

**STATE OF WISCONSIN
EDUCATIONAL APPROVAL BOARD MEETING**

February 20, 2015
10:30 a.m.

3rd Floor Board Meeting Room
201 W. Washington Avenue
Madison, WI

AGENDA

Call to Order

Roll Call

Approval of Minutes – December 10, 2014 (Tab 1)

- Board Chair's Remarks
- Public Comment¹
- School Approval Issues – Discussion/ACTION (Tab 2)
- Budget Recommendation to Eliminate the EAB – Discussion/ACTION (Tab 3)

Adjournment

Next Scheduled Meeting – March 11, 2015

¹ Members of the public are invited to address the Board regarding any item on the agenda or item of interest that is not on the agenda. The Board cannot legally take action on any item not scheduled on the agenda. Such items may be referred for administrative action or scheduled on a future agenda. Persons wishing to address the Board must note their intent on the meeting sign-in sheet. Comments will generally be limited to five minutes per speaker; however, a shorter limit may be declared by the Chair if there are a large number of persons wishing to speak.

EDUCATIONAL APPROVAL BOARD MEETING

December 10, 2014

10:30 a.m.

1st Floor Conference Room
201 W. Washington Avenue
Madison, WI

Members Present: Don Madelung, Robert Hein, Jo Oyama-Miller, Omar Parks, William Roden

Others Present: David Dies, Zachary Galin, Linda Heidtman, Blanca James, Jessica Saha, Patrick Sweeney, Casey Wachniak, *Educational Approval Board*; Wendy Coomer, *Foley & Lardner (representing Bridgepoint)*; Marshall Whitlock, *Upper Iowa University*; Nathan Halbach, *Whyte Hirschboeck Dudek SC (representing the University of Phoenix)*; Douglas Stein, *Colorado Technical University*; Mitchell Peterson, *Globe University*; Rob Manzer, *American Intercontinental University*; Daniel Sessions, Dariusz Semanyszyn, *Career Education Corporation*; Jean James, Jerry Langfeldz, *Kaplan University*

The chair of the Educational Approval Board (EAB), Mr. Madelung, called the meeting to order at 10:30 a.m. Roll call was taken and a quorum was present. A motion (Hein, Roden) to approve board meeting minutes from September 17, 2014 was adopted, with Ms. Oyama-Miller abstaining.

BOARD CHAIR'S REMARKS

Mr. Madelung noted that there has been much happening in the proprietary education sector. He said the next year will be interesting.

PUBLIC COMMENT

There were no public comments.

2015 BOARD MEETING DATES

Following a brief discussion about the proposed dates, the board's preference was for meetings to be held as follows:

Wednesday, March 11, 2015
Wednesday, June 10, 2015
Wednesday, September 16, 2015
Wednesday, December 9, 2015

A motion (Oyama-Miller, Roden) to hold the board meetings for 2015 as noted indicated above was adopted unanimously.

BOARD STATUS REPORT

Consumer Protection

Corinthian Colleges, Inc. – Mr. Dies indicated the EAB has been working collaboratively with the Department of Justice (DOJ) for the past two and a half years regarding the Everest College campus that was closed in Milwaukee. A lawsuit was recently filed by DOJ against the parent company – Corinthian Colleges, Inc. – claiming alleged false representation, graduation rate inflation, insufficient externship opportunities, enrollment of students who were unlikely to be successful, and recruitment of students by giving them a false sense of urgency to enroll.

Mailen vs. EAB – The EAB was notified that a former complaint it received, investigated and dismissed from Halis Mailen went to the Court of Appeals District IV, which ultimately ruled in favor of the EAB. Following this decision, the complainant petitioned the Supreme Court to review the decision, which the Supreme Court denied.

Mr. Roden inquired about any issues that might have arisen during the purchasing of Corinthian Colleges. Mr. Dies clarified that the lawsuit, while it is targeted at the corporate parent company ultimately stems from an investigation involving Everest College, which the EAB closed. Under the Corinthian corporate umbrella, there are a number of other institutions such as WyoTech, Heald, and Everest University. Mr. Dies stated that more information about the sale of Corinthian is provided under Tab 4 of the meeting materials. He clarified that the information provided about the Corinthian lawsuit is separate from the information provided about the sale of the company.

Mr. Dies further explained that a variety of concerns have been raised by consumer protection agencies regarding the potential sale of Corinthian. For example, they are in the business of collecting on student loans and have been cited by the Consumer Financial Protection Bureau and other agencies as employing very aggressive tactics in collection process. There is some concern that they would be similarly aggressive about recruiting students. In addition, if internal systems and personnel were retained in a sale of Corinthian, there is question about whether anything would actually change given the current culture. Finally, a series of logistical obstacles related to authorization would have to be tackled in the event of a sale.

Operational/Administrative Procedures and Policies

EAB Move – In response to an inquiry from Ms. Oyama-Miller about the EAB offices, Mr. Dies explained that the EAB will not be out of its current office space by December 31, 2014 as requested by the Department of Veterans Affairs. He is working with Division of State Facilities staff at the Department of Administration (DOA) to locate a new space and negotiate the terms of a lease. The EAB has identified a site in the UW Research Park.

SCHOOL APPROVAL ISSUES

Amerstate University – Mr. Dies reported that the EAB was successful in receiving an affirming decision from the court of appeals. The school argued that EAB’s withdrawal of approval was arbitrary and capricious. The EAB is now in the process of collecting on the bond to replenish the Student Protection Fund (SPF).

Anthem College Closure – The EAB is still working with issues related to the closing of Anthem College. Mr. Dies indicated that it has now paid roughly \$103,000 to facilitate the teach-out and transfers of former Anthem College students. There continue to be delays in the processing of Return to Title IV (R2T4) calculations. In addition to incorrect last dates of attendance for former Anthem students, which the EAB brought to the attention of the United States Department of Education (USDOE), many other errors have delayed these calculations, which is now auditing this process and that has further slowed the calculations.

Upon inquiry from Mr. Madelung, Mr. Dies indicated that the SPF balance is currently about \$1.6 million and would not have to be replenished unless it drops below the \$1.0 million threshold, which Mr. Dies indicated he doubted would happen.

Ms. Oyama-Miller asked if Amerstate had broken any restrictions lately. In addition, she thanked the staff for the work they had done in student protection and she stressed the continued importance of keeping the public aware of the work EAB does protecting students. Finally, she inquired about reimbursement to Herzing University for SPF fees paid upon the school switching to nonprofit status.

Mr. Dies first responded about Herzing University, referencing information provided in the board meeting materials. He indicated that the EAB would not retroactively refund SPF money to Herzing and that it would only affect EAB’s oversight and collection of SPF funds moving forward.

Mr. Dies indicated the EAB will continue to have oversight of Herzing University until they are able to demonstrate that the school satisfies the nonprofit exemption criteria. The EAB also sought counsel from DOJ regarding Herzing and the EAB’s reading of the statutes pertaining to their conversion. Although the EAB is almost certain Herzing will be able to provide the necessary documentation, they will still be subject to EAB oversight until they do so and will be assessed applicable fees in the meantime.

Pertaining to Ms. Oyama-Miller’s inquiry about Amerstate, Mr. Dies noted that the EAB periodically checks the Amerstate website. In the past they have falsely advertised on their website and the EAB has brought these violations to the attention of both the school and DOJ, but there was nothing of concern when the EAB last checked.

Wisconsin School of Professional Pet Grooming – Upon inquiry from Ms. Oyama-Miller, Mr. Dies clarified the site-visit to the Wisconsin School of Professional Pet Grooming (WSPPG) was conducted because the EAB was alerted to a situation involving a potential student who wanted to enroll in the school but the school thought it was unlikely that student would be successful.

In addition, Mr. Dies followed up with some issues the EAB has been working with related to WSPPG. For example one former student and complainant alleged the school violated a nondisclosure agreement, which resulted in her not receiving a job offer. In addition, another former student and complainant who chose not to sign a settlement agreement has been harassing EAB staff via email recently.

A motion (Roden, Oyama-Miller) to approve items “A” through “I” of the School Activity Report for the period September 6, 2014 through November 30, 2014 was approved unanimously.

COMPLAINT MEDIATION REVIEW – ADVANCED WELDING INSTITUTE

Mr. Dies noted that the EAB board would be reviewing the investigation and findings of staff pertaining to a complaint that was received from a student who had attended the Advanced Welding Institute (AWI). It was noted that neither the school nor the complainant was in attendance of the meeting. Linda Heidtman, the EAB School Administration Consultant that works with AWI, indicated that the owner of AWI suggested the EAB refund the complainant his money since staff determined a refund was due.

Mr. Madelung stated that the board had three options and inquired about whether or not there was a way to ensure the school would actually refund the student's money. Mr. Dies indicated the EAB could make a claim on the school's surety bond if the school refused to refund the student's money. However, there would not be a way to ensure the school issued and sent the student the certificates of completion he had earned.

Mr. Dies said that although neither the school nor the student would be able to dispute the refund amount determined by the board, the surety bond company might reject the claim if it did not agree with the EAB's decision. It was noted that the certificate is probably of greater importance to the student and the EAB will do everything possible to make sure the student receives it. He suggested the board write this into whichever motion it selects, since the school would most likely not issue it voluntarily.

Mr. Dies suggested that language such as “failure to comply may result in further action by the board” or “will result in commencement of full hearing” be added to the motion. He said he is hopeful that the EAB could convince the school to grant the student's credentials.

Mr. Roden suggested approving this option, but if the money and certificate aren't awarded to the student the board will then hold a hearing or enter into binding arbitration. Mr. Madelung suggested implementing a date of compliance for the school.

Mr. Hein suggested board members and staff converse about the outcome of this via telephone sometime after the January 5 proposed date of compliance so the complaint can be remedied before the next board meeting in March.

A motion (Madelung, Roden) to approve option one contained in the board materials with further action if the school fails to comply by January 5 was adopted unanimously.

RENEWAL FEE MULTIPLIER

Mr. Dies walked board members through a variety of charts and spreadsheets included in the meeting materials. These spreadsheets highlight the history of the renewal fee multiplier over time, approved budgets for Fiscal Years 14 and 15, month-to-month tracking of revenues and expenditures over the past several years, known operating costs, and revenue the EAB needs to generate in order to operate. Mr. Dies indicated that the EAB is required to set the multiplier two years at a time, but the board has historically revisited and revised it annually. Mr. Dies also highlighted two different numbers that are presented that include Herzing University as an approved school contributing to fees and another set of figures that would apply if Herzing University became exempt from EAB oversight.

Mr. Dies discussed what is currently known about online activity in Wisconsin and what would happen if the state entered into the State Authorization Reciprocity Agreement (SARA). More specifically, he discussed where the multiplier would need to be set to cover costs if the state becomes SARA participant.

Mr. Madelung indicated it is unlikely that Wisconsin would join SARA until mid-2015 because of the legislative changes that would be necessary to make it a possibility. He said it is more likely Wisconsin will see movement and have a clearer picture of things in 2016.

Mr. Dies added there are many peripheral states with few online providers that have join SARA but there are far fewer states with large online schools. He said he still is not sure if Wisconsin will be able to participate because the nonprofit institutions lack any oversight. Mr. Madelung said that it is paradoxical because the EAB could probably have been the ideal portal agency if it was set up as such initially, although that did not happen.

A motion (Oyama-Miller, Roden) to set the multiplier used to calculate the second payment renewal fees at 1.3091 for FY 15 and 1.6847 for FY 16 was approved unanimously.

Mr. Madelung requested that after a brief recess the board take up the Strategic Plan discussion since Ms. Oyama-Miller had to leave early and it was an action item. There was no objection.

STRATEGIC PLAN

Mr. Madelung provided some background about the Strategic Planning Session in which EAB staff and board members participated during the September 14, 2014 board meeting. Mr. Dies indicated that a summary of the Strategic Planning Session was included in the meeting materials. In addition, EAB staff had a follow up meeting with Russell Consulting to go more in depth and modify specific goals. Mr. Dies asked the board to endorse the goals that had been developed by staff. He said there is much more work to be done and the board would be asked to adopt the strategic plan once it is completed.

Ms. Oyama-Miller said the EAB needs to make it publicly known that it is committed to performance standards and that it needs the ability to enforce them. She wants this incorporated

in a vision statement and would like the board to take a much stronger stance regarding performance standards in the future. In response to a question from Mr. Madelung, she indicated that although this is already included, is not emphasized strongly enough. She suggested it is time to form a new committee for this and called on the board to publically support performance standards while working with schools to best educate students should also be a priority.

Mr. Roden stressed the importance of having the enforcement aspect portrayed strongly enough.

Mr. Dies said that the issue of performance standards is captured in several of the goals, although not specifically stated. He said that by design the goals are to be broad statements rather than specific actions. The more appropriate place for something specific about performance standards would be as the objectives that make up the goals.

A motion (Roden, Hein) to approve the strategic plan goals as presented and continue the development of the plan was approved unanimously.

STUDENT OUTCOMES REVIEW

Mr. Dies noted that the student outcomes review is a discussion item and may help guide the board as they decided how to approach issues like developing performance standards at some point in the future. He noted that the EAB began collecting data by cohorts beginning last year and is now in the second year of the process.

For the 2012 cohort, out of the 20,210 students, 6,413 were no longer attending the program that they initially came into translating to a 30% drop rate. Because we are now able to track both the 2012 and 2013 cohorts, their combined drop percentage increases to about 36%.

In addition, the EAB now has a second year of data to analyze for the 2012 cohort. Through this, the EAB can better track when most drops occur. Among all institutions, most students dropped out within the first reporting period.

Mr. Dies noted the EAB broke down total enrollment by degree/non-degree, online/on-ground and for-profit/non-profit – with degree, online and for-profit institutions consistently having significantly higher dropout rates hovering around 50%.

The EAB contacted those institutions with high dropout rates at a program level asking for explanations about those rates. Responses were included in the board materials. Although the responses varied widely, the most common explanation for the poor rates was that the students were nontraditional, difficult to serve students.

When asked what they would do to address performance numbers, the most common response was institutions placing students in remediation programs, organized orientations, or providing personalized training. Mr. Dies indicated the EAB has always maintained that if the schools are recruiting a population of students who are challenging to serve, they are clearly aware of these students' challenges and should be prepared to either address and help these issues or not enroll the students in the first place.

Mr. Dies made mention of Westwood College who has chosen to no longer serve online students, which has told the EAB that serving online students well was too difficult and not worth doing anymore. Despite having had poor student outcomes, Westwood's accreditor had not shared information with the EAB showing it was not meeting benchmarks and had been placed on probation repeated times.

Ms. Oyama-Miller left the meeting at 12:30 p.m.

Jessica Sabin, the EAB Program and Policy Analyst who has been working with the student outcomes data and reports provided in the board meeting materials, explained a number of charts and tables contained in the report. It was noted that not all schools are doing poorly, and some are certainly doing much better than others.

Mr. Roden said we need to question what "better" actually means. He argued that we need schools who are educating students for jobs that are available to them and that they can actually do. He said that even schools with high graduation rates are not necessarily preparing students for these jobs and we need to look more at the employability of graduates more than simply pure graduation rates. Finally, he pointed out that students who do not complete their programs still accrue debt that must be repaid, regardless of whether or not they get a job in their field.

Ms. Sabin said that it is important to focus on students leaving their programs with no credentials and high debt. Upon a question from Mr. Parks, she indicated that students who drop out for reasons beyond the school's control would only show up as a drop in the data. However, institutions with high dropout rates were provided an opportunity to explain what might have happened with students in those situations.

After some discussion about the fairness of reporting methodology, students who may have unique situations, and the reporting of this data such as students who drop and reenter, Mr. Dies clarified that the number of students who are "outliers" or have very unique situations are very few and not enough to skew the data.

A discussion began regarding the dissemination of outcomes data to the public. The EAB has made the outcomes data and reports available to the public via its website. It is currently refining the report and will be publicly releasing it in early 2015.

Mr. Madelung informed those in attendance that the EAB is under increasing pressure to adopt performance standards. He urged everyone to read the report and reach out to EAB staff with questions. He mentioned that the EAB does not want to be adversarial or oppose schools, but schools do need to understand that the EAB is ultimately charged with protecting students.

ADJOURNMENT

A motion (Hein, Roden) to adjourn was approved at 1:05 p.m.



EDUCATIONAL APPROVAL BOARD

BOARD MEETING

FEBRUARY 20, 2015

SCHOOL APPROVAL ISSUES

SUMMARY

The attached activity report summarizes administrative actions taken by staff since the last board meeting regarding schools subject to Educational Approval Board (EAB) oversight. In addition, this paper provides information about specific schools or school issues that warrant being brought to the attention of board members.

DISCUSSION

Amerstate University

Following the revocation of approval for Amerstate University, Ltd. in 2012, the EAB attempted to obtain refunds from the schools for five complaints totaling \$14,350. The school refused to settle the complaints and the EAB made a claim on Amerstate's surety bond. Following a series of delays as a result of the school appealing the revocation decision, the EAB received a check from the bond company on December 15, 2014 covering the five student complainants.

Anthem College Closure

Since the precipitous closure of Anthem College in August 2014, the EAB continues to provide logistical and financial assistance related to the teach-out of Surgical Technologist and Medical Assisting diploma students at Milwaukee Career College (MCC) and the transfer of Massage Therapy and Medical Billing and Coding students to other institutions, primarily Herzing University. So far, the EAB has used approximately \$234,000 from its student protection fund to support such efforts. Since federal financial aid for students remains unresolved, the EAB will continue to fully fund the teach-out and transfer costs.

The EAB also has been in negotiations with Tuition Options to resolve alternative loans for students who were attending the Brookfield campus of Anthem College at the time of its closure and those students who had withdrawn during the preceding four months: the period of time which the U.S. Department of Education allows for loan discharge for students effected by a school closing.

The EAB has also made a claim on the \$25,000 Surety Bond for the campus and received the check on January 21, 2015, which was deposited in the Student Protection Fund (SPF).

Zenith Education Group, Inc.

On February 2, 2015 Zenith Education Group, Inc., a non-profit Delaware corporation purchased from Corinthian Colleges, Inc. more than 50 Everest and WyoTech campuses including Everest University (Online) and the three WyoTech campuses approved by the EAB. The EAB has been working through the “Change of Ownership” requirements, such as a new surety bond, updated school catalogs and enrollment agreements. While the “Change of Ownership” has been approved, the new school catalogs and enrollment agreements will be reviewed when they are submitted in three to four months. In the meantime, the EAB’s enrollment suspension continues at Everest University (Online).

Golden Paws Pet Styling Academy

On October 20, 2014, the EAB received a written complaint from Beth Smith, a student who had attended Golden Paws Pet Styling Academy, stating she was owed a tuition refund from when she withdrew on September 9, 2014. After a lengthy EAB investigation of the actual hours Ms. Smith attended Golden Paws, including a trip to Marinette, WI and much documentation from both parties, the EAB determined Ms. Smith was owed a tuition refund of \$2,827.50. Golden Paws refused to settle the complaint by issuing a refund and a claim on the school’s surety bond has been under EAB 4.06 (3)(a)4, which permits the EAB to make a claim for “the refusal of a school to issue a refund to which a student is entitled...”

Argosy University

Last month, the EAB received a check from Educational Management Corporation (EDMC) in the amount of \$118,000 to approve the Argosy Twin-Cities campus so it could enroll Wisconsin residents in 40+ degree programs. The EAB worked with the EDMC compliance staff to clarify the exact programs to be approved for the Twin-Cities campus to follow its policy of not entering program “specializations” as separate degree programs for fee purposes, and to extend already approved programs from Argosy (Online) to the Twin-Cities campus. In working with EDMC, the EAB was able to reduce the cost of approving the new campus and more than 40 programs for a \$65,000 fee.

Herzing University

In late-December and early-January, officials with Herzing University provided additional information and documentation that the institution had converted its governance from proprietary to nonprofit status, and by doing so was no longer be subject to EAB oversight given that in-state nonprofit institutions are exempt.

Advanced Welding Institute

At its December 10, 2014 meeting, the board considered the student complaint brought against Advanced Welding Institute (AWI) since EAB staff had been unable to resolve the matter. After some discussion, the Board accepted the findings of staff and determined that AWI should provide a partial refund to the complainant and issue the welding certifications

he had earned up to the point of dismissal. A deadline of January 5, 2015 was set, after which the board would consider further action.

AWI continued to dispute EAB's position, insisted that if the school must make the payment it would be to the student's lender, argued about the process used to arrive at the proposed resolution, and delayed complying. Staff contacted the complainant, who agreed with the school making payment to his lender. The EAB spoke with AWI at length to clarify the different roles and requirements of EAB and the school's accreditor.

The EAB has confirmed that the complainant has received his certifications from AWI, as well as confirmation that the partial refund had been credited to his loan balance. The complaint was formally closed by the EAB on February 12, 2015.

RECOMMENDATION

EAB staff recommends the board approve items "A" through "I" of the attached school activity report.

EDUCATIONAL APPROVAL BOARD

ADMINISTRATIVE ACTIONS REPORT

December 1, 2014 through February 13, 2015

This report describes the activities that EAB staff performed in response to the board's oversight role under s.38.50, *Wis. Stats.*

SCHOOL ACTIONS

A. New School Approval:

- *Boston University (Online), Boston, MA*
Boston University is an international, comprehensive, private research university committed to educating students to be reflective, resourceful individuals ready to live, adapt and lead an interconnected world.
- *Future Logistics & CDL Training, LLC, Milwaukee, WI*
Future Logistics & CDL Training is committed to providing individuals with knowledge and skills to operate class A vehicles in a safe and professional manner. Students obtain proper training through classroom instruction, field training, pre-trip inspections and behind the wheel training. Upon successfully completing the program, Future Logistics & CDL Training will refer students to prospective employers and recruiters.
- *Gallaudet University (Online), Washington D.C.*
Federally chartered in 1864, Gallaudet University is a bilingual, diverse, multicultural institution of higher education that ensures the intellectual and professional advancement of deaf and hard of hearing individuals through American Sign Language and English. Gallaudet maintains a proud tradition of research and scholarly activity and prepares its graduates for career opportunities in a highly competitive, technological, and rapidly changing world.
- *New Horizons of Wisconsin (Riley Technologies LLC), Appleton, WI*
The school's focus is becoming the preferred training provider of Information Technology (IT) skills enhancement in Wisconsin. New Horizons of Wisconsin focuses on the value of IT Certification(s) and works closely with Wisconsin Workforce Development centers to ensure maximum IT placements throughout the state of Wisconsin. The course catalog includes topics related to office applications, server installation and maintenance, and system administration.
- *Post University (Online), Waterbury, CT*
Founded in 1890, Post University strives to adapt, evolve and reinvent education. With a wide variety of undergraduate and post graduate programs, Post offers students of all ages the flexibility to complete a degree at their own pace. Whether students are online or on the main campus, Post provides all students the same quality of education.

B. New Teaching Location:

- *Arcadia University (Online)*
 - 450 S. Easton Road, Glenside, PA 19038
- *Argosy University – Twin Cities Campus*
 - 1515 Central Parkway, Eagan, MN 55121
- *Benedictine University (Online)*
 - 5700 College Road, Lisle, IL 60532
- *Boston University (Online)*
 - One Silber Way, Boston, MA 02215
- *National Dental Academy*
 - 1100 Madison Avenue, Fort Atkinson, WI 53538
- *Future Logistics & CDL Training, LLC*

- 4100 W. Lincoln Avenue, Milwaukee, WI 53215
- *Gallaudet University (Online)*
 - 800 Florida Avenue, NE, Washington D.C., 20002
- *New Horizons of Wisconsin (Riley Technologies LLC)*
 - 5700 Grand Market Drive, Appleton, WI 54913
 - 440 Science Drive, Madison, WI 53711
 - 15700 W. Bluemound Road, Brookfield, WI 53005
- *Post University (Online)*
 - 800 Country Club Road, Waterbury, CT 06723

C. School Name Change: None

D. Change of Ownership:

- Everest University (Online) and WyoTech – previously owned by Corinthian Colleges, now owned by Zenith Education Group

E. Denial/Withdrawal/Exemption of Approval:

- Boyce College of The Southern Baptist Theological Seminary, Dunbar, WI – Exempt – Seminary
- Cornell University, Ithaca, NY – Not Serving Wisconsin Students
- Daytona State College, Daytona Beach, FL – Exempt – Public
- Flint Hills Technical College, Emporia, KS – Exempt – Public
- Herzing University, Milwaukee, WI – Exempt – In-state nonprofit exemption
- Millersville University of Pennsylvania, Millersville, PA – Exempt – Public
- Minot State University, Minot, ND – Exempt – Public
- Securities Training Corporation, Chicago, IL – Exempt – Test Prep
- Slippery Rock State University, Slippery Rock, PA – Public
- State University of New York at Plattsburgh, Plattsburgh, NY – Public
- The Baptist College of Florida, Graceville, FL – Possible or Proposed
- Trinity Episcopal School for Ministry, Ambridge, PA – Religious Exemption
- Wisconsin Institute for Torah Study, Milwaukee, WI – Religious Exemption
- World Bible Training Institute and College – Religious Exemption

F. Sanctions/Revocations: None

PROGRAM ACTIONS

G. New Program Approval:

- *American College of Healthcare Sciences (Online)*
 - MS Complementary Alternative Medicine, 36 Semester Credits
- *American University (Online)*
 - MS Nutrition Education, 30 Semester Credits
 - MA Economics, 30 Semester Credits
 - MPA Public Administration and Policy, 36 Semester Credits
- *Argosy University (Twin-Cities Campus)*
 - 5 AAS Programs, 67-72 Credit Hours
 - 3 AS Programs, 78-90 Credit Hours
 - BS Medical Technology, 120 Credit Hours
 - D Dental Assisting, 39 Credit Hours
 - DBA Business Administration, 60 Credit Hours
 - DMFT Marriage & Family Therapy, 60 Credit Hours

- EdD Educational Administration (Initial and Advanced), 60 Credit Hours
- EdS Educational Administration (Initial and Advanced) 30 Credit Hours
- EdD Higher & Postsecondary Education, 60 Credit Hours
- EdD Teaching & Learning, 60 Credit Hours
- MA Marriage & Family Therapy, 48 Credit Hours
- MEd Teaching & Learning, 30 Credit Hours
- PsyD Clinical Psychology, 98 Credit Hours
- EdS Higher & Postsecondary Education, 36 Credit Hours
- EdS Teaching & Learning, 30 Credit Hours
- MA Clinical Psychology, 48 Credit Hours
- *Ashford University (Online)*
 - MS Criminal Justice (with Specializations), 39 Credits
- *Boston University*
 - 9 MS Programs, 32-48 Credits
 - 3 MA Programs, 32-40 Credits
 - DMn Doctor of Ministry, 32 Credits
 - PhD Doctor of Music Arts, Music Education, 48 Credits
 - DOT Doctor of Occupational Therapy, 33 Credits
 - BA Liberal Studies (Degree Completion), 64 Credits
 - LL.M. Master of Laws in Taxation, 24 Credits
 - MSW Master of Social Work, 65 Credits
- *Brensten Education*
 - CER Dev Code Camp, 600 Hours
- *Bryant & Stratton College*
 - Diploma Office Administrative Assistant, 30 Semester Credits
 - Diploma Licensed Practical Nurse (LPN), 41 Semester Credits
 - Diploma Medical Assisting, 44 Semester Credits
- *Future Logistics & CDL Training LLC*
 - CER Commercial Vehicle Operation, 160 Hours
 - Gallaudet University (Online)
 - MA Sign Language Education, 42 Semester Credits
 - MA School Counseling, 58 Semester Credits
 - BA Communication Studies, 120 Semester Credits
 - BA Deaf Studies, 120 Semester Credits
 - BA Psychology, 120 Semester Credits
 - Certificate of Completion- Deaf and Hard of Hearing Infants, Toddlers and their Families: Collaboration & Leadership, 18 Semester Credits
 - Certificate of Completion- Educating Deaf Students with Disabilities, 21 Semester Credits
 - Certificate of Completion- Peer Mentoring, 16 Semester Credits
- *Globe University*
 - CER Muscle Activation Techniques, 36 Quarter Credits
- *Grand Canyon University*
 - BS Business Information Systems, 120 Credits
 - BS Hospitality Management, 120 Credits
- *National Louis University*
 - BS Criminal Justice, 180 Quarter Credits
- *New Horizons of Wisconsin*
 - CER Information Technology Professional Program (With Concentrations), 400 Hours

- *Post University (Online)*
 - 7 Certificate Programs, 24-120 Semester Credits
 - Certificate Commercial Vehicle Operation , 160 Hours
 - 14 BS Programs, 120 Semester Credits
 - 6 AS Programs, 60 Semester Credits
 - 2 BA Programs, 120 Semester Credits
 - 4 GradCert Programs, 12 Semester Credits
 - 2 MS Programs, 30-37 Semester Credits
 - 1 MBA Program, 45 Semester Credits
 - 1 MEd Program, 33 Semester Credits
- *Rasmussen College*
 - BS Health and Wellness (AcceleratED), 181 Quarter Credits
 - BS Supply Chain and Logistics Management (AcceleratED), 180 Quarter Credits
- *Sanford-Brown College*
 - BS Fashion Merchandising, 180 Quarter Credits
- *St. Francis University*
 - EdD Stewardship, Leadership & Learning, 60 Semester Credits
- *University of the Rockies (Online)*
 - PhD Education (with Specializations), 62 Credits
 - PhD Human Services, 65 Credits
 - MA Master of Arts in Education, 30 Credits
- *Western International University (Online)*
 - MS Accounting, 39 Credits
 - MBA Accounting, 39 Credits

H. Revised Program Approval: None

I. Program Name Change:

- *Bryant & Stratton College*
 - Diploma Criminal Justice and Security Services previously Diploma Justice and Security Services
 - AAS Criminal Justice Studies previously AAS Justice Studies

OTHER ACTIVITY

J. Site Visits:

- *Capital Fitness (Yoga)*, Madison, WI – 12/11-14 – Potential new school
- *Golden Paws Pet Styling Academy*, Marinette, WI – 12/30/14 – Complaint investigation visit
- *EJ Movement (Pilates)*, Sauk City, WI – 1/29/15 – New teaching location
- *Prairie Yoga*, Lisle, IL – 2/13/15 – Potential new school

K. Complaints Handled:

- *Zenefski vs. Advanced Welding Institute* – 2/12/15 – During the investigation, it was determined that the school did not follow its published policies in dismissing Mr. Zenefski from the school. As a result, EAB proposed Mr. Zenefski should be charged only 75% of program costs, reflecting his dismissal at the 75% completion point. Charges in excess of 75% were to be paid against Mr. Zenefski's unsubsidized loan.

3

EDUCATIONAL APPROVAL BOARD

BOARD MEETING

FEBRUARY 20, 2015

2015-17 BIENNIAL BUDGET

SUMMARY

On February 3, 2015 the Governor submitted his proposed state budget for the 2015-17 biennium to the Legislature. The Joint Committee on Finance (JCF) introduced the budget on behalf of the Governor as Assembly Bill 21 and Senate Bill 21. Included in the budget is a recommendation to eliminate the Educational Approval Board (EAB) and virtually all state oversight of private postsecondary education and training.

HISTORY

The existence of the EAB dates back to 1957, when the Governor's Educational Advisory Committee (GEAC) was authorized by the Legislature to investigate and oversee for-profit schools to prevent fraud and misrepresentation. Wisconsin was one of the first states to act in this regard.

The GEAC began issuing permits to schools in 1961 and was renamed the Educational Approval Council (EAC) four years later. Following the Kellet Commission's governmental reorganization bill in 1967, the EAC was given its current name. Changes made in 1971 made it mandatory for "all proprietary schools" to be approved before operating in the state.

Today, the EAB is nationally recognized as a leader in sensible and innovative regulation of postsecondary education. The EAB applies its consumer protection responsibility to both students and the institutions they attend because good institutions with quality programs are the best consumer protection.

BACKGROUND

According to the Budget in Brief (attached), the Governor's budget proposal to eliminate the EAB is intended to "reduce the regulatory and fiscal burden on private for-profit education entities."

The document goes on to say "[s]chools requiring state authorization for federal financial aid purposes will be able to receive authorization from the Department of Financial Institutions and Professional Standards [(DFIPS)]; otherwise, schools may operate without the impediment of a lengthy approval process."

At the same time, "[s]tudent concerns and complaints will be handled by the Department of Agriculture, Trade and Consumer Protection [(DATCP)]," which will have "broad authority to address complaints against for-profit and nonprofit private institutions of higher education."

The Executive Budget (attached) provides details regarding the proposal, which shows the actual elimination of funding and staff. It also seems to suggest the elimination of the EAB would take place no later than January 1, 2016.

While the Budget in Brief and the Executive Budget are summary documents, the state budget is actually based on language contained in AB21/SB21 (excerpts attached) and it is the legislation that would govern the changes being proposed.

If the Governor's budget proposal is adopted, Wisconsin will be the only state in the nation without any meaningful oversight for private postsecondary education institutions. To understand what kind of chaos EAB's elimination could cause, one only need to look at the state of California as a case study.

DISCUSSION

Unfortunately, the EAB was not consulted about the Governor's budget proposal before it was made. In the absence of any discussion with the subject matter experts who work on a daily basis with the for-profit institutions and the students they enroll, the proposal is based on a set of false assumptions and a failure to understand its adverse impact and unintended consequences.

From the summary documents, the intent of the Governor's budget proposal is to decrease the regulatory and fiscal burden for for-profit postsecondary education institutions face. However, an examination of the EAB's standards and fees shows that neither is a significant burden for the institutions subject to oversight.

Fiscal Burden

The EAB is an entirely program revenue (PR) funded agency, therefore it operates at no cost to taxpayers. Its operating budget of \$605,000 in FY 15 is supported by assessing fees for the work it performs. While institutions subject to EAB oversight pay these fees, they amount to less than \$1.70 for every \$1,000 that an institution generates from the tuition and fees from Wisconsin residents. Last year, EAB-approved institutions charged Wisconsin residents \$351.6 million in tuition and fees. Two years ago, institutions charged \$437.0 million in tuition and fees.

Under current law, 10 percent of the revenue received by the EAB goes directly into the state's general fund. As a result, the Governor's budget proposal is net loss for Wisconsin's budget and will actually increase the budget deficit by roughly \$70,000.

Regulatory Burden

The notion that becoming an EAB-approved institution or maintaining that approval creates a burden is also misplaced. Upon learning of the proposal in the Governor's budget, many institutions are dismayed and have expressed concern that with no "level playing field," the postsecondary education landscape in Wisconsin will become the "wild-west." The vast majority of for-profit institutions welcome the EAB's oversight role because it provides legitimacy for the sector.

Because of the EAB's delegated authority, the time it takes to approve an institution seeking initial approval can be as little as 5 to 10 business days, depending on the completeness of the materials submitted by the institution. At the same time, the EAB provides expertise in helping and advising small business owners in how to be successful in creating and operating a school, and in designing a school catalog so business policy and procedures are fully disclosed thereby helping the school protect itself.

Furthermore, the EAB has designed its approval process in a manner that recognizes authorizations granted by other entities, such as states, the federal government and accrediting agencies. It does this to alleviate duplication of effort and costs for institutions. In fact, the EAB is frequently told by institutions that it is one of the most efficient and reasonable state regulatory agencies in the county.

When it comes to institutions having to annually renew their approval, the EAB employs an entirely web-based application that has been nationally recognized for its innovativeness and offers an extremely efficient process for institutions. The EAB has offered help and advice to other states as they have pursued developing online application processes.

Oversight

Although the summary documents seem to indicate that functions of the EAB would be assumed by either DFIPS or DATCP, the bill itself repeals almost all of the regulatory functions that exist in current law.

Schools would no longer need to comply with any EAB-type standards in order to be approved. For example, there would be no requirements related to a refund policy for students, a written curriculum and program review, and school catalog to disclose costs and rules of the institution.

For institutions that participate in the federal Title IV financial aid program, they simply would need to be "authorized" by the newly created DFIPS base on the language contained in the bill. It appears non-degree granting institutions that do not receive any federal aid would not even need to be authorized to operate in Wisconsin.

Complaints

Currently, the EAB only receives about 50 complaints a year, and opens even fewer formal investigations, despite approving nearly 250 institutions that enroll roughly 60,000 students. The small number of complaints is a reflection of the EAB's effectiveness in preventing problems from arising in the first place. Since EAB staff has knowledge of the institutions and a relationship with staff, the EAB can often work with the school and students to resolve problems before they become formal, written complaints. Without any oversight, the number of complaints likely would increase ten-fold.

Under the bill, the statutory provisions pertaining to the use of false academic credentials and prohibited terms would become the responsibility of the DATCP, which would also handle student complaints about formerly approved EAB schools. However, **DATCP's authority to investigate complaints would not be expanded beyond its current authority, which is limited to unfair marketing and trade practices.**

While the budget summary documents claim DATCP will have broad authority to address student complaints, the reality is the only type of complaints that DATCP will be able to address are very narrowly defined and will need to rise to an extremely high bar. Complaints pertaining to educational quality, program offerings, treatment of students, refunds, etc., which are by far the most common types of complaints the EAB currently receives, will no longer be addressed by any state agency. Students would be forced to use the legal system, thereby increasing EAB-approved institutions costs of doing business.

Closed Schools and Change of Ownership

In the past decade, the EAB has dealt with the closure of five institutions, affecting hundreds of students. Unfortunately, such closures are more common in the for-profit sector than the other sectors of education, and often occur abruptly with little or no notice. In addition, purchases, mergers, and acquisitions of larger for-profit entities take place frequently. One of the EAB's functions is to make sure students are protected when institutions schools close and when there are ownership changes.

For example, on August 22, 2014, Anthem College closed its Brookfield campus giving students, staff, and the EAB two-day notice. For months, the EAB had been working with local partners because the campus was marked for closure or sale. In the two days after learning the doors would be locked, the EAB acted quickly and decisively on behalf of the 180 students that had been enrolled at Anthem by setting up teach-outs at Milwaukee Career College (MCC) for the Surgical Technologist and Medical Assisting programs; by arranging to have the program equipment relocated to MCC; and by working with Herzing University to accept Massage Therapy transfer students.

The EAB continues to oversee the situation to this day and is covering the costs associated with the teach-out and transfer of students with monies from its Student Protection Fund¹. In addition, the EAB has been in negotiations with the alternative lender (Tuition Options) that many students had taken out loans through Anthem College, to write-off the debt they owed due to the institution's closing. To date, the EAB has committed more than \$500,000 to help students harmed by Anthem's abrupt closure.

Implementation

While the Executive Budget document seems to suggest the elimination of the EAB would **take place no later than** January 1, 2016, the bill itself contains language that clearly indicates the changes to repeal the EAB's authority would **take effect on** January 1, 2016. Specifically, the bill contains a provision under Section 9452 specifying that the changes eliminating the EAB "take effect on January 1, 2016, or on the day after publication, whichever is later."

The inconsistency has been brought to the attention of the DOA budget office, which responded in an email that "[t]he transfer of functions and elimination in relation to the board will be effective on or before January 1, 2016, which aligns with the creation of the new entity, the Department of Financial Institutions and Professional Standards. As with the

¹ No tax dollars support the SPF; rather the institutions pay a dedicated fee to replenish the fund if and when it dips below \$1.0 million.

formation of the new agency, **it is unclear as to when the transfer of functions and elimination of the board will take place**, but the language gives flexibility between the passage of the bill and January 1, 2016 for such actions to occur.” (emphasis added)

Since the EAB was not consulted about its proposed elimination, questions about its transfer of functions and records to the new agencies to remain unanswered. For example, how will new rules for the DFIPS be devised, drafted and implemented so for-profit institutions can be “authorized” in Wisconsin?

EAB Operations

While the actual date of when the EAB effectively would be eliminated is unclear, what is known is that the EAB would continue operations for some period of time during the first six months of FY 16. However, a review of the Chapter 20 schedule contained in the actual bill provides no funding to support such operations.

How the EAB’s work will get done after the budget is passed is also unclear. If the proposal eliminating the EAB is included in the final version of the budget, what work should be done during the transition? For example, should the renewal of approval process for 2016 that begins in mid-July for institutions move forward? While this would not seem to make sense given institutions would no longer need EAB approval in 2016, not doing so would mean revenues to support the EAB during the first six months operations would not be generated.

The fact that no funding is authorized in the Chapter 20 schedule for FY 16 under the EAB’s general operating appropriation [see s.20.292 (2), *Wis. Stats.*] also has been brought to the attention of the DOA budget office, which has indicated “**there is likely to be a technical errata submitted** for FY16 to provide funding for the first six months.”

Collateral Impact

Currently, a number of other state agencies and boards rely on the EAB to approve schools that enroll Wisconsin residents, including the Department of Veterans Affairs (DVA), the Department of Transportation (DOT), the Board of Nursing, the Massage Therapy Board, and others. By eliminating the EAB, these entities will no longer be able to rely on knowing an institution has been formally evaluated, reviewed and approved to operate. In some cases, this will result in a significant amount of additional work for these other entities. For example, the State Approving Agency within the DVA relies heavily on the EAB’s approval of an institution as part of their review to determine if a veteran can use GI Bill and other benefits at an institution.

Eliminating the EAB will also have a direct impact on the other higher education sectors in the state, particularly the technical colleges and the in-state nonprofit colleges and universities. Although the impact on UW System institutions likely would not be as great, it too would be impacted by the EAB’s elimination, particularly in the area of online, degree-granting education because the EAB currently oversees out-of-state, private colleges and university, which seek to enroll Wisconsin residents – some 90+ institutions and 26,000 Wisconsin residents.

By eliminating the current rules by which for-profit institutions must comply, it will open the door for them to more aggressively compete both on-ground and online with the state's public and nonprofit institutions absent any checks and balances. Given the aggressive marketing and recruiting tactics employed by some for-profit institutions, enrollments at public and nonprofit sector institutions could well decline.

Should the EAB ultimately be eliminated, Wisconsin will be the only state in the nation without some type of meaningful oversight of for-profit institutions. As a result, the state will become a haven for sub-standard institutions, degree mills, and dubious foreign institutions looking for a United States location as past history shows in states with little or no regulation.

RECOMMENDATION

It is recommended that the board formally oppose the Governor's budget recommendation to eliminate the EAB.