

**NONPUBLIC POSTSECONDARY  
EDUCATION COMMISSION**

**ANNUAL REPORT**

**For**

**Fiscal Year 2014**

Submitted to:

**GOVERNOR NATHAN DEAL  
HOUSE AND SENATE EDUCATION COMMITTEES  
HOUSE AND SENATE HIGHER EDUCATION COMMITTEES**

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## **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 15 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 2014, 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 2014**

**Corinna Magelund, Chair**  
5<sup>th</sup> Congressional District

**Clint G. Hobbs, Vice Chair**  
10<sup>th</sup> Congressional District

**Vacant**  
1<sup>st</sup> Congressional District

**Milton Raven**  
2<sup>nd</sup> Congressional District

**Andy Peryam**  
3<sup>rd</sup> Congressional District

**Vacant**  
4<sup>th</sup> Congressional District

**Vacant**  
6<sup>th</sup> Congressional District

**Roy Roberts, Jr.**  
7<sup>th</sup> Congressional District

**Vacant**  
8<sup>th</sup> Congressional District

**Vacant**  
9<sup>th</sup> Congressional District

**Claire Pierce**  
11<sup>th</sup> Congressional District

**Bonnie Cleland**  
12<sup>th</sup> Congressional District

**Ron Swofford**  
13<sup>th</sup> Congressional District

**V. Nathaniel Hansford**  
AT LARGE

## EXECUTIVE DIRECTOR'S COMMENTS

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National and state educational trends suggest that proprietary education have become 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 a multi-million dollar enterprise. Proprietary institutions offer numerous and diverse educational programs and enroll many students who attend day, evening, weekend classes and on-line. 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 authorizing and regulating the operations of for-profit and not-for-profit postsecondary colleges and schools. The growth of nonpublic postsecondary educational institutions continues to grow at a modest pace. From FY 2013 to FY 2014 the number of institutions grew at a rate of 4%, which is in keeping pace with the average annual percentage rate of 4% since FY 2004. In FY 2014, NPEC authorized 322 colleges and schools. Of those, 163 institutions were degree granting and 159 institutions were non-degree granting. These educational institutions serve over 110,000 students annually.

During FY 2014, NPEC made great strides in redesigning its website and creating an integrated data-base which will allow nonpublic postsecondary institutions to renew their authorization on-line. The website will become operational in early FY 2015 and the integrated data-base project should be operational by the end of FY 2015.

Additionally, during FY 2014, NPEC along with the University System of Georgia, the Technical College System of Georgia and the Georgia Independent College Association agreed in principal to participate in the State Authorization Reciprocity Agreement (SARA). SARA is a nationwide initiative to encourage reciprocity agreements between the states regarding distance education programs. NPEC would serve as the "portal" agency once the final agreement is made in Georgia. The final agreement would likely be signed in FY 2015

The Nonpublic Postsecondary Education Commission will continue to provide careful oversight to ensure that all nonpublic colleges and schools are academically sound and financially stable.

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## **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 2014, nineteen 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 2014 were \$1,767,984.

NPEC's appropriation for its annual operating budget for FY 2014 consisted of \$767,988 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.

## INSTITUTIONS AUTHORIZED IN GEORGIA

Category	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Degree Colleges	140	148	162	156	163
Non-Degree Colleges	128	137	139	154	159
Total	268	285	301	310	322

## MISCELLANEOUS ACTIVITIES FOR FY 2014

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 2010 is as follows:

ACTIVITY	FY 2010	FY 2011	FY 2012	FY 2013	2014
New School Applications Processed	13	21	29	24	32
Student Transcript Requests	868	1118	1102	741	832
Student Complaints Investigated	55	60	45	34	35

## **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 2010.

**TUITION GUARANTY TRUST FUND**  
**Annual Report**

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>
<b>Beginning Fund Balance</b> \$	<b>2,213,921</b>	<b>2,392,246</b>	<b>2,488,459</b>	<b>2,750,771</b>	<b>2,908,276</b>
Receipts to Fund:					
Fees From Schools	133,670	202,105	242,938	238,431	305,592
Bond Proceeds	229,192		50,000		
Total Interest Earned	6,126	4,420	3,057	4,327	3,183
Net Receipts	368,988	206,546	295,995	242,758	308,775
Payment from Fund					
Administrative Expense					
and Refunds:				(52,556)	(47,136)
School Closing Expense					
School Records	(9,705)	(9,482)	(9,848)	(9,670)	(8,167)
Teach-out			(23,835)	(1,655)	(2,400)
Refunds	(180,957)	(100,830)	-	(21,372)	(32,090)
Total Payments	(190,662)	(110,312)	(33,683)	(85,253)	(89,794)
<b>Ending Fund Balance</b> \$	<b>2,392,246</b>	<b>2,488,459</b>	<b>2,750,771</b>	<b>2,908,276</b>	<b>3,127,257</b>

**EXHIBIT A**  
**Exempt Institutions [O.C.G.A. § 20-3-250.6 (c)]**

The following institutions provided the commission with an audited financial statement as prescribed by the O.C.G.A. § 20-3-250.6 (c) for FY 2014:

Agnes Scott College  
Andrew College  
Augusta Area Dietetic Internship  
Berry College  
Brenau University  
Brewton-Parker College  
Carver Bible Institute and College  
Clark Atlanta University  
Columbia Theological Seminary  
Covenant College  
Emmanuel College  
Emory University  
Georgia Military College  
Grady Health System  
Interdenominational Theological Seminary  
LaGrange College  
Life University  
Mercer University/Macon  
Morehouse College  
Oglethorpe University  
Piedmont College  
Point University  
Reinhardt University  
Savannah College of Art and Design  
Shorter University  
Spelman College  
Thomas University  
Toccoa Falls College  
Truett McConnell College  
Wesleyan College  
Young Harris College

The following institutions did not provide the commission with an audited financial statement as performed by an independent certified public accountant as prescribed by the O.C.G.A. § 20-3-250.6 (c) for FY 2014.

Morris Brown College  
Paine College