

EDUCATIONAL APPROVAL BOARD MEETING

Thursday, December 14, 2006
10:30 a.m.

8th Floor Board Room
30 West Mifflin Street
Madison, WI

Members Present: Christy L. Brown (via teleconference), Michael Cooney, Terry Craney, Joe Heim, Jo Oyama-Miller, Rick Raemisch, Monica Williams (via teleconference)

Others Present: David Dies, Joan Fitzgerald, Linda Heidtman, Blanca James, Pat Sweeney, EAB; Brian Elliott, Whyte Hirschboeck Dudek SC; JC Kwitek, Martin's School of Cosmetology

The chair of the Educational Approval Board (EAB), Terry Craney, called the meeting to order at 10:35 a.m. A motion (Cooney, Oyama-Miller) to approve the minutes of September 14, 2006 was adopted unanimously.

BOARD CHAIR'S REPORT

Mr. Craney commented that on December 6 he and Mr. Dies met with Angela Russell from the Governor's office to discuss the EAB budget request and modernization initiative. Although he thought the overall discussion regarding the budget went well, his sense was it would be difficult to get the request for additional positions and appropriation changes approved. The request is currently being considered by the Department of Administration. The modernization initiative was discussed in general terms and was also well received. There was some discussion on the board terms that will be addressed later in the meeting under the modernization agenda item.

Mr. Craney invited Mr. Cooney to give a brief presentation to the board on the EAB conference which took place on November 11. The board members requested that hand outs from the conference be provided. Mr. Dies noted that all of the presentations and conference information are available on the EAB's website and would be forwarded to board members electronically.

Mr. Raemisch arrived at 10:45 a.m.

PUBLIC COMMENT

There were no public comments.

EXECUTIVE SECRETARY'S REPORT

Mr. Dies highlighted the following items contained in the executive secretary's report.

AWARENESS AND UNDERSTANDING OF THE EAB AND APPROVED SCHOOLS

A copy of an investor report prepared by the Bank of America securities subsidiary was provided to board members. It extensively cited the EAB and the student outcome data it publishes. This information continues to be of great interest for Wall Street, particularly as it concerns for-profit publicly traded entities.

POSITIVE WORKING RELATIONSHIPS AND ALLIANCES

The EAB continues to be active at a national level with the National Association of State Administrators and Supervisors of Private Schools. The executive secretary has been involved with moving the organization in a new direction and writing new by laws.

CONSUMER PROTECTION AND EDUCATIONAL CHOICES

2007 School Renewal – The school renewal process for 2007 is nearly complete. Renewal letters, approval certificates, and second payment renewal invoices will be sent to the schools in late December. EAB staff renewed 137 schools, 5 schools were pending, 6 schools surrendered their approval, and there were no denials.

Renewal Data Migration – The EAB is in the process of migrating the data gathered from the renewal process, which was for the first time reported electronically this year, into the EAB's database. This process will result in significant administrative efficiencies once it is fully functional.

Student Protection Fund – Additional funds in the amount of \$3,868 were received in October and deposited into the student protection fund. The funds relate to a claim on the surety bond held by Sawyer College. Sawyer College closed in the late 1970s and claims on the bonds went unpaid after the bond company became insolvent. These monies reflect remaining assets following the liquidation of the bond company.

OPERATIONAL / ADMINISTRATIVE POLICIES AND PROCEDURES

Staff Development – The EAB staff has contracted with Russell Consulting, LLC for a series of half-day professional and team development workshops.

Personnel – A 0.5 LTE office associate has been hired to assist with transcript requests, management of student and closed school records, and other general office duties. In addition, the 0.5 website developer and 0.5 database development positions have been consolidated into a single 0.5 LTE position.

SCHOOL APPROVAL ISSUES

A motion (Cooney, Heim) to approve items A through I of the School Activity Report for the period of September 9 through November 30, 2006 was approved unanimously.

EAB MODERNIZATION

Mr. Craney introduced the modernization paper for board consideration. He proposed the discussion regarding introduction of the bill draft be separated from the discussion about establishing terms for board members.

- The modernization bill draft was discussed. Mr. Craney noted that this issue has been discussed by the board in previous meetings and the specific statutory language is now ready to be approved. Mr. Dies noted that the EAB is waiting for comments from legal counsel and the Department of Justice.

A motion (Williams, Oyama-Miller) to approve the bill draft language with any technical or construction changes suggested by legal counsel or the DOJ was made and approved unanimously.

- Subsequent to the initial bill drafting, the issue of creating staggered 3-year terms for EAB board members had been raised. Mr. Craney referred to the meeting he and Mr. Dies had with Ms. Russell of the Governor's office stating that he felt this may not be something the Governor's office would support. Mr. Craney indicated that the purpose of this proposal would be to ensure continuity whenever there is a change in governor. However, from the perspective of the Governor's office there is an interest in maintaining as much flexibility and authority to appoint board members.

After significant discussion by the board, a motion (Oyama-Miller, Williams) to approve staggered 3-year terms for EAB board members failed on 2-5 roll call vote (Oyama-Miller, Williams voting yes).

RENEWAL FEE MULTIPLIER

Mr. Dies mentioned that revenue and expenditure projections indicate that the EAB's year-end financial figures will be in-line with earlier estimates. Based on the estimated revenues and applying the 10 percent withholding provision, no changes to the renewal fee multiplier are being recommended. No motion was required to maintain the multiplier at 1.8336, which was approved by the board in January 2006.

EAB EFFECTIVENESS SURVEY

Mr. Dies informed the board about an online survey the EAB had conducted in early October to assess its effectiveness with regards to the regulation of schools. The findings from the survey were provided to the board member in their materials.

2007 MEETING DATES

After a short discussion, a motion (Cooney, Brown) to approve the following 2007 board meeting dates was approved unanimously – 3/8, 6/21, 9/13, and 12/13.

ADJOURNMENT

A motion (Heim, Oyama-Miller) to adjourn was unanimously approved at 12:08 p.m.