

EDUCATIONAL APPROVAL BOARD MEETING

Thursday, September 9, 2004
1:30 p.m.

Eighth Floor Board Room
30 W. Mifflin Street
Madison, WI 53703

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

Members Absent: John Scocos (Excused)

Others Present: David Dies, Joan Fitzgerald, Linda Heidtman, Blanca James, Patrick Sweeney, Educational Approval Board; James A. Stewart, WDVA; Brian Elliott, Whyte Hirschboeck Dudek SC; Don Madelung, Herzing College

The chair of the Educational Approval Board (EAB), Terry Craney, called the meeting to order at 1:36 p.m. The roll was called and it was noted that John Scocos would not be present due to a family illness. A motion (Brown/Williams) to approve the minutes of June 10, 2004 was adopted unanimously. A motion (Brown/Heim) to approve the June 23, 2004 minutes was made. Ms. Brown requested a correction. There was no objection to the correction and the motion to approve the minutes as revised was approved with Mr. Raemisch abstaining.

BOARD CHAIR'S REPORT

Mr. Craney indicated that he had sent letters of appreciation to former members of the board for their service. It was reported that Mr. Craney and David Dies, the EAB executive secretary, met with Leticia Smith-Evans from the Governor's office on August 10 in reference to the 2005-07 proposed budget. They briefed Ms. Smith-Evans on all of the changes proposed except for the item on certifying individuals in massage therapy since it had not been decided at the time whether or not it would be part of the budget. Specific proposals discussed included changes in the board's Chapter 20 designation, the transfer of excess budget to the student protection fund, the addition of half-time attorney, and the student record retention policy. Ms. Smith-Evans indicated she would discuss these proposals with others in the Governor's office and share any concerns.

Mr. Craney asked Christy L. Brown, the EAB vice chair, to report on behalf of the executive committee about the status of developing an executive secretary's evaluation and discretionary compensation award. Ms. Brown indicated that the executive committee had met just prior to the board meeting and clarified the timing of the process. The board adopted a motion at its June meeting that authorized the executive committee to establish a performance evaluation process for the time period of July 1, 2004 through June 30, 2005. Because of the amount of time needed to perform the evaluation, the committee decided that consideration of a discretionary compensation award would be made separately. It was reported that the executive committee plans to present a recommendation regarding a discretionary compensation award at the board's meeting in December. The executive committee will also bring to the board a recommended tool to use for the evaluation that will occur in June 2005.

EXECUTIVE SECRETARY'S REPORT

AWARENESS AND UNDERSTANDING OF THE EAB AND APPROVED SCHOOLS

External Education - It was reported that the EAB staff had been working with the Wood Communications Group (WCG), one of the core sponsors of the Building the New Wisconsin Economy (BNWE) initiative, to talk about the role the EAB plays in the delivery of higher education in Wisconsin. Mr. Dies referred board members to the attached policy paper that was submitted to WCG officials.

The BNWE initiative consists of a series of forums -- the most recent two dealt with infrastructure and capital. Of interest to the EAB is the forum scheduled to take place later in the month of September that will examine the roles and responsibilities of educational institutions in Wisconsin and how they assist business and labor. The goal of the policy paper is to raise awareness of the EAB and talk about where the institutions regulated by the EAB fit.

Based on a draft context paper that will be the basis for the forum discussion, significant progress was made in terms of identifying the EAB as a state educational entity. Unfortunately the context paper did not challenge any fundamental policy issues, but EAB staff did have an opportunity to provide comments on the draft. Although the EAB was hoping to have an active role in the forum, that was unlikely based on the draft agenda. Nonetheless, Mr. Dies indicated that the EAB is making some headway.

POSITIVE WORKING RELATIONSHIPS AND ALLIANCES

Mr. Dies said the EAB continues to be engaged with various departments about a number of issues, but not much has transpired in the past few months.

CONSUMER PROTECTION AND EDUCATIONAL CHOICES

School Renewal for 2005 - It was reported that the renewal process for calendar year 2005 is underway. Included in the board material is a renewal packet which provides an overview of the process and the information that is being required of schools. Mr. Dies indicated that when information for the board was prepared, 17 schools had not provided the required information. As of today's meeting, however, there are only 4 schools that have not responded.

OPERATIONAL / ADMINISTRATIVE POLICIES AND PROCEDURES

Database Update - The EAB is nearing the completion of its comprehensive database update. Conversion to the new database went smoothly and everything is working very well. It is hoped that the few outstanding issues will be taken care of within four to six weeks.

Personnel - Mr. Dies indicated that because the EAB's website is highly integrated with its database, the LTE that redesigned the EAB website will be rehired to work on the changes needed to integrate it with the new database.

Budget - The EAB finished the fiscal year that ended on June 30 positively. Mr. Dies reported that the EAB's authorized budget was \$463,600 but actually spending was somewhat less than that amount. Meanwhile, revenues for the year were \$478,000. As a result, the EAB now has

approximately \$612,000 of retained earnings. It was noted that the retained earnings would decline between now and early next year. This reflects the fact that the EAB receives a majority of its revenues from second payment renewal fees (due March 1st). Per earlier discussions, the EAB is proposing as part of its 2005-07 budget request to transfer all but 20% of the retained earnings into the Student Protection Fund.

Mr. Heim asked if there was any progress on resolving the issue with DPI regarding the need for new alternative teacher licensure schools to be EAB approved. Mr. Dies said there has not been any movement, as far as he knows, by the Attorney General in terms of resolving this issue. He is looking into other avenues to move this issue forward more quickly. Mr. Dies also indicated that the EAB staff is tracking a number of issues that will be brought to the board at its meeting in December that will constitute the legislative agenda for the 2005-07 biennium.

Mr. Heim also asked whether the retained earnings could be raided. Mr. Dies responded that it certainly could happen and has happened in other situations. However, moving the monies to the student protection fund is a way to help ensure that the retained earnings are used for a specific purpose. The EAB believes this money, which has been paid by schools the EAB regulates, should be used for purposes of indemnifying students in case of catastrophic school closures.

SCHOOL APPROVAL ISSUES

Mr. Craney introduced the School Approval Issues paper and requested a motion for the approval of items A-D.

Ms. Brown asked about what it means for students to be taught out. Mr. Dies responded that this essentially means students would be allowed to complete their education even though the school may have closed or is in the process of closing. Mr. Craney asked whether or not those students have the option to be taught out at other schools. Mr. Dies responded that could happen, especially if the school closed without notice or is unable to teach out their students for some reason. In these situations, the EAB is likely to make a claim on the bond.

Mr. Heim asked whether the specific use of the terms college, university, or learning centers was restricted. Mr. Dies responded that there is nothing in state law preventing a school from using these terms. The EAB staff is looking into ways to restrict such terms, but it must be careful so that legitimate uses would not be negatively impacted.

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

SCHOOL BRIEFINGS

Mr. Dies introduced Joan Fitzgerald, who was unable to present at the last meeting due to medical leave. Ms. Fitzgerald introduced herself as the senior consultant in the agency and has a number of roles in the agency. She gave a summary of her schools and the diversity within her schools, especially the truck driving schools. She is also responsible for the computer schools, which have been declining in number. She also indicated that many of her schools are entering other areas in different markets. Because of the many computer school closings, it has become clear that the present bond structure the EAB has does not protect all of the students as needed.

In addition to the truck driving schools and the computer schools, she has ESL (English as a Second Language) schools, which also have found it very difficult since September 11 because they cannot get their I-20's approved. Ms. Fitzgerald is also responsible for the production of the EAB's newsletter, coordination of the EAB Approved Schools Conference, and is a Regional Vice President for NASASPS.

SCHOOL LOCATIONS

Mr. Dies indicated that the list of approved schools locations by city was provided in response to board member interest in possibly visiting the schools as a way to get a better understanding of them.

APPROVED SCHOOLS CONFERENCE

Mr. Craney indicated the EAB is currently planning the annual Approved Schools Conference that will be held on November 18 at the Sheraton Madison Hotel. Mr. Dies talked about the participation of board members at the conference. In the past the board chair has made welcoming remarks, but there may be other opportunities for participation of board members such as attending the luncheon or being part of a panel discussion.

Mr. Craney invited Michael Cooney to comment about his experiences at past conferences, which he has attended. Mr. Cooney indicated that this would be a way of putting a name and a face to the schools, of seeing who these people are and getting a sense of their concerns. Mr. Dies said the EAB would send board members information towards the end of September or early October with conference particulars.

2005-07 BUDGET

Mr. Craney indicated that the board would need to formally approve the five items that comprise the EAB's budget request. In addition to the five items, a standard budget adjustment that is dictated by DOA will be included in the official budget request.

Mr. Craney requested a motion for the approval of the five decision item narratives (DINs) as recommended by the EAB staff. Mr. Heim asked that the executive secretary give a brief explanation of each DIN.

Chapter 20 & Statutory Language Placement - This is an effort to enhance the visibility and awareness of the agency and does not require additional monies. It will take the EAB's appropriations, which are now underneath the Department of Veterans Affairs, and puts them with other educational agencies. The request also takes the EAB's statutory language, which is now under DVA Chapter 45, and brings it under Chapter 39, which is where other higher education agencies are found.

Mr. Heim asked what the downside might be. Mr. Dies said the only reservation that the administration might have is its general interest in consolidation. However, the interest and merits of the EAB's request outweighs any potential concerns and it is one of the reasons the EAB met with a member of the Governor's Office.

Student Protection Fund Transfer - This proposal will allow the EAB to move revenues in excess of 20% of its operating budget to the student protection fund. This will ensure that monies paid by the schools are used to protect students. Moreover, the initial transfer would provide critical seed money for the new fund.

Legal Counsel Staff - The EAB is seeking to restore a 0.5 FTE legal counsel position. Mr. Dies indicated that the Governor's office did not raise any objections. As part-time legal counsel for the EAB, James A. Stewart noted that it has been his experience that the board has ineffective or no representation in the Attorney General's office.

Mr. Raemisch commented that he did not know what a legal counsel 0.5 FTE position cost, but that when he practiced, there were no 40-hour week lawyer positions. He felt that trying to fill a half-time position is going to be hard. Mr. Dies responded that contracting outside would be costly, and he recognizes that it may be difficult to get someone for the budgeted rate. However, the EAB is taking a strategic approach and asking what is likely to get approved and cross other hurdles when they arise. Mr. Stewart agrees that there is no 40-hour a week positions and certainly no 20-hour a week positions, but anticipates that any attorney that tackles the job will understand that element. The bottom-line, Mr. Stewart said, is that the EAB needs its own attorney.

Massage Therapist Certification - This proposal removes current statutory provisions that allow the EAB to certify massage therapists, which is a function the Department of Regulation and Licensing already performs.

Student Records Retention - This proposal is the same legislative initiative as AB 828 that was introduced by the EAB in the last legislative session and did not pass. Under the proposal, the EAB would have the authority to become the custodian of records if there is no other alternative to ensure that the records will be kept safe and available to students. The request includes the creation of an appropriation where revenues that get generated from transcript fees will be deposited.

A motion (Brown/Heim) to approve the above five items was unanimously approved and adopted.

ADJOURNMENT

There being no other business to come before the board, a motion (Cooney/Raemisch) to adjourn was unanimously approved at 3:11 p.m.