



State of Rhode Island and Providence Plantations
RHODE ISLAND BOARD OF EDUCATION
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Eva-Marie Mancuso, Esq.
Chair

January 30, 2015

**Council on Elementary and
Secondary Education**

TO: Members of the Council on Postsecondary Education

Patrick Guida, Esq.
Chair

FROM: Jim Purcell, Ed.D., Commissioner of Postsecondary Education

Amy Beretta, Esq.

SUBJECT: Discussion Related to the Increase of Fees Associated with the
Application and Annual Renewal of Approval to Operate for Proprietary
Schools

Colleen A. Callahan, Ed.D.

Karin Forbes

Description of Problem

The Office of the Postsecondary Commissioner is responsible for the review, approval and continuous oversight of proprietary schools that are operated for the purpose of providing training for business, trade, technical, industrial or other occupations in Rhode Island. The fees for the initial approval process as well as the annual reapprovals have not been increased for many years and are significantly below the level of our neighboring states' authorizing agencies. The fees are currently set at \$1,000 for the initial approval process and \$100 for the schools' annual reapprovals. The funds are taken into the state's general funds rather than being held for the underwriting of costs of the monitoring and approval process.

Jo Eva Gaines

Lawrence Purtill

Lt. Col. (Ret.) Mathies J. Santos

Joyce L. Stevos, Ph.D.

**Council on Postsecondary
Education**

Overview of the Approval Process

The pre-application process requires significant examination of the financial proposal submitted by the entity. The Office provides that its CPA staff makes an assessment of the financial condition of the proposed school to determine that the entity has the ability to provide its training for at least its first business cycle.

Michael Bernstein
Chair

Once this level of financial viability is acceptable, the academic staff works significantly with the new entity to review such items as:

Antonio Barajas, M.D.

Dennis Duffy, Esq.

The Honorable Thomas Izzo

Judy Ouellette

Kerry I. Rafanelli, Esq.

John J. Smith, Jr.

Dr. Jeffery A. Williams

- Personnel information for the proposed school's chief administrator and all instructors
- Proposed catalogs, circulars, applications forms and student enrollment agreement forms
- Schedule of proposed tuitions and fees
- Proposed calendar for a complete year showing semesters or terms, normal enrollment dates, vacation periods and holidays
- Proposed curriculum for each program, showing content of courses to be taught and types of knowledge and skills to be learned
- Proposed certificate or diploma formats to be used
- Proposed forms to be used for record maintenance purposes
- Proposed advertising and other promotional materials
- Business plan for the school

The staff also examines any lease agreements pertaining to instructions or other physical facilities, certifications from the deputy fire marshal and local building inspectors and state health department, certifying letter from the State Building Commission indicating compliance with Americans with Disabilities Act and all applicable federal and state statutes. The academic staff also examines the initial collaboration with one or more currently approved institutions to create a teach-out plan. In addition the Office's academic staff performs a site visit to inspect all physical facilities.

Once all of the initial compliance activities have successfully occurred, the OPC brings the proprietary school's application to the Council on Postsecondary Education for approval. After approval from the CPE is secured, the OPC maintains oversight of the school's operations and provides guidance as needed.

Survey of Neighboring States

Massachusetts charges \$2,500 for the initial approval process for a for-profit school with the not-for-profit school fee at \$1,250. Connecticut's fees are \$2,000 for this initial application for all schools regardless of tax status. The annual recertification fees are 0.49% of the school's annual adjusted gross income (minimum fee of \$250) for either school category in Massachusetts and \$200 for schools in Connecticut with an additional \$200 for each branch location. There are additional fees for these schools in Connecticut as well as the annual recertification fees including a \$500 annual out of state school representative fee.

Recommended Fee Structure for Rhode Island

- Initial Application Fee: \$2,000
- Annual Renewal Fee: \$200
- Change of Ownership: \$1,000

CPE Discussion and Approval

This information is presented for discussion amongst Council members and interested campus representatives. The fee structure and related revisions to the *Regulations Governing Proprietary Schools in Rhode Island* will be presented for CPE approval at its April 1, 2015 meeting.