

EDUCATIONAL APPROVAL BOARD

Meeting of September 29, 2003
1:00 p.m.

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

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

Members Absent: Raymond G. Boland, Georgiana Giese

Others Present: David Dies, Joan Fitzgerald, Linda Heidtman, Patrick Sweeney, Blanca James, EAB; John Rosinski, WDVA; Brian Elliot, Whyte Hirschboeck Government Affairs (representing University of Phoenix); Heather Schreiner, Institute of Beauty & Wellness

Gene Kussart, vice-chair of the Educational Approval Board (EAB), called the meeting to order at 1:05 p.m. He noted that board chair Ray Boland was out of town and that as a result he would be chairing the meeting. Mr. Kussart asked that the minutes reflect the presence of Ms. Newton and Mr. Conner, in addition to himself. Mr. Dies clarified that the board had a quorum because three of the five current appointments were present. A motion (Newton/Conner) to approve the minutes of June 17, 2003 was adopted unanimously.

BOARD CHAIR'S REPORT

There was no chair's report.

EXECUTIVE SECRETARY'S REPORT

POSITIVE WORKING RELATIONSHIPS AND ALLIANCES

- Teacher Licensure - Mr. Dies reported that a letter was received from the Department of Public Instruction (DPI) last Friday [September 25, 2003] informing the EAB of their decision not to approve courses offered by bachelor level programs in schools that the EAB oversees. The letter also states that DPI does not feel the EAB should approve courses in the teaching profession and that the profession should be regulating itself. Mr. Dies pointed out that DPI's response failed to address the primary concern of the EAB -- that being the impact on teachers who have been taking courses from these out-of-state EAB-approved state institutions. He noted that this decision could have significant implications for teachers interested in taking courses from these institutions since there would be no "approval" or formal recognition by DPI.

The EAB continues to have on-going concerns with DPI's position and will respond by inviting them to attend a meeting with the schools and others educators to lay out the issues and have DPI explain how they are approaching licensure.

Mr. Conner raised the question as to the number of courses. Mr. Dies responded that there are thousands of courses that fall into this category, and that without the DPI's approval, school district administrators may not feel comfortable with teachers taking these courses if the courses do not have DPI's "stamp of approval." Mr. Dies went on to explain that under current law, institutions, programs and courses either approved or licensed by another state agency (in this case DPI) are exempt from EAB oversight. By DPI taking the position that they will not be involved in these approvals, it would appear that the EAB has an obligation to become involved.

- Approved Schools Conference - Mr. Dies reported that the annual Approved Schools Conference would be held on November 13 and extended an invitation to board members to attend. He shared the names of the conference presenters and mentioned that this year's theme was focussed on the importance of outcome data. He also mentioned that there would again be a pre-conference school improvement workshop offered by Michael Cooney.

CONSUMER PROTECTION AND EDUCATIONAL CHOICES

- Mount Senario Student Records – Mr. Dies updated board members on the situation involving the student records from the former Mount Senario College. He indicated that after significant discussion with several entities including the Governor's office and the State Records Board, the EAB had acted to secure the Mount Senario student records so that they would not be lost or destroyed. The records are in good shape and generally searchable. Because of the additional staff time to process the transcript requests a limited term position would be hired shortly.
- School Renewal for 2004 – Information on the School Renewal was provided to the board; and as of September 3, all but 13 schools have renewed. Communication with the 13 schools has taken place with only four not responding. These four are the usual non-responsive schools and staff will continue to make attempts contact them.

OPERATIONAL / ADMINISTRATIVE POLICIES AND PROCEDURES

- Mr. Dies reported that the EAB's access to records policy had been updated. A number of changes were prompted when the EAB took possession of the student records from Mount Senario College. The policy revisions addressed the charging of fees and clarified what records were subject to open record requests. For example, student records are not generally subject to the state's open records law because they are protected under the federal Family Educational Rights and Privacy Act (FERPA).

- A review of preliminary final budget numbers for FY 03 indicates that the EAB ended this fiscal year in the black. Because the EAB reached a more favorable administrative services agreement with DVA than in past years, it was not necessary to transfer funds between budget lines as initially thought. Mr. Dies reported that the EAB is continuing to generate monies in the retained earnings account. He indicated that at its December meeting, the EAB would be setting the multiplier for the second payment renewal fee and based early numbers, expects that the EAB will be able to reduce the multiplier.

Mr. Dies said that as the staff begins to develop rule language for the student protection fund, one of the things that it will be looking at is a mechanism so that a certain portion of retained earnings will automatically be moved into the student protection fund. These earnings then would essentially be available to go back to the schools in case of a school closure.

- Assembly Bill 486 – Mr. Dies briefly mentioned Assembly Bill 486 and its potential impact on the EAB. Under the bill, the EAB would be required to adopt administrative rules specifying the length of time the EAB has to review certain approval applications. Although the legislation is primarily aimed at other state agencies, this bill would directly affect the EAB.
- Education Tax Credit – This proposal (Senate Bill 268) has been put forward in the last two legislative sessions. Under the proposal, employers would receive a tax credit for the tuition they pay on behalf of an individual who attends a qualified postsecondary educational institution. There are about a two dozen EAB-approved schools that meet that definition of a qualified postsecondary educational institution.
- Mr. Dies informed the board about efforts being taken to encourage the appointment of new EAB board members (particularly the two vacancies) and has made a formal request to meet with the Governor's chief of staff. At the direction of Mr. Boland, a briefing paper on board appointment considerations was prepared for the Governor's office. Mr. Boland has indicated to the Governor's chief of staff that he is planning to step down as a member of the EAB board as soon as new board members can be identified.
- The EAB plans to hire an LTE to assist with the additional workload related to transcript requests from students who attended Mount Senario College. Mr. Dies said that all of the costs associated with this position will be covered by a \$10 fee being charged for each transcript request received and will not be passed on to the schools that the EAB oversees.

Mr. Dies asked if there were any questions. Ms. Newton asked about what the \$4,200 variance on the detailed budget information reflected. Mr. Dies explained that it was the difference between the EAB's internal tracking system for fee revenue received but not necessarily deposited into the state's accounting system on the same day at year-end.

SCHOOL APPROVAL ISSUES

Mr. Dies reported on several specific schools with concerns and/or issues that warranted the attention of board members.

- New Horizon - Racine – The board withdrew approval of New Horizons - Racine in early 2003 because it did not have a surety bond. Because the school subsequently obtained a bond and resolved concerns about its administrative capacity, the school has been re-approved.
- Holistic Health College – In 2002, this school had received a religious exemption from the EAB. However, it was recently discovered that the school was offering doctoral degrees that were beyond the school's religious exemption. After communicating with the school and its attorney, the EAB has been informed that the school is no longer operating in Wisconsin and has moved to Indiana. The EAB has contacted its counterpart agency in the state of Indiana to alert them to this situation.
- Windemere Institute – This massage therapy school is located in the state of Iowa. It has served Wisconsin residents in the past without proper approval and the EAB has received, from time to time, complaints from students. The EAB has been working with the school's attorney and advised the school that if they are going to serve Wisconsin residents, they need to be approved by the EAB.
- Career Tech – Refunds from the surety bond were provided to students of this closed computer school. Monies that were owed to students who could not be located have been transferred to the State Treasurer's Office and will be held as unclaimed property.
- OnIt – Refunds to students from this computer school closure are currently being processed. The EAB has received \$50,000 from the bond that will be refunded to students shortly.

After the summary, a motion (Conner/Newton) to approve items A through E of the School Activity Report was approved unanimously.

ADMINISTRATIVE RULES

Mr. Dies reported that the 2003-05 budget (2003 Wisconsin Act 33) contained enabling language for the student protection fund and that implementation would be carried out through administrative rule. He presented the board with the statement of scope (the first step in the rule process) for their consideration and approval. Approval by the board will allow the EAB staff to develop specific rule language.

Mr. Conner reminded board members that he was opposed to the student protection fund and that he did not agree with the additional fee being requested of the schools. Mr. Dies stated that although the staff is still looking at the amount schools will be assessed, he

believes the amount required will be offset by reducing the bonds that the schools are required to carry. He also explained that the fees would no longer be imposed once the fund reaches the statutorily imposed cap of \$1 million. In addition, there would be a provision in the rule that will allow unexpended revenues to be transferred to the student protection fund.

Mr. Dies said the statement of scope would allow the staff to develop specific rule language and that board members would have another opportunity to review the fee at that time. A motion to approve the statement of scope (Newton/Kussart) was adopted on a 2-1 (Conner) vote.

STUDENT RECORD RETENTION POLICY

At its March 2003 meeting, EAB staff sought approval to develop a student record retention policy. EAB staff has been working with the Legislative Reference Bureau to draft legislation and has received a first draft back. Based on further discussions, a number of minor changes will be made.

CERTIFICATION SCHOOLS

Mr. Dies provided the board with information on a new trend being observed within postsecondary education; the shift of credentialing away from degree granting programs to certification programs. The EAB staff wants to make board members aware of this trend and will continue to examine the phenomena. Issues will be brought before the board as particular regulatory concerns that may arise.

There being no questions or other business to come before the board, a motion to adjourn (Newton/Conner) was unanimously approved at 1:55 p.m.