

**Agency:** 354 Workforce Train & Educ Coord Board  
**Decision Package Code/Title:** N5 PVS Enhanced Compliance Monitoring  
**Budget Period:** 2015-17  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

The Workforce Board is requesting an additional 1.0 FTE for the Consumer Protection Unit that licenses and monitors Washington's 300+ private vocational schools. This position is necessary to strengthen onsite visits and compliance monitoring of private vocational schools operating in Washington and to establish a more rigorous monitoring and enforcement program of unauthorized entities potentially operating illegally. This new FTE also supports the overall mission of continuing to provide effective public/consumer protection in the regulation of all private vocational schools delivering educational services to Washington residents. Private vocational schools serve approximately 28,000 Washington students per year in programs offering certificates and other vocational credentials. Recent national and local news coverage and scrutiny of the private vocational school industry makes this request even more significant in ensuring public confidence in state oversight for this educational sector.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	106,000	106,000	212,000
<b>Total Cost</b>	<b>106,000</b>	<b>106,000</b>	<b>212,000</b>
<b>Staffing</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Annual Average</u></b>
FTEs	1.0	1.0	1.0

**Package Description:**

The Workforce Board is requesting an additional 1.0 FTE to hire a Program Specialist to provide increased monitoring and compliance activities for private vocational schools.

The Private Vocational Schools Act, Chapter 28C.10 RCW, governs private vocational schools operating within Washington. The purpose is to protect the public from substandard schools and business practices which are false, deceptive, misleading or unfair, and to provide standards for and to foster and educate private vocational schools to ensure students receive quality education and training services. The main functions are to:

- o Assess and evaluate school applications for licensure.
- o Monitor schools to ensure compliance with state standards.
- o Provide technical assistance and outreach activities to licensed schools to ensure compliance.
- o Investigate student complaints and take appropriate disciplinary action against substandard and fraudulent business practices.
- o Preservation of essential student records.

The agency currently licenses and monitors 317 private vocational schools with a total student enrollment of approximately 28,000 (FY-13 data).

Fiscal Year	Number of Schools	Student Enrollment
FY-10	250	17,355
FY-11	273	22,413
FY-12	280	26,243
FY-13	302	27,540
FY-14	317	NA

The number of new schools approved each year has steadily increased, with a 27% increase in new schools authorized in the last five years, and 58% increase in the number of students attending private vocational schools for the same period. This measureable increase has resulted in increased workload demands of the current 2.4 FTE who are responsible for ensuring schools are operating in compliance and the public is protected from substandard or fraudulent business practices. Despite the rapid growth of the private vocational schools sector, there has been no corresponding change in the number of staff dedicated to the work unit. As the cost of publicly funded colleges and universities rise, the number of private career schools grows, and more veterans utilize education benefits afforded under the G.I Bill, an increasing number of Washington residents will seek private sector higher education and training opportunities that put them on a direct path to the job market through short-term industry certificates and credentials.

An additional FTE for the consumer protection unit would bolster comprehensive compliance and monitoring work to allow more frequent on-site visits to private career schools, increased accountability for the sector, and ensure consumer protection for Washington students.

## **Narrative Justification and Impact Statement**

### ***What specific performance outcomes does the agency expect?***

An additional staff member in the consumer protection unit would allow for more frequent and regular on-site visits of schools applying for a license or renewal, and the ability to be more proactive in investigating claims of unauthorized schools operating in the state.

To ensure schools are properly and regularly monitored, sufficient staff and resources are necessary to implement systematic monitoring activities. Staff already complete a file review of each school, but it is essential they are able to follow-up and verify all self-reported information and data by conducting onsite visits and physical inspections of the school facilities, personnel, administrative records and student files. These activities have been limited because of the increased workload without a corresponding increase in staff. On-going site visits are key to ensuring continued compliance with applicable standards and regulations related to educational programs being offered to the public. In the event of a student complaint about a potential unfair business practice, staff may need to visit the school to examine records, interview personnel and staff, perform other investigative activities, or mediate a dispute.

## **Performance Measure Detail**

### **Activity:**

### **Incremental Changes**

No measures submitted for package

### ***Is this decision package essential to implement a strategy identified in the agency's strategic plan?***

Yes. The agency strategic plan has the goal of building multiple education and training pathways for Washington students, workers and employers. Private vocational schools are one such pathway, with an estimated 28,000 Washington students per year in programs offering certificates and other vocational credentials. This decision package helps ensure a viable private vocational school sector. Recent actions by the federal government toward the private career schools industry (specifically Corinthian Colleges) have increased scrutiny of this sector, as well as public concern regarding the safeguards in place for private vocational school students.

***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

Yes. Results Washington includes the outcome measure of: "Increase the percentage of population enrolled in certificate, credential, apprenticeship and degree programs." Private vocational schools serve approximately 28,000 students per year in programs offering diploma and certificates. Without a vibrant and trusted private vocational school sector, the percentage of residents seeking private vocational programs and training is likely to decline and not serve as a viable pathway for those students seeking short-term training and re-training opportunities.

***What are the other important connections or impacts related to this proposal?***

The key function of any regulatory program is the compliance monitoring and enforcement of its standards and regulations. The purpose of the Private Vocational School Act is to protect students, employers, and the general public, and to educate and foster private vocational schools in complying with financial and consumer protection standards. The private career school industry has experienced rapid growth. There has also been a continuing rise in popularity of career-focused training programs, particularly online programs. Current federal scrutiny of the sector and recent media attention on private vocational schools make it even more critical for the state to have the necessary staff available to protect the public from dubious schools and training programs.

***What alternatives were explored by the agency, and why was this alternative chosen?***

The Board has done extensive work in the last two years to examine and improve the actions and procedures involved in licensing and regulating private vocational schools. Legislation passed in 2014 (HB 2228) extended the Board's consumer protection work to students who are funded by an agency or business (previously they did not have access to the complaint process). The review process for this legislation in 2013 also identified changes to agency practices that resulted in increased protection for students attending private vocational schools. In this work, the Board implemented additional review measures to address a backlog of applications and streamline review procedures that historically have slowed program approval and delivery. However, without additional staffing assistance, the unit cannot provide the level of physical on-site school review, technical assistance, and continued field monitoring necessary to ensure a strong private vocational school sector and consumer protection for students.

***What are the consequences of adopting or not adopting this package?***

Not funding this package will require the agency to provide services that are limited by staffing resources. The number of licensed private vocational schools is expected to continue to increase, as will the number of students attending these schools who expect and deserve protection against deceptive and fraudulent practices. The agency strongly believes in the value of increased compliance monitoring and providing more regular technical assistance to schools to ensure an understanding and application of program standards. Increased efforts and attention focused on conducting regular school visits, compliance reviews, and outreach activities will help protect additional students and prevent situations that could have been avoided with additional resources.

***What is the relationship, if any, to the state's capital budget?***

There is no relationship to the state's capital budget.

***What changes would be required to existing statutes, rules, or contracts, in order to implement the change?***

No changes are required.

***Expenditure and revenue calculations and assumptions***

Expenditures are based on salary and benefits for 1.0 FTE at the position level of Program Specialist 3(107J), Range 52, \$42,588 - \$57,240.

***Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?***

All costs are ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	55,836	55,836	111,672
B Employee Benefits	19,222	19,222	38,444
E Goods\Other Services	22,000	22,000	44,000
G Travel	8,942	8,942	17,884
<b>Total Objects</b>	<b>106,000</b>	<b>106,000</b>	<b>212,000</b>