



State of Wisconsin / Educational Approval Board

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Scott Walker
Governor

David C. Dies
Executive Secretary

Via Electronic Mail

March 19, 2014

The Honorable Arne Duncan
Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Re: State Authorization for Distance Education

Dear Secretary Duncan:

The purpose of this letter is to provide information specific to State Authorization for Distance Education as it relates to the 2013-14 Negotiated Rulemaking process pertaining to Program Integrity and Improvement. On behalf of the Wisconsin Educational Approval Board (EAB), I would like to provide some context and facts concerning State Authorization Reciprocity Agreements (SARA) in response to the issue paper prepared by the U.S. Department of Education (USDOE) seeking input from negotiators on the rulemaking panel about the treatment of distance education under the federal regulations, and specifically *how reciprocal agreements should be treated under the regulations*.

In the absence of any state regulators on the panel of negotiators, the EAB is encouraging the USDOE to proceed cautiously with respect to SARA. There is great concern among state regulators that this institutionally-led initiative will erode the level of state oversight, and fundamentally alter states' consumer protection of students who enroll in online degree programs. In the rapidly evolving online environment of higher education, it is critical that any effort that reduces the oversight of distance education is thoroughly vetted.

State higher education regulators have taken considerable effort to examine and fully understand the implications of SARA on the states' ability to protect consumers, as well as the states' regulatory role in the triad. The National Association of State Administrators and Supervisors of Private Schools (NASASPS) wrote to the four compact presidents in June of 2013 to express the concerns state regulators have with SARA. Unfortunately, the response provided failed to address the majority of concerns raised and many questions remain unanswered nearly a year later. A copy of the NASASPS letter and response are attached.

Despite the work that has been done, a number of key SARA provisions are still unclear. Even as states are applying to join SARA, some requirements are being altered and developed. For example, institutions will be required to report data under SARA, but the requirements have not been developed or outlined.

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States and institutions that “sign-up” are essentially agreeing to enter into a binding contract without knowing what will ultimately be expected of them. Moreover, while SARA is designed to reduce the burden and cost associated with an institution being approved in multiple states, no one really knows if it will actually reduce costs for institutions since a comprehensive fiscal analysis of SARA has never been conducted and much of the justification for SARA continues to be conjecture.

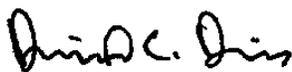
What is clear, however, is that under SARA there will be significant changes to the way states protect their residents who attend out-of-state institutions offering online degree programs. By joining SARA, consumer protection functions will be delegated solely to the state in which an institution is located, and this system of reciprocity will be administered by the four non-governmental regional higher education compacts, which lack any statutory power and have no legal enforcement capability.

In those states that lack adequate oversight of distance learning, SARA may improve the consumer protections afforded to students enrolled in such programs. However, in states like Wisconsin that do oversee distance learning and measure the success of online students, SARA stands to threaten these important protections for consumers.

The attached summary outlines how SARA will specifically impact the postsecondary education landscape in Wisconsin. Also attached is an EAB analysis of student outcomes data for institutions it approves, including those specifically offering online degree programs to Wisconsin residents. Although this type of data has been collected for years, it is the first year the EAB is collecting the data by program by cohort, which strongly suggests caution regarding SARA.

In conclusion, the EAB strongly encourages the USDOE to be cautious about SARA and believes recognizing it in the federal regulations would be premature at this time. Thank you for your time and consideration.

Sincerely,



David C. Dies
Executive Secretary

c: Carney McCullough
Pamela Moran



National Association of State Administrators and Supervisors of Private Schools

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May 24, 2013

Mr. Larry Isaak, President
Midwest Higher Education Compact
105 Fifth Avenue South, Suite 450
Minneapolis, MN 55401

Dear Mr. Isaak,

The National Association of State Administrators and Supervisors of Private Schools (NASASPS) writes to express its concerns regarding the State Authorization Reciprocity Agreement (SARA) supported by the Commission on Regulation of Postsecondary Distance Education (CRPDE) and outlined in its April 2013 report – *Advancing Access through Regulatory Reform: Findings, Principles, and Recommendations for the State Authorization Reciprocity Agreement*.

NASASPS has been involved in discussions about interstate regulation of education and distance education programs for over forty years and several NASASPS members were involved with the original reciprocity efforts that were initiated by the Presidents' Forum. These initial reciprocity efforts produced an agreement that required specific consumer protection mechanisms would be in place for all states seeking to participate in reciprocity. Now, however, the current iteration of SARA developed by the regional compacts is significantly different from what was originally agreed upon because it does not emphasize consumer protection.

At the recent meeting in Indianapolis, Indiana, key players supporting the current iteration of SARA stated there would be quick movement toward developing the regional compact's reciprocity documents and putting together a national coordinating board whose purpose is to have states sign the SARA agreement by early 2014. Given this pace, NASASPS feels compelled to provide a list of specific questions and concerns for the regional compacts' consideration. These questions have been developed based upon conversations with regulators in different states. Your response and guidance in answering these questions is appreciated.

Concerns with the Current Iteration of SARA

Consumer Protection

State regulators are responsible for the integrity of postsecondary education within their states, including education provided online. This work is accomplished in concert with accrediting agencies that depend on state approval of programs, as well as the federal government that depends on state approval of schools for Title IV student financial aid. States, accreditors, and the federal government function together as an “accountability triad” for higher education.

States attach critical importance to their consumer protection role in the “accountability triad.” Perhaps the most troubling aspect of SARA is its secondary emphasis on the States’ consumer protection efforts in favor of a system of interstate reciprocity that is designed to lessen the “regulatory costs and burdens” on institutions. As a result, a state’s ability to protect its residents is restricted in an effort to make it cheaper and easier for institutions to offer distance learning programs to all students nationwide. This system of reciprocity will likely result in a substantial increase of interstate online programs and a corresponding increase in consumer complaints that states will now have a limited ability to resolve.

The first consumer protection item of concern with SARA is the proposed process for resolving consumer complaints. Under SARA, each participating distance learning institution must be admitted into SARA and annually reauthorized by its home state. The home state would become the default forum for consumer complaints but SARA seems to suggest that non-home states may receive and resolve complaints as well. However, while SARA seems to give some authority to the non-home state, the reality is that a non-home state is powerless to resolve the complaints of its residents because that state’s postsecondary education laws would not be applicable to the out-of-state online institution. While the non-home state may call on the home state for support, there is no requirement that the home state take any action other than determining whether there has been a violation of its own home state laws. This could potentially create disputes between states about whether a student complaint has been successfully resolved and what, if any, recourse a state has if another state does not timely and adequately resolve complaints from non-resident students.

Also of critical importance is the fact that the SARA concept of complaint resolution by the home state raises questions about whether or not that home state has the capacity and funding to investigate and resolve all student complaints against its home state institutions. This is particularly true of states that are home to institutions with very large populations of distance education students. For example, the state of Arizona will be the default state for all student complaints against the University of Phoenix online offerings, no matter the student’s state of residence. In addition to the costs imposed by the large number of students that will now rely on Arizona to resolve consumer complaints, it may be very

difficult as a practical matter for Arizona to investigate a recruiting or advertising violation that took place in Vermont.

In addition to concerns about whether states have the capacity or practical ability to investigate complaints that may occur in fifty different states, another concern about SARA is the lack of any mechanism that would allow states to review information about schools that may be providing instruction to students within the state and, in particular, information about student outcomes. As an institutional accountability measure and consumer information tool, some states currently collect program-level student outcome data for every approved institution. Under SARA, this data would no longer be collected for home state institutions. Instead, a state must confirm that its home state institutions are providing federally required reporting to the Integrated Postsecondary Education Data System (IPEDS). Currently, IPEDS graduation data includes only first-time/full-time students. This limitation contrasts sharply with the reality that the majority of students attending distance learning institutions are not first time/full time students. Thus, an entire student population will be left out of data collection. SARA should develop a mechanism where information can be collected about approved schools, including information about program offerings and student outcomes (for all students not just first-time/full-time) and that information should be shared with all states participating in the reciprocity agreement.

Finally, the consumer protection envisioned under SARA would be largely limited to federal issues of fraud and misrepresentation. The current SARA outline addresses student consumer protection only in the context of student consumer information required by the United States Department of Education for schools that participate in federal student aid programs; however, state-based processes are in many cases much more detailed and also critical to the accountability triad. For example, the SARA outline omits typical state-based consumer protection mechanisms such as those related to relief owed to students attending institutions that fail to fulfill their contractual agreement, tuition refund policies, closure remedies, and verification that completion of a program satisfies related licensure education requirements. SARA's omission of common state consumer protection mechanisms put students taking online programs at risk as they will not be able to avail themselves of consumer protection mechanisms available to students attending traditional on-ground institutions.

State Authorization and Professional Licensure

A state authorization issue (as well as consumer protection issue) of particular importance to NASASPS is professional licensure, such as nursing, social work, teaching, etc. The numbers of professions that are subject to separate state licensure requirements vary in each state and are subject to periodic legislative change and revision. SARA does not address this vital issue in a workable manner. Accreditors do not monitor whether an institution has met the quality measures of a state licensure entity such that a graduate will meet the educational requirements to receive licensure in his resident state. Minimally, interstate reciprocity must ensure that an institution's licensure programs satisfy the requirements of the state's licensure entity. SARA cannot rely on accreditors to perform this function and must clearly

define the body responsible for ensuring that an institution has received the necessary state licensure approvals.

Fiscal Impact

NASASPS recognizes various state agencies are funded in a variety of ways – fee based, general appropriations, or a combination of the two. Nevertheless, it is certain that as SARA develops, states will either have a need or see an opportunity to reevaluate their current funding mechanisms. Fee based states in many instances will see a reduction in fee revenues as institutions that currently pay fees to the regulatory state entity will cease all payments and instead, pay a fee only to the home state and the National Coordinating Board. At the same time, states will be asked to take on a new and untested role as a participant in SARA.

A state's new role will require it to oversee the operations of both public and, in many cases, previously exempt non-profit institutions that have been outside this type of oversight and have not paid fees in the past. The cost of the new role should not be borne exclusively by those institutions that have traditionally been regulated in a state. While the SARA outline mentions funding in general terms, SARA must explicitly recognize that all entities wishing to avail themselves of the benefits of reciprocity must be prepared, at the election of the state, to share in the cost of the regulatory function and traditionally regulated schools should not be expected to subsidize the regulatory function.

Although SARA identifies fees that institutions from participating states would pay in order to take advantage of reciprocity, there is no indication of how these fees were established. Rather than being developed based on what it will cost to operate the National Coordinating Board and for the compacts to administer and carryout the responsibilities set forth under SARA, it has been explained that the fees were developed based on what seems reasonable. It would be extremely useful if a comprehensive fiscal analysis of SARA were undertaken to understand the funding of the National Coordinating Board and regional compacts as well as the impact on states.

Advocating for State Legislative Changes

Adoption of SARA will likely require legislative changes in most states, including possible substantial modifications to state laws concerning all postsecondary educational institutions and could affect many state laws that go beyond reciprocity. For example, in many states no state agency oversees certain non-profit institutions, yet these entities will be required to have home state admittance and annual reauthorization to receive the benefits of SARA. These legislative issues should not be taken lightly and higher education policy makers and legislatures should be afforded a complete picture of all issues involved before pushing through substantial education revisions.

An initial consideration for many states will be explaining the need for reciprocity to legislators and other policy makers. The SARA outline cites "costs and inefficiencies faced by postsecondary institutions," yet nowhere are these costs and inefficiencies quantified or documented. The SARA

outline highlights a State Higher Education Executive Officers Association (SHEEO) survey that shows only a handful of state agencies expressly require all online providers obtain state authorization. A number of other states require a simple registration or exemption process for out-of-state institutions offering distance learning programs to their state's residents. The same survey found the majority of states do not regulate distance learning and simply have no oversight for such institutions offering purely online programs to their residents. Identifying the specific costs and registration requirements of each particular state would help legislators better understand how their own state currently deals with online institutions and where specific "costs and inefficiencies" exist in the current system.

It would also be helpful to legislators if further guidance and explanation could be provided about the governance of SARA. As it currently stands, SARA proposes creating a new oversight mechanism for governing and managing postsecondary education comprised of the four regional compacts, which would approve and monitor states, and a National Coordinating Board, which would monitor effective implementation of the reciprocity agreement structure and have the authority to hear appeals from states. This current iteration of SARA greatly expands the role of regional compacts and shifts the responsibility for oversight of postsecondary education from individual states to the regional compacts and the National Coordinating Board. This substantial change in the role of the regional compacts from coordinating state activities to effectively regulating and overseeing member states and institutions raises a number of legal questions and issues about how disputes amongst states and/or states and institutions will be resolved and what recourse a state may have if another state fails to adequately protect its resident students. In this regard, it may be necessary to involve State Attorney Generals in the review of SARA and its proposed governance.

Questions and Concerns for the Regional Compacts

NASASPS lists the following items submitted by member states for the consideration of each of the compacts.

Consumer Protection

- How will SARA ensure that a state has the capacity and funding to investigate and resolve all student complaints against its home state institutions?
- If a non-home state wanted to investigate and attempt to resolve a complaint, what laws (specific to postsecondary education) would apply – those of the home state or non-home state?
- Would SARA in any way limit an Attorney General in a non-home state from taking action against an out-of-state institution that has enrolled residents in an online program given that under reciprocity the institution would only be subject to the laws and regulations specific to the home state?
- One comment made during the Southern Regional Education Board breakout session in Indianapolis was that the regional compacts would set minimum advertising and recruiting standards. During an open session it was stated that states may enact regulations that are more

stringent than the standards adopted as part of SARA. Given this, could a home state institution be subject to different advertising/recruiting restrictions than an out-of-state institution approved by its home state?

- There seems to be a lot of reliance on IPEDS data. How will the regional compacts account for IPEDS graduation data being limited to first time/full time students?
- The states seem to be tasked with ensuring that federal disclosure requirements are met. What role will the United States Department of Education play or will the regional compacts adopt the federal disclosure requirements as their own?
- A major issue that state regulators have to deal with is the closure of private institutions. How would these institutional closures be addressed? Would the home state be responsible for assisting all students affected by the closure? How would the fact that states have different student protection and reimbursement mechanisms (e.g. tuition guarantee funds, surety bonds, letters of credit, etc.) be addressed? Who would take possession of student records from closed schools? Would the regional compacts create tuition guarantee funds or require surety bonds?

Physical Presence and Operation of SARA

- It is our understanding that an institution will not create a physical presence if it has experiential learning opportunities in a state as long as the institution has obtained necessary licensure approvals and no more than ten students are present at one time at a single field site. Assuming this understanding is correct, will the home state or non-home state, be responsible for verifying that the institution is not creating a physical presence in the various states?
- There has been some discussion that institutions may be able to offer up to 25% of a program onsite in a non-home state without triggering state licensing requirements. This is an excessively high percentage and would mean that institutions offering four year baccalaureate programs could offer up to a year of onsite training without establishing a physical presence in a state. It is difficult to support a definition of physical presence that would exempt such a substantial amount of in-state activity.
- Which programs or institutions will be subject to reciprocity? It seems clear for institutions that are 100 percent online, but what about institutions that offers programs through a blended delivery mode? Would an institution that offers both online and onsite programs be required to meet state requirements for recruiting activities?
- Many private schools with multi-state onsite locations and central online operations can attach the online operation to a school in a variety of states. As such, SARA will create an incentive for forum shopping by encouraging schools to attach their online operation to the school located in the state with the fewest regulatory requirements. To avoid this potential problem, the regional compacts must define home state, e.g., state of incorporation, state where an institution has its OPE ID number, state where the main brick & mortar central office exists, etc. How will SARA address a situation where some programs may be appropriate for reciprocity but others are not? For example, an online institution is approved for reciprocity but its teacher licensure program is

not approved for licensure in a particular state. Will the entire institution be prevented from participating in SARA or just from enrolling specific residents in the teacher licensure program?

Governance

- Could a governing board, such as a board of regents, serve as the approving agency and the agency to address complaints, assuming a different agency, such as the SHEEO, serves as the lead agency?
- The regional compacts will monitor states' compliance with the reciprocity agreements, including a biennial review. How will the review be conducted and who will conduct the review?

Fiscal Impact

- The regional compacts must include language that will explicitly recognize that states can adopt a fee structure that ensures that non-reciprocity institutions will not subsidize the reciprocity activities. Similarly, the language must recognize that all entities wishing to avail themselves of the benefits of reciprocity must be prepared, at the election of the state, to share in the cost of the regulatory function.

Summary

The stated purpose of interstate reciprocity is to create a process that is easy and less expensive for institutions. However, the solution proposed through SARA raises a number of important questions about states' ability to protect consumers, perform quality program reviews, collect student outcomes data, and hold institutions accountable for malfeasance. It is our hope that the questions in this letter, and others that are raised by States individually, will be thoughtfully considered as the development and SARA moves forward.

I will be happy to answer any questions you might have. I can be reached at 614-466-7802 or john.ware@scr.state.oh.us.

Sincerely,



John Ware
President,
National Association of State Administrators and Supervisors of Private Schools (NASASPS)



Wisconsin

postsecondary education **focus**

STUDENT OUTCOMES

An examination of outcomes data for students from the 2012 cohort that were attending institutions subject to approval by the Educational Approval Board (EAB). The analysis provides a comprehensive look at the success of student enrolled in EAB-approved schools, colleges and universities.

INTRODUCTION

The Educational Approval Board (EAB) has been collecting student outcomes data for nearly two decades. As part of an ongoing effort to hold institutions accountable for student results, a greater emphasis has been placed on using this information to help drive institutional effectiveness as a method of consumer protection.

History

Over the last 10 years, the EAB has simplified and improved the outcomes reporting process to more purposefully gather, use and disseminate student results data. In September 2010, the agency discussed how to respond to a litany of concerns regarding the business practices of for-profit higher education institutions. This discussion prompted an in-depth review of student outcomes data and school performance, which led to an interest in creating better accountability measures.

For the 2014 annual school renewal process, schools began reporting student outcomes based on cohorts, which allows the EAB (and schools) to interpret the data in a more focused and meaningful manner. The analysis of this data has given the EAB an ability to identify the success of

students enrolled in specific schools and programs.

Statutory Responsibility

The statutes are clear about the EAB's fundamental responsibility to protect Wisconsin consumers. In accordance with s.38.50 (2), *Wis. Stats.*, "[t]he board shall protect the general public by inspecting and approving private...schools doing business in Wisconsin whether located within or out-side this state."

"The analysis of this data has given the EAB an ability to identify the success of students enrolled in specific schools and programs."

Concerning the specific issue of approval, the statutes contain a number of provisions that focus on generally accepted educational standards.

“To protect students...and encourage schools to maintain [programs] consistent in quality, content, and length with generally accepted educational standards, the board shall [among other things] do the following:”

- Investigate the adequacy of programs offered by schools to residents of this state and establish minimum standards for those courses of instruction.

- Approve programs, schools, change of ownership or control of schools and teaching locations meeting the requirements and standards established by the board.

The statutes clearly focus on student protection by having the EAB, through its approval and review process, create educationally-sound standards for schools.

METHODOLOGY

The EAB has always looked for ways to improve its data collection methods. Recently, it transitioned to tracking students by cohorts, based on their start date, rather than taking a snapshot in time of an institution’s total student population. A cohort consists of all students in a 12-month period, as defined by the school.

As shown in the table below, the standard cohort year runs from July 1 through June 30, although schools may elect to use an alternative 12-month period such as a calendar year or business fiscal year. As a result of this change, the EAB now has the ability to better evaluate schools and programs.

Cohort Year	Include Students Who Started		
	Standard	Calendar	Alternative
2012	7/1/12 – 6/30/13	1/1/12 – 12/31/12	Any 12-month period starting in 2012
2013	7/1/13 – 6/30/14	1/1/13 – 12/31/13	Any 12-month period starting in 2013
2014	7/1/14 – 6/30/15	1/1/14 – 12/31/14	Any 12-month period starting in 2014

While the analysis of outcomes contained in this paper only reflects student data from the 2012 cohort, the data will become more meaningful over time as subsequent cohorts are reported and a more complete picture of what happens to students is understood. This is particularly true for degree-granting programs that are longer than one-year in length.

Several years ago, the EAB began using the Classification of Instructional Programs (CIP) to categorize the programs offered by schools. CIP codes are a nationally recognized taxonomy developed by the National Center for Education Statistics (NCES). Each program approved by the

EAB must have a CIP code and is particularly useful when looking at programs across different institutions.

In determining the 2012 cohort dropout rate for students by either institution or program, the number of students that have dropped out was compared to the total number of students enrolled. However, schools and/or programs with less than 10 cohort students enrolled have been excluded to maintain the statistical validity of the data. In the future, the EAB plans to begin verifying student outcomes data reported by schools. However, the data analyzed in this paper is self-reported by the institutions.

DISCUSSION

Institutional Data

Of the more than 220 schools currently approved by the EAB, only 186 reported 2012 cohort student outcomes data as part of the renewal process for 2014. This is because inactive and newly approved (deferred) schools had no students enrolled during the cohort period. In addition, the data does not reflect schools that closed during or prior to the renewal process. The number of

students who were enrolled and those that dropped out at the 186 institutions for which data has been reported are shown in Figure 1 below. In addition to showing the aggregate institutional data, the information has been broken down according to three key institutional characteristics – online vs. on-ground, degree vs. non-degree, and for-profit vs. non-profit.

2012 Cohort						
Institution Type	New Starts	Transfers In	Transfers From	Total Enrollment	Drops	Dropout Rate
All Institutions	21122	4008	599	25729	7198	28%
Online Only	6965	2115	238	9318	3030	33%
On-Ground Only	14157	1893	361	16411	4270	26%
Degree	13925	3739	526	18190	6156	34%
Non-Degree	7197	269	73	7539	1144	15%
For-Profit	19947	3132	512	23591	7081	30%
Non-Profit	1175	876	87	2138	219	10%

Figure 1

Based on the 2012 cohort data reported by institutions, the average dropout rate for students was 28%. While the average dropout rate for on-ground schools is 26%, the average for online schools is 33%. Significant differences in the dropout rate are similarly observed between degree and non-degree programs – 34% vs. 15%; and for-profit and non-profit programs – 30% vs. 10%.

As seen in Chart A (attached), the CIP Families with total new enrollments greater than 10 are listed with the corresponding dropout

rate. This dropout rate is further broken down in Chart B (attached) by comparing the online and on-ground institutions' average dropout rates for the 2012 cohort. The enrollment numbers for online and on-ground campuses have been further distinguished in Chart C (attached) within an area of study. Overwhelmingly, the greatest

enrollment is found in Business/Management/Marketing studies and Health Related studies.

As a result of placing the schools into various categories, the analysis

“...the analysis has isolated where the greatest issues... it is clear [that] degree-granting, for-profit institutions have the greatest aggregate drops.”

has isolated where the greatest issues lie. From the analysis shown in Chart D (attached), it is clear degree-granting, for-profit institutions have the greatest aggregate drops. Among the 22 schools that had dropout rates greater than 40% as seen in the “Number of Institutions by Campus Type” graph, 18 are out-of-state, online campuses with dropout rates as high as 64%. At the same time, institutions with Wisconsin-based campuses make up four of the 22 schools with rates greater than 40%.

It should be noted that the majority of EAB-approved non-profit schools have only begun to offer online instruction across state lines in recent years. While the EAB does not currently approve

any non-profit schools with high dropout rates, the number of approved non-profit schools is relatively small – non-profit schools comprise 8% of the 2012 cohort’s total enrollment, which have 10% dropout rate. The rate will likely increase as more the non-profit institutions serve greater numbers of students in online programs.

As a result of implementing the tracking of cohort-based data, the EAB is only looking at a 12-month view of a group of students, as opposed to the entire school. Bearing in mind there are schools that have lost approximately half of a cohort within one year, the dropout rates presented should be considered a best case scenario.

Program Level Data

As illustrated in Figure 2 below, the EAB approves 3,064 programs among the 186 active schools. Of those programs 1,269 did not have any students enrolled in the 2012 cohort. Some of those programs may be newly approved and have not yet begun enrolling new students, while other programs may have students that enrolled outside

of the cohort start period and, thus, are not being reported. In programs that have 10 or more students enrolled, 173 programs have a dropout rate greater than 40%; 102 of those programs are found in Wisconsin-based campuses and 71 are found in out-of-state, online campuses.

All Programs	Number of Programs	Dropout Rate Greater than 40%
0 Enrolled	1269	-
1 to 9	1223	365
10 to 100	534	162
101+	38	11

WI Based Campus	Number of Programs	Dropout Rate Greater than 40%
0 Enrolled	1008	-
1 to 9	643	195
10 to 100	354	96
100+	26	6

Online, Out of State Campus	Number of Programs	Dropout Rate Greater than 40%
0 Enrolled	461	-
1 to 9	580	170
10 to 100	180	66
100+	12	5

Figure 2

The 173 individual programs throughout 28 EAB-approved schools where more than 40% of the cohort drops out are listed in Table 1 (attached),

irrespective of institution or branch campus. An examination of programs independent of institutional-level data is critical because

misleading conclusions can be drawn regarding an institution's overall success. High dropout rates within distinct programs can be masked when an institution's aggregate numbers show rates at or around the average. Thus, the success of the majority of programs can hide the poor results of the few.

Based on the data contained in Table 1, there are twelve (12) degree-granting institutions that have approximately average rates for the entire school, but include programs out of which many students drop.¹ The program data for institutions based out-of-state with online branch campuses is reflected in Table 2 (attached), which has been selected from Table 1.

As seen in Table 2, there are five (5) institutions with out-of-state, online campuses not found on Chart E (attached) that have between two (2) and seven (7) programs for whom a significant portion of students are not successful.² While Chart E shows institutions with online, out-of-state

“An examination of programs independent of institutional-level data is critical because misleading conclusions can be drawn regarding an institution’s overall success.”

campuses, Chart F (attached) shows the institutions with Wisconsin-based campuses that have overall dropout rates greater than 40%.

As seen in the tables, this situation occurs for both on-ground and online campuses. For example, while Anthem College's Wisconsin-based campus has just above average dropout rate of 36%, there are five programs with rates that range from 42% to 71%. The University of Phoenix's online campus has an aggregate dropout rate of 33% which is the average dropout rate for all online campuses. However, its associate degree program in Business Foundations has a total enrollment of 318 students, of which 158 dropped out; for a 50% dropout rate in this program.

CONCLUSION

The analysis of student outcomes data for the 2012 cohort has identified the schools and programs that have a poor level of effectiveness. Since it has been determined that the institutions with the highest numbers of dropouts are for-profit, degree-granting, out-of-state and online campuses, the State Authorization Reciprocity Agreement (SARA), is highly relevant to this discussion. SARA creates a reciprocity relationship between states specifically for institutions that offer distance education programs across state lines.

Implementing SARA will transfer authorization of out-of-state schools enrolling Wisconsin residents from the EAB to institutions' home states.

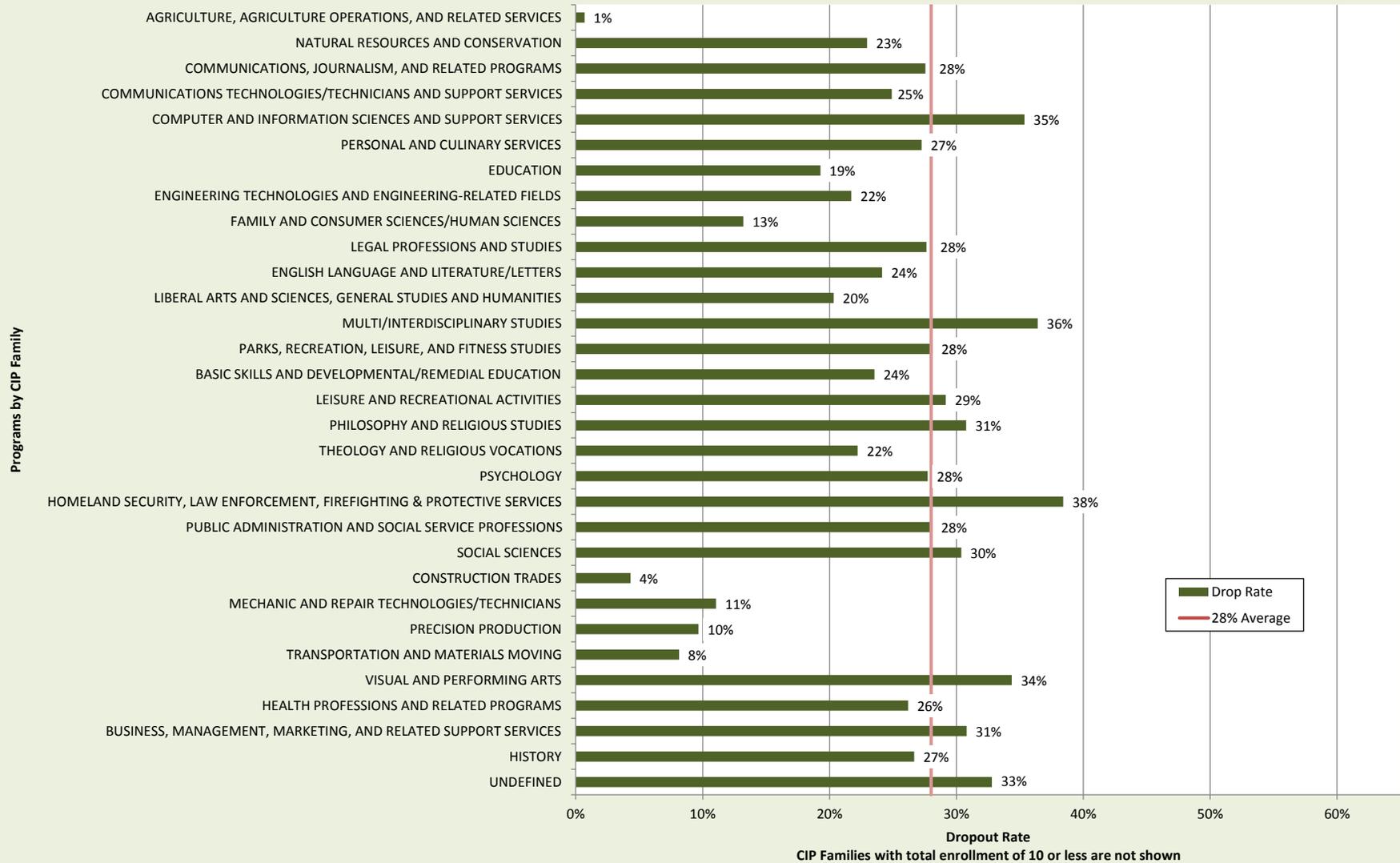
While Wisconsin has distinguished itself by using student outcomes data to drive institutional effectiveness and ensure consumers are protected, it will no longer be in a position to collect this information from out-of-state, online institutions under SARA. Considering this sector has been found to have the highest dropout rates, this should be a concern for state policy makers. If Wisconsin loses its ability to collect student outcomes from these institutions because of SARA, the EAB's ability to fulfill its statutory consumer protection responsibility will be limited.

¹ Anthem College – Brookfield; Aurora University – George Williams College; Capella University; DeVry University; Full Sail University; Globe University; Grand Canyon University (Online); Herzing University; Kaplan University; Rasmussen College; University of Phoenix.

² University of Phoenix, 7; Capella University, 3; Full Sail University 2; Grand Canyon University, 4; Globe University, 5

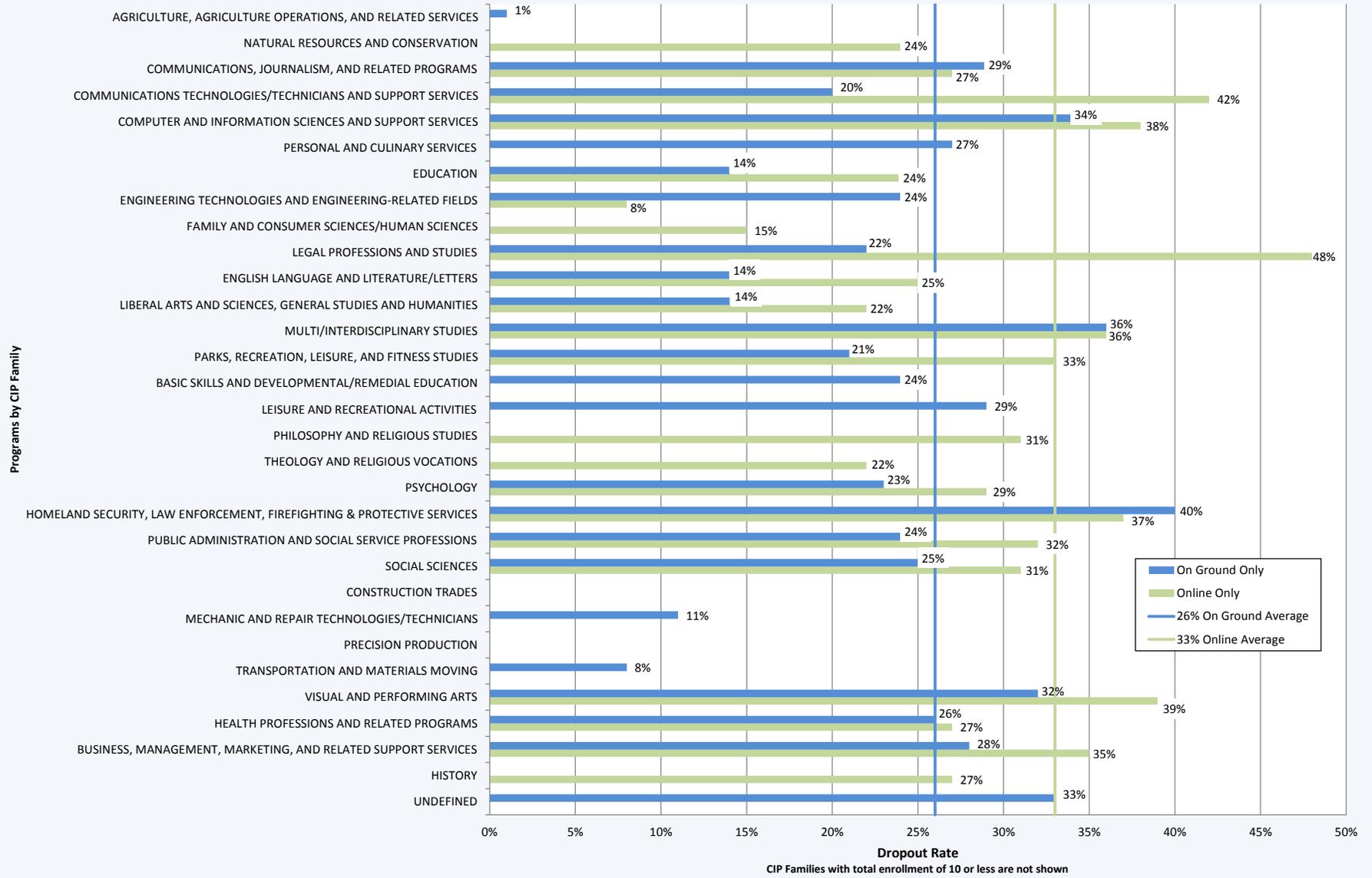
Dropout Rate by CIP Family

Chart A



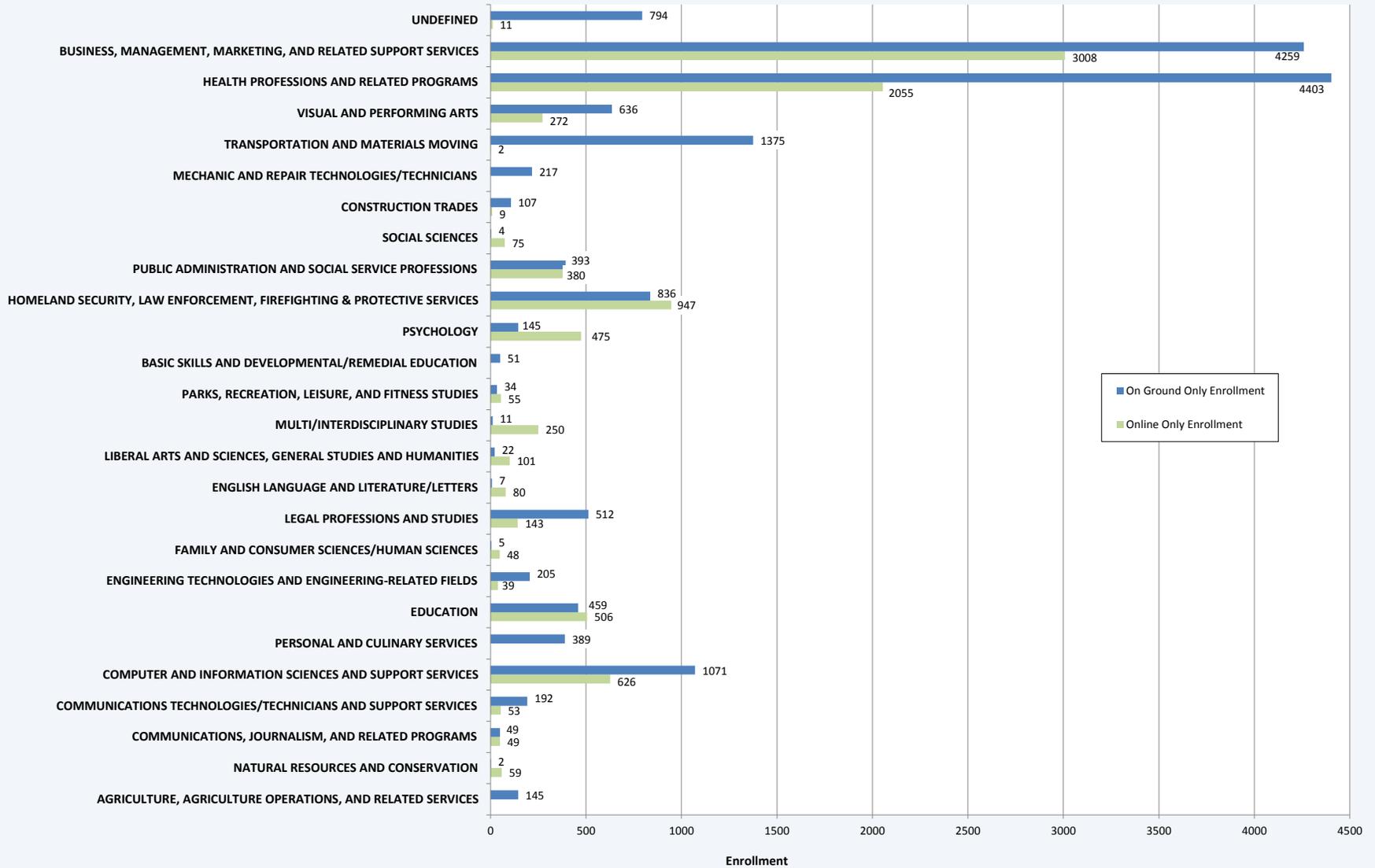
Online & On-Ground Dropout Rate by CIP Family

Chart B



On Ground vs. Online Enrollment by CIP Families

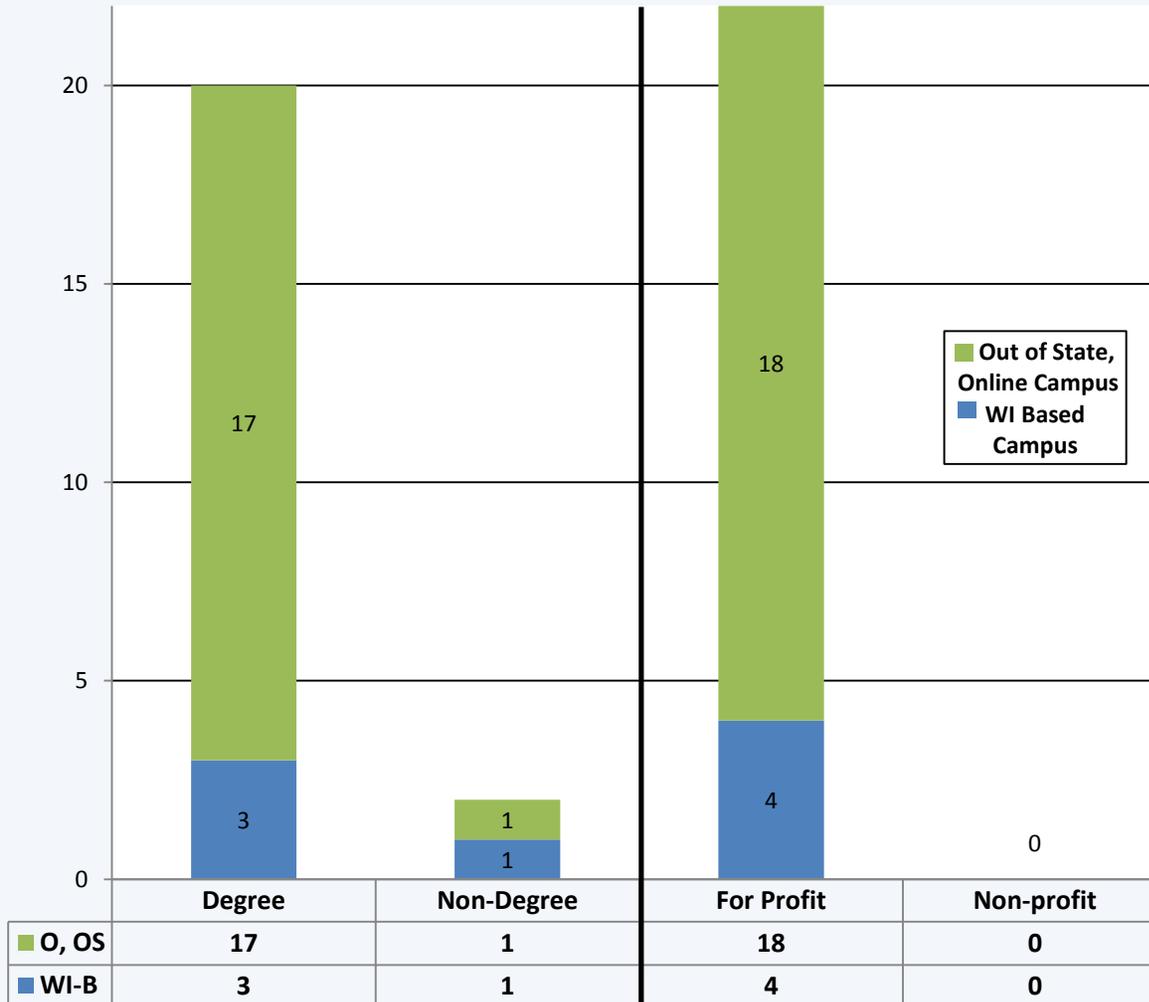
Chart C



CIP Families with total enrollment of 50 or less in all institutions are not shown

Number of Institutions by Campus Type

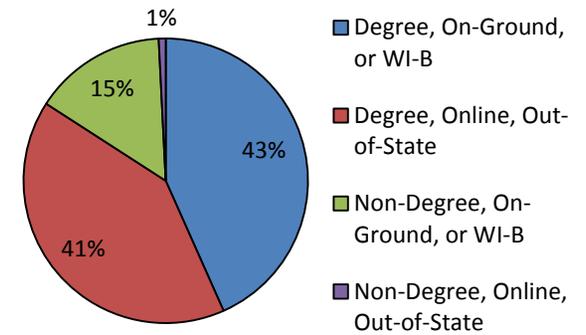
with Dropout Rates Greater Than 40%



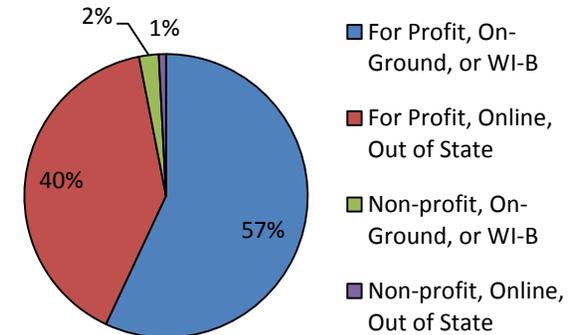
Institutions with total enrollment less than 10 are not shown

Chart D

All Dropouts by Institution Type Degree vs. Non-Degree



All Dropouts by Institution Type For-Profit vs. Non-Profit



Programs with Dropout Rates Greater than 40%

Table 1

at all Institution Campuses

Total 173

School Name	In State	For Profit	Online Campus	Education Level	Program Name	CIP Family	Total Enrollment	Drops	Dropout Rate	School Average
American Intercontinental University (Online)		X	X	AS	Criminal Justice	43.0104	12	6	50.0%	45%
American Intercontinental University (Online)		X	X	BS	Criminal Justice	43.0104	36	21	58.3%	
American Intercontinental University (Online)		X	X	BFA	Visual Communication	50.0401	10	6	60.0%	
American Intercontinental University (Online)		X	X	AA	Business Administration	52.0201	32	17	53.1%	
Anthem College - Brookfield	X	X		AS	Medical Billing & Coding	51.0714	14	8	57.1%	36%
Anthem College - Brookfield	X	X		DIP	Medical Billing & Coding	51.0714	17	8	47.1%	
Anthem College - Brookfield	X	X		DIP	Medical Assistant	51.0801	33	14	42.4%	
Anthem College - Brookfield	X	X		AS	Medical Assistant	51.0801	75	32	42.7%	
Argosy University (Online)		X	X	AA	Psychology	42.0101	12	5	41.7%	46%
Argosy University (Online)		X	X	BA	Psychology	42.0101	76	32	42.1%	
Argosy University (Online)		X	X	BS	Criminal Justice	43.0104	14	10	71.4%	
Argosy University (Online)		X	X	AS	Business Administration	52.0201	20	10	50.0%	
Argosy University (Online)		X	X	BS	Business Administration	52.0201	44	21	47.7%	
Art Institute of Pittsburgh, The (Online)		X	X	BS	Game Art and Design	10.0304	13	7	53.8%	52%
Art Institute of Pittsburgh, The (Online)		X	X	BS	Media Arts and Animation	10.0304	24	11	45.8%	
Art Institute of Pittsburgh, The (Online)		X	X	AAS	Web Design and Interactive Media	11.0801	12	9	75.0%	
Art Institute of Pittsburgh, The (Online)		X	X	BS	Photography	50.0406	11	7	63.6%	
Art Institute of Pittsburgh, The (Online)		X	X	BS	Interior Design	50.0408	14	7	50.0%	
Art Institute of Pittsburgh, The (Online)		X	X	AS	Photography	50.0605	45	23	51.1%	
Art Institute of Pittsburgh, The (Online)		X	X	BS	Hotel and Restaurant Management	52.0901	11	7	63.6%	
Art Institute of Wisconsin, The	X	X		BA	Media Arts & Animation	11.0803	33	20	60.6%	50%
Art Institute of Wisconsin, The	X	X		AAS	Baking & Pastry Arts	12.0501	23	11	47.8%	
Art Institute of Wisconsin, The	X	X		AAS	Culinary Arts	12.0503	90	42	46.7%	
Art Institute of Wisconsin, The	X	X		BA	Fashion Design	50.0407	38	27	71.1%	
Art Institute of Wisconsin, The	X	X		BA	Interior Design	50.0408	14	9	64.3%	
Art Institute of Wisconsin, The	X	X		BA	Graph Design	50.0409	30	13	43.3%	
Art Institute of Wisconsin, The	X	X		BA	Game Art & Design	50.0411	29	13	44.8%	
Art Institute of Wisconsin, The	X	X		BA	Digital Filmmaking & Video Production	50.0602	47	19	40.4%	
Art Institute of Wisconsin, The	X	X		BA	Fashion Marketing	52.1904	42	23	54.8%	
Ashford University (Online)		X	X	BA	Child Development	19.0706	10	5	50.0%	42%
Ashford University (Online)		X	X	BA	Applied Behavioral Science	30.1701	63	28	44.4%	
Ashford University (Online)		X	X	BA	Sports and Recreation	31.0504	13	6	46.2%	
Ashford University (Online)		X	X	BA	Social and Criminal Justice	43.0104	43	20	46.5%	
Ashford University (Online)		X	X	BA	Social Science	45.0101	11	8	72.7%	
Ashford University (Online)		X	X	BA	Health Care Administration	51.0701	34	16	47.1%	
Ashford University (Online)		X	X	BA	Health & Human Services	51.1599	28	12	42.9%	
Ashford University (Online)		X	X	AA	Business	52.0201	25	20	80.0%	
Ashford University (Online)		X	X	BA	Accounting	52.0301	16	9	56.3%	
Ashford University (Online)		X	X	BA	Entrepreneurship	52.0701	14	9	64.3%	
Ashford University (Online)		X	X	BA	Human Resources Management	52.1001	17	10	58.8%	
Aurora University - George Williams College				BS	Elementary Education	13.1202	11	7	63.6%	13%
Bryant & Stratton College	X	X		AAS	Network Technology	11.1002	35	23	65.7%	50%
Bryant & Stratton College	X	X		AA	Paralegal Studies	22.0302	15	7	46.7%	
Bryant & Stratton College	X	X		BS	Criminal Justice	43.0103	16	7	43.8%	
Bryant & Stratton College	X	X		AAS	Criminal Justice	43.0103	38	22	57.9%	
Bryant & Stratton College	X	X		AAS	Criminal Justice	43.0103	53	31	58.5%	
Bryant & Stratton College	X	X		AAS	Interactive Media Design	50.0401	15	10	66.7%	
Bryant & Stratton College	X	X		AAS	Graphic Design	50.0409	11	5	45.5%	
Bryant & Stratton College	X	X		AAS	Medical Administrative Assistant	51.0716	36	25	69.4%	

Programs with Total Enrollment of less than 10 are not shown

Programs with Dropout Rates Greater than 40%

Table 1

at all Institution Campuses

Total 173

School Name	In State	For Profit	Online Campus	Education Level	Program Name	CIP Family	Total Enrollment	Drops	Dropout Rate	School Average
Bryant & Stratton College	X	X		AAS	Medical Administrative Assistant	51.0716	46	22	47.8%	
Bryant & Stratton College	X	X		AAS	Medical Administrative Assistant	51.0716	84	54	64.3%	
Bryant & Stratton College	X	X		AS	Medical Assisting	51.0801	110	56	50.9%	
Bryant & Stratton College	X	X		AS	Medical Assisting	51.0801	123	56	45.5%	
Bryant & Stratton College	X	X		AS	Medical Assisting	51.0801	257	154	59.9%	
Bryant & Stratton College	X	X		AS	Business	52.0101	36	21	58.3%	
Bryant & Stratton College	X	X		AS	Business	52.0101	88	58	65.9%	
Bryant & Stratton College	X	X		AS	Business	52.0101	187	106	56.7%	
Bryant & Stratton College	X	X		AS	Accounting	52.0301	10	8	80.0%	
Bryant & Stratton College	X	X		AS	Hospitality Management: Hotel and Restaurant Industries	52.0901	13	6	46.2%	
Bryant & Stratton College	X	X		AAS	Human Resource Specialist	52.1001	10	7	70.0%	
Capella University (Online)		X	X	BS	Public Safety	43.9999	25	12	48.0%	26%
Capella University (Online)		X	X	MPH	Public Health	51.2201	15	7	46.7%	
Capella University (Online)		X	X	BS	Nursing	51.3801	21	9	42.9%	
Colorado Technical University (Online)		X	X	BS	Information Technology	11.0103	43	22	51.2%	46%
Colorado Technical University (Online)		X	X	BS	Criminal Justice	43.0103	63	34	54.0%	
Colorado Technical University (Online)		X	X	AS	Health Administration Services	51.0710	42	21	50.0%	
Colorado Technical University (Online)		X	X	AS	Business Administration	52.0201	31	18	58.1%	
Colorado Technical University (Online)		X	X	BS	Business Administration	52.0201	67	31	46.3%	
Colorado Technical University (Online)		X	X	AS	Accounting	52.0301	17	7	41.2%	
DeVry University		X		BS	Business Administration	52.0201	21	9	42.9%	35%
Everest University (Online)		X	X	AS	Computer Information Science	11.0901	99	59	59.6%	58%
Everest University (Online)		X	X	AS	Paralegal	22.0302	63	36	57.1%	
Everest University (Online)		X	X	AS	Criminal Justice	43.0103	188	116	61.7%	
Everest University (Online)		X	X	AS	Criminal Investigations	43.0114	65	35	53.8%	
Everest University (Online)		X	X	AS	Medical Insurance Billing and Coding	51.0713	15	9	60.0%	
Everest University (Online)		X	X	AS	Business	52.0201	291	173	59.5%	
Everest University (Online)		X	X	AS	Accounting	52.0301	55	29	52.7%	
Full Sail University (Online)		X	X	BFA	Creative Writing for Entertainment	23.1302	12	5	41.7%	27%
Full Sail University (Online)		X	X	BS	Digital Cinematography	50.0602	13	6	46.2%	
Globe University		X	X	AAS	Information Technology	11.0901	11	6	54.5%	35%
Globe University		X		AAS	Information Technology	11.0901	12	7	58.3%	
Globe University		X	X	BS	Health Fitness Specialist	31.0507	10	6	60.0%	
Globe University		X		AAS	Health Fitness Specialist	31.0507	11	6	54.5%	
Globe University		X	X	AAS	Criminal Justice	43.0103	11	6	54.5%	
Globe University		X		AAS	Criminal Justice	43.0103	12	6	50.0%	
Globe University		X		AAS	Criminal Justice	43.0103	15	7	46.7%	
Globe University		X		AAS	Criminal Justice	43.0103	16	9	56.3%	
Globe University		X		AAS	Business Administration	52.0201	11	7	63.6%	
Globe University		X		AAS	Business Administration	52.0201	14	7	50.0%	
Globe University		X	X	BS	Business Management	52.0201	14	6	42.9%	
Globe University		X		AAS	Business Administration	52.0201	19	9	47.4%	
Globe University		X		AAS	Business Administration	52.0201	24	10	41.7%	
Globe University		X	X	AAS	Business Administration	52.0201	26	19	73.1%	
Globe University		X		AAS	Medical Assistant	52.0201	17	7	41.2%	
Globe University		X		AAS	Massage Therapy	52.0201	18	9	50.0%	
Globe University		X		AAS	Medical Assistant	52.0201	20	9	45.0%	
Globe University		X		AAS	Veterinary Technology	52.0201	33	14	42.4%	

Programs with Total Enrollment of less than 10 are not shown

Programs with Dropout Rates Greater than 40%

Table 1

at all Institution Campuses

Total 173

School Name	In State	For Profit	Online Campus	Education Level	Program Name	CIP Family	Total Enrollment	Drops	Dropout Rate	School Average
Globe University		X		AAS	Veterinary Technology		46	19	41.3%	
Grand Canyon University (Online)		X	X	MEd	Special Education (Licensure)	13.1099	15	8	53.3%	33%
Grand Canyon University (Online)		X	X	BS	Early Childhood Education	13.1210	26	11	42.3%	
Grand Canyon University (Online)		X	X	BA	Christian Studies	38.0203	15	7	46.7%	
Grand Canyon University (Online)		X	X	BS	Counseling: Addiction, Chemical Dependency, and Substance Abuse (licensure)	51.1501	10	5	50.0%	
H & R Block		X		CER	H & R Block Income Tax Course	52.1601	318	153	48.1%	48%
Herzing University	X	X		AS	Information Technology	11.0103	11	6	54.5%	31%
Herzing University	X	X		AS	Information Technology	11.0103	13	6	46.2%	
Herzing University	X	X		AS	Public Safety	43.0399	12	6	50.0%	
Herzing University	X	X	X	DIP	Insurance Billing & Coding Specialist	51.0713	26	11	42.3%	
Herzing University	X	X		AS	Medical Assisting Services	51.0899	18	12	66.7%	
Herzing University	X	X		AS	Medical Laboratory Technician	51.1004	21	11	52.4%	
Herzing University	X	X		AS	Business Management	52.0201	12	6	50.0%	
Herzing University	X	X		AS	Business Management	52.0201	17	8	47.1%	
Herzing University	X	X	X	BS	Business Management	52.0201	23	11	47.8%	
ITT Technical Institute		X	X	AAS	Network Systems Administration	11.1002	27	15	55.6%	51%
ITT Technical Institute		X		AAS	Network Systems Administration	11.1002	98	40	40.8%	
ITT Technical Institute		X		AS	Drafting and Design Technology	15.1301	15	9	60.0%	
ITT Technical Institute		X		AS	Drafting and Design Technology	15.1301	47	19	40.4%	
ITT Technical Institute		X		AAS	Paralegal	22.0302	26	11	42.3%	
ITT Technical Institute		X		AAS	Paralegal	22.0302	29	23	79.3%	
ITT Technical Institute		X		AAS	Criminology and Forensic Technology	43.0111	12	6	50.0%	
ITT Technical Institute		X		AAS	Criminology and Forensic Technology	43.0111	16	15	93.8%	
ITT Technical Institute		X	X	AAS	Criminology and Forensic Technology	43.0111	19	12	63.2%	
ITT Technical Institute		X		AAS	Criminology and Forensic Technology	43.0111	50	28	56.0%	
ITT Technical Institute		X	X	AAS	Business Management	52.0101	28	15	53.6%	
ITT Technical Institute		X		AAS	Business Management	52.0101	32	17	53.1%	
John Casablancas Modeling and Acting Center	X	X		CER	Female Modeling	52.1903	42	19	45.2%	21%
Jones International University (Online)		X	X	BBA	Business Administration (with Specializations)	52.0201	29	15	51.7%	43%
Kaplan University		X		BS	Legal Studies	22.0000	11	6	54.5%	31%
Kaplan University		X		BS	Paralegal Studies	22.0302	10	5	50.0%	
Kaplan University		X		JD	Juris Doctor	22.9999	22	13	59.1%	
Kaplan University		X		BS	Psychology	42.0101	31	13	41.9%	
Kaplan University		X		AAS	Human Services	44.0000	19	8	42.1%	
Le Cordon Bleu College of Culinary Arts		X		AAS	Culinary Arts	12.0503	34	30	88.2%	
National American University (Online)		X	X	AAS	Criminal Justice	43.0104	11	8	72.7%	
National American University (Online)		X	X	AAS	Small Business Management	51.0703	11	8	72.7%	
Rasmussen College		X		DIP	Multimedia Technologies: Digital Design and Animation	11.0801	20	10	50.0%	34%
Rasmussen College		X		CER	Early Childhood Education	13.1210	16	10	62.5%	
Rasmussen College		X		AAS	Paralegal	22.0302	10	5	50.0%	
Rasmussen College		X		AAS	Paralegal	22.0302	11	6	54.5%	
Rasmussen College		X		AAS	Criminal Justice	43.0104	14	7	50.0%	
Rasmussen College		X		AAS	Criminal Justice	43.0104	17	8	47.1%	
Rasmussen College		X		BS	Criminal Justice	43.0104	19	9	47.4%	
Rasmussen College		X		AAS	Criminal Justice	43.0104	24	15	62.5%	
Rasmussen College		X		CER	Human Services	44.0000	14	8	57.1%	
Rasmussen College		X		CER	Human Services	44.0000	15	7	46.7%	

Programs with Total Enrollment of less than 10 are not shown

Programs with Dropout Rates Greater than 40%

Table 1

at all Institution Campuses

Total 173

School Name	In State	For Profit	Online Campus	Education Level	Program Name	CIP Family	Total Enrollment	Drops	Dropout Rate	School Average
Rasmussen College		X		BS	Healthcare Management	51.0705	15	8	53.3%	
Rasmussen College		X		CER	Medical Billing and Coding	51.0713	14	6	42.9%	
Rasmussen College		X		CER	Medical Billing and Coding	51.0713	19	11	57.9%	
Rasmussen College		X		CER	Medical Billing and Coding	51.0713	21	10	47.6%	
Rasmussen College		X		DIP	Medical Assisting	51.0801	26	11	42.3%	
Rasmussen College		X		CER	Pharmacy Technician	51.0805	10	5	50.0%	
Rasmussen College		X		CER	Pharmacy Technician	51.0805	11	6	54.5%	
Rasmussen College		X		CER	Business	52.0201	16	12	75.0%	
Rasmussen College		X		CER	Business	52.0201	48	23	47.9%	
Rasmussen College		X		CER	Business	52.0201	49	25	51.0%	
Rasmussen College		X		CER	Business	52.0201	57	32	56.1%	
Rasmussen College		X		CER	Accounting	52.0302	22	10	45.5%	
Rasmussen College		X		DIP	Information Technology Management: Network Administration	52.1201	10	5	50.0%	
South University (Online)		X	X	AS	Allied Health Science	51.0000	40	23	57.5%	56%
South University (Online)		X	X	AS	Business Administration	52.0201	16	7	43.8%	
Strayer University		X		BS	Criminal Justice	43.0103	38	19	50.0%	40%
Strayer University		X		AA	Business Administration	52.0101	80	35	43.8%	
Strayer University		X		BBA	Business Administration	52.0101	129	60	46.5%	
University of Phoenix		X	X	BA	English	23.0101	16	8	50.0%	34%
University of Phoenix		X	X	AA	General Studies	24.0102	10	7	70.0%	
University of Phoenix		X		BS	Human Services	44.0000	27	16	59.3%	
University of Phoenix		X	X	AA	Human Services Management	44.0000	142	65	45.8%	
University of Phoenix		X	X	AA	Health Care Administration	51.0710	188	85	45.2%	
University of Phoenix		X	X	BS	Nursing	51.3801	49	20	40.8%	
University of Phoenix		X		BS	Business	52.0201	85	39	45.9%	
University of Phoenix		X	X	AA	Business Foundations	52.0204	318	158	49.7%	
University of Phoenix		X	X	AA	Hospitality, Travel, & Tourism	52.0901	19	10	52.6%	
Westwood College (Online)		X	X	BS	Game Software Development	11.0299	16	8	50.0%	43%
Westwood College (Online)		X	X	BS	Criminal Justice	43.0199	10	6	60.0%	

Programs with Total Enrollment of less than 10 are not shown

Programs with Dropout Rates Greater than 40%

Table 2

at Institutions with Out of State, Online Campuses - Total 71

School Name	For Profit	Education Level	Program Name	CIP Family	Total Enrollment	Drops	Dropout Rate	School Average
American Intercontinental University (Online)	X	AS	Criminal Justice	43.0104	12	6	50.0%	45%
American Intercontinental University (Online)	X	BS	Criminal Justice	43.0104	36	21	58.3%	
American Intercontinental University (Online)	X	BFA	Visual Communication	50.0401	10	6	60.0%	
American Intercontinental University (Online)	X	AA	Business Administration	52.0201	32	17	53.1%	
Argosy University (Online)	X	AA	Psychology	42.0101	12	5	41.7%	46%
Argosy University (Online)	X	BA	Psychology	42.0101	76	32	42.1%	
Argosy University (Online)	X	BS	Criminal Justice	43.0104	14	10	71.4%	
Argosy University (Online)	X	AS	Business Administration	52.0201	20	10	50.0%	
Argosy University (Online)	X	BS	Business Administration	52.0201	44	21	47.7%	
Art Institute of Pittsburgh, The (Online)	X	BS	Game Art and Design	10.0304	13	7	53.8%	52%
Art Institute of Pittsburgh, The (Online)	X	BS	Media Arts and Animation	10.0304	24	11	45.8%	
Art Institute of Pittsburgh, The (Online)	X	AAS	Web Design and Interactive Media	11.0801	12	9	75.0%	
Art Institute of Pittsburgh, The (Online)	X	BS	Photography	50.0406	11	7	63.6%	
Art Institute of Pittsburgh, The (Online)	X	BS	Interior Design	50.0408	14	7	50.0%	
Art Institute of Pittsburgh, The (Online)	X	AS	Photography	50.0605	45	23	51.1%	
Art Institute of Pittsburgh, The (Online)	X	BS	Hotel and Restaurant Management	52.0901	11	7	63.6%	
Ashford University (Online)	X	BA	Child Development	19.0706	10	5	50.0%	42%
Ashford University (Online)	X	BA	Applied Behavioral Science	30.1701	63	28	44.4%	
Ashford University (Online)	X	BA	Sports and Recreation	31.0504	13	6	46.2%	
Ashford University (Online)	X	BA	Social and Criminal Justice	43.0104	43	20	46.5%	
Ashford University (Online)	X	BA	Social Science	45.0101	11	8	72.7%	
Ashford University (Online)	X	BA	Health Care Administration	51.0701	34	16	47.1%	
Ashford University (Online)	X	BA	Health & Human Services	51.1599	28	12	42.9%	
Ashford University (Online)	X	AA	Business	52.0201	25	20	80.0%	
Ashford University (Online)	X	BA	Accounting	52.0301	16	9	56.3%	
Ashford University (Online)	X	BA	Entrepreneurship	52.0701	14	9	64.3%	
Ashford University (Online)	X	BA	Human Resources Management	52.1001	17	10	58.8%	
Capella University (Online)	X	BS	Public Safety	43.9999	25	12	48.0%	26%
Capella University (Online)	X	MPH	Public Health	51.2201	15	7	46.7%	
Capella University (Online)	X	BS	Nursing	51.3801	21	9	42.9%	
Colorado Technical University (Online)	X	BS	Information Technology	11.0103	43	22	51.2%	46%
Colorado Technical University (Online)	X	BS	Criminal Justice	43.0103	63	34	54.0%	
Colorado Technical University (Online)	X	AS	Health Administration Services	51.0710	42	21	50.0%	
Colorado Technical University (Online)	X	AS	Business Administration	52.0201	31	18	58.1%	
Colorado Technical University (Online)	X	BS	Business Administration	52.0201	67	31	46.3%	
Colorado Technical University (Online)	X	AS	Accounting	52.0301	17	7	41.2%	
Everest University (Online)	X	AS	Computer Information Science	11.0901	99	59	59.6%	58%
Everest University (Online)	X	AS	Paralegal	22.0302	63	36	57.1%	
Everest University (Online)	X	AS	Criminal Justice	43.0103	188	116	61.7%	
Everest University (Online)	X	AS	Criminal Investigations	43.0114	65	35	53.8%	
Everest University (Online)	X	AS	Medical Insurance Billing and Coding	51.0713	15	9	60.0%	
Everest University (Online)	X	AS	Business	52.0201	291	173	59.5%	
Everest University (Online)	X	AS	Accounting	52.0301	55	29	52.7%	
Full Sail University (Online)	X	BFA	Creative Writing for Entertainment	23.1302	12	5	41.7%	27%
Full Sail University (Online)	X	BS	Digital Cinematography	50.0602	13	6	46.2%	
Globe University	X	AAS	Information Technology	11.0901	11	6	54.5%	35%
Globe University	X	BS	Health Fitness Specialist	31.0507	10	6	60.0%	
Globe University	X	AAS	Criminal Justice	43.0103	11	6	54.5%	
Globe University	X	BS	Business Management	52.0201	14	6	42.9%	
Globe University	X	AAS	Business Administration	52.0201	26	19	73.1%	
Grand Canyon University (Online)	X	MEd	Special Education (Licensure)	13.1099	15	8	53.3%	33%
Grand Canyon University (Online)	X	BS	Early Childhood Education	13.1210	26	11	42.3%	
Grand Canyon University (Online)	X	BA	Christian Studies	38.0203	15	7	46.7%	

Programs with Total Enrollment of less than 10 are not shown

Programs with Dropout Rates Greater than 40%

Table 2

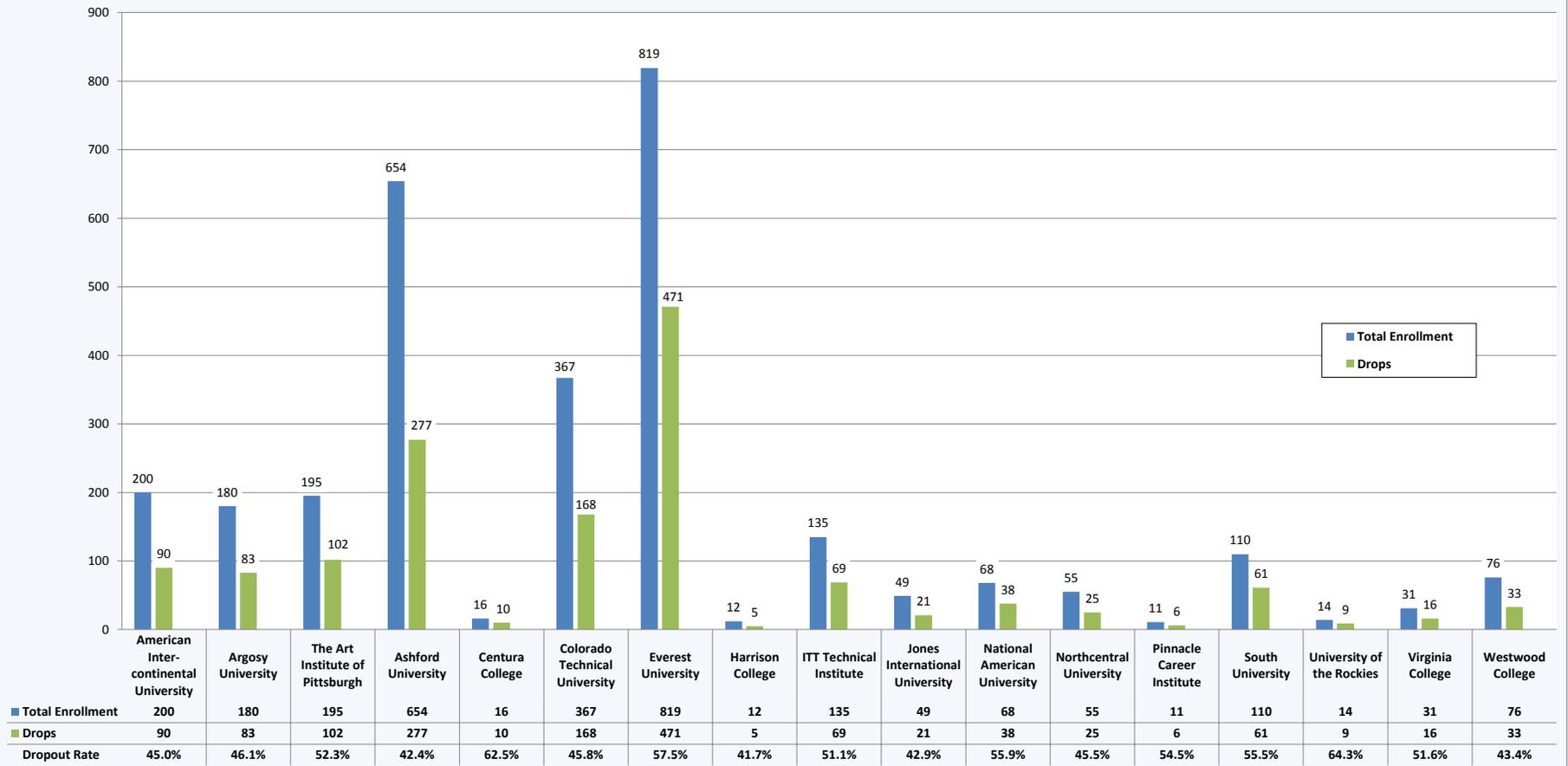
at Institutions with Out of State, Online Campuses - Total 71

School Name	For Profit	Education Level	Program Name	CIP Family	Total Enrollment	Drops	Dropout Rate	School Average
Grand Canyon University (Online)	X	BS	Counseling: Addiction, Chemical Dependency, and Substance Abuse (licensure)	51.1501	10	5	50.0%	
ITT Technical Institute	X	AAS	Network Systems Administration	11.1002	27	15	55.6%	51%
ITT Technical Institute	X	AAS	Criminology and Forensic Technology	43.0111	19	12	63.2%	
ITT Technical Institute	X	AAS	Business Management	52.0101	28	15	53.6%	
Jones International University (Online)	X	BBA	Business Administration (with Specializations)	52.0201	29	15	51.7%	43%
National American University (Online)	X	AAS	Criminal Justice	43.0104	11	8	72.7%	56%
National American University (Online)	X	AAS	Small Business Management	51.0703	11	8	72.7%	
South University (Online)	X	AS	Allied Health Science	51.0000	40	23	57.5%	56%
South University (Online)	X	AS	Business Administration	52.0201	16	7	43.8%	
University of Phoenix	X	BA	English	23.0101	16	8	50.0%	33%
University of Phoenix	X	AA	General Studies	24.0102	10	7	70.0%	
University of Phoenix	X	AA	Human Services Management	44.0000	142	65	45.8%	
University of Phoenix	X	AA	Health Care Administration	51.0710	188	85	45.2%	
University of Phoenix	X	BS	Nursing	51.3801	49	20	40.8%	
University of Phoenix	X	AA	Business Foundations	52.0204	318	158	49.7%	
University of Phoenix	X	AA	Hospitality, Travel, & Tourism	52.0901	19	10	52.6%	
Westwood College (Online)	X	BS	Game Software Development	11.0299	16	8	50.0%	43%
Westwood College (Online)	X	BS	Criminal Justice	43.0199	10	6	60.0%	

Programs with Total Enrollment of less than 10 are not shown

Online Out-of-State Enrollment and Dropouts
for Degree-Granting Institutions with Dropout Rates Greater than 40%

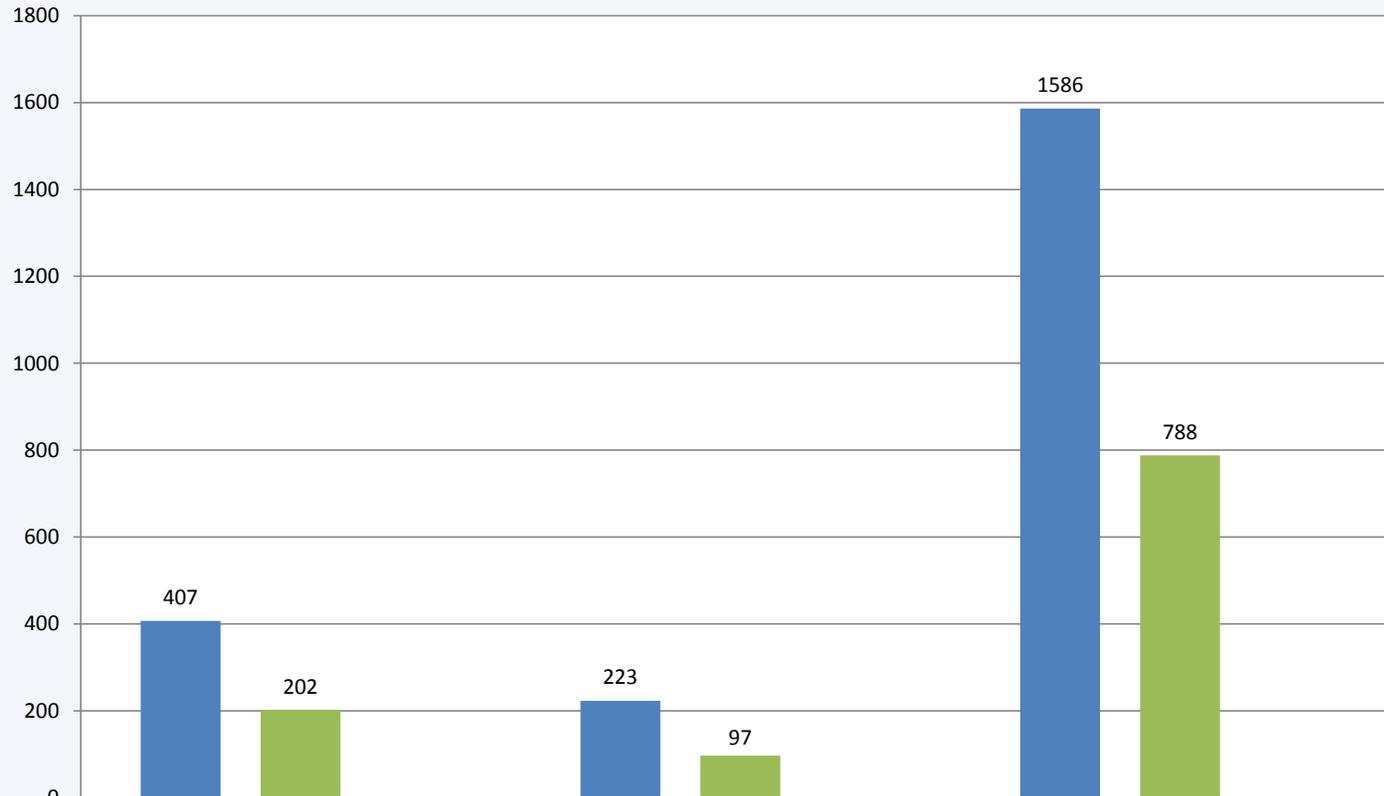
Chart E



Institutions with enrollment of less than 10 are not shown

Wisconsin-based Campus Enrollments and Dropouts for Degree Granting Institutions with Dropout Rates Greater than 40%

Chart F



■ Total Enrollment
■ Drops

	The Art Institute of Wisconsin	University of Phoenix - Milwaukee	Bryant & Stratton College
Total Enrollment	407	223	1586
Drops	202	97	788
Dropout Rate	49.6%	43.5%	49.7%



Wisconsin *focus*

HOW THE STATE AUTHORIZATION RECIPROcity AGREEMENT (SARA) WILL ALTER THE REGULATION OF WISCONSIN'S POSTSECONDARY EDUCATION

SARA will fundamentally alter the regulatory role of the Wisconsin Educational Approval Board (EAB) and other higher education stakeholders.

What is SARA?

The State Authorization Reciprocity Agreement (SARA) is an attempt by higher education institutions to limit state regulation for accredited institutions offering degree-granting programs via distance learning.

Architects of SARA claim the current higher education regulatory process is too expensive and cumbersome for institutions offering online degree programs.

Under SARA, a system for interstate reciprocity will be created based on the voluntary "participation" of both states and institutions.

SARA will be administered by the four existing regional higher education compacts, and overseen by a newly created National Council.

State participation in SARA is entirely voluntary. However, a number of statutory changes will be necessary if Wisconsin elects to participate.

How will SARA operate?

States that choose to join SARA will need to designate a single "portal agency": the official point-of-contact for the regional compacts and other states. The portal agency must be a governmental entity and must demonstrate the legal authority under state law to enter an interstate agreement on behalf of the state.

Under SARA, Wisconsin would be precluded from imposing fees, standards, requirements or procedures on any out-of-state institution operating under SARA. Also, Wisconsin must have a uniform student complaint process and be responsible for all out-of-state student complaints filed against every Wisconsin institution it approves to participate in SARA.

Institutions participating in SARA must be approved by the portal agency. The approval simply

EAB's Regulatory Purpose

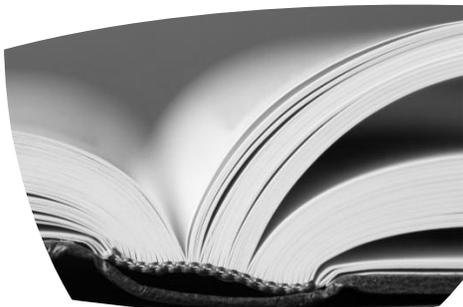
- The EAB has a statutory responsibility to protect the public by overseeing for-profit and certain non-profit postsecondary educational institutions.
- The EAB currently has oversight of 220 postsecondary institutions, 74+ of which are located out-of-state and offer online programs to Wisconsin residents.
- The EAB's regulatory model is built on promoting institutional effectiveness, and on measuring performance and student success.

requires the institution certify that its principal campus is located in a state (known as the home state) which has joined SARA, that it is accredited by an accreditor recognized by the U.S. Secretary of Education, and that it meets certain federal financial aid responsibility scores.

Under SARA, Wisconsin students will be subject to complaint and oversight policies of an institution's home state. Despite being a Wisconsin resident, a student will not have access to the EAB's consumer protections like our student-friendly refund policy.

STUDENT CONSUMER PROTECTION

Currently, more than 26,000 Wisconsin students are enrolled in online, degree programs offered by 74+ out-of-state institutions. These EAB approved institutions are required annually to report by program student results data, such as new starts, dropouts, completers and employed. EAB uses student outcomes data to improve program quality and student success. On its website, the EAB makes students results data available to prospective students so they can make informed decision about choosing an institution and its program.





Identifying the Impacts of SARA

Concerns

- Participating in SARA means Wisconsin will delegate its authority to oversee online higher education offered by out-of-state institutions to other states through a system run by a non-governmental organization(s).
- SARA is an institutionally-led initiative being driven by the desire to reduce costs; not by what is in the students' best interest.
- Wisconsin students that have issues with SARA participating institutions will not be protected under the EAB's regulatory framework and will need to seek recourse from the state in which an institution is located.
- The higher education industry is one of this country's least regulated industries and SARA will further erode state oversight.

Problems

- Because Wisconsin does not have a single postsecondary coordinating body like most states, identifying a "portal agency" will be problematic.
- Under SARA, Wisconsin will have no regulatory authority over out-of-state institutions that fail to successfully serve Wisconsin residents.
- Wisconsin's ability to provide residents with comprehensive consumer protection will no longer exist under SARA.
- Unfortunately, greater access does not equate to greater success for students if institutions are not held to a level of quality.
- Beyond the fiscal implications the state will lose the ability to collect student results data from out-of-state online institutions, by which it holds institutions accountable.

Implementation

- Implementing SARA will likely require legislative action to change current state law.
- The 74+ institutions that the EAB would no longer oversee if Wisconsin chooses to join SARA reported collecting more than \$155 million in revenue from Wisconsin students during the 2012-13 reporting year.
- The EAB is funded solely by program revenue. Currently, the EAB collects approximately \$250,000 in revenue from the out-of-state institutions that would no longer be subject to EAB approval under SARA.
- Under the EAB's current fee structure, institutions that remain subject to oversight will bear the financial burden associated with SARA.
- SARA has not undergone a thorough analysis of the regulatory costs for institutions, nor the fiscal impact on states.

SARA provides minimal student protection by limiting complaints to fraud and misrepresentation. Unfortunately, the vast majority of complaints the EAB handles never rise to that level. Moreover, issues of educational quality are delegated to accreditors, which are non-governmental peer review organizations.



State of Wisconsin
Educational Approval Board

Improving Students' Lives by Ensuring Schools are Effective



Western Interstate Commission for Higher Education

3035 Center Green Drive Suite 200 Boulder, CO 80301-2204 303.541.0200 (ph) 303.541.0291 (fax)

June 14, 2013

Mr. John Ware
President
National Association of State Administrators and Supervisors of Private Schools (NASASPS)
403 Marquis Avenue, Suite 200
Lexington, KY 40502

Dear Mr. Ware,

Thank you for your thoughtful letter of May 24, 2013 in which you express the concerns that some within the community of state regulators have with the April 2013 report of the Commission on the Regulation of Postsecondary Distance Education. All of us who received your letter, as active participants in the development and planned implementation of the SARA agreement, have agreed to participate in the preparation of a single response. I accepted the responsibility for drafting our response, and it has been reviewed and approved by all who received your letter.

We appreciate the opportunity to engage with you on your questions. In this response we will explain the rationale and intent of our efforts to date regarding the various concerns that you have raised. While the plan we have developed has been fashioned by three stellar groups of higher education professionals and regulators and we believe it will serve us well in achieving the intended purposes of state reciprocity, we will undoubtedly discover improvements to achieve our purposes as we implement these efforts, and we fully intend to continue to refine and improve the process to provide a high standard of state oversight of distance learning.

In response to the concerns you have raised:

You express concern that "perhaps the most troubling aspect of SARA is its secondary emphasis on the States' consumer protection efforts in favor of a system of interstate reciprocity that is designed to lessen the "regulatory costs and burdens" on institutions." Without doubt one of the purposes of our efforts has been to lessen the regulatory costs and burdens on institutions. And, while the report does not explicitly detail the nature of these costs, I know that a panel at the NASASPS conference in Sacramento provided that information. Additional information on the cost burden on institutions, both in terms of fees and additional staffing requirements, is available through the survey results compiled by the WCET's State Authorization Network.

www.wiche.edu

ALASKA ARIZONA CALIFORNIA COLORADO HAWAII IDAHO MONTANA NEVADA
NEW MEXICO NORTH DAKOTA OREGON SOUTH DAKOTA UTAH WASHINGTON WYOMING
U.S. PACIFIC TERRITORIES AND FREELY ASSOCIATED STATES

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But reducing the cost burden on institutions is only one of SARA's purposes. Relying on each state to authorize institutions to operate within state borders made sense prior to the advent of significant distance learning, but relying on a patchwork of 50 states, plus territories, to regulate independently has created a myriad of approaches to regulation that creates substantial confusion and quite variable quality assurance efforts at the state level. Equally as important as our goal to reduce redundancy and unnecessary costs to institutions is our belief that state reciprocity will improve state oversight, ergo consumer protection, thus increasing the effectiveness of the federal triad. As we encourage all states to join the nationwide state reciprocity activities and thus meet the high standards required for such engagement, we believe that state regulation will improve over what is provided today.

The issue with respect to the role of the home state and non-home states in the resolution of consumer complaints was one with which all three national efforts working on this struggled. There are two major flaws in the way in which consumer complaints are currently handled by states. First, many legitimate consumer complaints and concerns regarding distance education are simply never adequately addressed because neither the home state nor the state in which the education is being received accept responsibility, perceiving that it is the other state's responsibility. As the old saying goes, when everyone is in charge no one is in charge. Second, institutions face an awful lot of potentially differing and confusing oversight when they are subjected to the possible efforts of multiple states. While that may seem entirely appropriate from each state's perspective, it makes risky business for institutions, and doesn't serve students well.

So, after much discussion, all three groups -- the Commission, the Presidents' Forum, and the regional compacts -- agreed that the home state should accept responsibility for the oversight of institutions that operate from within their state (the home state). Non-home states will have a responsibility to refer consumer complaints to an institution's home state and to share their own concerns regarding possible untoward activities of distance learning providers from other states. As stated in the commission's report, "a state should agree to receive and resolve consumer protection complaints filed against institutions that the state authorized for purposes of interstate reciprocity. In so doing, the state may not limit the jurisdiction of other involved states (e.g., the student's home state), but agree to serve as the default forum for student complaints. States that are designated as the home state of an institution for purposes of interstate reciprocity should serve as this default forum for that institution. Other involved states and accrediting agencies should remain free to receive and resolve consumer complaints as well. "

If it turns out that an institution's indiscretions are not being handled adequately from the perspective of the state in which the education is being received, that state will have three options: to act on the complaint themselves, to raise a concern to the Nationwide Coordinating Board that the home state is not providing adequate oversight, or simply withdrawing from the reciprocity agreement by notifying its respective regional compact's SARA staff. The SARA staff that will support the Nationwide Coordinating Board will follow-up on all concerns raised by all participating states.

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Please keep in mind that while we hope SARA will prove valuable to all institutions and states so that they will seek participation, it is entirely voluntary on the part of both states and institutions. If we don't put together a strong value added network of participating states that hold each other to high standards, SARA obviously won't succeed. But one of the clear benefits of reciprocity is that states will be sharing complaints with each other. Through this process of sharing data, we will be able to identify institutions that are causing problems in several states and will be able to coordinate corrective actions. In short, we expect that SARA nationally will produce more accessible and often stronger consumer protection than is now provided to many students.

We also recognized that the costs of compliance for home states would differ substantially, depending upon the array of postsecondary providers within a state, and that this could create a greater fiscal drain on some states compared to others. Our sense, however, is that this is entirely fair. You used, for example, the University of Phoenix and the potential impact Arizona might have following up on complaints from other states. The State of Arizona, however, does approve UoP to operate from the State of Arizona and thus logically has responsibility for assuring that whatever services it provides, be they in Arizona or elsewhere, are held to high standards. Incidentally, both the University of Phoenix and the State of Arizona have indicated strong support for SARA. If any state discovers that it bears a substantial burden dealing with consumer complaints from an especially large provider of distance education, we expect they will be motivated to create a fee schedule based on student enrollment that will cover their costs.

With regard to the concern you expressed regarding the reliance on IPEDS data, this is a minimum requirement, not a maximum. Any state that wants to collect more information on its home institutions or others with a physical presence in the state may do so, whether it be from its own state student unit record data system, the National Student Clearinghouse, the State Department of Labor, or other sources. That said, states would be required to work with what IPEDS provides as a common foundation. We all recognize the limitations of IPEDS data. But it is certainly better than nothing, and the changes currently being implemented within the Department of Education, including the collection of distance education enrollment data for the first time in more than a decade, will significantly improve the efficacy of this data as well.

Your concern about professional licensure is another legitimate issue. At one point we contemplated tackling the issues around licensure, but we ultimately decided to begin by biting off a piece we could chew rather than putting too much on our plate. We have made it clear, however, that institutions offering programs at a distance must share with students whether or not students with degrees from the institution can be considered for professional licensure in the state in which they live. This is admittedly only half a loaf. Many of us believe that reciprocity in licensure may also be in the best interest of students and good public policy, but that is a task for another day after we master what we are now attempting.

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I'm not sure how you came to the conclusion that the state's role in consumer protection envisioned within SARA would be limited to federal issues of fraud and misrepresentation. The SARA standards require institutions to meet the terms of contractual agreements, develop tuition recovery and refund policies, and closure remedies. The Commission's report also stipulates that states have the responsibility for resolving all legitimate complaints and concerns, including academic issues, in the continuing oversight of institutions. While academic issues with respect to initial acceptance of a state into reciprocity would rely solely on accreditation, legitimate academic complaints and concerns that cannot be resolved within the institution and are not addressed by accreditation thereafter would certainly be the purview of the home state to address. As mentioned earlier but worth noting in this context, as well, for home state institutions and course work within the state of other institutions with a physical present in the state, a state may require whatever more it wishes on academic quality over and above accreditation. From our perspective, one of the appeals of this SARA approach is that it in no way alters the power of states with respect to their own "home" institutions.

With respect to the fiscal impact of SARA, nothing in SARA impedes a state from establishing whatever financing and fee structure it wishes to use to fund this area of state activity. As is the case today, we expect that states will vary considerably in the way in which they do this. As noted, this will eliminate fees currently charged by non-home states for those institutions in states that elect to join the reciprocity agreement and that are authorized by their home state to participate. We understand that some states have garnered resources from these institutions and that participating in reciprocity would eliminate this source of revenue. We also recognize that states may choose not to participate in reciprocity for that very reason. But it should also be recognized that SARA is intended to provide a means of consumer protection and quality assurance that is less costly for states as well as institutions. We believe all state fees have been applied to cover legitimate regulatory costs; the point of SARA is to reduce the cost of achieving those functions while improving their quality and effectiveness.

We have described the SARA institutional fees, which we anticipate will range from \$2,000 for smaller institutions to \$6,000 for larger institutions, as "reasonable" because reasonable costs were clearly a requirement of the program. They are estimated to be sufficient to cover the costs of the regional SARA organizations and the Nationwide Coordinating Board. We have not published the working documents behind this financing plan because we have been negotiating with a national foundation for funding and it seemed both imprudent and discourteous to the potential funder to share our funding request. We assure you, however, that the plan will finance all of the key SARA activities in the first three years with a combination of foundation support and institutional fees and that SARA activities will be solely reliant on institutional fees by the fourth year of operation.

At one point your letter suggests that SARA would "greatly expand the role of regional compacts and shift the responsibility for oversight of postsecondary education from individual states to the regional compacts and the Nationwide Coordinating Board." This is neither our intention nor what we expect to happen. Our intention is to enhance and improve state authorization of distance learning. The states will remain in charge. Those that feel they can trust other states to oversee their home institutions

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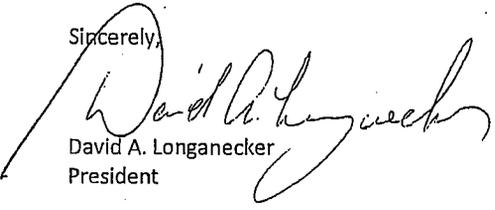
offering distance education in other states will simply enter into reciprocity to do so. The regional compacts will not have any role in authorizing institutions, that will continue to be the exclusive purview of the states. The regional compacts will assure that those states claiming to be willing and able to participate in SARA are meeting the standards to do so. Similarly, the Nationwide Coordinating Board will have no role in authorizing institutions. It will assure that the four regional compacts operate in a fashion that assures comparability in the various SARA activities. It will also accumulate data and provide an information system that will help students, institutions, states, and other stakeholders know which states and institutions are in SARA and which are not.

Furthermore, this is not a big reach for the regional compacts. Interstate collaboration on a voluntary basis is the essence of the business of the regional compacts today. Many, if not most states will need to review their current state law to assure that they can participate in SARA. At least five have already adopted statutory changes to allow for such reciprocity and many more are working toward such legislation.

We believe this responds to both the bullets and initial text of your letter. Some of the very specific questions will need to be addressed by the four regional compacts as they develop operating procedures that fit their organizations and region. We will continue to work closely with NASASPS as our implementation of this plan moves forward, and we fully intend to include representation from the members of your organization in the advisory structures for all of our organizing entities.

Again, we appreciate the substantial thought and effort that went into the letter that you prepared and hope that this response is helpful in better understanding SARA. We assure you that your concerns will be thoughtfully considered and that we will remain in close contact with you and those is the state regulatory community as we move forward.

Sincerely,



David A. Longanecker
President

cc: Peter McPherson, president, Association of Public and Land-grant Universities
Paul Lingenfelter, president, State Higher Education Executive Officers
Paul Shiffman, assistant vice president for strategic and governmental relations, President's Forum
Larry Isaak, president, Midwestern Higher Education Compact
David Spence, president, Southern Regional Education Board
Michael Thomas, president, New England Board of Higher Education
Marshall Hill, executive director, Nebraska's Coordinating Commission for Postsecondary Education