
STATE OF WISCONSIN EDUCATIONAL APPROVAL PROGRAM

AN OVERVIEW OF FOR-PROFIT AND NONPROFIT INSTITUTIONS OVERSEEN BY THE EAP

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<https://dsps.wi.gov/Pages/Programs/EducationalApproval/Default.aspx>

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OVERVIEW AND AUTHORITY

- The Educational Approval Program (EAP) is unit of the Department of Safety and Professional Services (DSPS) responsible for overseeing private postsecondary education in Wisconsin, including more than 180 for-profit and certain non-profit schools, colleges, and universities.
- The EAP's authority is granted in Wisconsin statute and is further interpreted via administrative rule:
 - Wis. Stat. § 440.52
 - Wis. Admin. Code Chs. 401-411

PURPOSE AND FUNCTIONS

- The EAP exists to protect Wisconsin's consumers and ensure the programs offered by schools meet certain education/training quality standards. A school seeking approval goes through an application process, which includes the following:
 - Evaluating applications for approval of schools, programs, representative permits, and teaching locations.
 - Requiring a surety bond to demonstrate financial stability.
 - Ensuring schools adhere to legal requirements in their catalogs/handbooks and enrollment agreements.
 - Reviewing advertising materials for honesty and fairness.

OTHER FUNCTIONS

- In addition to its school and program approval functions, the EAP's consumer protections authorizes it to:
 - Approve solicitors/recruiters who enroll students
 - Investigate student complaints
 - Maintain student records (transcripts) following abrupt closures
 - Maintaining a student protection fund to indemnify student losses
 - Conduct planned or unplanned site visits

EAP SCHOOLS AND STUDENTS

- Institutions approved by the EAP serve adult learners in a variety of programs that are not otherwise exempt, including:
 - For profit and nonprofit institutions
 - Degree and nondegree programs
 - In state and out of state schools
 - Online and on-ground modalities of instruction
- A live database of all approved schools and programs is available to the public [on the EAP's website](#).
- Two-thirds of students enroll in nondegree certificate or diploma programs.
- Students attending EAP-approved schools are predominately ages 25 and older, female, working adults who are seeking flexible learning options.

ISSUES AND POSSIBLE SOLUTIONS

- Rushed lending/borrowing practices leading to high debt (and sometimes not a high return on investment)
 - Increased financial literacy programs, Borrowers Bill of Rights, Student Loan Office/Liaison, greater protections when borrowing private loans.
- Common calls for increased oversight of for-profit schools – we all want to better protect students
 - Wisconsin regulations of EAP schools are quite comprehensive – schools often report a stricter approval process here than in many other states.
 - To which schools do EAP regulations apply? Most others are not directly overseen by the state.
- Over the years we've seen some problems self-correct with the closure of predatory intuitions – a trend that will likely continue.
 - Bolstered enforcement authority when things go wrong could be beneficial.



APPENDICES AND ADDITIONAL INFORMATION



HISTORY OF OVERSIGHT

- The EAP's functions originated with the passage of the G.I. Bill in 1944, which required states to approve programs of education in all institutions serving veterans before those veterans could receive federal education benefits.
 - 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. The early days of the GI Bill, however, saw a fair amount of fraud and abuse, especially among newly established for-profit schools.
- Concerns about quality in the sector quickly generalized beyond the interest of veterans' education to a more global consumer protection orientation. In 1957 the legislature created and authorized the Governor's Educational Advisory Committee (later renamed the Educational Approval Board) 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 EAP TODAY

- The EAB's growth and development occurred in a piecemeal fashion, with discrete authority added over the years, an approach dictated by the decentralized nature of postsecondary education in Wisconsin.
 - Decentralized: we don't have an overarching postsecondary coordinating body ("Office of Higher Education") in our state.
- As a part of the 2017-2019 state budget, a provision to transfer of all statutory functions and position authority from the EAB to DSPS was adopted, effectually eliminating the 7-member governing board.
 - The EAB's statutory authority was subsequently moved to DSPS and the 6.5 FTE position authority was also transferred, though incumbent staff did not transfer with the position authority..
 - Upon transfer of functions, the EAB was renamed to the EAP and was moved into the Office of Education and Examinations which is housed within the Division of Policy Development at DSPS.

INSTITUTIONAL DATA

- The EAP approval requirements are based upon the location of the student rather than the location of the institution. Consequently, the EAP approves distance learning schools throughout the country that are not exempt under an interstate reciprocity agreement.
- Of the 170 schools that renewed their approvals during the 2020 renewal cycle:
 - 120 schools were identified as located in Wisconsin; 50 schools located Out-of-State (not exempt under interstate reciprocity agreement).
 - 151 schools reported a For-Profit status; 19 schools were reported as nonprofit.

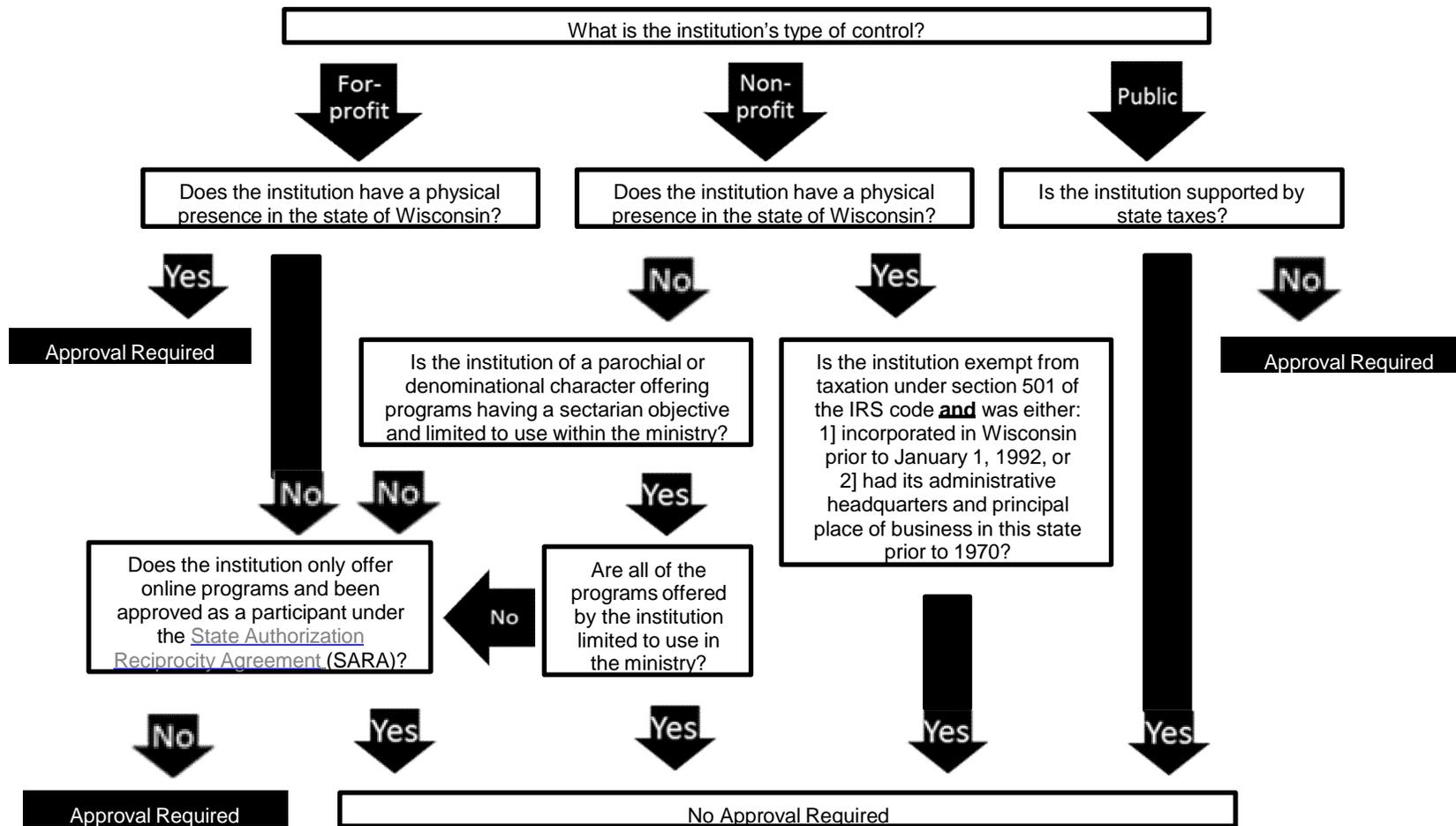
TYPES OF SCHOOLS EXEMPT FROM EAP OVERSIGHT

Wis. Stat. § 440.52 outlines 9 different categories of exempt schools/programs/training. The most prevalent to the current discussion include:

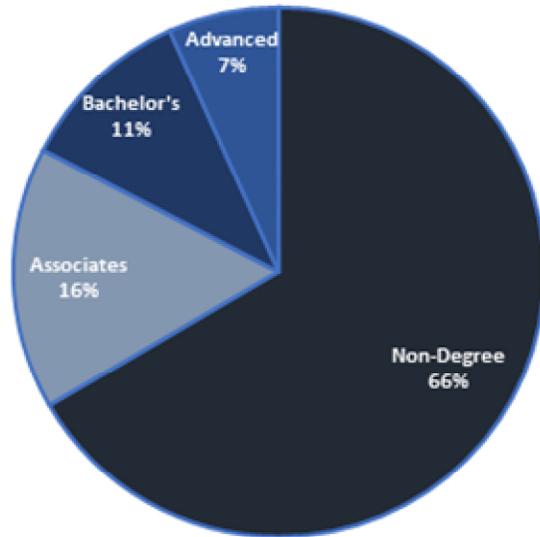
- Longstanding in-state nonprofit institutions.
- Public institutions (Wisconsin public institutions as well as public institutions of other states).
- Religious institutions providing sectarian training (strictly for use in church or ministry).
- Institutions that participate in the interstate reciprocity agreement known as SARA are not subject to EAP approval. Instead, they are governed by their home state. <https://www.nc-sara.org/directory>.

State of Wisconsin Educational Approval Program

Need for Institutional Approval

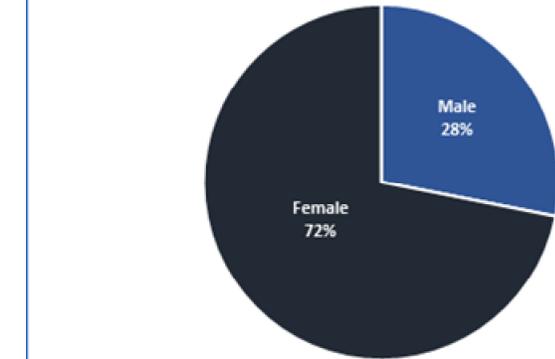
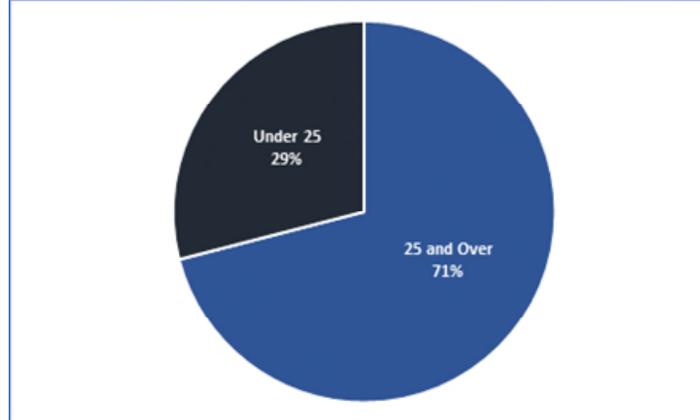


EAP PROGRAMS



- Of the 16,000 Wisconsin students who began new programs of study last year, roughly 2/3 entered nondegree certificate or diploma programs, while the other third began more traditional degree programs.
- Some examples of prevalent nondegree programs overseen by the EAP include medical assisting, medical billing and coding, truck driving, massage therapy, teacher training (yoga, Pilates), IT programs.
- <https://dspseap.wi.gov/resources/schoolsprogram.asp>

STUDENTS ATTENDING EAP SCHOOLS



- Students attending EAP-approved institutions are largely non-traditional students, characterized as being:
 - Adult learners: Over age 25, going back to school later in life, often working with families.
 - Larger female student population than male

STUDENTS ATTENDING EAP SCHOOLS CONT.

- Students attending EAP-approved schools do not always have access to public institutions or may desire more flexible learning options.
- These schools do fulfil an unmet need, but they are also serving an already vulnerable student population, which can sometimes be exploited.

ISSUE: RUSHED LENDING/BORROWING PRACTICES

- It is easy to get the money but difficult to find a user-friendly repayment plan.
- Students are often unaware of how much they owe, how to repay, interest rates, of their loans various repayment plans.
- Students reach out for help once they are facing harsh penalties for delinquency.
- It is confusing and is only going to get more complicated.
 - When federal loans enter repayment after COVID forbearance
 - When/if federal loan servicers change from Nelnet/Grate Lakes to new servicers
 - <https://www.ed.gov/news/press-releases/us-department-educations-office-federal-student-aid-announces-new-contracts-five-companies-improve-customer-service-increase-accountability>.

SOLUTIONS:

- More transparent lending and borrowing practices for all institutions and increased financial literacy programs
 - We have enrollment agreement regulations (Chapter SPS 406) for EAP schools, but broader Borrowers' Bill of Rights and financials literacy policies could further assist.
- Student Borrowers Office/Liaison
 - Students don't know who to turn to and reach out when it may already be too late.
 - Establishing a centralized point of contact who will advise and advocate for borrowers, act as a liaison with lenders and USDOE would be impactful.