

**NONPUBLIC POSTSECONDARY  
EDUCATION COMMISSION**

**ANNUAL REPORT**

**For**

**Fiscal Year 2015**

**Submitted to:**

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

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## **INTRODUCTION**

The Georgia Nonpublic Postsecondary Education Commission (GNPEC/Commission) was established by legislation enacted in 1990. The Commission staff began operation on April 10, 1991 and the first Commission members were appointed in 1992. Prior to the creation of GNPEC, the state Department of Education was responsible for regulating nondegree-granting schools (under the Proprietary School Act) and degree-granting schools (under the Postsecondary Educational Authorization Act). The Commission's Act repealed this earlier statutes and consolidated regulatory authority in the Commission.

The Commission, known as the Board of Commissioners, is comprised of 15 members appointed by the Governor and confirmed by the Senate. The members are appointed for three year terms of office and may serve two terms consecutively. The 1990 Act specifies the Commission must include a member from each of the state's 14 Congressional districts and one at-large member. Two of the Commission members must be appointed to represent degree-granting institutions and two members must represent institutions granting only certificates (that is nondegree-granting institutions). The remaining members are not to be employed by or otherwise represent or have an interest in any nonpublic postsecondary educational institution. The Commission is required to meet at least quarterly, or at the call of the chair. During FY 2015, the Commission met four times.

The GNPEC offices are located in Tucker in the Georgia Student Finance Commission building. The Commission is attached to the Georgia Student Finance Commission for administrative purposes *only*.

**NONPUBLIC POSTSECONDARY EDUCATION COMMISSION  
BOARD OF COMMISSIONERS  
Fiscal Year 2015**

**Shelley C. Nickel, *Chair***  
6<sup>th</sup> Congressional District

**Norma Nunez-Cortes**  
12<sup>th</sup> Congressional District

**Martha T. Nesbitt, *Vice Chair***  
9<sup>th</sup> Congressional District

**Karen Gilbert**  
13<sup>th</sup> Congressional District

**Victoria Agyekum**  
1<sup>st</sup> Congressional District

**Alexander “Whit” Whitaker IV**  
14<sup>th</sup> Congressional District

**Milton Raven (*deceased*)**  
2<sup>nd</sup> Congressional District

**Clinton G. Hobbs**  
AT-LARGE

**Robert Lee Todd IV**  
3<sup>rd</sup> Congressional District

**Deb S. Wade**  
4<sup>th</sup> Congressional District

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

**Toby R. Hinton**  
7<sup>th</sup> Congressional District

**Holly C. Kirbo**  
8<sup>th</sup> Congressional District

**Ryan D. Worsley**  
10<sup>th</sup> Congressional District

**Arthur D. Vaughn**  
11<sup>th</sup> Congressional District

**TUITION GUARANTY TRUST FUND  
BOARD OF TRUSTEES  
Fiscal Year 2015**

**Shelley C. Nickel, *Chair***  
6<sup>th</sup> Congressional District

**Martha T. Nesbitt, *Vice Chair***  
9<sup>th</sup> Congressional District

**Deb S. Wade**  
4<sup>th</sup> Congressional District

**Toby R. Hinton**  
7<sup>th</sup> Congressional District

**Karen Gilbert**  
13<sup>th</sup> Congressional District

## EXECUTIVE DIRECTOR'S COMMENTS

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I am pleased to present the Nonpublic Postsecondary Education Commission's Annual Report for Fiscal Year 2015. During Fiscal Year 2015 the agency experienced a change in leadership. William C. Crews served as the Executive Director for the Commission from November 1998 until his retirement in December 2014. I was appointed by Governor Nathan Deal as the new Executive Director and assumed the position in January 2015. At that time the agency staff included a Deputy Director, four standards administrators, and an office manager. We now have an additional standards administrator along with an administrative assistant.

The Nonpublic Postsecondary Education Commission (NPEC/Commission) provides a service to Georgia's citizens by authorizing and regulating the operations of for-profit and not-for-profit postsecondary colleges and schools. In FY 2015, NPEC authorized 310 colleges and schools. Of those, 156 institutions were degree granting and 154 institutions were non-degree granting. These postsecondary educational institutions serve more than 110,000 students annually.

During my first six months the Commission made improvements in several areas. Our agency legislation (HB 353) successfully passed the General Assembly and was signed into law by the Governor. The legislation updated areas of the agency code section that needed further clarification or to eliminate requirements that no longer served a purpose. Furthermore, it improved efficiency and the quality of oversight of institutions. By way of HB 353, NPEC assumed a new function as the complaint entity for students attending postsecondary education institutions in Georgia that are otherwise exempt. This satisfies a 2013 federal financial aid law and regulation. Another accomplishment I am proud to report is that NPEC completed a state performance audit with high marks in the recommended improvement areas. The Commission approved revisions to its Minimum Standards and we implemented a financial viability assessment of authorized institutions.

NPEC led the effort for Georgia to participate in the State Authorization Reciprocity Agreement (SARA), which is a milestone for postsecondary education access in Georgia. The State Authorization Reciprocity Agreement is an agreement among member states, districts and territories that establishes comparable national standards for interstate offering of postsecondary distance education courses and programs. It is intended to make it easier for students to take online courses offered by postsecondary institutions based in another state. SARA is overseen by a National Council and administered by four regional education compacts. NPEC will serve as the "portal" agency for SARA in Georgia. In coordination with the University System of Georgia, the Technical College System of Georgia, the Georgia Independent College Association and the Office of Attorney General of Georgia, NPEC began extensive work on the SARA application and was approved to join SARA in October 2015.

During FY 2015, NPEC continued development of its website and integrated database which allows nonpublic postsecondary institutions to apply and renew their authorization online. In late FY 2015, authorized institutions were able to submit renewals online. In August 2015, we began accepting initial authorization applications online. Further advancements to the website and integrated database will be implemented throughout FY 2016.

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, by 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 Board of Commissioners for approval in response to changing laws, needs and circumstances.

## **MISSION**

Ensure that each authorized nonpublic postsecondary educational institution doing business in Georgia is educationally sound and financially stable.

## **VISION**

Promote excellence and systematic improvement in the regulation of nonpublic postsecondary educational institutions in Georgia.

## **CORE VALUES**

The agency provides the critical consumer protection functions of assuring prospective and enrolled students that the schools regulated meet minimum standards and assuring prospective employers that graduates have acquired appropriate job skills.

# **NONPUBLIC POSTSECONDARY EDUCATION COMMISSION ACTIVITIES AND ACCOMPLISHMENTS**

## **Evaluation of In-State Physical Facilities**

In keeping with one of NPEC's highest priorities, all in-state institutions are visited by their assigned NPEC Standards Administrator during both the initial authorization and the annual renewal process. In addition to the Standards Administrator, an expert or team of experts who are specialized in the particular field instruction offered at the institution often review the program content and the associated physical facility components. The purpose of these visits is to ensure that the institution has adequate facilities, equipment, records, personnel and academic programs to comply with the NPEC standards. While site visits typically take place once a year, an institution may receive additional NPEC visits in response to specific complaints or other identified problems. These visits may be announced or unannounced.

## **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 2015, thirty-one 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 institutions to provide the students with the opportunity to finish their programs of study either at the school to be closed or at another institution.

## **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 2015 were \$1,658,518.

NPEC's appropriation for its annual operating budget for FY 2015 consisted of \$787,683 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. Beulah Heights University and Luther Rice College and Seminary were added to the exempt category following O.C.G.A. changes adopted by the General Assembly which became effective July 1, 2015.

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

<b>CATEGORY</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
Degree Colleges	148	162	156	163	156
Non-Degree Colleges	137	139	154	159	154
Total	285	301	310	322	310

## MISCELLANEOUS ACTIVITIES FOR FY 2015

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 2011 is as follows:

<b>ACTIVITY</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
New School Applications Processed	21	29	24	32	24
Student Transcript Requests	1118	1102	741	832	601
Student Complaints Investigated	60	45	34	35	56

## **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.

Beginning in April 2015, the Commission implemented a rigorous financial viability assessment of authorized institutions to ensure that teach-outs and student reimbursements were minimized from the Tuition Guaranty Trust Fund. From May through June 2015 the Commission completed 11 financial viability assessments; approving or conditionally approving 8 and requesting additional financial information from 3 institutions.

The following chart reflects activities of the fund since Fiscal Year 2011.

**TUITION GUARANTY TRUST FUND  
ANNUAL REPORT**

	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>
<b>Beginning 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>
<u>Receipts to Fund</u>					
Fees From Schools	202,105	242,938	238,431	305,592	236,243
Bond Proceeds	-	50,000	-	-	-
Total Interest Earned	4,420	3,057	4,327	3,183	4,233
Total Receipts	206,546	295,995	242,758	308,775	240,475
<u>Payments from Fund</u>					
Administrative Expense	-	-	(52,556)	(47,136)	(2,828)
School Closing Expenses:					
Storage of Records	(9,482)	(9,848)	(9,670)	(8,167)	(8,007)
Teach Out of Students	-	(23,835)	(1,655)	(2,400)	(26,731)
Refund of Tuition	(100,830)	-	(21,372)	(32,090)	(33,750)
Total Payments	(110,312)	(33,683)	(85,253)	(89,794)	(71,316)
<b>Ending Fund Balance</b> \$	<b>2,488,459</b>	<b>2,750,771</b>	<b>2,908,276</b>	<b>3,127,257</b>	<b>3,296,416</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 2015**:

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  
Paine College  
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 2015**.

Morris Brown College