

EDUCATIONAL APPROVAL BOARD

Meeting of March 12, 2002

1:30 p.m.

30 W. Mifflin St., 8th Floor
Madison, WI 53703

Members Present: Raymond Boland, Leroy Conner, Jr., Gene Kussart, Delora Newton

Absent: Richard Berg, Georgiana Giese, Jon Litscher

Others Present: David Dies, Joan Fitzgerald, Linda Heidtman, Patrick Sweeney, Blanca James, EAB; John Rosinski, WDVA; Andi Rainey, Inacom; Don Madelung, Herzing College

Ray Boland, Chair of the Educational Approval Board, called the meeting to order at 1:40 p.m. A motion (Kussart, Newton) to approve the December 11, 2001 minutes was made. The motion was approved unanimously.

BOARD CHAIR'S REPORT

Mr. Boland reported on the continued progress EAB staff has made during the executive secretary transition and office relocation.

The EAB staff has worked hard during the past few months to develop a draft Strategic Plan (copies were included in each Board members' binder). This document is intended to provide direction for the EAB during the next four to six years. Mr. Boland commented that he was pleased to see the work and thought that had gone into its development. Although the Strategic Plan was listed as an action item on the agenda, Mr. Boland commented that formal adoption by the Board might not be necessary. He indicated that the plan is a "living" document that serves as a framework to guide the efforts of the staff.

Ms. Newton also thought the strategic plan was good, and that it will help the Board and staff make sure that everyone is in the same page and headed in the right direction. Mr. Kussart said he had reviewed the plan and agreed with Mr. Boland that it is a "living" document. In addition, he agreed that formally adopting the plan would not be necessary, but it was important to have it in place because it gives some basis for the decisions that need to be made and for the priorities that need to be set. Mr. Connor agreed and felt that the Board, by using the Strategic Plan, can determine when to get involved and that the plan does offer the flexibility for change. Mr. Boland added that the Board appreciates the effort that Mr. Dies and staff have put into the plan and commends them for it, and he looks forward to updates in the future.

Mr. Boland described several items included in the Board members' binders for their information. A report from the Education Commission of States titled *The Rise of For-Profit Degree-Granting Institutions: Policy Considerations for States* authored by Dr. Kathleen

Kelly, who will present at the EAB Approved Schools Conference in April, and some editorial items relating to for-profit schools, the cost of attending college, etc.

An individual who was a candidate for the EAB's Executive Secretary position has filed a formal grievance with the State Personnel Commission. Mr. Boland said that this matter is being handled in accordance with established procedures, as the DVA would with any grievance. Counsel Rosinski summarized the highlights of this case and where the DVA was with it at that point in time. Action is not being asked of the Board at this time. Mr. Rosinski went on to say that if something should come up, the Board could convene a telephone hearing.

ELECTION OF OFFICERS

Mr. Boland proceeded with the election of officers. In accordance with the state statutes, officers need to be elected at the first meeting of each year. Currently, Mr. Boland is serving as Chair, Mr. Kussart as Vice-Chair, and Ms. Newton as Secretary. The law does allow for officers to be re-elected for successive terms. Mr. Boland opened the floor for discussion and asked if anyone had a particular interest in serving or nominating. A motion (Connor, Newton) was made to retain the current slate of officers: Raymond Boland, Chair; Gene Kussart, Vice-Chair; and Delora Newton, Secretary. The motion was approved unanimously.

EXECUTIVE SECRETARY'S REPORT

Mr. Dies dispensed with covering the items in the administrative section of his report. He added his appreciation and thanks to the EAB staff for the amount of work done in helping create the EAB's first Strategic Plan. The purpose of the document is to guide the EAB and to measure our successes overtime as well as to provide the Board with an idea of the things that the staff will be bringing before the Board in the future.

Mr. Dies went on to talk about the EAB Approved Schools Conference, which is an annual conference held by the EAB. The conference agenda was included in the Board members' binders and all members were encouraged to attend. The Directory of Private Postsecondary Schools Approved by the Educational Approval Board was sent out in January to a wider population, in particular high school guidance counselors. The EAB has received numerous comments from individuals indicating their appreciation for this kind of document. Several changes to the EAB website were noted.

Mr. Dies commented that he has been meeting with a variety of different people within the state government and other sectors, such as technical colleges, and is trying to be visible with the EAB-approved schools. Finally, second payment letters and invoices sent to schools in December for next calendar year's renewal (samples of items sent out to the schools were included in the Board members' binders). Of approximately 120 schools, the EAB has received payment from all but 12 schools.

LEGISLATIVE UPDATE

Mr. Dies summarized and updated the Board on legislative issues, some of which had been included in the Board Chair's Report of the December 11th Board meeting. Two new issues were presented.

Sales Tax Exemption for Textbooks – The Assembly Colleges and Universities committee held a hearing regarding this legislation and adopted an amendment to add textbooks sold to students attending a school approved under s.45.54 by the EAB. The bill is awaiting action by the Assembly. No action regarding the bill has been taken in the Senate.

Massage Therapy Legislation – Companion legislation -- AB 749 and SB 413 -- has been introduced in the Assembly and Senate that would affect the massage therapy profession, including the 18 massage therapy schools currently approved by EAB. The legislation as initially proposed created a practice protection for therapists. In addition, the bill created an examining board in DRL that would be required to create a school approval process for the massage therapy schools -- essentially duplicating current EAB functions. Because of references in the bill to the EAB, staff was asked to prepare a fiscal note on the bill. Subsequently, a substitute amendment was introduced and a revised fiscal estimate was prepared reflecting the new language. The EAB took no official position on the bill since the Board had taken no formal action and there is no policy in place to give staff that authority.

Mr. Boland commented that because of the potentially awkward situation of two different state agencies being involved, he and Mr. Dies have worked hard to sustain the most effective possible communication with the Department of Regulation and Licensing so that there is understanding among each other and a spirit of moving forward and working together.

STATE ACTIVITY REPORT

Mr. Dies pointed out two articles regarding MBTI that recently appeared in the Milwaukee Journal Sentinel. Mr. Dies went on to summarize the financial difficulties of the school and the actions that are being taken to deal with this problem. Frequent communication with the school, meetings, and response to the media have taken place.

The EAB Activity Report was presented by Mr. Dies and indicated that the report before the Board identifies the new schools that were approved, talks about the new programs, new locations, program revisions and school name changes. Mr. Dies indicated that Board action to approve the new schools, new programs, new locations, change of ownership, and school name changes as identified in the activity report would be in order. The information on site visits and other items are for informational purposes and do not need Board action.

According to Mr. Dies, the EAB staff is currently working on several student complaints/inquiries. One of those inquiries involves Wisconsin International University (WIU). The school has been operating illegally in Wisconsin for a number of years, the EAB has finally reached an agreement with the school agreeing to leave Wisconsin. They do not serve any Wisconsin students but are headquartered in Milwaukee.

Mr. Dies noted that the EAB staff is working to solve some of the student issues regarding two computer schools that closed within the last year -- the Wisconsin Technology Training Institute and Career Tech Corporation. The last item on the State Activity Report under Other Actions involves New Horizon - Madison, another computer school. The EAB negotiated with the school late last year about the fact that the school has corporate business contracts, the school has student complaints, and the school has not maintained a sufficient bond. The EAB and the school reached a mutual understanding that the school would no longer serve individuals who would pay out-of-pocket tuition or whom a state program supports. The school has come back to soliciting these types of students without EAB approval. The EAB may be getting into an enforcement area with the school if they continue operating in this manner. The EAB will continue to monitor the school's activities.

Ms. Newton requested clarification on the comment that appeared in the Milwaukee Journal Sentinel in which Mr. Dies stated that the EAB was unaware of student complaints regarding MBTI. She questioned whether or not the students are aware of the EAB as a resource. Mr. Dies responded that the EAB has not received an unusual number of complaints in the past. However, it does appear as if more students have either become aware of EAB or willing to contact the EAB as a result of the recent media attention.

Both Ms. Heidtman and Ms. Fitzgerald stated that the EAB requires all schools to include in their catalogs the EAB's name and phone number. Ms. Newton questioned whether or not a statement that explains to the students that they can complain to the EAB is included. Mr. Dies said that the EAB would make sure that the schools include it in their catalogs and make it a requirement.

Mr. Connor indicated his concern about the number of complaints increasing and the impact it would have on EAB staff. Mr. Dies agreed that, if for example MBTI's 200 students submit a complaint to the EAB, it would certainly have an impact on staff. Mr. Dies added that the EAB's current administrative rule is ambiguous as to exactly what can or cannot be done to resolve student complaint issues. Because of these ambiguities, the Board will likely need to seek some additional authority.

Mr. Rosinski pointed out that students typically want their money back if they are not getting their money's worth and currently there is only so much the EAB can do. Because the EAB is an approval agency, it can take action on a school's ability to operate. But in terms of getting money back, there are other authorities. Mr. Rosinski and staff at the Department of Justice have taken the position that there is limited authority for the EAB to proactively act on behalf of students to recover tuition other than the bond. The EAB staff is currently working as a mediator between the parties involved, in a fairly successful manner.

A motion (Conner, Kussart) to approve the new schools, new programs, new locations, change of ownership, and school name changes as identified in the activity report was made. The motion was approved unanimously.

BOARD MEETING SCHEDULE

All present Board members were informed of the proposed next Board Meeting dates as follows:

June 18, 2002

September 10, 2002

December 10, 2002

Unless otherwise noted, meetings will be held at 1:30 p.m. in the Department of Veterans Affairs' 8th floor Board Room.

OTHER

Mr. Boland invited comments from the public. Don Madelung, President of Herzing College, commented on the issue of student complaints. He wanted to make sure that there is due process for both sides and to ensure that institutions have an opportunity to present their issues. In many cases, the students do not have much recourse, however, they all have recourse through civil law, small claims court, or class action suit. Mr. Boland thanked Mr. Madelung and agreed that there needs to be a balance for all.

There being no other business, Mr. Boland requested a motion to adjourn. A motion (Kussart, Conner) to adjourn was made and unanimously approved.

The meeting adjourned at 2:34 p.m.