

EDUCATIONAL APPROVAL BOARD MEETING

Thursday, March 10, 2005
1:30 p.m.

Second Floor Education Center
30 W. Mifflin Street
Madison, WI 53703

Members Present: Michael Cooney, Terry Craney, Joe Heim, Rick Raemisch, Monica Williams

Members Absent: Christy L. Brown (Excused), John Scocos (Excused)

Others Present: David Dies, Joan Fitzgerald, Linda Heidtman, Blanca James, Patrick Sweeney, Educational Approval Board; James Stewart, WDVA; Brian Elliott, Whyte Hirschboeck Dudek SC; Eric Rechsteiner, Hondros College

The chair of the Educational Approval Board (EAB), Terry Craney, called the meeting to order at 1:50 p.m. All members were present with the exception of Ms. Brown, Mr. Scocos and Ms. Williams. A motion (Cooney, Raemisch) to approve the minutes of December 9, 2004 was adopted unanimously.

BOARD CHAIR'S REPORT

Mr. Craney reported that on January 7, per action by the EAB board at its December 2004 meeting, he met with David Dies, the EAB executive secretary, to discuss the performance expectations and objectives that the board approved as part of the performance and planning development (PPD) report. Mr. Craney noted that he would be seeking input from board members so that a performance evaluation could be completed by June.

EXECUTIVE SECRETARY'S REPORT

Mr. Dies acknowledged the EAB staff for their productivity and professionalism during the last three months that included the approval of ten new schools, over 50 new programs, and the completion of other projects such as publication of the annual Approved Schools Directory.

AWARENESS AND UNDERSTANDING OF THE EAB AND APPROVED SCHOOLS

Approved Schools Directory - Mr. Dies reported the directory was distributed in February. It is also available on the EAB website and compliments the interactive school search. The EAB is continuing to work with Mr. Raemisch's agency – the Department of Corrections – to explore opportunities to disseminate the directory information to education directors at the state's correctional institutions.

Newsletter - It was noted that a new section which summarizes recent administrative actions by the board has been added to the EAB's quarterly newsletter.

Website - Work continues on improving the EAB's website. Currently, a resource section for employers designed to help them assess academic credentials and understand accreditation is being developed.

External Education

The EAB has contacted the Wisconsin Manufacturers and Commerce (WMC) in hopes of being able to disseminate the employer information that will be added to the website through their members. In addition, the EAB has begun to discuss with DOJ officials the problems associated with diploma mills and degree mills.

Mr. Dies mentioned that additional information regarding external education was contained in the materials provided to the board.

POSITIVE WORKING RELATIONSHIPS AND ALLIANCES

Department of Public Instruction - It was reported that the Department of Justice (DOJ) had issued a legal opinion rejecting the arguments made by DPI and concluded that the EAB does have regulatory oversight of NORDA, Inc. Upon receiving the legal opinion, the EAB contacted the school and is working with school officials in completing the approval process. In addition, the EAB executive secretary has requested a meeting with State Superintendent Burmaster to discuss this issue and other collaborative efforts.

Workforce Development Boards - The EAB has made several attempts to meet with officials at the Department of Workforce Development (DWD) to discuss the EAB's role in approving training providers that serve WIA-funded clients. Because these attempts have been largely unsuccessful, and the EAB has shifted its focus to local WDBs.

CONSUMER PROTECTION AND EDUCATIONAL CHOICES

2005 School Renewal Payments - As of March 7, all but six schools had paid their second payment renewal fees. A listing of each school's annual renewal payment and student protection fund fees were provided in the board material.

OPERATIONAL / ADMINISTRATIVE POLICIES AND PROCEDURES

2005 Annual Management Plan - Mr. Dies directed board members to a copy of the EAB's annual management plan. This internal management tool was the product of a staff retreat held in January. It will be used to identify and guide specific activities during the year.

Monica Williams arrived at 2:06 p.m.

OFFICER ELECTIONS

Mr. Craney stated that state law requires the election of officers – chairperson, vice chairperson, and secretary. He entertained nominations secretary. Mr. Cooney nominated Monica Williams. No other nominations were offered. Ms. Williams accepted the nomination and was elected unanimously.

Nominations for the vice-chairperson were sought. Ms. Williams (seconded by Heim) nominated Michael Cooney. No other nominations were made. Mr. Cooney accepted the nomination and was elected unanimously.

Mr. Craney turned over the chair to Mr. Cooney for purposes of electing a chairperson. The floor was opened and Mr. Heim nominated Terry Craney. Mr. Craney accepted the nomination and was elected unanimously.

SCHOOL APPROVAL ISSUES

Mr. Craney introduced the school approval issues paper and indicated that a motion for the approval of items A-H of the School Activity Report would be appropriate following any discussion.

Mr. Dies commented that a lot of activity had occurred during the last months as evidenced in the school activity report. In addition, he reported on issues involving the Professional Career Development Institute (PCDI), an accredited school located in Georgia that had been advertising illegally in the Madison television market. The school was advised that they need EAB approval if they planned to advertise in Wisconsin. Working collaboratively with the Distance Education and Training Council (DETC), the school stopped its advertising.

A motion (Cooney/Heim) to approve items A - H of the School Activity Report was approved unanimously.

2005-07 BIENNIAL BUDGET

Mr. Dies noted that the briefing paper provided to board members contained a detailed analysis of the Governor's budget recommendations. In addition, a comparative summary was also provided. Mr. Craney suggested that the board discuss each recommendation individually and then consider a motion at the conclusion of the discussion.

Chapter 20 & Statutory Placement - The Governor's budget denied the EAB request to be designated as a Chapter 20 agency and have its statutory language moved to Chapter 39, which pertains to other higher education agencies. Instead, the Governor proposed changing the EAB's administrative attachment. The EAB staff recommended that the board support the Governor's denial of a separate Chapter 20 but seek to have the EAB's statutory authority placed in Chapter 39 as originally requested.

Administrative Attachment - Under the Governor's budget, the EAB's administrative attachment would be transferred to the Wisconsin Technical College System. The EAB staff recommended

that the board support the Governor's proposal to change EAB's administrative attachment to WTCS from DVA.

Mr. Raemisch stated that based on his understanding of the material presented he would not be voting on whether or not he supports the Governor's budget recommendations, because he does. He feels that the board should not be opposing or doing anything other than supporting the Governor. Mr. Craney concurred with Mr. Raemisch's statement and suggested the board continue its discussion and any motions be considered at the conclusion of the discussion.

Student Protection Fund Transfer - The Governor's budget modified the EAB's request to transfer on December 31 of each year unexpected program revenues that exceed 20 percent of the EAB's annual operating budget appropriation to its student protection fund. Under the Governor's recommendation, only half of the unexpected program revenues may be deposited into the student protection fund. The other half would be lapsed to the state's general fund.

Mr. Dies indicated that transferring this money to the state's general fund would be inconsistent with the statutory purpose for which they were generated and recommended that the board oppose this recommendation. Mr. Craney stated that he was not aware this proposal would be part of the budget, but noted that such adjustments are not uncommon given the budget deficit. He indicated that he is concerned about going on record opposing the Governor's recommendations.

Mr. Dies added that he felt it was his obligation to make the board aware of their options and expressed concern that this provision could possibly be legally challenge and is clearly inconsistent with the board's statutory responsibility of protecting consumers.

Ms. Williams commented that she concurred with Mr. Dies that the purpose of the Board is to protect the students and consumers. It must try its best to accomplish this purpose. Ms. Williams said she supports the Governor, but that having funds available to help students is most important, and the Board should be able to take a stance on what the Board thinks is best.

Mr. Cooney commented that the impact the transfer to the general budget would be that the board would lose its biggest opportunity to reach critical funding of the student protection fund in a rapid manner.

Student Records Retention - The student records retention policy for postsecondary institutions that close was approved as the EAB requested.

Massage Therapist Certification - The EAB's request to return all oversight for certifying individuals as massage therapists to the DRL by repealing s.20.485 (5)(h) and s.460.05 (3), *Wis. Stats.*, was approved.

Legal Counsel Position - The EAB's request for a 0.5 FTE attorney position was denied under the Governor's budget recommendation because of a major attorney consolidation initiative. It was noted that a similar initiative was rejected by the Legislature in the last biennial budget. If the initiative is again rejected by the Legislature and the EAB becomes administratively attached to the WTCS as proposed, the EAB will no longer have access to legal counsel because the WTCS currently does not have in-house legal counsel.

The EAB staff recommended the board to support the Governor's attorney consolidation initiative, but seek a half-time attorney as originally requested should the Legislature reject the initiative.

Other Provisions

Education Tax Deduction - Mr. Dies reported that the Governor's budget includes a proposal to increase the state tax deduction for tuition paid at a postsecondary institution (including EAB-approved schools) from \$3,000 to \$5,100 and indexes the deduction to reflect the increase in the average cost of future UW tuition. In addition, separate legislation has been introduced – Assembly Bill 106 – that would allow this tax deduction to be expanded to neighboring states with colleges, university, technical colleges, or other schools that are approved by the EAB.

Education Tax Credit - It was noted by Mr. Dies that JCF is expected to consider a budget amendment that would a tax credit for businesses equal to 50% of the tuition paid for an individual to participate in a degree-granting program at a qualified postsecondary institution.

The board discussed whether it should oppose any of the provisions contained in the Governor's proposed budget. Mr. Raemisch stated that he felt there was no question that education was a priority of the Governor's office and he supports the Governor's budget proposal. Mr. Craney said he felt the same and that while Mr. Dies made very good arguments, agencies do not always get everything they request

Following additional discussion, a motion to support the proposed budget for the EAB as recommended by the Governor was offered by Mr. Raemisch. Mr. Craney relinquished the chair to Mr. Cooney and seconded the motion (Raemisch/Craney). The motion was adopted 3-2 (yes - Craney, Heim, Raemisch / no - Cooney, Williams)

ANNUAL MANAGEMENT PLAN

A copy of the EAB's 2005 Annual Management Plan was provided to the board for informational purposes. Mr. Dies restated that everything the EAB staff does is reflected in this plan and is also tied to the Strategic Plan.

PPD REPORT FOR EXECUTIVE SECRETARY

Mr. Craney directed board members to a copy of the PPD Report for Mr. Dies. It was reiterated that the board is required to evaluate the performance of the executive secretary and Mr. Craney will be seeking board member input prior to completing the PPD report. A final PPD report will be discussed at the June 2005 board meeting.

ADJOURNMENT

A motion (Heim, Cooney) to adjourn was unanimously approved at 3:31 p.m.