

STATE OF VERMONT  
AGENCY OF EDUCATION

**In re: Vermont HITEC, dba Institute for American Apprenticeships  
Application for Certificate of Approval and Degree Granting Authority**

FINDINGS OF FACT, CONCLUSIONS OF LAW  
AND DECISION

**I. Introduction and Legal Framework**

Vermont HITEC, Inc., dba Institute for American Apprenticeships (IAA), has applied to the State Board of Education for certification of approval to offer postsecondary credit bearing courses (certificate of approval) and for authority to grant postsecondary degrees (degree granting authority), specifically the Associate of Applied Science degree in Individual Studies. Approval of the State Board (SBE) is required before IAA may engage in either of these activities. 16 V.S.A § 176(c).

Upon receipt of an application for a certificate of approval, the Secretary of Education (Secretary) is required to appoint a review team. SBE Rule 2243.1. The State Board of Education (SBE) is required to obtain the advice of the Vermont Higher Education Council (VHEC) prior to taking action on any application for degree granting authority. 16 V.S.A § 176(h); SBE Rule 2243.2. Accordingly, upon receipt of the application, the Agency of Education (AOE), which administers the application process, tasked VHEC to conduct a comprehensive review of IAA's application materials and make a written recommendation to the SBE. VHEC assembled a team of higher education professionals to do this review and conduct a site visit of IAA. *See* SBE Rules 2243.1, 2243.2 (review team may determine the accuracy of the application by visiting the school). The VHEC team met with IAA staff members several times during March and April 2017 and met with school officials at IAA's executive offices on April 13, 2017. The Review Team issued its report to the Secretary and IAA in May 2017. Exhibit B. The report contains its evaluation of IAA with respect to ten standards<sup>1</sup> and concludes that, "the applicant has not demonstrated that it has successfully met several of the ten standards. Student services, organization and governance, faculty and staff, and educational programs are among our chief concerns." The report concludes that IAA is "not yet positioned to receive certification to grant college credit or to award the Associate Degree credential."

---

<sup>1</sup> These standards are included in SBE Rule 2241.3.

In accordance with the rule, IAA requested a hearing before the Secretary. *See* Rules 2243.1, 2243.2 (if requested, applicant shall be afforded a hearing before the Secretary or her designee, before the Secretary makes a recommendation regarding certification to the SBE). It also filed with the Secretary its May 27, 2017 response to the Team’s report.

A hearing was held on November 20, 2017 before the Secretary’s designee, Molly Bachman, General Counsel. Gerry Ghazi, CEO, President and founder of IAA attended and spoke on behalf of IAA. Cassandra Ryan, AOE Fiscal and Regulatory Compliance Coordinator, was also present.

Neither section 176 nor Rule 2243 require the Secretary to conduct a second comprehensive review or site visit. Therefore, this review is confined to IAA’s application, the Review Team’s report, IAA’s response to the Review Team’s report, and the testimony of Gerry Ghazi at the November 20 hearing. The hearing before the Secretary is the applicant’s opportunity to demonstrate that the review team overlooked or misunderstood some aspects of its program or operations. We reviewed the issues of concern outlined by the Review Team and IAA’s written responses and testimony related to those concerns. There is no attempt here to restate the many uncontested findings contained in the Review Team’s report.

## **II. The VHEC Team’s Concerns and IAA Responses**

### **A. Organization and Governance**

The Review Team found that while IAA is comprised of dedicated individuals, “the organizational structure of board and management is a closed system that does not allow a meaningful distinction between governance and administration” and that the “number of senior management titles and functions held by only a few people add to our concern.” Rep., Part 1, p. 13, Part 2, p.1. The Team reviewed IAA’s current structure. It concluded that the tight overlap between board members and the school’s top administration, the lack of distribution of authority between the board and executive leadership, and the lack of new board members, has resulted in a more closed approach than the standard encourages. The standard is a board composition that is “diverse enough to assure that the public interest can be represented.” Rep., Part 1, p. 13.

IAA responded that its by-laws allow a director to serve until removed by vote. It acknowledged that there may be a perception of a closed governance approach. Resp. p. 8. This issue was raised by an accreditation consultant in 2013-2015. Following that assessment, the IAA board approved a trial run of a team approach to management, but that proved challenging to implement.

IAA believes governance issues may be easily resolved, but at the same time questioned why governance is relevant to offering credits. IAA believes its current organization is efficient and well-managed and it does not want to dilute operational management and quality programming. Resp. p. 9.

I do not see any commitment on the part of IAA to address the governance issue. I do not doubt IAA's explanation that its current overlapping governance and management affords IAA flexibility to respond quickly to the demands of its employer partners. This flexibility is undoubtedly an attribute of a nimble workforce training program. However, I can find no reason to disagree with the Review Team's conclusion that it falls short of the more open and diverse governance structure expected of a degree-granted institution.

## **B. Student Services**

The Review Team found several instances in which they could not verify that IAA had a student focus.

IAA's program is a "closed system," meaning that participants in the program are chosen by employer-partners from its current employees or are invited by the employer. The Team questioned whether the application process, which it described as intense, might prevent enrollment of students with financial need. The Team also noted that there is no federal financial aid available to students and IAA offers no institutional aid.

The Team was not able to confirm that the teaching assistant or mentor communicates closely with a student to ensure that competency expectations are being achieved during the apprenticeship period, as its *Student Handbook* states. One student who was interviewed described that once he began the apprenticeship phase of his program, his new employer was his primary connection to the program.

IAA staff seemed uncertain about what external service providers were available to students who were experiencing personal difficulties. The Review Team found that most issues were handled in the classroom with uneven results depending upon faculty skill, experience, and credentials in handling nonacademic issues.

The tenor of these comments was less criticism than the observation that as IAA pursues degree-granting approval and, if it opens its doors to a more diverse student profile, attention to the expansion of the student services resources will be necessary.

IAA countered that IAA staff communicates regularly with the employer mentors and apprentices during the one-year period of apprenticeship, participates in a review of performance metrics, and follows up on goals established in individual development plans (IDP). IAA notes that due to time constraints, the IDP tool was not reviewed in detail with the Review Team. The Review Team did not discuss this tool specifically.

IAA also emphatically disagrees with the Review Team's conclusion that most support services are handled in the classroom and posits that the Team's conclusion was based on a small student sample. It points out that the Department of Labor attends its orientation and speaks to students about available resources.

While IAA is "willing to entertain the idea of further buttressing [student] services", it believes what it offers compares favorably to some accredited post-secondary schools and therefore it is unclear to IAA how student services could be expanded further. Resp. p. 5. Dr. Ghazi noted that students have the support service offered by their employer's human resources departments or employer assistance programs.

The sample of students interviewed was small and may not have presented the Review Team with a full picture of nonacademic services available to students. Dr. Ghazi spoke convincingly of IAA's commitment to each student's success and ensuring that each student "has what is needed to avoid outside distractions during the education program." Testimony; Resp. p. 5. Employment offers are contingent upon successful completion of the program, so a student who doesn't complete the program will not be able to take job and job goes unfilled. Consequently, the success of IAA's model depends very directly upon students successfully completing the program.

### **C. Faculty and Staff**

The Review Team found that the IAA faculty demonstrate clarity about, and a strong commitment to, the institution's mission and to student success. All faculty hold at least a baccalaureate degree, but several taught in areas unrelated to their degrees and the Review Team was not able to confirm that they had professional experience relevant to the field in which they instruct. Rep., Part 1, p. 9 (discussion of nursing credentials). It also found that the faculty identified as prospective liberal arts faculty to teach the identified general education courses hold "minimal qualifications to teach the battery of courses that have been proposed." Rep., Part 1, p. 9. Specifically, while faculty appear qualified to teach the proposed science, business and government courses and marginally qualified for mathematics courses, none of

the proposed faculty have qualifications to teach the proposed composition, literature, sociology, or history courses.

The Team described IAA's "just-in-time" educational philosophy – preparing faculty to train students for employment in new areas of employment - as admirable, but as insufficient for recognition as a degree granting institution. Specifically, the Team found that "recognition as a credit and degree granting institution brings with it greater expectations for academic qualifications that directly relate to the area of teaching." Rep., Part 1, p. 9-10.

In addition, the Team expressed concern about the lack of formal faculty review processes. IAA responded that staff are reviewed on a daily basis as senior staff often visit classrooms, but indicated it is open to conducting formal, annual reviews.

IAA responded to the Team's finding that "[f]aculty qualifications to teach in the proposed general education area seem particularly weak" by saying that where existing staff lack credentials and experience to teach general education courses, new faculty members will be brought in as appropriate or adjunct faculty would be hired.

There is no question that current staffing is not sufficient to support a general education curriculum as required to award an associate degree.

#### **D. Educational Programs**

The Review Team's report provides a thorough description of IAA's current program. Very briefly, IAA operates a successful workforce development program that has been in existence since 2002. It follows a structured model that identifies employer needs and gives employers that final decision-making authority over student selection. The program includes a rigorous classroom portion lasting 8 to 12 weeks followed by a longer apprenticeship with the sponsoring employer. IAA does not have classrooms itself, it sets up classrooms within employer space. IAA's founding mission is to "create employment opportunities for underemployed and unemployed Vermonters in the healthcare and technology fields by providing them with necessary education and training that leads directly to guaranteed jobs." The Team found that "the programs are well-planned and succinct in planning to the needs and specifications of the industry partners." Rep., Part 1, I. Dr. Ghazi describes IAA's apprenticeship model as a paradigm shift with employers willing to invest in a blank slate and provide training. An employer invests upfront by offering employment if the student completes the training.

In the past, Burlington College and IAA shared an articulation agreement whereby the College granted credit for IAA's courses. This apparently satisfied employer-partners' desire for a credential.<sup>2</sup> IAA has a similar articulation agreement with Columbia College in South Carolina for programs in New Hampshire. However, under Vermont law, Columbia College would need to be approved in Vermont if it were to offer credits for the IAA work in Vermont. IAA is proposing to create its own general education program with its faculty teaching on-line or in person. The impetus is to create stability for its current model, which leaves IAA vulnerable to another institution's circumstances.

Significantly, IAA's submission outlines its program concentrations in detail but makes only non-specific mention of the general studies portion of the proposed degree, which would be essential to degree approval. The self-study referred to the 15-credit obligation of general studies, whereas the actual obligation is 20 hours. Initially, IAA represented that the 15 credit hours could be added to the in-class portion of the programs. Later IAA informed the Team that the general education coursework is intended to begin *after* classroom portion is completed. Neither the documents presented to the Team nor the conversations that occurred during the visit suggested that IAA will revise its philosophy, purpose, or objectives should degree granting authority be conferred. In short, the Team found no evidence that any consideration or planning has been done to make general education an integral - as opposed to an add on - part of IAA's program.

IAA has expressed a willingness to engage adjunct faculty to fill gaps and to embrace general education as an integral part of its program and "to entertain options that would be required for students to get credit for information they are already responsible to learn." Resp. p. 3. However, it's not the purpose of the Review Team's review to provide options but rather to evaluate the concrete steps taken by the applicant. Dr. Ghazi indicated that general education courses would be "contextualized" for the particular program and that IAA would not offer "generic" general education courses. The Review Team reviewed the list of IAA's courses and could find no evidence "that course syllabi for general education courses are under design." Rep., Part 1, p.15. The only provision for a student who wanted to take a generic general education course, was that IAA "would create partnerships" with Community College of

---

<sup>2</sup> Employers want to create these career pathways which require credentials like a certificate of academic achievement or preferably associates degrees, so that employees will not leave and go elsewhere for a degree.

Vermont or other schools. Testimony. No steps had actually been taken toward that end. Similarly, with respect to resources, the Review Team “expected that IAA and its faculty would have anticipated the need for expansion of resources to support the higher expectations of seeking credit/degree granting status, particularly in general education,” but saw “no evidence that IAA is actively planning to respond to this higher expectation.” Rep., Part 1, p.11.

IAA explains that it offers a prescribed sequence of closed courses and cannot yet grant degrees so it has not yet implemented “an offering of separate general education courses to be used toward a degree.” Resp. p. 11. There is a certain chicken and egg aspect to this – IAA does not want to invest resources to become a college before it has the approval to become a college. On the other hand, the Team did not see the sort of investment in planning, staff and other resources requisite to recommending a certificate of approval or degree granting authority. In fact, it is evident from the documentation and testimony that IAA intends to continue to operate under its current model.

### **III. Secretary’s Recommendation**

In addition to reviewing the Review Team’s report and IAA’s responses, I have taken account of Dr. Ghazi testimony, both as to procedure and the substance of the Team’s report.

Dr. Ghazi described that after the visit and discussions, the Review Team provided a draft report to IAA, to which IAA responded with “in-line comments.” The Review Team incorporated some of IAA’s comments and issued its final report. IAA then filed its May 24, 2017 response with the Team. Dr. Ghazi expected the Team to respond to the May 27, 2017 response. The rule does not require or provide for multiple rounds of written input. I find that the Team’s process allowed sufficient opportunities for IAA to inform and contest its findings and recommendation.

Dr. Ghazi’s testimony expanded on IAA’s model. For example, he explained that closed courses are central to its model, as is employer participation in student selection. This would not change if it became a degree granting institution. Dr. Ghazi expressed willingness to “discuss any changes that would be necessary in outreach, program delivery or any other area that would be needed to obtain credit for students”.

I do not doubt IAA’s willingness to enter into discussions; however, this offer and other expressions of willingness to make necessary changes support the Review Team’s conclusion that IAA is “not yet positioned to receive certification to grant college credit or award the



Associate Degree credential.” It also reveals a misunderstanding of the approval process, which is to evaluate the existing objectives, structures, programs, services, and resources, not to speculate about potential changes.

IAA does not have a general education curriculum in place or a detailed plan to put such a curriculum in place. It does not have staff to support a general education curriculum. IAA’s reluctance to hire staff and make the changes necessary to enhance its offerings prior to receiving approval is understandable. However, the lack of such concrete steps substantiates the Review Team’s conclusion that the general education component really is simply an add-on to its program concentrations. Again, this is not a criticism of IAA. IAA operates an admirable workforce development program with a small and dedicated staff that prides itself on having the nimbleness to respond to market needs. The changes that it would likely have to make to transform itself into a credit and degree granting institution may not be compatible with the model IAA has in place now. IAA has been very clear that closed courses are essential to its model and that would not change. Dr. Ghazi noted that use of articulation agreements depends upon the college not seeing IAA as competition, which it would if it offered courses in an open environment. Therefore, its courses need to be tailored to an employer/partner. Nevertheless, IAA may apply again after it has taken actual steps that address the concerns of the Review Team.

The Secretary finds that the Review Team’s evaluation of IAA based on IAA’s application and the Review Team’s site visit supports its recommendation. Moreover, although IAA objects to certain points of the Review Team’s observations and conclusions, its own responses also support the Review Team’s recommendation. What the Response and testimony show is many statements of willingness to do what is necessary to obtain approval without accompanying steps toward creating a general education curriculum. Indeed, it is clear that its workforce development model has worked well for IAA and its employer/partners and it has no real immediate plan to become a different kind of institution.

The Secretary recommends that the State Board of Education deny IAA’s request for certification of approval to offer postsecondary credit bearing courses (certificate of approval) and for authority to grant postsecondary degrees (degree granting authority).

Dr. Ghazi also made a request for a limited probationary period during which it would offer additional courses as closed courses open only to employers. He indicated that it would be a pilot with the full expectation that it could be revoked if conditions were not met. There is no authority in the statute of rule for a probationary approval.



---

Molly Bachman, General Counsel

APPROVED:

---

Rebecca Holcombe, Secretary of Education

---

Date