

HB

256

SENATE COMMITTEE REPORT

DATE: 5/6/97

FURTHER:

DATE TURNED IN TO OFFICE: 5/7/97

Health, Education and Social Services Committee considered HOUSE BILL NO. 256 am

"An Act relating to calculation of the default rate for purposes of the student loan program and to regulation of postsecondary educational institutions; and providing for an effective date."

and recommends:

- | be replaced with _____ CS _____ (_____)
- | adopt previous _____ CS _____ (_____)
- | attached amendment(s)
- | adopt Letter of Intent by _____ Committee
- | further referral to the _____ Committee

Senate Bill:

- | same title
- | new title
- House Bill:**
- | same title
- | technical change
- | new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓	<i>Kevin D. Luman</i>	✓		
<i>Lydia Green</i>	✓				
CHAIR: <i>Campbell</i>	✓				

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Ak Cmsn Postsecondary	4/28/97	✓	

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

→			

| APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

Alaska State Legislature

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Session:

State Capitol
Juneau, Alaska 99801
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Representative Gary L. Davis

MEMORANDUM

TO: Senator Gary Wilken, Chair
Senate Health, Education & Social Services Committee

FROM: Representative Gary Davis 

DATE: May 5, 1997

RE: HB 256, "Regulation of Postsecondary Schools"

.....

I respectfully request that House Bill 256 be scheduled for a hearing at your earliest convenience.

House Bill 256 allows the Alaska Commission on Postsecondary Education to implement regulations to change the fee structure of schools applying for initial authorization to operate and renewal of authorization to operate. The Commission administers the Alaska Student Loan Program and ensures institutions operate within minimum standards.

Attached please find: Sponsor Statement
Sectional Analysis
Fiscal Note, DOE

Thank you for considering this legislation.

Representing House District 8
Soldotna, Sterling, Funny River, Cooper Landing, Hope, Moose Pass, Seward

Alaska State Legislature

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Session:

State Capitol
Juneau, Alaska 99801
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Representative Gary L. Davis

SPONSOR STATEMENT

HB 256

"An Act relating to regulation of postsecondary educational institutions; and providing for an effective date."

HB 256 allows the Alaska Commission on Postsecondary Education to establish, in regulation, fees for the authorization of institutions to operate in the State of Alaska. Current statute imposes a fee structure which the Commission must charge for each application for authorization to operate (\$100) or renewal for authorization to operate (\$100). The current fee structure does not come close to recouping the cost of this function.

Research of 25 similar state approving agencies indicated that rates varied but Alaska had one of the lowest fee schedules of the states surveyed. Through this bill the Commission would have the authority to develop a different method of charging institutions to recover the cost of this program.

The authorization function is primarily to protect students by ensuring institutions operate within minimum standards. These standards are developed and maintained, complaints are investigated and technical assistance is provided to postsecondary schools. The Commission also administers the Alaska Student Loan Program. This bill supports the Legislature's goals and the Administration's directive for state agencies to move toward a "fee for service" basis to fund government operations.

Representing House District 8
Soldotna, Sterling, Funny River, Cooper Landing, Hope, Moose Pass, Seward

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. HB 256

Revision Date: _____

Dept. Affected: Education

Title: An act relating to regulation of postsecondary education institutions and providing for an effective date

BRU: Alaska Commission on Postsecondary Education

Component: Institutional Relations

Sponsor: Representative Gary Davis

Requester: HOUSE (HSS)

COMPONENT SERIAL NO. 212

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	00.0	00.0	00.0	00.0	00.01	00.0
CAPITAL EXPENDITURES						
CHANGES IN REVENUES	00.0	00.0	00.0	00.0	00.0	00.0

FUNDING::

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1007 IA Program Fees	15.0	30.0	30.0	30.0	30.0	30.0
Other: Corp Receipts	(15.0)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)
TOTAL	00.0	00.0	00.0	00.0	00.0	00.0

Estimate of current year (FY97) cost: \$00.0

POSITIONS: None

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The Corporation currently funds the Institutional Authorization (IA) activities from corporate receipts. Through this bill, the Commission would have the authority to develop a method of allocating these costs to beneficiaries of the program, the regulated public. Staff researched the schedules from 25 similar state approving agencies and found that rates varied from \$100 to \$6000. Alaska had the lowest fee schedule of all states surveyed. (Please see attached sheet)

Prepared by: Deborah Craig

Phone: 465-6749

Division: Alaska Commission on Postsecondary Education

Date: 4/28/97

Approved by Executive Director: Diane Barrans

Agency: Alaska Commission on Postsecondary Education

Date: 4/28/97

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Page 1 of 2

INSTITUTIONAL REGULATIONS FEES

CONTINUED FROM PREVIOUS PAGE

A number of states utilized a system of scaled fees which are tied to tuition rates or revenues. We propose the utilization of the sliding scale methodology with minimum and maximum amounts to be set.

AS 14 48 090 imposes a set fee structure which the Commission must charge an institution for each application for authorization to operate (\$100 fee) or renewal of authorization to operate (\$100 fee). These fees do not come close to recouping the actual cost in labor (1.5 employees), preparation and travel for authorization activities. Personnel and travel costs for FY97 total almost \$100,000. In FY96, ACPE collected less than \$2,000 in fees. As the bulk of authorization activity is for renewals, charging a higher fee for initial authorizations would place an additional burden on new businesses with already significant start up costs. The proposed fee structure is intended to place the primary burden on institutions that derive the greatest benefit from the authorization process: institutions seeking reauthorization and gleaning student loan tuition revenues.

The authorization function is primarily one of consumer (student) protection and guardianship of Alaska student loan funds. Minimum standards are developed and maintained, complaints are investigated and technical assistance is provided to schools. Naturally, the proposed fee schedule will seem significant to a population who have received our services essentially for free for many years. Nonetheless, as pressure increases for state agencies to become more cost effective, a fee schedule that charges the entity that benefits and covers at least a portion of the cost to the state is appropriate.

LEGAL SERVICES

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LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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Juneau, Alaska 99801-2105

MEMORANDUM

April 24, 1997

SUBJECT: Sectional Summary of HB 256.

TO: Representative Gary Davis
Attn: Julie

FROM: Michael F. Ford 
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Provides that certain educational programs are exempt and that certain educational programs may be exempted from regulation by the Alaska Commission on Postsecondary Education under AS 14.48.

Section 2. Gives the commission the authority to establish fees for services provided under AS 14.48.

Section 3. Gives the commission authority to revoke, suspend, or condition an authorization or permit issued under AS 14.48. Also allows the commission to impose a civil fine up to \$5,000. Provides for automatic cancellation 30 days after the educational institution ceases to operate.

Section 4. Authorizes the commission to issue orders to halt practices that violate AS 14.48, to award damages, to impose penalties and a civil fine, and to revoke an authorization or permit.

Section 5. Provides that if the commission orders restitution and the person receiving the money owes money to a lender, the person paying the restitution shall pay the lender first. Allows the commission, for good cause, not to pay a lender and to pay the person receiving the award of restitution.

Representative Gary Da

April 24, 1997

Page 2

Section 6. Amends the definition of "authorization to operate".

Section 7. Amends the definition of "education", "educational program or services", "instruction", and "instructional program".

Section 8. Amends the definition of "postsecondary educational institution".

Section 9. Amends the definition of "to operate a postsecondary institution".

Section 10. A transitional provision that allows the commission to charge fees for services.

Section 11. Allows the commission to immediately proceed to adopt regulations.

Section 12. Immediate effective date for sec. 11.

Section 13. Effective date for all sections but sec. 11.

MFF:jdr:glc

97-294.jdr

A M E N D M E N T

Uran.

OFFERED IN THE HOUSE

TO: HB 256

1 Page 1, line 1, following "to":

2 Insert "calculation of the default rate for purposes of the student loan program
3 and to"

4 Page 1, following line 3:

5 Insert a new bill section to read:

6 **** Section 1.** AS 14.43.120(d) is amended to read:

7 (d) Scholarship loans may not be made to a student

8 (1) for more than a total of \$42,500 for undergraduate study;

9 (2) for more than a total of \$47,500 for graduate study;

10 (3) for more than a combined total of \$60,000 for undergraduate and
11 graduate study;12 (4) to attend an institution [,] if the total amount of scholarship loans
13 made to students to attend that institution exceeds \$100,000 and the default rate on
14 those loans is (A) greater than 20 percent but less than 25 percent, and the institution
15 is unable to reduce its default rate within 24 months after the rate determination; or
16 (B) equal to or greater than 25 percent for two consecutive calendar years; for
17 purposes of this paragraph, the default rate shall [ANNUALLY] be determined by the
18 commission for each annual group of [FROM] loans required to be repaid under (g)
19 of this section on or after July 1, 1996; if a scholarship loan is refused based on the
20 provisions of this paragraph and, under a subsequent default rate determination, an
21 institution's default rate does not exceed the limits established under this paragraph,
22 the commission may not refuse to issue a scholarship loan to attend that institution
23 based on the provisions of this paragraph."

1 Page 1, line 4:

2 Delete "Section 1."

3 Insert "Sec. 2."

4 Renumber the following bill sections accordingly.

5 Page 5, line 5:

6 Delete "sec. 2"

7 Insert "sec. 3"

8 Page 5, line 14:

9 Delete "sec. 13"

10 Insert "sec. 14"

11 Page 5, line 15:

12 Delete "Section 11"

13 Insert "Section 12"

14 Page 5, line 16:

15 Delete "sec. 12"

16 Insert "sec. 13"

TONY KNOWLES, GOVERNOR

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

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MEMORANDUM

TO: ALASKA LEGISLATORS
FROM: DEBORAH CRAIG, DIRECTOR OF INSTITUTIONAL RELATIONS
SUBJECT: HB 256 - FEE FOR SERVICE
DATE: 4/23/97

In addition to the management of the Alaska Student Loan Program, the Alaska Commission on Postsecondary Education (ACPE) is responsible for authorizing postsecondary schools to operate in the state of Alaska. The authorization function is primarily one of consumer protection for students. ACPE establishes minimum standards concerning quality of education, ethical and business practices, health and safety, and fiscal responsibility of schools, to protect students against substandard, transient, unethical, or fraudulent practices of institutions.

Alaska Statute 14.48.090 imposes a set fee structure that the Commission must charge an institution for each application for authorization to operate or renewal of authorization to operate, as listed below:

- | | |
|--|-------|
| 1. Initial Authorization to Operate | \$100 |
| 2. Renewal of Authorization to Operate | \$100 |

These fees do not come close to recouping the actual labor (1.5 positions) and associated costs of authorization activities. Personnel and travel costs for FY97 will reach almost \$100,000. In FY96, ACPE collected less than \$2,000. The remaining costs of this function are borne by corporate receipts. Rather than reinvent the wheel on this issue, staff surveyed 25 state approving agencies to gain perspective on the various ways to tie the fee charged to the cost of doing business. The survey showed that fees varied from a low of \$50 to a high of \$6,000. A number of states utilize a system of scaled fees which are tied to tuition rates or tuition revenues.

ACPE is proposing a change in the authorization fee structure. Fees will be tied to a percentage of gross tuition revenue/fees, less refunds and a set fee for less labor intensive services (change of program review, site review, etc.). Minimum and maximum fee thresholds will be established. (See sample on next page.) The bulk of authorization activity is for applications for renewal of authorization. Charging a higher fee for initial authorizations would place an additional burden on new businesses with already significant start up costs. Thus, the proposed fees structure is intended to place the primary burden on institutions that derive the greatest benefit from the authorization process: institutions seeking reauthorization and gleaning student loan revenues. The attached proposed legislation also clarifies the criteria for exemption from the requirement for authorization to operate.

Further, this proposed legislation provides a mechanism for ACPE to recoup a portion of the cost of investigating and adjudicating institutional violations of statute and regulation. Fines would be based on the cost of investigation and adjudication (up to a maximum fine threshold) and assessed only if the commission finds an actual violation has occurred.

Again, the authorization function is one of consumer (student) protection and guardianship of Alaska student loan funds. Naturally, the proposed fee structure will seem significant to a population who have received our services essentially for free for many years. Nonetheless, as pressure increases for state agencies to become more cost effective, a fee schedule that charges the entity that benefits and covers at least a portion of the cost to the state is appropriate.

Comparison of Licensing Fees for Other States

STATE	CODE	INITIAL	RENEWAL	AMENDY	AGENT	SITE CHANGE
Alaska		\$100	\$100	\$0	\$50	\$0
Arizona	*	\$800	600-1400	\$300	\$75	\$300
Arkansas	*	\$300-\$1,300	300-1200	100-250		
Colorado	* +	\$2,000	\$750	\$150	\$150	\$150
Florida	+	\$2,000	\$250		\$100	
Illinois	^	\$500	\$150			
Louisiana	+ ^	\$500	500 plus late fee			
Missouri	^	\$250	250-2500			
Nevada	*	\$1,500		\$500	\$200	
New Mexico	* +	\$500	2%-5000		\$500	
Ohio	* + ^	\$300-\$1,100	200-825	\$200	\$100	\$150
Oklahoma	* + ^	\$750	\$375		\$100	\$250
South Carolina	*	\$100-\$1,000	100-1000	\$50	\$25	\$50
Tennessee	* +	\$2,500	350-8000	Special Fees		
Texas	* + ^	\$1,000-\$2,500	3%+	\$225		\$375
Washington	* + ^	\$250-\$2,500	additional fees charged for special requests			

Code

- * Charges percentage scaled to tuition revenues
- + Charges late fee or annual fee
- ^ Tailors fee to individual requests and has authority to amend fee structure

Sample Fee Structure for Alaska

Initial Authorization and Application Fee - 2 Years	\$1,500
Renewal of Authorization - 3 Years	Min \$500/Max \$2500
	3% of Tuition/Fee Revenue
Change of Ownership	Min \$500/Max \$2500
	3% of Tuition/Fee Revenue
Change of Program or Additional Programs	\$100
Additional Site Inspection	\$100

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INSTITUTIONAL AUTHORIZATION

The purpose of the institutional authorization statutes and regulations is: "to provide for the protection, education, and welfare of the citizens of the state, it's postsecondary educational institutions, and its students . . ." The statutory language delineating this purpose specifically addresses:

1. standards relating to quality of education, ethics, health and safety, fiscal responsibility and the protection against substandard and transient institutions, and unethical, deceptive, or fraudulent practices
2. false or misleading educational credentials
3. the use of academic terminology in institutional designations
4. misleading advertisements, solicitations, literature or representation
5. preservation of essential academic records
6. rights and remedies available to the public and the Alaska Commission on Postsecondary Education for the execution of the statute

Nothing in either the statutes or the regulations is intended either to prohibit or inhibit the operation of any institution or category of institutions, nor is there any intention to stifle or hamper the development of innovative, alternative postsecondary educational delivery systems or programs if they are in the public interest and not in conflict with the purpose of the statute.

The following summary highlights areas of institutional authorization oversight:

- Assurances of compliance with all other statutes, codes, regulations and legal requirements.
- Evidence of accreditation (if any).
- Documentation of compliance with bonding requirements.
- Proof of financial soundness (compilation, review or audited financials, tax documents, etc.) and proof of administrative capability (organizational structure).
- Site safety requirements (accident/liability insurance, Building Safety and Zoning Inspections (where applicable) and Fire Department Inspection).
- Staff qualifications, credentials, hiring standards, policies and procedures.
- Institutional policies and procedures for resolution of student complaints.
- Scope and Sequence (Institutional Catalog, Student Handbook, Enrollment Contract, Schedule of classes, Enrollment/registration forms, Tuition/fee contract, Admission application, Academic record form, Grade reports form, Drop/add form, Fee/tuition schedule, Refund schedule and procedures, Certificate of completion/diploma).
- A copy of the independently administered entrance test with the scoring criteria to be used by the institution to determine an enrolling student's "ability to benefit" from the training offered, if applicable.

(1) \$8,500 to a full-time undergraduate student or \$5,000 to a half-time undergraduate student attending a college or university if the full or half-time student is otherwise eligible under AS 14.43.125;

(2) \$9,500 to a full-time graduate student or \$4,500 to a half-time graduate student attending a college or university if the full or half-time graduate student is otherwise eligible under AS 14.43.125;

(3) \$5,500 to a full-time student or \$2,000 to a half-time student if the full or half-time student is attending a career education program that is at least six weeks in length and is otherwise eligible under AS 14.43.125.

(b) The commission may make a loan for a summer term, even if the total loan for the school year exceeds the limit imposed under (a) of this section if the loan for the summer term is counted against the limit imposed under (a) of this section for the following school year.

(c) The commission shall adopt regulations establishing a minimum amount for which a loan may be made.

History - (sec. 1 ch 98 SLA 1971; am sec. 6 ch 136 SLA 1974; am sec. 1 ch 153 SLA 1978; am sec. 1 ch 89 SLA 1981; am sec. 1 ch 34 SLA 1985; am sec. 1 ch 65 SLA 1986; am sec. 7 ch 43 SLA 1991; am sec. 1 ch 5 SLA 1996)

Sec. 14.43.115. Graduate loans.[Repealed sec. 26 ch 5 SLA 1996].

Sec. 14.43.120. Conditions of loans. (a) Proceeds from a scholarship loan to a full-time student may only be used for books, tuition and required fees, loan origination fees, and room and board. Proceeds from a scholarship loan to a half-time student may only be used for books, tuition and required fees, and loan origination fees.

(b) Scholarship loans may only be used to attend a

(1) career education program operating on a sound fiscal basis that has

(A) operated for two years before the borrower attends; and ✓

(B) submitted an executed program participation agreement as required by the

commission; or

(2) a college or university that

(A) has operated for at least two years before the borrower attends;

(B) is accredited by a national or regional accreditation association recognized by the Council on Postsecondary Accreditation or is approved by the commission;

(C) if the loans are federally insured, is approved by the United States Secretary of Education;

(D) is a degree granting institution; and

(E) has submitted an executed program participation agreement as required by the

commission.

(c) To maintain a loan awarded to a full-time student the student must continue to be enrolled as a full-time student in good standing in a career education program, college, or university that meets the requirements under (b) of this section. To maintain a loan awarded to a half-time student, the student must continue to be enrolled as a half-time student in good standing in (1) a career education program, college, or university in the state that meets the requirements under (b) of this section, or (2) a career education program, college, or university that meets the requirements under (b) of this section, and be physically present in the state while attending the career education program, college, or university. The commission shall adopt regulations defining "good standing" for purposes of this subsection.

(d) Scholarship loans may not be made to a student

(1) for more than a total of \$42,500 for undergraduate study;

(2) for more than a total of \$47,500 for graduate study;

(3) for more than a combined total of \$60,000 for undergraduate and graduate study;

(4) to attend an institution, if the total amount of scholarship loans made to students to attend that institution exceeds \$100,000 and the default rate on those loans is (A) greater than 20 percent but less than 25 percent, and the institution is unable to reduce its default rate within 24 months after the rate determination; or (B) equal to or greater than 25 percent for two consecutive calendar years; for purposes of this paragraph, the default rate shall annually be determined by the commission from loans required to be repaid under (g) of this section on or after July 1, 1996; if a scholarship loan is refused based on the provisions of this paragraph and, under a subsequent default rate determination, an institution's default rate

APR 14 1997

TONY KNOWLES, GOVERNOR

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

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To: Alaska Legislators
From: Deborah Craig, Director of Institutional Relations *D. Craig*
CC: Mr. Ed Neal, Owner, American Computer Institute
Date: 04/14/97
Re: Alaska Computer Institute

This memo is a brief response to the April 7, 1997 letter you were sent by Robb Woodman, director of Alaska Computer Institutes (ACI), Fairbanks and Anchorage.

Very simply, last month, with slightly more than 48 hours notice to either the Commission or their students, ACI, Fairbanks ceased normal operations. The owners of this institution apparently made a budget-based decision to abruptly close without notice and, due to this action lost accreditation by the Accrediting Council for Continuing Education and Training (ACCET). ACPE, although concerned about meaningful institutional accountability, has taken no action to precipitate this occurrence. In response to ACI's announcement, Commissioners focused their immediate attention on the needs of students caught in the closure, ensuring reasonable alternatives or a full refund of student's investment in programs that range in tuition price from \$5,000-\$7,000 for three to four month programs.

ACPE staff is aware that ACI, Anchorage's owner, Ed Neal, has indicated an interest in selling that institution. It is the last of several institutions owned by Mr. Neal in western states that is still in operation. ACCET has placed the Anchorage institution on "show cause" status as a result of "failure...to effectively manage the Fairbanks branch." ACCET also noted the same "pattern of behavior exhibited in the closure of the Arizona Computer Institute" in October of last year. The Commission, however, has received no notice of closure or sale. The Institutional Authorization Committee of the Commission is planning to meet by teleconference on April 16, 1997 to review ACI, Fairbanks' compliance with the consumer protection conditions which the Commission set out last month.

If you are interested in this matter and would like a greater level of detail regarding the status of ACI in Alaska, I would be happy to meet with you or provide written detail at greater length.

APR 8 1997

April 7, 1997

Dear Representative Davis

This letter is written out of concern for the future of postsecondary education in the state of Alaska. I am convinced that our elected senators and representatives are not aware of the current trend and certainly not aware of the impact to our communities of recent steps that have been taken by key administrative staff members of the Alaska Commission on Postsecondary Education (ACPE)

Alaska Computer Institute (ACI) is a private corporation which has served the educational needs of the Anchorage and Fairbanks communities for the last thirteen years. The population of ACI students consists of 30% native Alaskans, 79% women, and 65% other minorities for a total *minority* population of 92%. ACI serves those individuals who are not able to commit to a two- or four-year collegiate program. We train welfare recipients to prepare them for meaningful employment, and we work with both the Department of Vocational Rehabilitation the Job Training and Partnership Act to help people make a new start with their lives.

In March, the management of ACI made the painful decision to begin a teach out in order to close our Fairbanks campus by the end of June. The remaining students were offered the opportunity to participate in teach out classes, transfer to our Anchorage campus with ACI paying transportation costs, get assistance with buying University of Alaska-Fairbanks credits, or negotiating a refund. One student transferred to Anchorage, one student has elected to move out of state, two students remain undecided, and the remaining students are participating in teach out classes

ACI has diligently tried to work with the administrative staff of ACPE in supplying all necessary documentation in order to proceed with our plan. However, it is not clear what is required by key staff members to prevent the closure of the Anchorage campus of ACI and continue the teach out of the Fairbanks students. We have been led to believe that the closure of ACI-Anchorage is eminent and is to take place at an April 16 Institutional Authorization Committee meeting of ACPE.

The loss of Alaska Computer Institute would affect the whole state as we have many students that come in to Anchorage from outlying villages and communities. Vocational training in the state of Alaska is at risk. Where are these people going to go when federal mandates concerning welfare recipients come into play? What about the dreams of the 82 students currently enrolled at ACI? Where do they turn? Who is representing their interests? The staff, faculty, and students of ACI are asking for your help. We hope that you, as a representative of the people of Alaska, understand the severity of our situation and the far reaching consequences to your constituents.

Respectfully yours,



Mr. Robb Woodman, Director
ACI Staff and Faculty

701 E. Tudor Rd., Suite 101
Anchorage, AK 99503



(907) 563-2246
FAX (907) 562-1871



HB 256 - FEE FOR SERVICE

SERVICE: Consumer Protection - Authorization of postsecondary institutions to operate in the state of Alaska within minimum standards

PROTECT: Students purchasing education at postsecondary schools (academic and vocational)

ISSUE: Current fee charged to institutions does not recoup cost to state for service provision

GOAL: Fee for Service (Authorization) to cover partial cost

REQUEST: Support legislation promoting responsible fee structure for service

DIVISION OF INSTITUTIONAL RELATIONS
Institutional Relations

Postsecondary institutions offering programs over 80 hours or 10 days in duration and wishing to participate in the Alaska Student Loan program must be authorized to operate by the ACPE unless exempted as outlined in the bill. Examples of schools authorized to operate in the state are:

Charter College - business

People Count - computer + office

Older Person's Action Group - nurses training

Alaska Technical Training School - auto repair

SST Travel Schools of Alaska

Trendsetters School of Beauty

Take Flight Alaska - commercial pilot

Compass North Nautical School - commercial marine operator

Authorized Schools with FY 95 Awards, Total Revenue

30-Apr-97

School/Facility	FY 95 Awards	Total Outside Source	Total Revenue
University of Hawaii at Manoa	\$0.00	\$19,369,000.00	\$19,369,000.00
Fresno Pacific University	\$0.00	\$4,141,842.00	\$4,141,842.00
Fielding Institute	\$0.00	\$3,944,128.00	\$3,944,128.00
Loma Linda University - School of Health	\$0.00	\$2,367,688.72	\$2,367,688.72
Alaska Pacific University	\$906,525.69	\$775,594.00	\$1,682,119.69
Charter College	\$850,620.23	\$807,734.00	\$1,658,354.23
Alaska Computer Institute, Anchorage	\$1,044,367.54	\$553,489.23	\$1,597,856.77
Sheldon Jackson College	\$517,745.50	\$853,060.00	\$1,370,805.50
Alaska Vocational Technical Center	\$505,764.43	\$664,101.61	\$1,169,866.04
Wayland Baptist University, Alaskan Center	\$195,078.02	\$885,634.00	\$1,080,712.02
Career Academy	\$793,763.18	\$95,000.00	\$888,763.18
SST Travel Schools of Alaska	\$736,977.30	\$75,388.00	\$812,365.30
Hutchison Career Center	\$0.00	\$525,000.00	\$525,000.00
Alaska Technical Training School	\$368,629.22	\$125,614.00	\$494,243.22
Elite Hospitality Training Center	\$385,977.15	\$62,546.85	\$448,524.00
University of LaVerne, Elmendorf AFB	\$137,634.47	\$211,974.99	\$349,609.46
Testing Institute of Alaska	\$226,889.31	\$107,350.00	\$334,239.31
Saint Herman's Theological Seminary	\$63,024.50	\$250,000.00	\$313,024.50
Trend Setters School of Beauty	\$239,496.28	\$41,311.00	\$280,807.28
New Concepts Beauty School	\$133,516.96	\$92,480.16	\$225,997.12
Embry-Riddle Aeronautical University, Elmendorf	\$22,725.00	\$191,328.00	\$214,053.00
Cimarron Tech	\$185,200.50	\$21,750.00	\$206,950.50
Alaska Computer Institute, Fairbanks	\$0.00	\$203,998.89	\$203,998.89
New Frontier Vocational-Technical Center	\$98,420.00	\$96,950.00	\$195,370.00
People Count, Inc.	\$175,316.50	\$15,850.00	\$191,166.50
Central Texas College, Ft. Richardson	\$0.00	\$181,405.35	\$181,405.35
Alaska Technical Center	\$4,343.00	\$170,216.00	\$174,559.00
Center for Employment Education	\$0.00	\$171,670.00	\$171,670.00
University of LaVerne, Eielson AFB	\$0.00	\$171,617.86	\$171,617.86
Older Persons Action Group	\$45,652.00	\$118,200.00	\$163,852.00
Jon Anthony Training Salon, Anchorage	\$143,700.26	\$17,190.00	\$160,890.26
Take Flight Alaska	\$151,888.00	\$0.00	\$151,888.00
SERRC - Alaska Vocational Institute	\$22,775.50	\$116,374.00	\$139,149.50
Alaska Air Academy	\$0.00	\$109,747.00	\$109,747.00
Elmendorf Aero Club	\$67,367.00	\$28,348.00	\$95,715.00
Central Texas College, Ft. Greely	\$0.00	\$95,460.00	\$95,460.00
Gatekey School of Mind/Body Integration Studies	\$24,970.00	\$62,030.00	\$87,000.00
Alaska Flying Network	\$31,613.00	\$29,561.00	\$61,174.00
Academy of Hair Design	\$54,299.62	\$4,500.00	\$58,799.62
Weber State University	\$0.00	\$56,800.00	\$56,800.00
Aero Tech Flight Service, Inc	\$44,440.00	\$8,894.45	\$53,334.45
Valley Academy of Hair	\$47,217.50	\$0.00	\$47,217.50

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School/Facility	FY 95 Awards	Total Outside Source	Total Revenue
Double Header Beauty-Barber Training Center	\$0.00	\$25,183.78	\$25,183.78
Alaska Bible College	\$13,405.50	\$10,448.00	\$23,853.50
Compass North Nautical School	\$0.00	\$20,400.00	\$20,400.00
Metropolis Advanced Training Center	\$0.00	\$19,372.50	\$19,372.50
Double Header Beauty-Barber Training Center	\$0.00	\$18,100.00	\$18,100.00
National Outdoor Leadership School, Alaska	\$0.00	\$17,675.00	\$17,675.00
C.B. & Company Styling Academy	\$0.00	\$17,000.00	\$17,000.00
Grand Illusions Hair Styling Academy	\$11,110.00	\$5,500.00	\$16,610.00
School of Integrating Shiatsu Alaska	\$6,060.00	\$6,858.66	\$12,918.66
Team Cutters Institute of Hair Design	\$808.00	\$12,090.00	\$12,898.00
Loyola University Institute of Ministries	\$0.00	\$9,275.00	\$9,275.00
Western Oregon State College	\$0.00	\$4,975.00	\$4,975.00
Jon Anthony Training Salon, Soldotna	\$0.00	\$450.00	\$450.00
Wildlands Studies Program	\$0.00	\$0.00	\$0.00
Embry-Riddle Aeronautical University, Ft. Wainwright	\$0.00	\$0.00	\$0.00
Central Texas College, Ft. Wainwright	\$0.00	\$0.00	\$0.00
Total Schools: 58	Grand Total:	\$8,257,321.16	\$37,988,155.05
			\$46,245,476.21

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20% under