

**NONPUBLIC POSTSECONDARY
EDUCATION COMMISSION**

ANNUAL REPORT

For

Fiscal Year 2013

Submitted to:

**HOUSE UNIVERSITY SYSTEM OF GEORGIA COMMITTEE
HOUSE AND SENATE EDUCATION COMMITTEES
SENATE HIGHER EDUCATION COMMITTEE**

**William C. Crews, Executive Director
Nonpublic Postsecondary Education Commission
2082 East Exchange Place, Suite 220
Tucker, Georgia 30084-3309**

TABLE OF CONTENTS

Introduction	3
List of Board Members	4
Executive Director’s Comments	5
Organization	6
Activities and Accomplishments	7
Finance	8
Postsecondary Institutions Excluded from Regulation by NPEC...	8
Institutions Authorized in Georgia	9
Miscellaneous Activities	9
Tuition Guaranty Trust Fund Activities and Accomplishments.....	10
Tuition Guaranty Trust Fund Report	11
Exhibit(s):	
A. Directory of Authorized Schools	EXHIBIT A
B. Historical Data and Projections	EXHIBIT B

INTRODUCTION

The Nonpublic Postsecondary Education Commission (NPEC) was created by legislation adopted by the Georgia General Assembly in 1990. On April 10, 1991, the Nonpublic Postsecondary Educational Institutions Act became effective, repealing two earlier laws which had separately provided for state regulatory authority over certificate-granting proprietary schools and degree-granting nonpublic institutions.

The Commission is composed of 14 members appointed by the Governor and confirmed by the Senate. One member is appointed from each congressional district and the remaining member is appointed at-large. The term of office is three years. Two members of the commission are appointed to represent degree-granting nonpublic postsecondary educational institutions and two members are appointed to represent nonpublic postsecondary educational institutions which grant certificates only. The remaining members are not to be employed by or otherwise represent or have an interest in any nonpublic postsecondary educational institution. The Commission meets quarterly or at the call of the chair. During FY 2013, the Commission met four times.

The Commission offices are located in Tucker in the Georgia Student Finance Commission building.

**NONPUBLIC POSTSECONDARY EDUCATION COMMISSION
BOARD MEMBERS
Fiscal Year 2013**

Roy Roberts, Jr., Chair
54 Nunnally Farms Road
Monroe, Georgia 30655
7th Congressional District

Clint G. Hobbs, Vice Chair
P. O. Box 116
Young Harris, Georgia 30582
10th Congressional District

Vacant
1st Congressional District

Milton Raven
215 Mockingbird Drive
Americus, Georgia 31719
2nd Congressional District

Andy Peryam
210 Mockingbird Drive
Sharpsburg, Georgia 30205
3rd Congressional District

Vacant
4th Congressional District

Corinna Magelund
311 Peachtree Hills Avenue
13-A
Atlanta, Georgia 30305
5th Congressional District

Larry Ritchie
2747 Stillwater Lake Lane
Marietta, Georgia 30066
6th Congressional District

Vacant
8th Congressional District

Vacant
9th Congressional District

Claire Pierce
4 Etowah Drive
Rome, Georgia 30161
11th Congressional District

Bonnie Cleland
101 Palmetto Drive
Rincon, Georgia 31326
12th Congressional District

Ron Swofford
4207 Coatsworth Drive
Rex, Georgia 30273
13th Congressional District

V. Nathaniel Hansford
P. O. 244
221 West Church Street
Lexington, Georgia 30648
AT LARGE

EXECUTIVE DIRECTOR'S COMMENTS

National and state educational trends suggest that proprietary education is becoming more acceptable to Georgians who want to obtain a degree, a diploma, or to enhance skills to compete in the job market. Because of this increased public acceptance and demand, Georgia proprietary education is currently a multi-million dollar business. Proprietary institutions offer numerous and diverse educational programs and enroll many students who attend day, evening or weekend classes. Because proprietary colleges and schools are market driven and are able to respond rapidly to work force demands, many students are able to meet their specific educational requirements in a timely manner by attending such colleges and schools.

The Nonpublic Postsecondary Education Commission (NPEC) provides a service to Georgia's citizens by licensing and regulating the operations of for-profit and not-for-profit postsecondary colleges and schools. In Fiscal Year 2013, NPEC authorized and licensed 310 colleges and schools. Of those, 156 colleges were degree granting and 154 institutions were non-degree granting. These educational institutions serve over 130,000 students annually. Increases in the number of proprietary colleges and schools and student enrollment place more regulatory and organizational demands upon NPEC.

The Nonpublic Postsecondary Education Commission will continue to provide careful oversight to ensure that all colleges and schools are academically strong and financially stable. Georgia students are fortunate to have strong proprietary colleges and schools that provide additional options to assist them in meeting their higher educational needs. We are glad they are here to serve our citizens.

ORGANIZATION

This Commission administers the Nonpublic Postsecondary Educational Institutions Act of 1990, providing standards, procedures, and evaluation for the oversight of schools and colleges under the law. The staff reviews and authorizes each identified institution annually, provides student information, handles student complaints, manages school closures and resulting student records, prepares required publications and grants exemptions as applicable. In addition, the staff proposes new or revised standards, procedures, and regulations which are submitted to the Commission for approval in response to changing laws, needs and circumstances.

NONPUBLIC POSTSECONDARY EDUCATION COMMISSION ACTIVITIES AND ACCOMPLISHMENTS

Authorization Procedures

In keeping with one of NPEC's highest priorities, all colleges and schools are visited by their assigned NPEC Standards Administrator during the annual renewal process. The purpose of the annual review is to determine if the institution continues to meet NPEC standards. Most institutions receive at least one other visit during the year. Some visits are unannounced while other visits are in response to specific complaints or other identified problems.

New institutions required to be authorized by NPEC and current institutions seeking new program additions are visited not only by the Standards Administrator, but also by a consulting team of experts in the particular field of instruction. The purpose of these visits is to ensure that the applying institution has adequate facilities, equipment, personnel and academic programs to comply with the NPEC standards.

Maintenance of Students Academic Records

NPEC continues to place emphasis on the requirement that authorized schools maintain student academic records in a prescribed format, so that it is possible to transfer the records to the state with a minimum of difficulty in the event the school closes. State law mandates such transfer to the state, and schools are required to agree in writing to provide the student records in the event of closure. One NPEC staff member is assigned the responsibility of obtaining individual transcripts on request from students who attended previously closed schools.

Student Complaints

NPEC regards the prompt resolution of complaints from students as being a high priority of the agency. Standards Administrators consult with appropriate school officials upon receipt of complaints, and visit institutions as needed to resolve them.

Closed Institutions

In FY 2013, sixteen NPEC authorized institutions closed, entered a teach-out or ceased enrolling students. During each of the closings, NPEC staff worked closely with the institution's students, staff and other colleges or schools to provide the students with a teach-out or the opportunity to finish their program of study.

Finance

Fees for annual authorization are based on gross tuition received by a school during its most recently completed fiscal year. In addition, several fees are based on specific services performed by NPEC, such as charges for forms and other printed materials, fees for evaluation of proposed new programs and schools seeking initial authorization. Collections for FY 2013 were \$1,806,183.

NPEC's appropriation for its annual operating budget for FY 2013 consisted of \$1,047,444 in state funds. No federal funds are received.

Postsecondary Institutions Excluded from Regulation by NPEC

Under existing state statute, certain postsecondary institutions are excluded from NPEC licensure. All state operated higher education institutions are exempt. Furthermore, there are specific exemptions identified in O.C.G.A. 20-3-250.3 which include approximately 30 private colleges and universities.

Licensing Boards under the Georgia Secretary of State regulate other specific occupational schools and educational institutions, such as cosmetology, nursing, barbering and real estate. The Georgia Department of Public Safety regulates truck driving schools located in the state. Additionally, as identified in Exhibit III, there are 60 religious institutions that are exempt from state licensure. Annually, each religious institution must demonstrate to NPEC that the institution: only grants religious degrees, accepts no federal or state funds, and accepts no students who have federal or state loans.

INSTITUTIONS AUTHORIZED IN GEORGIA

Category	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Degree Colleges	131	140	148	162	156
Non-Degree Colleges	134	128	137	139	154
Total	265	268	285	301	310

MISCELLANEOUS ACTIVITIES FOR FY 2013

In addition to authorizations and renewals, other NPEC functions include providing applications, student transcripts, information, handling and responding to complaints. A summary of these activities since FY 2009 is as follows:

ACTIVITY	FY 2009	FY 2010	FY 2011	FY 2012	2013
New School Applications Processed	23	13	21	29	24
Student Transcript Requests	634	868	1118	1102	741
Student Complaints Investigated	74	55	60	45	34

TUITION GUARANTY TRUST FUND ACTIVITIES AND ACCOMPLISHMENTS

Beginning in July 1992, authorized institutions began to make annual payments to the Tuition Guaranty Trust Fund (TGTF), which is designed to provide a teach-out or reimbursement to students at institutions which close and fail to honor commitments to complete the students' programs of study. The Commission adopted a fee structure, based upon one-tenth of one percent of the institutions' annual gross tuition receipts. The TGTF serves as an insurance pool of funds available for students of closed institutions.

The following chart reflects activities of the fund since Fiscal Year 2009.

**TUITION GUARANTY TRUST FUND
Annual Report**

	<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 11</u>
Beginning Fund Balance \$	2,174,983	2,213,921	2,392,246	2,488,459	2,750,771
Receipts to Fund:					
Fees From Schools	130,306	133,670	202,105	242,938	238,430
Bond Proceeds		229,192		50,000	
Total Interest Earned	26,669	6,126	4,420	3,057	4,327
Net Receipts	156,975	368,988	206,546	295,995	242,757
Payment from Fund Administrative Expense and Refunds:					
School Closing Expense					(52,556)
School Records Teach-out	(6,826)	(9,705)	(9,482)	(9,848)	(9,670)
				(23,835)	(1,655)
Refunds	(111,211)	(180,957)	(100,830)	-	(21,372)
Total Payments	(118,037)	(190,662)	(110,312)	(33,683)	(85,253)
Ending Fund Balance \$	2,213,921	2,392,246	2,488,459	2,750,771	2,908,276