



WICHE Cooperative for Educational Technologies

The Risks of Non-Compliance

Friday, October 14, 2016

Presenters

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Overview

- Risk of Non-Compliance . . .
 - From a state regulator's perspective
 - From an attorney's (and former regulator's) perspective
 - From a student's perspective
 - From an institution's perspective
- Getting institutional buy-in for compliance

Quote from Michael Goldstein Cooley LLP

“Deciding whether to enter a market virtually is no different from deciding whether to build a branch campus – what are the relative costs and benefits.”

“Hopefully, no one looks at this conversation as leading to measuring the cost of non-compliance (versus refusing to enroll learners residing in states where there are licensure issues).”

From a State Regulator's Perspective

Experience with North Carolina internship regulations

- “Grace” period
- End of “grace” period
- Action taken by the state
 - Institution must stop operations
 - Institution must get into compliance
- Impact on institutions
- Impact on students

From a State Regulator's Perspective

Example from Alan Contreras (former Oregon regulator):

- Institution enrolled online student without authorization to do so
 - Student dropped out; institution wanted the tuition due
 - Once brought to collections, student informed institution tuition due was uncollectable because it wasn't authorized to operate in the state
 - Student's home state required institution to pay back all tuition collected from the student and cancel the amount due

From a State Regulator's Perspective

Example in California :

- January 2014 – CA Bureau for Postsecondary Education sent cease and desist letters to 9 coding boot camps
 - They were operating in CA without a license
 - Five boot camps fined \$50,000 each
 - Two (that we know of) paid reduced fines after agreeing to submit applications for a license to operate

From an Attorney's (and former regulator's) Perspective

Examples of results of non-compliance

- Professional licenses not allowed
- Settlements
- Negative press
- Accreditor and federal issues
- Attorneys General getting involved

From an Attorney's (and former regulator's) Perspective

- 34 CFR 668.72 – Misrepresentation
 - Sanctions include possible loss of Title IV!
 - Disclosure of any state and programmatic authorizations/approvals must be 100% accurate
 - States and accreditors are paying attention
 - Proposed new federal regulations

From a Student's Perspective



Impact on Students

- Can't finish program
- Can't sit for professional licensing exam; therefore can't get a job in chosen profession
- Loss of money and time
- Reputation of institution impacts potential employers' perceptions of the validity and value of the degree

From an Institution's Perspective

- Risk management = Integrity management
– doing the right thing
- Compliance should be embedded in the culture
- Could be more costly to not comply
- Turn question around: Why not comply?

Getting Institutional Buy-in for Compliance

- Communication
 - The “language” of state authorization
 - Explaining what the triggers are
 - Meetings, presentations, cross-functional teams
- Provide data and concrete information
- Provide tools for staff at all levels

Questions from the Audience

