



WASHINGTON STUDENT  
**ACHIEVEMENT COUNCIL**  
EDUCATION › OPPORTUNITY › RESULTS

# Response to Closure of the ITT Technical Institute

Presentation to the Senate Higher  
Education Committee

November 14, 2016



# Regulatory roles

## WA Student Achievement Council



1. Authorize degree programs to operate in Washington. Focus on consumer protection by ensuring academic quality.

2. Determine institution eligibility for students to receive state financial aid.



3. Approve programs for veterans educational benefits under contract with US Dept. of VA.

## Workforce Board



Licensing and monitoring certificate granting programs (non-degree level)

Focus on consumer protection – ensuring that what you are promised is what's delivered.



# Degree Authorization

## Authorizing Statutes & Rules

- **RCW 28B.85** Degree-Granting Institutions Act
- **WAC 250-61** Regulations for Degree-Granting Institutions Act
- **RCW 28B.90** Foreign Degree-Granting Branch Campuses

Washington law requires that the Washington Student Achievement Council adopt, by rule, minimum standards for degree-granting institutions concerning:

- Granting of degrees
- Quality of education
- Unfair business practices
- Financial stability
- Other measures necessary to protect students against substandard, fraudulent, or deceptive practices

**All degree-granting institutions** operating in Washington must **receive authorization** from the Council unless found **to be exempt** from the requirements of the Degree-Granting Institutions Act.

# Define “operate in Washington.”

There are three conditions that require school authorization.

Physical presence in the state to include a mailing address.

- Authorized -48
  - non-profit - 31
  - for-profit -13
  - out-of-state publics - 4

Advertising and recruiting directly to state residents for distance learning or out-of-state locations.

- Authorized: 14
  - non-profit - 5
  - for-profit -8
  - out-of-state publics -1

Field placements for out-of-state distance learning programs

- Currently authorized -44:
  - non-profit -24
  - for-profit - 9
  - out-of-state publics - 11

# Exempt Categories

- Any **public** college, university, community college, technical college, or institute operating as part of the Washington public higher educational system;
- **Institutions established in Washington** that have operated as the same institution for fifteen years or more, have been accredited for ten years or more, and maintain eligibility to participate in Title IV financial programs;
- Institutions offering programs on a **federal enclave** exclusively to federal employees and/or their dependents;
- Tribally controlled **Native American colleges**; and
- Institutions offering programs whose sole stated objective is training in the religious beliefs of the controlling **religious organization** and/or preparation of students for occupations that are primarily church related.

# Regulation: Initial

Initial authorization reviews all aspects of an institution which **include but are not limited to:**

Staff and Faculty  
qualifications

Catalogs and  
publications

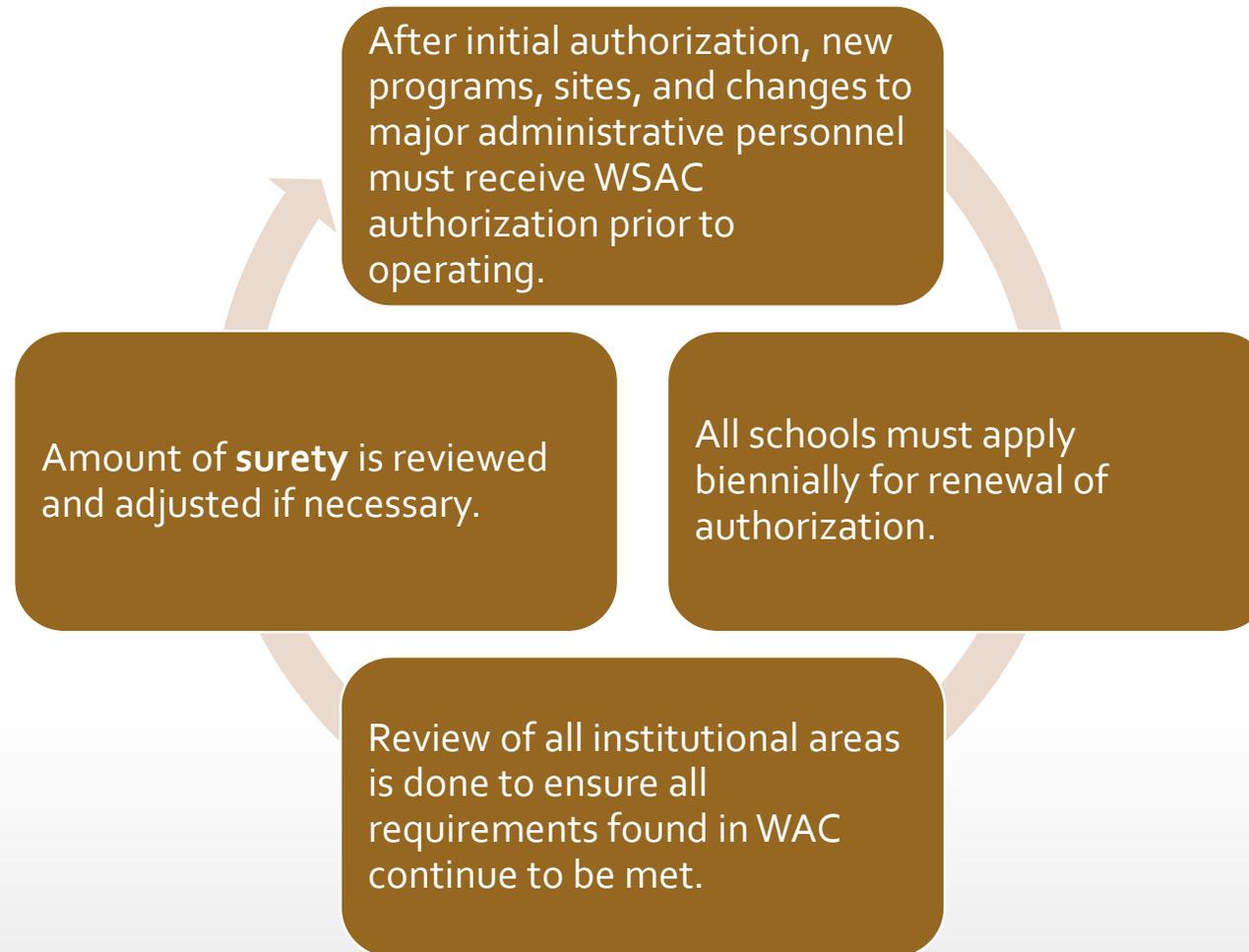
Academic  
programs  
curriculum

Mode of delivery

Current  
accreditation or  
proposed  
accreditation plan

Financial viability  
and approved  
security

# Regulation: Ongoing Review



# Authority to Investigate

The Council may investigate any entity believed to be subject to the **jurisdiction of the Degree-Granting Institutions Act.**

The Council may:

- Administer oaths and affirmations.
- Issue subpoenas and compel attendance.
- Conduct site inspections.
- Take evidence.
- Require the production of any books papers, correspondence, memorandums, or other records which the Council deems relevant to the investigation.

A person **claiming loss of tuition and fees as a result of an unfair business practice** may file a complaint with WSAC. A violation of the chapter or rules is **considered an unfair business practice.**

# State Approving Agency for Veterans Education Benefits

WSAC acts as a State Approving Agency on behalf of the US Department of Veterans Affairs for the evaluation, approval, and oversight of education and training programs for veterans using their G.I. Bill<sup>®</sup> education benefits.

Programs are approved at:

- Public and private baccalaureate degree-granting institutions
- Flight schools
- Apprenticeship sites
- On-the-job training (OJT) sites

Our goal is to ensure these programs meet minimum quality standards and comply with all federal and state laws and regulations.

# Institutional Participation in State Financial Aid

## Authorizing Statutes & Rules

- **RCW 28B.92**  
State Student Financial Aid Programs
  - **WAC 250-20 – 013**  
Institutional eligibility and participation requirements outlined
  - **WAC 250-20-081**  
Suspension or termination of institutional participation outlined
- 65 institutions currently participate:
    - 40 public institutions (6 public 4-years & 34 CTCs)
    - 17 private four-year institutions (2 are proprietary)
    - 8 private two-year institutions (8 are proprietary)
  - Participating institutions are evaluated annually for renewal and must maintain operational compliance at all times.
  - Institutions failing to maintain satisfactory standards of participation may be sanctioned.

# Institutional Participation in State Financial Aid

## Authorizing Statutes & Rules

- [RCW 28B.92](#)  
State Student Financial Aid Programs
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Institutional eligibility and participation requirements outlined
  - [WAC 250-20-081](#)  
Suspension or termination of institutional participation outlined
- 68 institutions currently participate:
    - 40 public institutions (6 public 4-years & 34 CTCs)
    - 18 private four-year institutions (2 are proprietary)
    - 10 private two-year institutions (8 are proprietary)
  - Participating institutions are evaluated annually for renewal and must maintain operational compliance at all times.
  - Institutions failing to maintain satisfactory standards of participation may be sanctioned.

# Institutional Participation in State Financial Aid

- Participation status is evaluated for renewal prior to the start of the next fiscal year.
- All institutions must provide compliant policies:
  - Satisfactory Academic Progress
  - Awarding/Packaging
  - Repayment
  - Student budgets
  - Federal Title IV compliance audits
- In making renewal determinations, WSAC ensures that institutional policies and budgets maintain compliance with program rules and that audits do not indicate operational deficiencies.

# Performance Evaluation for State Financial Aid

For-profit and newly admitted institutions are also evaluated annually on the following performance data:

- Federal aid participation status
- Accreditation status
- Fiscal/financial strength (federal composite score)
- Enrollments
- Completion rates
- Placement rates
- Loan default rates

Institutions with performance concerns may be placed in a probationary status with a timeframe for corrective action, be required to post an irrevocable letter of credit to protect state resources, or may have their participation suspended or terminated.

# ITT Technical Institute Closure

- ITT Technical Institute had campuses in Seattle, Everett and Spokane.
- 662 students were enrolled at ITT Technical Institute as of August 1, 2016.
- The majority of students were enrolled in an associate degree program.
- Almost 200 students were using their GI Bill benefits to support their education.

# ITT Closure and Response: 2016 Timeline

August 25	U.S Department of Ed takes action to prevent ITT from accepting federal financial aid and requires increase in surety
August 28	WSAC removes ITT from eligibility of new students for state financial aid
September 1	WSAC suspends ITT from enrolling new students due to inadequate financial resources
September 6	ITT Technical Institute closes
September 9	<p>Plan developed to minimize harm to students (WSAC convenes partners from SBCTC, COP, the Workforce Board, WGU, ICW, and Governor's Office)</p> <ul style="list-style-type: none"> <li>Website, resources, communications, follow-ups on transcripts</li> </ul> <p>Emailed or mailed all 662 students who were attending Everett, Seattle or Spokane ITT campuses as of Aug 1, 2016</p> <ul style="list-style-type: none"> <li>Informs students of options and refer to resources on website and points of contact.</li> </ul>
September 14	Emailed or mailed additional 489 WA resident students who had attended ITT within the prior 120 days
mid September	Emails sent to targeted groups of students to inform of resources available and ways to continue education

# Immediate Action to Minimize Impact to Students

- Working together to minimize impacts
- Communications to students, leaders of schools, ITT to obtain information
- Resources for ITT students:
  - Specific points of contact at postsecondary institutions, SBCTC and WSAC
  - Information on other higher education programs
  - Financial aid resources
  - How to order transcripts
  - Loan forgiveness and link to U.S Dept of Education and GI Bill benefits
  - Filing complaints to AGO or WSAC

# Institutional Participation in State Need Grant

In addition to the annual participation renewal evaluation process, all institutions are monitored for operational compliance with program rules throughout the year via:

- Quarterly and annual student service reporting
- Student service and expenditure data analysis
- On-site program reviews

WSAC also provides on-going institutional training and development via:

- Targeted outreach to new administrators
- Web-based trainings
- Annual training workshops and program manuals
- Presentations at/to financial aid organizations

# Newly Approved Institutions (State Financial Aid)

Following a rigorous application review, newly approved institutions participate in a probationary status with heightened oversight and reporting requirements.

## New Application Review Since 2005:

- Three applications have been approved: DigiPen Institute of Technology, Trinity Lutheran College, Western Governors University
- Two applications have been denied: Everest College – Bremerton, Everett, Tacoma and Everest College – Seattle
- Two applications are in process: Victoria's Academy of Cosmetology, Evergreen Beauty College

## Issues raised for consideration:

- What percent of an institution's revenue should be received through federal or state financial aid? (Federal 90/10 Rule)

# <http://www.wsac.wa.gov/closed-school>



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## CLOSED SCHOOL

### Information for ITT students as of October 18, 2016

Effective 9/8/16, ITT Technical Institute permanently discontinued academic operations at all of its campuses, including those in Everett, Seattle, and Spokane.

### Continue your education in Washington State

Students are encouraged to explore options for continuing their education at another college or university in Washington. This information is intended to help you plan your next steps.

Many schools have appointed staff who will help students with admissions and financial questions. Because this is a quickly developing issue, we recommend that you check back regularly for updates.

Financial aid	Public community and technical colleges	Other colleges and universities
Events for ITT students	ITT transcripts and records	Apprenticeships

Contact admissions offices at schools to find out if you'll be able to get credit for your work at ITT or from other experiences. Many schools may not accept ITT transfer credit. Each school has its own policies about admissions and transfer credit.

### Get information about federal aid and ITT

The U.S. Department of Education is providing information and resources to ITT students who have federal loans.

- Information for ITT students.
- General information about student loan forgiveness and discharge.
- View your federal loans, grants, and aid information.
- ITT students who did not complete their degree because of ITT's closure will have Pell Grant eligibility restored.

### Get information about filing a fraud complaint

Examples of fraud include, but are not limited to, evidence that ITT lied about:

- Job prospects.
- Cost of attendance.
- Whether credits could be transferred.
- Its educational services, like teacher qualifications and method of instruction.

### CONTACT INFORMATION

Email: [closedschool@wsac.wa.gov](mailto:closedschool@wsac.wa.gov)

Phone: 888-535-0747, option 3

### RESOURCES

#### Washington State

- State Board for Community and Technical Colleges (SBCTC)
- SBCTC contact info for ITT students
- Workforce Board's list of private career schools
- Financial aid info
- Financial aid events - coming soon!
- School events
- Office of the Attorney General
- Career Bridge

#### Oregon

- Updates on closure of Oregon ITT Tech

#### Federal

- Next Steps EDU - Connect with on-call advisors
- Fact sheet for students in Washington State
- Federal financial aid webinars
- A Message from the Secretary of Education to ITT Students
- Increased Oversight of ITT and the Impact on Students
- College Scorecard

#### GI Bill Benefits

- U.S. Department of Veterans Affairs info for ITT students
- Important Announcement for GI Bill Students Attending ITT Educational Services, Inc.

# Recent Issues Raised

Student complaint avenues and recourse:

- Is the complaint process clear enough?
- Are the options adequate?

What percent of an institution's revenue should be received through federal and/or state financial aid? (Federal 90/10 Rule)

How can we protect students as consumers of private loans?

Review rules to identify opportunities for increased student protection.