

EDUCATIONAL APPROVAL BOARD

Meeting of Thursday, June 10, 2004
1:30 p.m.

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

Members Present: Christy L. Brown, Michael Cooney, Terry Craney, Joe Heim, Rick Raemisch, John Scocos, Monica Williams

Others Present: David Dies, Kyra Flores, Linda Heidtman, Blanca James, Patrick Sweeney, Educational Approval Board; John Rosinski, James Stewart, WDVA; Dave Lemerond, Paul Gregoire, Badger Technology, Inc.; Jack Takahashi, Milwaukee Career College; Mark W. Wurl, Department of Workforce Development

The chair of the Educational Approval Board (EAB), Terry Craney, called the meeting to order at 1:38 p.m. The roll was called and a quorum was present. A motion (Brown/Raemisch) to approve the minutes of March 4, 2004 was adopted unanimously.

BOARD CHAIR'S REPORT

Mr. Craney discussed the state's open meetings law and how it applies to the executive committee of the EAB. Since the last board meeting, members received a memorandum from the EAB executive secretary clarifying communication between members of the executive committee. Members of the executive committee were elected at the board's last meeting and consist of a chair, vice-chair and secretary.

Based on information provided by Attorney Rosinski and the Department of Justice, it was concluded that most communication between two members of the committee was not prohibited under the open meetings law. Because EAB administrative rule limits the authority of the executive committee to issues which the board has specifically delegated, only communications related to those delegated issues are subject to the open meetings law.

The executive secretary had been asked to draft a letter of appreciation for the chair's signature to former members of the board. Mr. Craney indicated that unless there was objection, he would send out to recent board members. There was no objection.

Mr. Heim joined the meeting at 1:47 p.m.

Mr. Craney indicated his board procedure preferences and that unless there is a need for a roll call vote he will simply ask for a voice vote. If at any time someone wants to be recorded in favor or against, please let him know and roll call can be taken.

EXECUTIVE SECRETARY'S REPORT

Mr. Dies noted the information provided to board members at their places:

- Updated board member contact information. Mr. Dies requested to be informed of any changes or preferences.
- The memo sent to Mr. Craney in reference to the open meeting law and supporting information from John Rosinki's and the Department of Justice.
- The signed administrative service agreement between the EAB and the Department of Veterans Affairs.
- The draft EAB Operations Manual that has been prepared by staff. This internal document discusses day-to-day EAB operations.

None of the items under the *AWARENESS AND UNDERSTANDING OF THE EAB AND APPROVED SCHOOLS* and the *POSITIVE WORKING RELATIONSHIPS AND ALLIANCES* sections of the prepared report were highlighted.

CONSUMER PROTECTION AND EDUCATIONAL CHOICES

Student Protection Fund Rules - The new administrative rules implementing the student protection fund have been officially adopted. They have been sent to all approved schools and are available on the EAB website. The new rules will be included in the board member manual when it is revised later this year.

School Renewal for 2005 - The renewal process for calendar year 2005 will be getting underway shortly. The EAB will be discussing with schools the changes stemming from the new administrative rule.

OPERATIONAL / ADMINISTRATIVE POLICIES AND PROCEDURES

Personnel – Mr. Dies introduced Kyra Flores, the EAB's part-time LTE who has been processing the Mount Senario transcript requests, as well as working to compile a comprehensive list of closed schools. Pat Sweeney of the EAB staff was also introduced to the board members for the first time.

Budget - As of the most recent review, the budget numbers look good and EAB staff does not anticipate the need to transfer funds between budget lines.

Administrative Services Agreement - Mr. Dies acknowledged the cooperation of John Scocos and his staff in the preparation of the administrative services agreement. All outstanding issues had been resolved and an agreement was signed.

SCHOOL APPROVAL ISSUES

Mr. Craney introduced the School Approval Issues agenda item and requested a motion for the approval of items A-F.

Responding to a question from Ms. Brown, Mr. Dies clarified what constitutes illegal advertising by a school – such as a guarantee of employment or amount of salary after graduation. In addition, he briefly summarized several school issues that warranted the attention of board members.

ITT Schools – In the wake of federal investigations, the Wisconsin locations of ITT continue to do well, but that staff is closely monitoring the status of the school and the federal investigation. Mr. Cooney provided additional information about the federal investigation and the effects it has had on the company's valuation.

New Horizons - Racine – It was reported that the New Horizons – Racine computer school recently separated from the New Horizons franchise and is trying to resolve an issue regarding a non-compete clause. Although the school is now operating as Great Lakes Computer Training, it has not completed any of the proper approval documentation. Officials from the Department of Workforce Development are also concerned about the school because it is interested in serving persons under the Workforce Investment Act. Because the school has been unwilling to comply with EAB requirements, the EAB is planning to issue a cease and desist order against this institution and will be approaching the Department of Justice to pursue a court action. If the school appeals this action, a hearing before board may be necessary.

A motion (Raemisch/Brown) to approve items A - F of the School Activity Report was approved unanimously.

SAWYER COLLEGE OF BUSINESS

Mr. Craney directed board members to the briefing paper and recommendation from staff pertaining to the closure of Sawyer College of Business and the issue of what to do with recent recoveries on the bond. A motion (Cooney/Williams) to approve the transfer of the remaining bond proceeds into the student protection fund appropriation was approved unanimously.

SCHOOL BRIEFINGS

Patrick Sweeney and Linda Heidtman gave presentations to the board summarizing their backgrounds, assigned schools, current trends, and additional responsibilities. Ms. Heidtman introduced herself, and explained the changes she has seen in schools - non-degree to degree schools, new types of programs, schools moving into the health fields, and the challenges presented to her because of these changes. Ms. Heidtman said she oversees many types of schools with a wide scope of programs.

Mr. Sweeney has been with the EAB since 1996 and started by approving ten out-of-state colleges. These schools all offered training to adults, and delivers training in a manner that accommodates the adult student's lifestyle. Mr. Sweeney also has schools that offer a variety of interesting training programs such as massage therapy, veterinarian training, pet grooming, and several distance learning schools. Long term issues to think about are changing the regulatory context that is presently fairly limited in scope, fairness issues, and advocacy issues.

Mr. Dies indicated that many of the issues identified by staff tie directly to the broader policy activities in which the EAB is engaged – from identifying specific practices in the EAB operations manual to the developing goals for the strategic plan. Mr. Craney commented that one theme he has noticed in his limited time with the board is that there are laws and regulations governing the board that are not broad enough to cover the changes taking place within the proprietary school sector.

SCHOOL VISITS

Mr. Cooney suggested that board members must view the schools the EAB oversees in a different manner than what they are accustomed. Based on a discussion with the board chair, he urged members to visit the schools, talk to the students, go to the graduations, and see the extended family in order to know who is attending these schools. Mr. Dies directed the board to the school search feature on the EAB website where they can find all of the schools' operating locations. This information can also be provided board members. Mr. Dies offered to have staff accompany board members on school visits and that he could assist them in scheduling visits.

SCOPE OF EAB APPROVAL

Mr. Craney referenced the background material on the EAB's scope of approval. Mr. Dies said that the paper would form the basis of the EAB's legislative agenda during the 2005-07 biennial period that would be presented to the board later in the year.

The EAB staff has assessed the regulatory requirements under current law and identified areas where there are gaps with the way schools are approved today. In part, the problem stems from the lack of an education commission that would bring what is happening in the various sectors of higher education together. For example, the types of postsecondary schools and programs regulated by the EAB have undergone significant changes in the past quarter century. While the EAB still approves many schools with a vocational or technical objective, the scope of approval has expanded to include degree-granting institutions, certification programs, distance-learning programs, and new licensure programs.

The EAB's school definition is out of date given the types of schools and programs it currently approves. Mr. Dies directed the board to the list of school exemptions and gave examples of the types of schools that fall under these definitions. He also said that the EAB should consider defining what a "degree" is, restricting the use of terms "college/university" in the state, and establish penalties for people who use a degree from a known diploma mill for the purpose of career advancement or financial gain. Another example Mr. Dies gave was the University of Wisconsin and the Technical College System exemptions that talk about schools supported mainly by taxes. Although this exemption no longer valid, it is doubtful that the board now wants to start approving these institutions.

Ms. Williams asked whether defining "degree", restricting the term "college/university", etc., would be accomplished by the EAB or was it a legislative issue. Mr. Dies responded that it would be a legislative effort and that the EAB would be just one player.

Mr. Scocos asked about the relationship between the Department of Public Instruction (DPI) and the EAB in terms of approval and other concerns. Mr. Dies directed the board to the DPI material provided and indicated that this topic would be discussed next. He stated that the EAB has been very active in working with DPI officials and has tried to maintain an opened dialogue as PI 34 is implemented.

Mr. Dies concluded by stating that the EAB needs to update its statutory language so its scope of school and program approval can match the current educational and training realities.

ALTERNATIVE TEACHER LICENSURE

Mr. Craney requested Mr. Dies update the board on new information having to do with the DPI and the EAB. As of the last board meeting, Mr. Dies said he was very optimistic about the possibility of establishing a memorandum of understanding clarifying that the DPI would oversee the program approval and the EAB would oversee the school approval for new alternative teacher licensure programs.

However, the EAB had been troubled by recent events involving NORDA, Inc., a for-profit alternative licensure program operating in Ladysmith. A DPI interpretation of the EAB's statutory authority governing school approval would exempt private schools offering an alternative teacher licensure program. In addition, the DPI communicated their interpretation without consulting the EAB.

Mr. Cooney asked whether there is something special about NORDA and the notion that DPI is championing it. Although the DPI generally takes a more restrictive approach in these kinds of matters and would welcome the consumer protection afforded by the EAB, Mr. Dies indicated that the EAB did not have any evidence but assumed there were some underlying issues at work. Mr. Craney asked how long it would take before the matter can be concluded. Mr. Dies said that at best it would be several weeks but more likely several months.

WORKFORCE INVESTMENT ACT

Mr. Dies reported that the Department of Workforce Development (DWD) has expressed interest in working with the EAB and the role it might play a role overseeing training providers that serve persons under the Workforce Investment Act. Mr. Dies referred to information provided to board members that provides a background and summary of this issue. The DWD is seeking help in addressing some of the problems that have developed with its state list of eligible providers. As part of his presentation, Mr. Dies noted two key issues – the level of EAB involvement and the manner in which data is collected.

2005-07 BUDGET

Board members were presented with a briefing paper and recommendations regarding items for inclusion in the EAB's 2005-07 biennial budget request. A motion (Heim/Scocos) was made to approve the recommended budget proposals including a standard budget adjustment, student protection fund transfer, student records retention policy, Chapter 20 & statutory language placement, and a request for a half-time legal position.

Responding to a question about a budget reduction, Mr. Dies pointed out that the EAB is an agency funded entirely with program revenue. Although the official budget instructions discuss the submission a reduction exercise (due after budget requests are submitted), the EAB was not required to submit a reduction exercise during the 2003-05 biennial budget due to its funding source and size. Mr. Dies indicated that he would be having some discussions with the DOA budget analysts about the requirement.

There being no additional discussion, the motion was unanimously approved.

STRATEGIC PLAN

Mr. Craney summarized the purpose of the strategic plan and stated it was an on-going, living document. He pointed out that it would be modified as the EAB ventures further into the legislative arena and into budget items. Mr. Dies pointed out that the strategic plan presented was a modified version of the strategic plan provided to the members at the last meeting. The revision reflects progress made during the past year addressing specific objectives and the accomplishment of those objectives and on working towards identified goals. There were no comments regarding the changes.

MOTION TO CONVENE A CLOSED SESSION

Mr. Craney indicated the purpose of the closed session under s.19.85 (1) (c), *Wis. Stats.*, was to consider the performance and compensation of the Executive Secretary in accordance with s.45.54 (5), *Wis. Stats.* A motion (Brown/Cooney) to hold a closed session was approved unanimously.

RETURN TO OPEN SESSION

A motion (Heim/Cooney) to reconvene in open session was made at 3:37 p.m. Mr. Craney reported the actions of the closed session. In the closed session the board approved by unanimous vote the 2003-05 General Wage Adjustment (GWA) recommended by the Office of State Employment Relations for the EAB executive secretary – a 1 percent with an additional \$0.10 per hour wage increase and a \$250 lump-sum payment – subject to completion of performance evaluation of subordinates with an effective date of June 27, 2004.

Mr. Dies noted that one of his staff was out on an extended medical leave and it would not be possible to complete a performance evaluation by the prescribed deadline. Mr. Rosinski indicated that there is a provision for extenuating circumstances. Mr. Craney entertained a motion to allow for an extension of the evaluation for employee Joan Fitzgerald within two weeks of her return to employment. A motion (Cooney/Brown) was made and unanimously approved.

ADJOURNMENT

There being no other business to come before the board, a motion (Raemisch/Heim) to adjourn was unanimously approved at 3:48 p.m.