
The



Quarterly

A newsletter from the Wisconsin Educational Approval Board

Issue 23, Fall 2003



From the Executive Secretary

The annual conference for schools that are approved by the Educational Approval Board (EAB) will be held on November 12 and 13, 2003 at the Sheraton Madison Hotel in Madison. If you have not yet registered, your time is quickly running out. To review a copy of the agenda or access registration information, please visit the EAB's website at <<http://eab.state.wi.us>>.

The EAB began hosting the approved schools conference six years ago as a way to bring staff from the EAB, school owners and officials, as well as other interested parties together to share information, facilitate proactive collaborative relationships, and improve educational outcomes.

In many states, schools are required to attend an annual meeting. However, like many other EAB regulatory provisions, the approach in Wisconsin is more progressive and seeks to encourage school participation by offering interesting topics that directly relate to serving students and meeting the needs of employers.

Although that can be difficult given the diverse nature of EAB's approved schools, this year's conference looks to be one of the

best. Results Matter: Connecting Data, Outcomes, and Jobs" is the theme.

Attendees will hear from a member of Governor Jim Doyle's administration, state Senator Ted Kanavas, and the state's chief labor economist about how EAB-approved schools might play a role in the Governor's Grow Wisconsin plan, the Legislature's jobs creation proposals, and the economic future of the state.

The introduction of legislation that provides a tax credit to businesses that pay tuition for persons attending "college" is an example of how certain EAB-approved schools will have the opportunity to help the state shape its economic future. Under the bill, known as Senate Bill 268, businesses that pay tuition for students who attend an EAB-approved degree-granting institution would be eligible for a tax credit up to 75% of the tuition paid.

In addition, officials from the University of Phoenix will discuss how their institution uses outcome measures to guide decision

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School News . . .

NASCAR Celebrates First Graduating Class

The NASCAR Technical Institute of Morrisonville, North Carolina celebrated its first graduation ceremony for 80 students in August.

Developed by the Universal Technical Institute, Inc. and NASCAR to boost the number of automotive service technicians entering the manufacturer, aftermarket and motorsports industries, the institute is the country's first-ever technical training school to combine an automotive technology program and a NASCAR-specific motorsports program.

The graduates, who began their studies in July 2002 as the institute's initial students, have trained to excel as entry-level technicians. The school provides coursework in engine construction, electrical, fuel and lubrication systems, drive trains, body and chassis fabrication and racing theory principles.

While a few of the graduating students will go on to work for race teams, the majority will either help fulfill the auto industry's need for professional technicians at dealerships, auto shops and in the aftermarket, or will continue their education with one of Universal Technical Institute's graduate programs.

80-Year-Old Auto-Diesel College Joins Lincoln Educational Services

Nashville Auto-Diesel College (NADC), Nashville, Tennessee, became the ninth

automotive school and 24th campus of Lincoln Educational Services. The training facility houses 200 automotive bays where students acquire their future career skills.

NADC currently graduates 1,500 students a year with a 90+ percent placement rate.

The school offers students training in automotive, diesel and collision repair through diploma and degree programs and special courses for manufacturers' training.

Nashville Auto-Diesel College is accredited by the Accrediting Commission of Career Schools and Colleges of Technology and has been approved by EAB since 1987. The school served 21 Wisconsin residents in 2002.

To find out more about Nashville Auto-Diesel College, call (615) 226-3990, or visit their website at www.nadcedu.com.

Institute of Beauty & Wellness Receives Accreditation

In June 2003, the Institute of Beauty & Wellness, Milwaukee, was accredited by the National Accrediting Commission of Cosmetology Arts and Sciences (NACCAS). The school is in the process of becoming approved by the U.S. Department of Education to offer federal financial aid to its students.

Congratulations to Heather Schreiner & Staff!

UTI Announces Formation of New Division

Universal Technical Institute, Inc. (UTI) has formed a new Industry Solutions Division. The division is focused on the needs of its manufacturers, dealers and students and will give the institute the opportunity to improve customer and student satisfaction while improving operational efficiencies.

UTI has seven campuses nationwide.

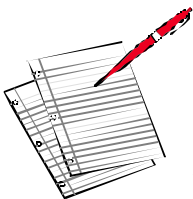


In the Spotlight

National Teachers & Educators College

The EAB granted approval to National Teachers & Educators College (NTEC), Northbrook, IL and its Proficiency-Based K-12 Teacher Licensure program in September. The program was created to help schools and school districts recruit, train, certify and retain K-12 teachers in shortage areas and to certify teachers working on emergency permits. The program is designed for individuals holding a bachelor's degree and wanting to make a career change. NTEC offers its program through a unique partnership with Rockford College and Cooperative Education Service #1 (CESA 1).

For more information about this innovative program, contact National Teachers and Educators College at (847) 867-4130 or visit their website at www.alternativecert.com.



Meeting Notes

The Educational Approval Board (EAB) met in Madison on September 29. The Board adopted a scope statement to begin the process of developing proposed rules related to the creation of a student protection fund. In addition, the revised rules will clarify a number of existing rule provisions.

In other action, the board approved a state student records retention policy for postsecondary institutions that close.

The next meeting is scheduled for December 16 in Madison.



The State Line . . .

Attention Wisconsin Educators - - -

The Wisconsin PK-16 Leadership Council wants to recognize best practices in educational collaboration around the state. If you are currently collaborating with another educational entity and have enhanced student learning through quality teaching, the Council wants to hear about it. Up to three "Programs of Distinction" will receive \$1,000 each and have statewide recognition.

The Wisconsin PK-16 Leadership Council is a voluntary body consisting of educational leaders who are committed to addressing critical state educational issues through collaborative initiatives.

The application deadline is February 16, 2004. For more information, including a summary of the 2003 award winning Programs of Distinction, and an application, please go to <http://www.wisconsin.edu/pk16/awards>.

Staff encourages EAB approved schools to look into this opportunity for state recognition.

Governor Announces 'Grow Wisconsin' Initiative

Governor Jim Doyle recently announced his "Grow Wisconsin" initiative, described as a plan of action to get Wisconsin's economy moving again and producing good paying jobs.

Jamie Wall, Administrator of the Division of Economic Development, Wisconsin Department of Commerce, will address the key concepts of the Grow Wisconsin initiative at the EAB Approved Schools Conference on November 13, 2003.

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making. EAB staff will provide an update on the implementation of the new student protection fund and other important issues affecting approved schools.

There will also be an opportunity for attendees to participate in a pre-conference workshop and dinner discussion from 7:00 - 9:00 p.m. on November 12. We are very fortunate to have Michael Cooney, the editor of *Career Education Review*, join us. As a prelude to the conference, his workshop is appropriately titled, "Trends, Research and Ideas That You Can Use to Improve Your School."

I hope to see you at the conference.

Best regards,

David C. Dies
Executive Secretary

There's Still Time



To Register

*EAB Approved Schools Conference
Thursday, November 13*

*Pre-Conference Workshop and Dinner
Discussion
Wednesday, November 12*

**Go to our website at
eab.state.wi.us
for more information.**

Public Policy

On The Hill

with Tom E. Netting

Congress Examines Reauthorization Issues

As Congress considers the reauthorization of the Higher Education Act, it has followed the themes of affordability, accountability and accessibility.

Those guidelines are likely to remain in the forefront as bills relating to the act are introduced in Congress this fall.

There will likely be three bills introduced in the House in mid-September: the Access Bill, the College Affordability Bill and the Title IV Bill, which will focus heavily on accountability.

The Senate will likely look at one piece of legislation, and once the House and Senate have completed their bill or bills, there will be a conference between the House and Senate. There will then be an up or down vote on one piece of legislation.

Some of the things being proposed are meeting with a great deal of reluctance, not the least of which is the college affordability concept.

Tuition Caps

Congress will likely try and focus on having institutions maintain present tuition levels or try to prevent them from increasing tuition by a large percentage.

If a school raises tuition by too much, however, it will likely take a protracted and elongated process for the government to take action against the school.

The first time an institution raises tuition above a cap it may trigger a reporting requirement with the Department of Education and a reporting body. This may happen one, two, three, four or five times, and then other things will take place.

Continued on insert

On The Hill (continued from page 4)

An offending institution may face sanctions such as grant fund limits. I don't think it will equate to an institution being shut out of Title IV funds, however.

The American Council for Education, or ACE, has been very critical of this proposal from the beginning. In theory, ACE institutions see it as a form of price fixing.

State colleges are stuck between tight state budgets and the federal government. The proposal has brought about a great deal of criticism, and there is concern within the Republican party over whether this is the right tact to take.

Buck McKeon, the ranking member of the 21st Century Competitiveness Subcommittee who introduced the proposal, is not a Lone Ranger on this, but he's not garnering the same rallying cry one would anticipate. Studies show that college costs are an issue with the American public, and there are those who appreciate his attempts to bring cost containment to higher education.

I'm not sure he has a lot of support for the manner in which he's going about it, however. There are not a large number of endorsements coming to rally behind the proposal.

It's a good sound bite, and McKeon's attempt to address this issue is very well founded, but as with many things there's no easy fix to try to cap tuition increases given the current variables. Some say his proposal couldn't have happened at a worse time, given other factors such as state and federal budgets.

Title IV

There continues to be a strain on the number of dollars flowing into higher education.

Key members have been cautious when talking about innovative, creative approaches and ideas because the funding isn't there. This includes McKeon; John Boehner, the chairman of the House Education and the Workforce Committee; George Miller, the ranking member of the committee; and Dale Kildee, the ranking member of the 21st Century Competitiveness Subcommittee.

Pell grants and loans have been capped at the same limit they were capped at the prior year. It's a tight budget situation, and we're looking at a cap of \$4,050, which is the same level as last year and the current academic awards year.

An additional \$800 million is going into the Pell grant program, but those new dollars are going to a large number of new entrants into the program. The amount of the grant stays the same.

There is a continued concern that if No Child Left Behind brings more children through to higher education, more funding would be put into the Pell grant program but it would not increase the amount of the grant.

In terms of loans, there is a great deal of focus on trying to increase the loan limit. Loan limits have not been increased in 10 years, but there is continued concern about where to find the money and the cost to the federal government.

90/10

That brings us to the 90/10 rule. There are compelling arguments for the elimination of the rule, which limits a proprietary school's amount of federal aid to 90 percent of its total revenue.

The concerns about 90/10 focus on how it pits two tenets or two concepts against one another.

An institution could continue to serve low- and middle-income populations and potentially put itself at risk for loss of eligibility because of the aid those students are capable of earning. Or, the institution could choose to move out of those inner cities and not serve that population.

The situation has been exacerbated by the whole concept of trying to increase access for low- and middle-income families.

Congress is considering front-loading Pell grants, giving more grants in the first and second years of a student's college career. If students drop out after the first year or two, this would mean they would not be saddled with an increased debt burden.

Congress is also thinking about raising loan limits. For ten years the limits have remained the same: the first-year limit is \$2,625, the second year limit is \$3,500, and the limit for third, fourth and subsequent years is \$5,500.

However, these changes would put tremendous pressure on the 90/10 calculation. That would be potentially exacerbated by continued increases in eligibility and access ability of students.

I think there will be a considerable change to 90/10 in this reauthorization. On behalf of some of my clients, I've been pushing for the elimination of 90/10.

Given the poor decisions it is forcing institutions to make, and the impact of front-loading Pell grants and equalizing or raising loan limits, we believe it is time to eliminate 90/10 as bad public policy.

There are those on Capitol Hill and within the traditional higher education sector who want to keep 90/10 as a strong integrity provision, but I

honestly believe that elimination of the 90/10 rule should be the high-water mark.

Other potential outcomes could include recognition of the population served. That could mean removal of Pell grants from the 90/10 calculation or something similar to exceptional mitigating circumstances.

There may be other calculations beyond 90/10 that give recognition to high Pell eligibility being worked in the equation. That would be palatable to both Democrats and Republicans.

I think there is a possibility that 90/10 elimination will be in the base bill. Some Republicans seem receptive to that approach, especially in light of their potential desire to front-load Pell or increase loan limits.

Jeff Andrade, the deputy assistant secretary for policy, planning and innovation with the Office of Postsecondary Education, and others are making overtures that 90/10 should be eliminated.

It will be one heck of a fight to try and maintain elimination all the way through the process, through the House subcommittee, full committee and floor action, to say nothing of what the Senate will do and what we'll come out with at conference.

I think a very strong positive outcome at the end of the day is the removal of the Pell grants from the calculation and the removal of 90/10 from an eligibility provision.

Loan Consolidation

Loan limits and student loan consolidation are also two big issues. Hearings were held in late July on student loan consolidation and students' ability, or lack of ability, to consolidate or refinance loans.

Under current law, students are locked into a rate after they consolidate or refinance one time. Students are allowed to lock in at a fixed rate of 2 to 3 percent which is wonderful for the borrower. Unlike a typical mortgage or car loan, however, students cannot refinance their loan multiple times.

Continual refinancing would have a cost to the federal government and a potential cost to the lending community.

The single holder rule allows students to consolidate loans only with an entity that presently holds one of its loans. They can't go to an external lender.

There are those who would like to let the open market provide the best benefit to the individual. If a student saw a lender with better rates he could shift to that lender under the open lender rule.

Student groups are very much in favor of allowing continual refinancing, as are lending institutions that are new entrants into the student loan program. However, their attempts to provide good quality customer service and benefits to students are not necessarily as advertised, according to Sallie Mae.

From Sallie Mae's point of view, they have taken the risk of taking out a note on this borrower and have taken care of the servicing and requirements of the loan. For someone to swoop in on the back end would hurt their income.

Their statement is that they're going to be less apt to want to continue to make student loans at the volume and at the level that they currently do.

Career colleges should watch this carefully, since the large lender Sallie Mae and the lending community are in a state of upheaval. There are all sorts of decisions that are waiting to be made, and things could turn back into a situation that occurred in the late 1980s and early 1990s with lender access. The worst case scenario is that Sallie Mae would move out.

Sallie Mae and others may also become more particular in their loan portfolio mix and who they choose to serve. They may walk away from certain markets that are less viable, and that could mean walking away from our sector.

On the other hand, there may be new participants who would be happy to fill that void.

That's speculation, but it is one possible outcome of a very, very dynamic process right now.

An Institution Report Card

As Congress addresses accountability in the reauthorization, schools could be required to fill out something like the teacher report card required under the Title II Higher Education Act.

An institution report card for higher education is likely to be proposed. It will look at outcomes and include tangible consumer information.

The report will probably include affordability and tuition, and may be presented through the Integrated Postsecondary Education System, or IPED.

ACE, representing the traditional school sector, hopes it will be nothing more than a recasting of existing information and data that has already been provided. I believe schools will see something that is more than marginally

different from what they now provide. I don't think Republicans want schools to regurgitate information that is already out there.

The information in the institutional report card will be heavily weighed toward retention, placement and other criteria, such as tuition and fees. It will give a potential student the ability to look at a community college, or a proprietary institution, or Harvard based on similar information.

It will show the true cost of education, giving a family or potential student the ability to look at an institution based on consistent information. The opportunity cost, what students can expect to receive, will be reflected on the report card.

Accessibility

The additional funding for low- and middle-income students will address accessibility in the reauthorization, and there may also be programs specifically catered toward additional access for Hispanic students. However, given budget concerns, this would be a small program if it happens.

There is already a section of the Higher Education Act that deals with Hispanic Service Institutions, which get more than 25 percent of their enrollment from Hispanic students.

President Bush is committed to doing things to help the Hispanic population, and will likely put forward some kind of program to try and further promote access to education within the Hispanic population.

It will be an interesting dynamic to see if other minority interests are in favor of or in opposition to this program. A lot will depend on how it interacts with their programs.

It will be a sad state of affairs if it pits historically black colleges, which get funding under Title III, against Title V, or Hispanic colleges. They already vie for limited resources to those portions of the act.

Accreditation

The appropriate role of accrediting institutions will also continue to be a focus during reauthorization.

Rep. Tom Petri introduced the idea that accrediting institutions may no longer be needed, and while his idea won't be incorporated in the proposed legislation, accrediting institutions will get more prescriptive direction from Congress on what they are expected to review and oversee.

There will be a dovetailing of some of these other issues, such as accountability or affordability, woven into the responsibilities of accrediting institutions.

For example, with regard to affordability and Mr. McKeon's proposal to have an institution report the justification for raising tuition above a target threshold, that reporting requirement may have to go not only to the Department of Education but to the institution's accrediting body.

That way they can be mindful and accountable for what all the institutions that fall under their accrediting umbrella are doing.

There will also be a continued focus on distance education and the role that accreditation plays in ensuring the quality of distance education.

In short, the role of accrediting agencies will be beefed up and more specifically prescribed in the statutes. There will be expectations on the part of the federal government regarding what accrediting bodies do.

Into 2004

Congressional discussion and voting on legislation relating to the Higher Education Act is likely to slip into late October or November, and possibly into December.

The House will likely complete its work this year, but the Senate has not begun to hold hearings. It will probably not move legislation until February 2004.

By that time members of Congress will be looking toward the November 2004 election as they consider legislation. Partisan battles will arise, and there is a question of whether or not reauthorization will be completed by the end of the second session of the 108th Congress.

There are nuances and minutia in the Higher Education Act that are too complicated to make a good sound bite in an election year. However, Bush would love to deliver the Higher Education Act as a bookend for No Child Left Behind.

It would sell very well for President Bush if he could say he put together the access for elementary and secondary students in the first part of his term through the No Child Left Behind Act, and that now he has made changes in the Higher Education Act to ensure access to a higher education, leading to a better future and a better economy.

Democrats will not want to give that bookend to the President. They will profess that they are not against access to education, but disagree with the vehicle or manner being used to achieve that goal.

More Clout for Career Colleges

As education issues come to the forefront, proprietary schools have become a maturing industry in terms of their perception on Capitol Hill.

There are still those who are critical and have concerns about fly-by-night institutions in the industry. However, it is becoming more and more a very small voice in the woods.

It is to the credit of all the institutions that have become more involved in this process that we have gained additional recognition and credibility. It is long overdue, and justly deserved.

The attention that the large corporate career schools get from members of Congress is both a positive and negative.

Those large chains have the visibility and additional clout just by the very fact that they can touch more members of Congress. When you have 60 institutions as opposed to two you have an access point to 60 members of a body of 435 in the House of Representatives, as opposed to two or three with a smaller school group. Those sheer numbers bring about more recognition.

The flip side is that all members of Congress unfortunately remember what happened with Computer Learning Center. That was one of those times when having the outreach to that many of members of Congress cut both ways.

Many members of Congress tried to diligently support CLC. The school had made an established rapport with members of Congress, and needed that to influence the process.

However, there are also members of Congress in those areas who don't forget the concerns and issues raised.

In spite of those concerns, the issues raised by career colleges are being taken seriously by members of Congress.

Composite Agenda

I believe that corporate schools and the general Career College Association membership have a composite agenda. The CCA by its nature as a trade association represents a broad breadth of issues, and carries a lot of different water for its membership.

The CCA is involved in everything from transfer of credit to single definition of an institution of higher education, from 90/10 to issues of the institutional report card. Those issues are being carried by CCA and other associations for their membership in a broader context.

As a logical outgrowth of that, the corporate chains in the publicly traded sector are taking a specific issue and trying to improve upon the more aggregate position that the CCA has brought to the table. It supplements, rather than supplants, what the CCA is doing.

It's hard for CCA, given the divergence and the dynamic nature of its membership, to come

to a single position that serves everybody's needs in new and innovative things like distance education.

Its members do the best they can to come to a consensus, but every individual institution has the right to push its specific want if it so chooses. None of this is being done to the detriment of the broader community of proprietary schools.

There always needs to be someone to push the envelope further. There had better be a high-water point beyond what you can really live with, because you're going to get some push back.

The CCA often becomes the fallback, in a positive way. If I'm the ceiling, it becomes the floor we can't live without.

Career colleges are a change agent in postsecondary education. Community colleges have openly admitted in the national media that they are not capable of being open enrollment institutions. State budget cuts are forcing institutions to lay off faculty, shut off certain programs and make other modifications.

It's a sad thing for some, but a potential windfall for the proprietary community.

Congress will astutely realize that we are not only a viable option but quite rightly the best alternative.

BIOGRAPHY:

TOM E. NETTING is a vice president at Jefferson Government Relations in Washington, D.C. With more than 12 years of experience in public policy, he concentrates on issues relating to higher education and workforce development. Before joining Jefferson he was the corporate director of government relations for Corinthian Colleges. Prior to that he worked for 10 years as a lobbyist and accreditation specialist for the Career College Association, where he led successful efforts for the reauthorization of the Higher Education and Workforce Investment Acts. He has a bachelor of arts degree from Presbyterian College in Clinton, S.C.

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from the staff . . .

Certification Schools

The Educational Approval Board has historically approved diploma and degree-granting programs focused on entry-level jobs in occupations/careers. Recently, we have seen adult learners increasingly enrolling in education and training programs that result in industry-recognized certifications such as those in the information technology occupations.

In order to keep pace with today's educational offerings, EAB staff will initiate a deliberate and focused course of action using the school-approval process to include industry-recognized certificate programs where those programs have a demonstrated economic impact.

The Migration of Information Technology Schools to Health Occupation Schools

In recent weeks we received applications from two information technology (IT) schools seeking approval for medical/health related programs. After talking to staff in other states, we learned that this activity is also occurring in a number of states.

At first glance this may seem like an odd combination. We have been told, however, that trainers in the health fields look for schools with good training models and partner with them to offer training in health occupations.

TechSkills, with Madison and Brookfield locations, is the first IT school approved to offer medical programs. The programs in medical transcription, medical billing and coding and medical administrative assistant will be offered online. Inacom Information Systems, Madison, was granted approval to offer programs in medical billing and coding, medical assistant administration, phlebotomy technician, pharmacy technician and EKG/Cardiovascular technician.

For more information about this training need, see the related story on page 7.



MORE WOMEN OUT-EARNING

TYPICAL MAN: Over nine million women in the private sector earned more than the typical male in 2002 according to Employment Policy Foundation. The median male income was \$36,000; while among those women who out-earned the typical male, their median income was \$50,000. The foundation found that education was essential for women seeking to boost their earning potential. Also, women in the private sector who have never been married were more likely to earn more than their male counterparts when compared to women in other marital categories.

COLLEGE: THE IMPOSSIBLE

DREAM: RoperASW and the Institute for Global Futures conducted a survey of young college age adults to look at the attitudes, aspirations, and financial and academic preparedness of young people ages 16 to 24. The survey, "America's Youth Look to the Future," found that one in four young people will likely lack the resources, financial savvy and skills to achieve their college and career dreams. For additional information on the survey's findings, visit www.slfc.com/youth.

TONGUE TWISTERS AT YOUR

COMMAND: Need some tongue twisters for your English pronunciation class? Learning Hindi or Maori? Serbian or Ibanag? Visit www.uebersetzung.at/twister/index.htm for tongue twisters that help.

THE BELOIT COLLEGE MINDSET

LIST for the class of 2007 is available at http://www.beloit.edu/pubaff/releases/mindset_2007.html. The list reminds us of what the world has been like for those born in 1985.



On the National Front

“Millennials” Enter College

Meet the “millennials,” those people born in the 1980s, and entering college this fall. They are often compared to those born in the 1950s -- more conventional, more focused on succeeding, team-oriented, pressured and achieving. However, they also may have little idea of what college requires.

Today’s freshmen care little about politics but are volunteering in record numbers. They are going to college to get a better job or to make more money. And beer drinking is at record lows among college freshmen.

Since 1966, the American Council on Education has surveyed college freshmen. Results of the survey for this year’s group found only 34 percent did six or more hours of homework a week in high school, and despite that they got unusually good grades, with nearly 46 percent earning ‘A’ averages in 2002.

Baby Boomers Head Back to the Classroom

Professional degrees, recent layoffs, lifelong learning, and a last chance to do what they’ve always wanted to -- these are some of the reasons that baby boomers (those people born between 1946 and 1964) give for returning to school.

In 2001, about 20.8 percent of U.S. college and university students were age 35 or over, according to estimated figures from the National Center for Education Statistics and the Census Bureau. That’s up from 11.7 percent in 1980, when boomers were between the ages of 16 and 34.

Analysts report that the industry is huge and it’s growing. Several schools, from for-profit DeVry Inc. to nonprofits such as the

University of Phoenix report substantial boomer enrollment in their adult education programs.

Degrees earned later in life lead to pay raises, career advancement and even part-time employment opportunities in areas such as teaching.

.EDU:

The Department of Commerce recently expanded the use of the ‘.edu’ domain name to postsecondary institutions that are accredited by any of the agencies recognized by the U.S. Department of Education. Proposed by EDUCAUSE, the policy change removes the distinction between nationally and regionally accredited education providers.

EDUCAUSE is the sole registrar for names in the .edu domain. The Department of Commerce awarded management of the domain to EDUCAUSE in October 2001. Requests for new names in the domain are accepted on a first-come, first-served basis for eligible institutions. All holders of .edu domain names must use EDUCAUSE’S Web site to manage their domains and hosts.

*For more information, visit
www.educause.edu/edudomain.*

The Do Not Call Registry

The good news is--non-profit postsecondary schools and colleges are presently exempt from the Federal “Do Not Call” Registry as long as all of their solicitation calls are made by their own employees and not by a for-profit telemarketing company.

The bad news is--the rules of the registry affect every for-profit school that uses the telephone for outgoing calls as part of the admissions process, including those schools that make follow-up calls to the people who have expressly asked for

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Call continued from page 6

enrollment information.

Industry experts warn for-profits that it is imperative that they begin developing and implementing strategies to enable them to work successfully within the new Federal Trade Commission (FTC) and Federal Communications Commission (FCC) guidelines. Experts say that good lead tracking and management software packages that have been updated to flag all prospects on the registry are a must.

For further information visit one or all of the websites listed here: <http://www.ftc.gov/bcp/online/pubs/alerts/dncbizalrt.htm>; <http://www.ftc.gov/online/edcams/donotcall/businfo.html> or http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-03-153A1.doc.

The High Cost of Health-Sciences Education

A recent report released by Eduventures, a market-research company based in Boston, warns schools to expect to expand their health-sciences programs to consider all the economic factors driving the need for additional programs before they move in that direction. The report, "Health Sciences Education Under the Microscope," highlights the top 10 fields of growth in health sciences and analyzes the circumstances influencing the need for more professionals in those specialties.

Further, the report points out that the high cost of starting health-sciences programs, such as the need to purchase expensive equipment, and the low faculty-to-student ratio necessary for many specialties, can limit profits. Also, growth is not equal and enrollment in the health sciences tends to subside when the economy is stronger, suggesting that the potential market of students might be smaller than anticipated if there are other job prospects outside the medical field.

Copies of the report are available on Eduventure's website. Registration is required to access the report.

Students Find Themselves Drowning in Debt

In the late 1990's states saw an explosion of computer training centers opening their doors. At the same time, lenders such as Sallie Mae's SLM Financial unit and Key Bank USA, partnered with computer schools, many of them unapproved in their home states, to provide loans to students.

Just as suddenly as they opened, many of them closed their doors--owners often bankrupt and students left with unfulfilled training contracts and large loans to pay off. State regulators did what they could to help students--secured teach outs, collected on private school bonds, and where available, tapped student protection funds. In some instances, lenders forgave the student loans.

All of this has proven costly for students, bonding companies and lenders. In response to this rash of school closings, the parties involved have taken steps to protect themselves from future abrupt closures. For example, states have raised school bonding requirements and lenders now work with state regulators to make certain that schools are approved in the states in which they operate. In Wisconsin, we are in the rule making process and will put a tuition protection fund in place on July 1, 2005.

Students from closed schools have also been proactive in defending themselves from lenders' collections departments. Earlier this year, a law firm in Richmond, VA filed a federal lawsuit demanding that SLM Financial and six commercial banks forgive the loans of 110 computer school students. In Tampa, FL, a law firm has filed class-action lawsuits against SLM Financial and Key Bank seeking to dismiss student loans.

Debt, continued on page 8

Debt, continued from page 7

An attorney in Wisconsin is investigating the feasibility of filing a similar lawsuit.

The Federal Trade Commission's "holder rule" could also play a key role in whether students have to pay off loans used for classes that were cut short. The holder rule says that just as consumers cannot be forced to pay for goods or services they never received, nor can they be forced to pay off a loan for those undelivered goods or services. SLM Financial's career loan contracts include the rule, however, they also contain a line that reads: "If I fail to complete or am dissatisfied with the education program paid for with this loan, the Co-Borrower and I are not relieved of any obligation within or pursuant to this note." Which language prevails could determine whether hundreds of students will have to pay off loans over the next 15 years.

On a Related Note:

The U.S. Department of Education announced last month that the rate at which borrowers default on their student loans has dropped to an all-time low of 5.4 percent.

The default rate measures the percentage of borrowers who have defaulted within 12 to 24 months of leaving college. As a group, proprietary institutions average 9 percent, down from 9.4 percent in 2000.

In Wisconsin, we have discussed with approved computer schools the importance of being aware of their student loan default rates with private lenders as we believe default rates could affect the sector's ability to secure student loans in the future.

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