

# EDUCATIONAL APPROVAL BOARD

Meeting of June 18, 2002  
1:30 p.m.

30 W. Mifflin St., 8<sup>th</sup> Floor  
Madison, WI 53703

**Members Present:** Richard Berg, Raymond Boland, Leroy Conner, Jr., Georgiana Giese, Gene Kussart, Delora Newton

**Absent:** Jon Litscher

**Others Present:** David Dies, Joan Fitzgerald, Linda Heidtman, Patrick Sweeney, Blanca James, EAB; David Larsen, John Rosinski, WDVA; Patti Epstein, Inacom

Raymond Boland, Chair of the Educational Approval Board (EAB), called the meeting to order at 1:40 p.m. He noted that all members were present except for Mr. Litscher. A motion (Kussart, Conner) to approve the March 12, 2002, minutes was made. The motion was approved unanimously.

## BOARD CHAIR'S REPORT

Mr. Boland commented on the publicity MBTI has received and the various actions that have taken place. He indicated that members have expressed appreciation for being kept abreast of the issues regarding the school. Mr. Boland also mentioned that OnIT Consulting, a recently closed school, is now trying to offer a teach-out for their students. Mr. Dies would provide additional information about these schools in his report.

Mr. Boland gave a short summary on the EAB Schools Conference and the Board's participation. There was a turnout of approximately 60 school officials. He commended Lieutenant Governor Farrow for her speech in which she defined the Administration's vision for preparing young people for the workforce.

The 2003-05 biennial budget process is under way. The entire cabinet is working closely with the Governor and his Administration to support the vision for Wisconsin's future. The idea of building Wisconsin's education and training programs and building a better workforce for the future is one the Board can support. Mr. Boland said his staff and department would be working with Mr. Dies in putting this budget together which includes a number of initiatives.

As mentioned at the last Board meeting, an alleged racial discrimination complaint was filed in regard to the hiring of the Executive Secretary position. Mr. Rosinski, Legal Counsel for the Board, said that this individual has filed 40 actions against various state agencies for not being hired or promoted with the Personnel Commission, and in this case he did the same. The other agencies have filed a motion to the Personnel Commission because the individual

owes a significant amount of money for past actions that he has lost. The basis of the motion is that any further actions should be held in abeyance until the individual pays for these costs. Mr. Rosinski filed a motion on behalf of the Board to join with the other agencies that have filed similar motions. If the motion is favorable, it will be held in abeyance until he pays what he currently owes.

## **EXECUTIVE SECRETARY'S REPORT**

Mr. Dies highlighted several items in his written report regarding administrative issues. He is in the process of hiring a Program Assistant, reclassifying the three Education Specialist positions, and conducting performance evaluations. The EAB has also signed an Administrative Services Agreement with the Department of Veterans Affairs. Mr. Dies reported that the EAB transferred funds from the salary and fringes line to the supplies line.

The Approved Schools Conference was held in April. This was a postponement from last fall because the Executive Secretary position was vacant. The conference was judged successful based on the responses that the EAB received from schools' evaluations. They were very positive and showed appreciation for the effort that was put into the conference by EAB staff. Mr. Dies thanked the staff, particularly Joan Fitzgerald and Blanca James, for their work in helping put the conference together. The EAB will be holding another conference on November 14.

Another item Mr. Dies discussed was the Wisconsin Directory of Private Postsecondary Schools. An updated version of the directory will be available on the EAB website. The directory will be updated electronically throughout the year. The EAB has received very positive responses, primarily from high school guidance counselors, indicating that up until now, they did not know these schools existed.

The 2003 school renewal process will begin in July. At the last Board meeting a question was asked about whether or not students were informed of EAB's availability to assist them with school problems. To ensure that this information is provided to the students, a current school catalog will be required along with other required information as part of their renewal process.

Mr. Dies referenced the EAB working in partnership with the Department of Public Instruction. The EAB schools that offer some kind of teacher licensure program or courses recently met with DPI officials to talk about the implications of the new rules, how teacher licensure has changed, and what is going to be expected of them. There are approximately a dozen institutions that are offering some kind of teacher education; a lot of them at a Master's level.

In terms of school issues, Mr. Dies indicated that he has provided the Board members with updates on MBTI as the issues have warranted; that the school has been able to secure an adequate bond; and that the school is in a teach-out mode with no new enrollments at this time. The school owners are considering their options, including starting a new school. The school's eligibility for Title IV remains an issue. There are on-going discussions with federal officials to reach some kind of settlement. The school also has a host of accrediting

problems that they are trying to address. ACICS has identified approximately 24 areas that the school needs to address. There is a commitment from the owners of the school to correct these issues. One issue that has been identified as a result of MBTI's problems, is the lack of intermediate sanctions. Currently, the EAB only has the ability to approve, revoke, or deny a school's approval.

OnIT Consulting, a Madison-based computer school, has been working to teach-out their students. They have partnered with a new computer school called Career Skills, LLC who is willing to take on the liability of teaching-out OnIT's students. Not every student is interested in pursuing that option; and one of the things the EAB will be doing is calculating, based on the amount of the bond, how much will be available for each student in the form of a refund. There is a \$50,000 bond and approximately \$250,000 to \$300,000 worth of liability.

Capella University, an on-line, degree-granting, accredited institution in Minnesota, currently serves 146 students from Wisconsin. They have no EAB approval and are operating in an illegal manner at this time. The EAB is looking at ways in which it can work with the school and get them approved. Capella indicates that they are interested in working with the EAB to ensure they are doing everything legally required.

Mr. Conner asked how intermediate sanctions are related to EAB's budget request. Mr. Dies responded that the EAB is looking at intermediate sanctions, and other measures, as a way to bring the schools to compliance; and that the budget would simply be a vehicle for pursuing them. He added that the EAB would also pursue these issues as separate pieces of legislation on a parallel track.

## **SCHOOL ACTIVITY REPORT**

Mr. Dies mentioned that a number of new schools were approved in the last three months as well as new programs, new locations, and revised programs. A motion (Giese, Kussart) to approve items A. through G. of the School Activity report was made. The motion was approved unanimously.

## **LEGISLATIVE UPDATE**

Mr. Boland mentioned that massage therapy legislation had passed and was signed into law as 2001 Wisconsin Act 74. Mr. Dies commented that the new law will require the EAB to evaluate the programs of massage therapy schools not approved by the EAB for those students who are seeking certification under the law. A copy of the legislation was provided to Board members for their information.

## **DISTANCE EDUCATION POLICY**

The EAB staff presented the Board with information for administrative rule changes regarding distance education. The current fee structure for initial school approval is intended to address schools that have a physical presence in the state of Wisconsin. With on-line schools, there is no physical presence. These types of schools are changing the environment.

When faced with the fees for school approval, many decide that they will not serve Wisconsin students. Others choose to ignore the approval requirements that the state may have and serve students without state approval. EAB staff believes an initial approval fee that recognizes the unique characteristics associated with on-line instruction will encourage providers to be more forthcoming and have their on-line programs approved in Wisconsin.

EAB staff is seeking direction from the Board to develop a Statement of Scope and rule language, which would be submitted to the Legislative Council. The EAB then would be prepared to hold a public hearing. It was pointed out that a permanent rule would not be considered until the Legislature reconvenes in January 2003.

The EAB Board discussed the possibility of implementing a new fee structure this fall under emergency rule procedures while a permanent rule change is sought. Mr. Rosinski stated that based on his experience, administrative rule making is a lengthy process. He went on to point out that it is more difficult when a Board meets four times a year and that the process has to be coordinated very carefully, and that there is no legal basis to do the changes by policy.

Ms. Giese commented that as a high school principal, she is inundated with on-line opportunities and has to figure out what is real and what is not, and is hoping that the EAB's effort will help resolve some of that. Ms. Giese also mentioned her concern about virtual high schools. Mr. Boland suggested that this would be a good subject for the PK-16 Leadership Council.

Mr. Rosinski suggested the Board direct staff to develop a Statement of Scope and publish it with the Wisconsin Administrative Register, develop language to be reviewed by the Board at the September meeting, and develop an analysis and argument in support of using the Emergency Rule to be reviewed by the Board at the September meeting. Mr. Rosinski further clarified that to develop and publish a Statement of Scope does not commit the agency to anything. It is simply a declaration indicating EAB's intentions to make changes in the administrative rule. A motion was made (Conner, Boland) that the staff draft and publish the Statement of Scope in regards to a fee structure for schools offering on-line courses and to draft rule language to be presented to Board members at the September meeting. The motion was approved unanimously.

(Mr. Kussart departed at 2:25 p.m.)

## **2003-05 BUDGET REQUEST**

Mr. Dies discussed the budget process. He outlined proposals that would create a student protection fund to provide additional safeguards for students in school closure situations and financial aid for students at accredited, degree-granting schools approved by the EAB. It was suggested by Mr. Dies that the establishment of a financial aid program be created as a separate appropriation and not co-mingled with funding for students at the UW, the technical colleges, or students at the non-profit private colleges. Mr. Boland mentioned that the Governor is placing top priority on education in the budget, but is aware of certain opposition to this idea of extending financial aid. Ms. Newton mentioned Lt. Governor Farrow's

comment to the schools at the EAB Conference suggesting that the schools, as educational institutions, need to be talking to the Legislature and to the Administration; they need to demonstrate the importance of financial aid and why it is a priority. She suggested that before this item could go forward there would have to be an understanding and coordination with those schools. It was suggested that the staff bring this issue back to the Board.

Mr. Boland commented that the Board will have to be very careful with regard to policy issues and the budget process. During the last budget, the EAB's policy agenda was over and above the capability of the Board. If the Board is going to address significant policy areas, he thinks the Board needs to strategically weigh how to best achieve these goals. Mr. Boland added that he is not sure if it would be advantageous to address some of these issues in separate legislation.

Mr. Dies indicated that there is a need to prioritize, however, he feels that the student protection fund and student financial aid fund are both items that are appropriate for inclusion in the budget. Mr. Boland said he would get together with Mr. Dies and put together a package for the Board, indicating options and alternatives for the budget.

## **OTHER BUSINESS**

No other business was brought before the Board.

## **CLOSED SESSION**

Mr. Boland motioned (seconded by Conner) to go into closed session under Section 19.85 (1)c of the Wisconsin Statutes for the purpose to consider performance evaluation and compensation of the Executive Secretary. The motion was unanimously approved.

It was noted that the meeting would not reconvene after the closed session ended. At 3:30 p.m., a motion to adjourn (Conner, Berg) was unanimously approved.