agency for FY 2010 show that over 75% of career college students are placed after graduation. In addition to student enrollments, Ohio's career colleges and schools employ over 9,000 faculty and staff and pay wages in excess of \$222,000,000.

The State Board of Career Colleges and Schools fulfills its statutory responsibilities by ensuring that programs, instructors, equipment and facilities are in compliance with sound educational standards as required by the Board's administrative rules. This is accomplished through periodic reviews and site visits conducted by the Board and its staff. Activities of the Board and its staff during FY 2010 included over 200 site visits, 691 new program and degree approvals, 33 new school certificates of registration, 139 renewals for existing certificates of registration, and over 1000 program and degree re-authorizations.

Another part of the Board's oversight of registered schools occurs through the investigation of complaints filed by students or other interested parties. Corrective measures available to the Board range from consent agreements and civil penalties to the revocation of a school's certificate of registration. During FY 2010, the Board initiated 85 preliminary investigations, which included 73 student complaints. The vast majority of these complaints were resolved by the Board by obtaining voluntary compliance from registered schools. In addition to the Board's general school oversight responsibilities, the Board also maintains the Ohio Student Tuition Recovery Fund, financed by assessments to registered schools, that provides tuition recovery options to the students of closed schools.

During the 2010-2011 biennium the Board's budget was reduced by approximately 15% from the Board's FY 2009 funding level of \$572,000. As a result, the Board was forced to reduce the number of school site visits and oversight activities that were conducted. The funding recommended in the Governor's budget and approved by the House for FY 2012-2013 (\$558,658 and \$579,328) will allow the Board to reinstate a number of oversight activities that were curtailed during the last biennium. Despite the increase in funding, the Board's appropriation for FY 2012-2013 will only be slightly above the Board's FY 2009 appropriation.

The funding requested by the Board and recommended by the Governor and approved by the House is necessary to assist the Board in carrying out its statutory obligations that have increased significantly since fiscal year 2000 as the number of program and degree reviews performed by the Board's staff has risen from 548 in FY 2000 to over 1,600 during FY 2010 and the number of schools approved (new and renewals) has also risen from 115 in FY 2000 to 172 in FY 2010.

No fee increases will be necessary to meet the Board's funding request and, in fact, the Board reduced or eliminated a number of fees at the beginning of FY 2010. Despite these fee reductions the Board continues to generate revenue well in excess of its expenditures. During FY 2010 the Board generated \$895,000 in revenue and through the first ten months of FY 2011 the Board has generated over \$1,000,000. Under the Board's current fee structure, revenue for FY 2012 and future fiscal years is conservatively estimated at approximately \$750,000 per fiscal year. Thus, the funds requested for FY 2012-2013 represent the funding necessary to sustain minimum Board activities and should have no impact on current fees, GRF funds, or any excess fee revenue the Board currently has in the 4K9 fund.

In conclusion, the State Board of Career Colleges and Schools shares the philosophy of the Office of Budget and Management who has emphasized the need for "prudent and efficient management" and "restraining the growth of state government." These concepts are not new to the Board. For many years the Board has focused on internal efficiency and budget restraint as evidenced by the fact that the Board's recommended budget for FY 2012 (\$558,658) and FY 2013 (\$579,328) remains lower than the amount appropriated to the Board in FY 1997 (\$584,094).

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