

👉 **07hr_sb0174_SC-Ed_pt01**



Details: Public Hearing – March 6, 2008

(FORM UPDATED: 07/12/2010)

**WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS**

2007-08

(session year)

Senate

(Assembly, Senate or Joint)

Committee on ... Education (SC-Ed)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**
- Record of Comm. Proceedings ... **RCP**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt**
- Clearinghouse Rules ... **CRule**
- Hearing Records ... bills and resolutions
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution)
 - (**ajr** = Assembly Joint Resolution)
 - (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

MB

Vote Record Committee on Education

Date: 3/6/08

Moved by: HANSEN

Seconded by: Kreitlow

AB _____ SB 174 Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

- Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator John Lehman, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Jon Erpenbach	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator David Hansen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Pat Kreitlow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Luther Olsen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Glenn Grothman	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Mary Lazich	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>6</u>	<u>1</u>	_____	_____

Motion Carried

Motion Failed

Vote Record Committee on Education

Date: 3/6/08

Moved by: Kreitlow

Seconded by: Hansen

AB _____ SB 174 Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt 1
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

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- Passage Adoption Confirmation Concurrence Indefinite Postponement
 Introduction Rejection Tabling Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator John Lehman, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Jon Erpenbach	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator David Hansen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Pat Kreitlow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Luther Olsen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Glenn Grothman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Mary Lazich	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>7</u>	_____	_____	_____

Motion Carried

Motion Failed



Dauscher, Sara

From: Lehman, John
Sent: Friday, July 27, 2007 4:27 PM
To: Dauscher, Sara
Subject: RE: Vinehout EAB bill
Follow Up Flag: Follow up
Flag Status: Red

OK to sit on. keep this email exchange in the folder

SB 174?

From: Dauscher, Sara
Sent: Thu 7/26/2007 3:31 PM
To: Lehman, John
Subject: Vinehout EAB bill

Hi John,

I talked to Linda in Vinehout's office about their EAB bill (the one that every educational agency hates). They have no desire to have a hearing on it unless these concerns are addressed first. To me it just sounded like they listened to a lobbyist and Steve Nass and didn't run the traps to make sure it was a good bill first, and they realize it, so they're not pushing it.

S

Sara S. Dauscher

Office of Senator John Lehman

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Madison, WI 53708

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7/30/2007





STATE OF WISCONSIN EDUCATIONAL APPROVAL BOARD

EAB MODERNIZATION SB 174 / AB 281 BRIEFING PAPER

OVERVIEW

The Educational Approval Board (EAB) was created to protect Wisconsin's consumers from fraud and abuse by for-profit schools after the passage of the GI Bill in the 1940's. Although for-profit education has changed dramatically in the past three decades, the EAB's enabling statutes and regulatory model have not been updated to deal effectively with the fundamental changes in postsecondary education for working adults and nontraditional students.

As a result of a comprehensive assessment of its organizational structure and an examination of best practices for improving schools, the EAB has proposed to modernize its enabling statutes and regulatory model. It does so because it believes the best way to protect students is to improve the schools by holding them accountable for student results.

The EAB also knows it must work cooperatively with the schools to help them use results data to improve. Modernizing the EAB means it can better protect consumers; more effectively regulate schools; and most importantly, improve outcomes for students. In addition, modernization will enable the EAB to help adult students change their lives by creating better schools.

HISTORY OF THE EAB

The origins of the EAB began with the passage of the GI Bill in 1944. Before veterans could receive benefits, states were required to approve programs of education in all educational institutions serving veterans. In November 1944, Governor Walter Goodland created the Governor's Educational Advisory Committee (GEAC) as Wisconsin's state approving agency (SAA) for veterans training under the GI Bill. The GEAC was a non-statutory, voluntary committee. In 1952, Congress provided funding for SAAs and the GEAC entered into a contract for salaries and travel. In 1953, GEAC became a statutory committee.

During the decade following inception of the GI Bill, state governments were introduced to the unregulated for-profit educational sector. Correspondence schools and other forms of private educational institutions proliferated in the post-war years, to meet the growing training demands of veterans and women. It is generally agreed that the GI Bill stimulated the growth of private postsecondary education in the nation.

Although fraud and abuse were experienced during the early years of the GI Bill, especially among newly minted for-profit schools, concern about quality in that sector quickly generalized beyond the interest of veterans' education to a more global consumer protection orientation. In 1957 the Wisconsin legislature authorized the GEAC to investigate and oversee for-profit schools to "prevent fraud and misrepresentation and to protect the general public." The GEAC began issuing permits to school solicitors (now representatives) in 1961 and in 1965, it sought clarification of its role in statute and a year later legislation added to its authority and renamed it the Educational Approval Council (EAC).

August 23, 2007

In 1968, the Joint Committee on Finance (JCF) renamed the EAC the Educational Approval Board (EAB). Statutory changes in 1971 made it mandatory for “all proprietary schools” to be approved by the EAB before operating in the state of Wisconsin. The authority of the EAB was expanded in 1993 by Wisconsin Act 61 to include in-state, non-profit schools incorporated after January 1, 1992 and out-of-state, non-profit colleges and universities. The responsibilities and resources for the GI Bill SAA oversight were transferred from the EAB to the Department of Veterans Affairs (DVA) in 2001-03 biennial budget, thus ending EAB’s direct relation with the GI Bill. The EAB’s administrative attachment was transferred from the DVA to the Wisconsin Technical College System Board as a result of the 2005-07 biennial budget.

NEED FOR CHANGE

During the last 20 to 30 years, the postsecondary institutions and programs regulated by the EAB have undergone dramatic changes. In the early 1970s, most if not all institutions approved by the EAB, offered programs with a vocational or trade objective, like basic business training, truck driving, electronics, and travel agent training. Historically, the kinds of institutions EAB regulated were adequately described by the statutory definition which cited “private trade, correspondence, business and technical” schools.

While the EAB still approves many private institutions which have a vocational or technical objective, the scope of its regulation has expanded to include degree-granting colleges and universities, certificate programs, distance-learning degrees and programs, and new licensure programs for home inspectors, massage therapists, and K-12 teachers.

Today, technology, the economic market place, and the rapidly changing needs of employers and employees are transforming postsecondary education and training. Because the proprietary sector must be highly responsive to the demands of its customers – working adults and their employers – this sector is driving the evolution of postsecondary education. This market-driven reality means the EAB is faced with regulating new and constantly changing types of schools and programs.

While the content, structure, and delivery of programs offered by proprietary schools has been changing at an accelerating rate, the statutory provisions governing the EAB have not changed to meet this reality. For example, who would have predicted 25 years ago the following: for-profit universities like University of Phoenix or DeVry University; distance-learning via the Internet like Capella University and Franklin University; computer schools for Microsoft and Novell certifications; new licensed occupations like home inspectors and massage therapists; degree-completion programs offered to fit the needs of working adults like Upper Iowa University; and the use of industry-recognized certifications to denote special expertise in the marketplace.

Perhaps the most telling example of changes in the proprietary sector that the EAB regulates is exemplified by Herzing College. Herzing College began in 1948 as the Wisconsin School of Electronics, a diploma-granting, non-accredited, technical program. Today, Herzing College is a regionally accredited institution offering associate and bachelor’s degrees in Computer Information Systems, CAD Drafting, Computer Network and Security, Business and Administration, and Homeland Security and Public Safety.

The EAB currently approves 144 for-profit and non-profit postsecondary institutions. The schools, colleges, and universities offer more than 600 programs to more than 34,000 adults in degree and non-degree programs annually. These programs include pet grooming, bartending, auto technician, computer information, English as a second language, massage therapy, truck driving, bachelor's degree completion, master's degree in education, MBAs and PhDs.

PRINCIPLES OF EAB MODERNIZATION

While the proprietary school sector has changed dramatically and continues to change rapidly as it adjusts to marketplace realities, the EAB is faced with how to structure its regulatory oversight of this dynamic sector. More importantly, how should the EAB design its statutory authority to embrace and incorporate sound organizational theory so consumers are better protected and so EAB institutions are more effective and produce better student outcomes?

Traditionally, a regulatory agency like the EAB has accomplished its statutory responsibility of protecting consumers by ensuring schools comply with certain rules and regulations, by monitoring schools for compliance, and by resolving student complaints where compliance has failed.

Most regulators have a "compliance and monitoring" mentality. This means regulators tell the regulated what they should do, then the regulated acquiesces to the rules and regulations, and lastly, the regulator monitors for compliance. This oversight model, however, can only achieve minimum compliance with a set of rules. It does not promote a higher level of quality, excellence, self-improvement, and value-added productivity. That's because it is a model imposed on others rather than a method focused on the school advancing itself and being held accountable for results.

In reviewing its organizational structure and systems, the EAB has focused on four critical questions:

- How will EAB's oversight process help schools advance over time and lead to better student satisfaction and learning results?
- Can there ever be a sustained and rational school advancement process without a defined strategic/institutional plan, which sets goals, creates action steps, measures results and evaluates progress?
- How do the EAB school approval, annual renewal, and school visit processes need to be redesigned to focus on results and to encourage and support school advancement?
- What result data would schools and the EAB need to collect and analyze so schools are accountable for student outcomes?

Good reasons exist for the EAB to move towards a model that promotes school effectiveness and accountability. First, the best way to protect students is to hold schools accountable for results data and enhance the schools and their programs. Secondly, such a model will allow the EAB to work cooperatively with the schools for better student results. And lastly, this model focuses on schools developing their own capabilities for data decision making, value-added services, and continuous improvement.

For the past several years, EAB's direction has been guided by its strategic plan. The mission, values, organizational goals, and operating principles of the strategic plan have positioned the EAB to deal with the changes of the proprietary sector. So that the EAB can protect consumers and hold schools accountable for student outcomes and results, it is necessary to modernize the EAB's outdated enabling legislation using its strategic plan, sound organizational principles, and the realities of this dynamic sector.

STATUTORY CHANGES & STRUCTURE UNDER SB 174 / AB 281

Statutory Placement & Construction

The bill establishes the EAB's statutory authority under Chapter 37, a newly created chapter of the statutes within the series that includes educational institutions and higher education agencies. Because the EAB is independently governed, its statutory authority should be separate from that of the Wisconsin Technical College System Board (WTCSB).

As a regulatory agency, the EAB's statutory authority should be more discernible. The EAB must frequently cite its statutory authority in legal matters and the current construction can be confusing, because parties frequently assume the EAB is part of the WTCSB. This change would also facilitate the EAB's interagency relationships. While the current placement reflects the EAB's administrative attachment under s.15.03, *Wis. Stats.*, nothing precludes its authority from appearing separately.

Definition Changes

The bill makes the following substantive definition changes.

Fee: Creates a fee definition to clarify the concept that the EAB regulates schools that charge a fee for the education or training they provide. Further, delineate that fee includes charges for tuition, books, materials, application, or other charges necessary to attend a school.

Program: Replace the terms "course" and "course of instruction" with "program," which is the term currently used in the administrative rules. This change is consistent with current practice of the EAB approving programs, not individual courses. In addition, exempt education or training that is offered by an employer solely for their employees.

School: Modify the definition of a school so that it applies to any person, located within or outside of this state, that offers, maintains, provides or conducts a program for a fee. This change incorporates language currently contained in the section on responsibility. In addition, the "exemptions" from the definition of a school would be amended as follows.

- Clarify that the current exemption for religious schools [s.38.50 (1)(e)3.] applies to schools the board determines only offer programs of a parochial or denominational character having a sectarian objective and are limited to use in the ministry.
- Eliminate the current exemption [s.38.50 (1)(e)7.] in reference to normal schools once approved by the Department of Public Instruction for teacher training. These schools became part of the UW System during the merger that took place in the 1970s and makes this exemption obsolete.

- Eliminate the current exemption [s.38.50 (1)(e)8.] which allows the board to exempt schools accredited by an accrediting agency recognized by the EAB. This provision is obsolete and has never been used.
- Clarify the current exemption [s.38.50 (1)(e)5.] for schools that only offer programs to employers exclusively for their employees at no cost, and not available to the general public.

Purpose

The bill creates a purpose section by modifying the current responsibilities section and adding language that specifically states the EAB will use its approval process to support quality educational options for students. Further, it specifies that the EAB's purpose is to do the following:

- Evaluate and approve schools.
- Collect and disseminate student outcome and satisfaction information.
- Perform annual reviews of schools.
- Conduct on-site school visits.
- Hold school accountable for improving the performance and effectiveness.
- Support option for innovative and quality programs offered by schools.

Accountability

The bill establishes a separate section on accountability that requires the EAB to assess its performance and effectiveness. If the EAB is to require approved schools to have an institutional plan and report annually on progress, then the agency ought to hold itself accountable to the same type of organizational standards and processes.

Employees & Quarters

Under the bill, the "executive secretary" title would become "executive director" to reflect the common designation for such a position. In addition, the provision that the EAB keep its office with the technical college system board would be deleted. This arrangement is not currently possible and the provision is unnecessary.

Authority

The bill creates a new section which clearly delineates the EAB's authority. Under current law, the authority of the EAB is contained in two separate sections – "Proprietary School Approval" under s.38.50 (10) (a) and "Approval of Schools Generally" under s. 38.50 (7). This new section would combine the introductory language of the old sections and clarify what the EAB must approve.

Responsibilities

The bill revises the current school approval provisions [s.38.50 (7)] to reflect specific responsibilities the EAB must perform to hold school accountable for student outcomes and ensure programs meet acceptable standards.

This section would retain the existing responsibilities and add the establishment of standards and criteria for schools offering programs via distance learning, which are already contained in administrative rule. Specific responsibilities identified include the following.

- Evaluating the adequacy of programs.
- Establishing distance learning standards and criteria.
- Requiring schools to provide a catalog to all students prior to enrolling.
- Recruiting of students and issue representative permits.
- Prescribing restrictions on the used of promissory instruments.
- Establishing standards and criteria to prevent fraud and misrepresentation.
- Establishing refund standards.
- Requiring schools to comply with applicable building, fire and safety codes.
- Requiring schools to have a surety bond.

Approval, Application & Fees

The bill creates a new statutory section that consolidates all of the provisions pertaining to school approval, application and fees in a single section.

Reporting

The bill creates a new section on reporting that delineates what information schools approved by the EAB must annually report, including school information, student outcome and satisfaction information, and an institutional plan.

Consumer Protection

The bill establishes a separate section that addresses consumer protections – student protection fund, enforcement, penalties and other (legal) remedies – that are presently located in a several separate sections. In addition, a provision has been created allowing the EAB to pursue legal action if a school closes, such as filing as a creditor, so funds might be recovered for the student protection fund.

Closed Schools

The bill eliminates unnecessary closed school provisions specific to the Wisconsin Association of Independent College and Universities (WAICU). Under current law, the EAB is assumed to be the record custodian of last resort, which allows WAICU the ability to retain records for their member institutions.

Soliciting of Students

The bill will sunset current statutory provisions [s.38.50 (8)] pertaining to the recruitment of students two years after enactment; allowing sufficient time for the provisions to be codified in administrative rule. Authority to approve “representatives” would be retained under the bill.

IMPLEMENTATION OF EAB MODERNIZATION

- Statutory Revisions – The statutes will be rewritten to define a new way of performing the EAB’s regulatory function, as well as to improve the current statutory construction.

- Administrative Rule Update – Once the statutes have been revised, it will be necessary to make corresponding changes to the administrative rules.
- Student Outcome Categories – The EAB will revise the reporting categories for which schools are required to annually report student outcomes data.
- Data Verification – The EAB will develop a verification process for the data it collects and consider how targeted benchmarking might be utilized.
- School Visits – Defined processes will guide school visits and focus on developing effective institutions. A structured school visit cycle will be established for all in-state and out-of-state schools.
- Annual Renewal Process – The annual renewal process will be used to focus on results and institutional effectiveness.
- Electronic Reporting & Data Migration – The manner in which schools report annual student outcome information will be changed to an electronic process. This data will be automatically transferred to the EAB database after it is reviewed and accepted.
- Database Redesign – As a critical administrative component for EAB operations, the database has outgrown its original design and must be updated.
- Continuing Education – The EAB will examine continuing education requirements for schools, such as attendance at EAB-sponsored events (annual conference/regional workshops) or by engaging in third-party professional development activities.
- School and Program Approval Guide – The approval guide will be rewritten to reflect the new regulatory model and improve its design.
- Agency Accountability – Based on its strategic plan, the EAB will hold itself accountable based on prescribed performance measures and by conducting surveys about EAB effectiveness over time.
- Annual Management Plan & Report – The EAB will use an annual management plan to guide staff activities throughout the year and produce an annual report by which goals can be measured.
- Operations Manual – The EAB Operations Manual will be updated as modernization projects become operational.



Dauscher, Sara

From: Dies, David [David.Dies@eab.state.wi.us]
Sent: Monday, February 25, 2008 12:01 PM
To: Dauscher, Sara
Subject: RE: SB-174
Attachments: 07s02711.pdf

Sara,

Here is a copy of the Senate Substitute Amendment. As I indicated, the SSA incorporates the provisions that DPI wanted and can be found under Section 11 (note that this Senate sub differs from the Assembly sub because the Senate version includes the simple amendment to the ASA that reflects the language DPI wanted). If you have questions, let me know.

David

<<07s02711.pdf>>

From: Dauscher, Sara
Sent: Monday, February 25, 2008 11:43 AM
To: Dies, David
Subject: SB-174

Hi Dave,

Just wanted to check in with you to let you know that John is waiting to see the compromise language before he makes a decision about what to do with SB-174.

Thanks, and I'll keep you posted,

Sara

Sara S. Dauscher

Office of Senator John Lehman

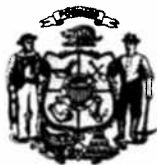
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STATE OF WISCONSIN
EDUCATIONAL APPROVAL BOARD

SSA1 TO SENATE BILL 174
EAB MODERNIZATION

TESTIMONY
by

David C. Dies, Executive Secretary
Educational Approval Board

Senate Committee on Education

March 6, 2008

Good morning. Chairman Lehman and members of the committee, I appreciate the opportunity to provide testimony in support of Senate Substitute Amendment 1 to Senate Bill 174. My name is David Dies and I am the executive secretary for the EAB. Although I will limit my testimony to the following written remarks in the interest of time, I am happy to respond to any questions you may have regarding the bill.

SB 174 contains numerous provisions that repeal, renumber, recreate and modify existing statutory authority. However, when you boil it down, the bill is really about one thing – improving students' lives by helping create good schools. SSA1 to SB 174 reflects changes agreed to by the EAB in response to concerns raised largely by the Department of Public Instruction.

It is important to understand that SB 174 is part of a comprehensive agenda that is designed to change the EAB's regulatory model of approving private postsecondary schools from one that is based solely on compliance to one that is also based on institutional effectiveness. This new regulatory model is intended to promote quality, organizational accountability, and continuous improvement for schools, as well as the EAB. SB 174 creates the statutory framework for this new regulatory model.

Beyond the statutory changes, other elements of the EAB's modernization agenda include such items as measuring student outcomes, creating an electronic annual school renewal system, redesigning the EAB's school visit process, establishing data verification protocols, revising school and program approval application materials, and modifying our database so information can be made to available to consumers on our website more easily.

The students – most of whom are working adults – who enroll in an EAB-approved school do so because they think the education and training provided will help them improve their lives. Maybe, they want a new career or to advance in their existing career. Maybe, they want a better job with better pay. Or maybe, they simply want to work at their passion.

The types of EAB-approved schools in which adult students enroll – such as, Schneider Training Academy, Fox Valley School of Massage, Nashville Auto-Diesel College, Rinehart School of Taxidermy, Weekend Dental Assistant School, New Horizons Computer Learning Centers, Herzing College, Upper Iowa University, and the University of Phoenix – offer the way to a better life, a way for these students to achieve their dreams.

While the proprietary school sector has changed dramatically during the past 10 to 15 years, and continues to rapidly change as it adjusts to new marketplace realities, the EAB fully realizes the magnitude of its regulations on the lives of Wisconsin's working adults and wants to do all that it can to shape its regulatory design so it helps the schools, so they can in turn help the students who enroll in this dynamic sector.

Traditionally, regulatory agencies like the EAB have accomplished their statutory responsibility of protecting consumers by ensuring schools comply with certain rules and regulations, by monitoring schools for compliance, and by resolving student complaints where compliance has failed.

Most regulators have this "compliance and monitoring" mentality. This means regulators tell the regulated what they should do, then the regulated acquiesce to the rules and regulations, and lastly, the regulator monitors for compliance. This oversight model, however, can only achieve minimum compliance with a set of rules. It does not promote a higher level of quality,

excellence, self-improvement, or value-added productivity. That's because it is a model imposed on others rather than a method focused on the school advancing itself and being held accountable for results.

In reviewing its organizational structure and systems, the EAB was focused on four critical questions:

- How can EAB's oversight process help schools improve over time and lead to better student satisfaction and learning results?
- Can there ever be a sustained and rational school improvement process without a defined institutional plan, which sets goals, creates action steps, measures results and evaluates progress?
- How do the EAB's school approval, annual renewal, and school visit processes need to be redesigned to focus on results and to encourage and support school advancement?
- What results data would schools and the EAB need to collect and analyze so schools are accountable for student outcomes?

Good reasons exist for the EAB to move towards a regulatory model that promotes institutional effectiveness. First, the EAB believes the best way to protect students is to enhance the schools and their programs by holding schools accountable for student results. Secondly, the EAB believes there needs to be a cooperative working relationship with schools for institutional effectiveness to be successful. And lastly, the EAB believes schools must develop an internal capacity for making decisions based on data, for satisfying students, and for continuous improvement.

Guided by using its strategic plan, sound organizational principles, and the realities of this educational sector, SB 174 has been developed to modernize the EAB's statutory provisions so that it can protect consumers and hold schools accountable for student results.

SB 174 focuses on student results – knowing what happens to students who enroll in an EAB-approved school; accountability – holding schools responsible for those results; and transparency – disseminating information about results so it can be used by others to make informed choices.

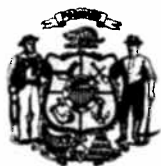
Each year your office receives a copy of the Directory of Private Postsecondary Schools approved by the EAB. Not only do we distribute a printed version of this document to a host of individuals such as high school guidance and job training counselors, but we make the information available in a searchable format on our website.

The Directory (and the information made available on our website) is representative of what the EAB is about. It contains student information like who enrolls, who graduates, how many get jobs, and were students satisfied and did the program meet their expectations? It holds schools accountable by creating a context in which this information can be used by school officials and EAB staff to help schools improve. And, the EAB makes the information transparent by disseminating it broadly.

In materials distributed to your offices, you were provided a briefing paper explaining the EAB's modernization efforts in detail. This included a detailed section-by-section synopsis of the bill's changes, as well as implementation information regarding the EAB's modernization agenda, and would be happy to address the specifics with you.

Thank you.





STATE OF WISCONSIN
EDUCATIONAL APPROVAL BOARD

~~SSA1 TO SENATE BILL 281~~
EAB MODERNIZATION

174 ?

TESTIMONY

by

Michael Cooney, Chair
Educational Approval Board

Senate Committee on Education

March 6, 2008

Good morning. Chairman Lehman and members of the committee, I appreciate the opportunity to provide testimony today in support of Senate Substitute Amendment 1 to Senate Bill 174. My name is Michael Cooney and I have the honor of being the current chair of the Educational Approval Board (EAB).

For those of you who may be unfamiliar with the EAB, it is an independent state agency responsible for both protecting Wisconsin students and supporting quality educational programs by regulating for-profit and non-profit postsecondary schools, colleges and universities that offer degree and non-degree programs.

The Board currently oversees 153 institutions serving more than 45,000 adults annually in 700 or so programs. These programs include pet grooming, bartending, auto technician, computer information, English as a second language, massage therapy, truck driving, and many types of bachelor's degrees, master's degrees, MBAs and PhDs.

These schools, colleges and universities add considerably to the educational capacity of the state without any cost to the taxpayer and in most cases these schools are taxing paying entities.

It should be further noted that the Educational Approval Board is totally supported by fees paid by the respective schools and receives no support of the state.

The origins of the EAB began with the passage of the GI Bill in 1944. Before veterans could receive benefits, states were required to approve programs of education in all educational institutions serving veterans. During the decade following the GI Bill's inception, state governments were introduced to the unregulated for-profit educational sector.

In 1957 the Legislature required the EAB to investigate and oversee for-profit schools as a way to "prevent fraud and misrepresentation and to protect the general public." Changes in 1971 made it mandatory for "all proprietary schools" to be approved by the EAB before operating in the state of Wisconsin. The authority of the EAB was expanded in 1993 to include in-state, non-profit schools incorporated after January 1, 1992 and out-of-state, non-profit colleges and universities, the last time any substantive statutory changes were made.

During the last 20 to 30 years, the postsecondary institutions and programs regulated by the EAB have undergone dramatic changes. In the early 1970s, most if not all institutions approved by the EAB, offered programs with a vocational or trade objective, like basic business training, truck driving, electronics, and travel agent training. Historically, the kinds of institutions EAB regulated were adequately described by the statutory definition, which cited "private trade, correspondence, business and technical" schools.

While the EAB still approves many private institutions, which have a vocational or technical objective, the scope of its regulation has expanded to include degree-granting colleges and universities, certificate programs, distance-learning degrees and programs, and new licensure programs for home inspectors, massage therapists, and K-12 teachers.

Today, technology, the economic market place, and the rapidly changing needs of employers and employees are transforming postsecondary education and training. Because the proprietary sector must be highly responsive to the demands of its customers – working adults and their employers – this sector is driving the evolution of postsecondary education. This market-driven

reality means the EAB is faced with regulating new and constantly changing types of schools and programs.

While the content, structure, and delivery of programs offered by proprietary schools has been changing at an accelerating rate, the statutory provisions governing the EAB have not changed to meet this reality. For example, who would have predicted 25 years ago the following: for-profit universities like University of Phoenix or DeVry University; distance-learning via the Internet like Capella University and Franklin University; computer schools for Microsoft and Novell certifications; new licensed occupations like home inspectors and massage therapists; degree-completion programs offered to fit the needs of working adults like Upper Iowa University.

Perhaps the most telling example of changes in the proprietary sector that the EAB regulates is exemplified by Herzing College. Herzing College began in 1948 as the Wisconsin School of Electronics, a diploma-granting, non-accredited, technical program. Today, Herzing College is a regionally accredited institution offering associate and bachelor's degrees in Computer Information Systems, CAD Drafting, Computer Network and Security, Business and Administration, Homeland Security and Public Safety, a new RN nursing program, a total of some 20 majors and next year I understand plans on offering an MBA program.

In my professional life, I am the editor of The Career Education Review, a publication that monitors the trends, developments and most all aspects of the career college sector. As such I have spent over 30 years watching this sector of education mature and evolve.

Today, all sectors of higher education, including the career college sector, are being challenged as never before by students, parents and employers. Simply put tradition is on its way out in higher education and new models that include accessibility, accountability, transparency and a full range of outcomes reporting are being considered and debated throughout the country.

Lead by the efforts of Secretary of Education Margaret Spellings, and her Commission on the Future of Higher Education, vital public policy questions are being asked and frankly the debate within the various sectors of education is at times fierce. But perhaps all this is more easily

understood from the perspective of a parent or in the case of an adult student and their spouse is “are we getting the education we are paying for?” and in the end, “will this education lead to a better job and life?”

Wisconsin’s Educational Approval Board has gained a national reputation and is well-respected for its innovative and progressive work in this area. I truly believe that the EAB is showing the way nationally in terms of accountability and transparency reporting – all elements reflected in SB 174.

On a personal note, I have spend my career in this sector and serve on the EAB Board because I believe in career education and have seen first hand that good career schools change people’s lives and are a vital part of maintaining the economic strength of the state and nation as well as the standard of living we all enjoy.

Thank you.



A QUALITY
EDUCATION
FOR
EVERY
CHILD



State of Wisconsin Department of Public Instruction

Elizabeth Burmaster, State Superintendent

Senate Committee on Education
March 6, 2008

Department of Public Instruction Testimony on 2007 Senate Bill 174

Thank you to Chairperson Lehman and members of the committee for the opportunity to testify before you today. My name is Jennifer Kammerud. I am the legislative liaison for the Department of Public Instruction. The department is here to testify for information on Senate Bill 174.

The department testified in opposition to this bill's companion, AB 281, in the Assembly. Since that time our concerns with the bill were addressed in Assembly Amendment 1 to the substitute amendment. The department understands that the same language will be brought forward in an amendment to SB 174. This language reflects the department's authority over teacher education programs under current state statutes and rules. We would like to thank Senator Vinehout and Representative Nass, as well as David Dies of the Education Approval Board (EAB), for working with us to address our concerns.

It is the department's belief that without this amendment the bill would have infringed on the department's authority to oversee the quality of teacher training programs by giving similar authority with regard to certain private programs to the Educational Approval Board. The amendment also removes our concern that the bill would legislatively reverse a case that was already litigated, the *NORDA, Inc. vs. EAB* decision, which upheld the Department of Public Instruction's authority to approve Wisconsin teacher programs and accept out-of-state programs, including online programs, accredited by another state.

The DPI approves Wisconsin teacher programs, including alternative programs.

Under PI 34.06, DPI approves Wisconsin programs that lead to licensing of teachers, including alternative programs developed and approved under PI 34.17(6), such as *NORDA*. This bill, without the aforementioned amendment, would have reversed the *NORDA* decision and made alternative Wisconsin programs also subject to EAB approval. Individuals who pursued such programs for either initial licenses or renewal of licenses could have faced additional delay and uncertainty if those programs became subject to EAB approval in addition to DPI approval.

In the *NORDA* case, the court of appeals held that *NORDA* was not a "trade or technical school" subject to oversight by the EAB. According to the court, a "trade school" relates to "an occupation requiring manual or mechanical skill and training", not an occupation such as teaching. A "technical school" provides training below the bachelor degree level. Because *NORDA* was specifically designed for people who already had bachelor's degrees, the court said

it was not a technical school. Section 23 of the bill attempted to change this holding by expanding the definition of "schools" subject to EAB oversight to include "career, distance learning, or degree granting" schools.

In NORDA, the court also held that even if NORDA was a "school" subject to EAB oversight, a statutory exception excludes from the EAB's oversight "schools approved by the DPI for the training of teachers." Section 30 of the bill repealed this DPI exception. This section was not obsolete, as has been suggested. The language continued to reflect DPI's appropriate role in approving teacher preparation programs. After World War I, two-year normal schools began to be replaced by four-year teacher's colleges. In 1971, Wisconsin began requiring that teachers earn a bachelor's degree in order to qualify for a license. Graduates of two-year normal schools were given a specified amount of time to earn a four-year degree in order to keep teaching. Teaching licenses were based on the completion of a pre-designed course of study at a college or university approved by DPI. This continues as the current standard in this state.

Further, section 29 of the bill repealed the exception which exempts from EAB approval "schools, courses of instruction, and training programs that are approved or licensed and supervised by other state agencies and boards." The trial court had pointed to this section as applicable to NORDA and DPI. Section 7 of SB 174 replaced this exception with "A school that another state agency or board is expressly authorized by statute to approve and supervise." EAB had argued in the NORDA case that DPI has no express authority to approve a "school", as opposed to a "program."

DPI may accept out-of-state programs, including online programs, accredited by another state.

Under PI 34.05(4), the department does not approve programs operating outside Wisconsin, but may accept out-of-state programs, including online programs, accredited by another state or jurisdiction. Without the amendment language passed by the Assembly and proposed to this bill, such online programs would also have been subject to EAB approval. Individuals who pursue out of state programs accredited by another state for either initial licenses or renewal of licenses could have faced additional delay and uncertainty if these accredited programs had become subject to EAB approval as well.

As discussed above, Section 23 of SB 174 expanded the definition of "schools" subject to EAB oversight to include "career, distance learning or degree granting" schools. That section also modified the definition of "schools" subject to EAB oversight to include "any person, whether located within or outside this state" that provides a listed program. Section 10 authorized the EAB to "establish standards and criteria for approving schools offering programs that are delivered primarily by distance learning." These changes combined with the repeals discussed above would further expand the definition of "schools" subject to EAB approval.

Under PI 34.05(4), the EAB approves all out-of-state programs operating in Wisconsin. Once approved by the EAB, the department determines whether the program may be approved under PI 34 as outlined above. Without the amendments being proposed to this bill, SB 174 would have expanded EAB's authority well beyond this limited role. Such an expansion would have duplicated and interfered with DPI's oversight of teacher training programs.

DPI is well equipped to protect students and provides an exhaustive review of program quality as part of our PI 34 program approval process. The existing separation of responsibility between DPI and EAB has worked well. There currently exists a careful partition in oversight authority between EAB and other agencies, like DPI. The reason that the current policy restricts EAB from the review of teacher education programs is to avoid overlap and potential conflict of direction based on different policy interpretations. The amendment language preserves the current separation of responsibility between EAB and the department.

Thank you. At this time I would be happy to answer any questions you may have.





**SENATE SUBSTITUTE AMENDMENT,
TO 2007 SENATE BILL 174**

UW Concerns -
this was in the
budget last session
but creates another
governing board
Above the Board
of Regents - TCS
to o & Private.
DoA didn't like
last session.

Date
?

DPI Problem.
deep concern that
the LRB analysis
does
Undoes
Norda Inc. vs WEAB
Appeals (Ct of
May 31, 06
DPI's authority to
oversee teacher
prep programs
EAB wanted more
control -
Vinehout not moving
fwd w/bill

1 **AN ACT to repeal** 37.60, 38.50 (1) (b), 38.50 (1) (e) 6., 38.50 (1) (e) 8., 38.50 (7) (b),
2 38.50 (8) (h), 38.50 (8) (i), 38.50 (10) (title), 38.50 (11) (a) 1., 38.50 (11) (a) 2. and
3 38.50 (11) (b) 2.; **to renumber** 38.50 (title), 38.50 (1) (d), 38.50 (7) (i), 38.50 (8)
4 (c) 2., 38.50 (8) (c) 7., 38.50 (8) (d), 38.50 (8) (e), 38.50 (10) (c) (intro.), 38.50 (10)
5 (c) 4. and 38.50 (11) (title); **to renumber and amend** 38.50 (1) (intro.), 38.50
6 (1) (a), 38.50 (1) (c), 38.50 (1) (e) (intro.), 38.50 (1) (e) 1., 38.50 (1) (e) 2., 38.50
7 (1) (e) 3., 38.50 (1) (e) 4., 38.50 (1) (e) 5., 38.50 (1) (e) 7., 38.50 (1) (f), 38.50 (1)
8 (g), 38.50 (2), 38.50 (3), 38.50 (5), 38.50 (7) (intro.), 38.50 (7) (a), 38.50 (7) (c),
9 38.50 (7) (d), 38.50 (7) (e), 38.50 (7) (f), 38.50 (7) (g), 38.50 (7) (h), 38.50 (8) (title),
10 38.50 (8) (a), 38.50 (8) (b), 38.50 (8) (c) (intro.), 38.50 (8) (c) 1., 38.50 (8) (c) 3.,
11 38.50 (8) (c) 4., 38.50 (8) (c) 5., 38.50 (8) (c) 6., 38.50 (8) (f), 38.50 (8) (g), 38.50
12 (10) (a), 38.50 (10) (b), 38.50 (10) (c) (title), 38.50 (10) (c) 1., 38.50 (10) (c) 2., 38.50
13 (10) (c) 3., 38.50 (10) (cm), 38.50 (10) (d), 38.50 (10) (e), 38.50 (10) (f), 38.50 (11)