

EDUCATIONAL APPROVAL BOARD MEETING

Thursday, June 22, 2006

10:30 a.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: Jo Oyama-Miller

Others Present: David Dies, Joan Fitzgerald, Kyra Flores, Linda Heidtman, Blanca James, Patrick Sweeney, EAB; Brian Elliott, Whyte Hirschboeck Dudek SC; Donald Madelung, Herzing College

The chair of the Educational Approval Board (EAB), Terry Craney, called the meeting to order at 10:40 a.m. A motion (Raemisch, Cooney) to approve the minutes of January 25, 2006 was adopted unanimously.

BOARD CHAIR'S REPORT

Mr. Craney reported that on May 1, 2006, Mr. Dies and he met with Angela Russell of the Governor's Office as a follow-up to the board's decision tabling action on financial aid for students attending EAB-approved schools. Following a discussion, Ms. Russell stated that she agreed with the board's decision. In addition, it was agreed that the chair and/or the executive secretary would meet with the Governor's office on a regular basis to update them on issues that are coming before the board. Mr. Craney also informed board members that the Governor had been invited but was not able to attend today's meeting.

EAB MODERNIZATION

Mr. Craney explained that in addition to the materials for today's meeting, reference would be made to the board materials sent for the March meeting that was cancelled due to inclement weather. He asked Mr. Dies to provide an overview of the modernization material.

Mr. Dies noted that because board members did not get ample opportunity to review the draft material and proposed statutory changes shared at the board's January 2006 meeting, the matter was referred to the board's March meeting. He pointed out the attachments were provided to give board members a context for the proposed changes based on national trends. In addition, he made reference to a one page summary, which along with the background information provided in March, would help to understanding the proposed changes.

Mr. Craney suggested the board review the proposed changes. Michael Cooney asked for clarification on what the staff was recommending to the board. It was noted by Mr. Craney that staff would like a discussion by the board on the proposed changes. Mr. Dies added that the proposed statutory changes have been developed by staff, and while they will go through three or four additional revisions before they would be ready for introduction, he would like the board to have a good understanding of the proposed changes and its support for moving forward with getting the changes drafted. Mr. Cooney suggested the board refer to the one page summary and use it to discuss the proposed changes.

In response to a question from Christy Brown about the EAB performing its compliance and monitoring responsibilities, Mr. Dies said the EAB would not give up or lessen any of its current compliance and monitoring activity. Instead, the provisions in the proposal would better enable to ensure schools are institutionally sound and well run. Ms. Brown also asked whether or not the EAB would be duplicating the efforts of accrediting agencies, to which Mr. Dies explained that there are common elements. However, the accreditation process can be a 10 year cycle and EAB approval is something that happens annually. He mentioned that EAB staff had met with accreditors during the design phase to discuss these similarities, as well as differences so that the EAB would not simply duplicate their efforts. It was also noted that of the 140 schools approved by the EAB, only 40 are accredited.

Mr. Dies responded to several comments about compliance and the EAB's regulatory role explaining that by promoting quality programs and effective institutions the compliance and monitoring would be fundamentally addressed. Mr. Cooney commented that the reason students go to school is for favorable outcomes to change their lives, and that the EAB is doing the right thing by holding schools accountable.

Ms. Brown noted the statutory placement in Chapter 37 was different from earlier plans, which specified Chapter 39. Mr. Dies explained that while Chapter 39 made sense logically, it is broken down into subchapters and would require renumbering the provisions of several other agencies. Since Chapter 37 is an open chapter, it would be the easiest from a drafting perspective. It would also provide the most visibility. Ms. Brown also asked whether the EAB would see any negative reaction to the placement of the EAB in Chapter 37. Mr. Dies responded that the only reservations may be due to the EAB's small size, although there are other similar sized agencies that have their own chapter.

Mr. Heim indicated that in the past there was discussion on defining college, universities, and degrees and asked if this would be the appropriate time to do this. Mr. Dies said it would be better to keep those changes separate from this proposal because their applicability would not be limited to the EAB and would affect other entities that use the terms such as the UW and technical college systems.

Ms. Brown asked whether there would be any staffing implications related to the modernization efforts. Mr. Dies responded that the budget request for an additional 0.5 FTE administrative support position was not related to the proposed modernization changes, but an increase in overall workload.

The board discussed other proposed changes related to the annual renewal process, school visits, school meetings, and agency accountability. Mr. Raemisch commented that the EAB is a monitoring and policing board and expressed concern about conducting a survey of the schools

since the EAB is not accountable to the schools. He acknowledged that performance-based measurements have merit, but that it is not the job of the EAB. Mr. Craney shared similar concerns saying that if the EAB has some measures on how it is doing, that's good; but that the ultimate authority comes from whoever is Governor and the appointed members of the board. Ms. Williams asked whether the survey pertained to the board members or staff. Mr. Dies replied that the intent of the survey is to allow the EAB to get feedback from the schools on ways to improve its processes and would not resign the EAB of its authority – it simply would give the agency an opportunity to obtain feedback. There was consensus on a suggestion by Mr. Cooney to change the terminology from board accountability to agency accountability in the materials.

The chair recognized Don Madelung who commented that he normally is present at the meetings as an observer. He felt that if there was an opportunity for public comment, more institutions might attend board meetings and provide feedback on policies, procedures, and processes. Following some discussion by board members, members agreed that this was a good idea should be incorporated into future meetings.

Mr. Heim suggested that schools might be resistant to measuring their performance. Mr. Dies indicated that the EAB staff has been communicating about the proposed changes on a regular basis via the newsletter, regional meetings, conferences, and during school visits. Still, the EAB staff realizes that it will need to assist the schools as changes are implemented.

Ms. Brown expressed concern about proposed language in the section describing the EAB's purpose. Her specific objection pertained to "advocating for choices to innovative and quality education programs." While she supports institutional effectiveness, quality schools, and their concepts, she felt the advocacy section is beyond the role of the agency – the EAB should not be advocating but ensuring compliance. Mr. Dies pointed out that the language came from the EAB strategic plan, which frames advocacy (for opportunity and choices) as one way in which the EAB protects consumers. Mr. Raemisch noted not all goals in a strategic plan not need to be in statute.

Based on the discussion, Mr. Craney summarized that the board would like to ensure compliance and monitoring are visible elements in its stated regulatory model, references to EAB accountability would be replaced with agency accountability, and the term "advocating" would be replaced with another that captures the notion of supporting choices as one way in which the EAB protects consumers.

A motion (Heim, Cooney) to support the general concepts of the proposed statutory changes with the discussed changes was approved unanimously.

LUNCH MEETING

The board stood informal for lunch.

EXECUTIVE SECRETARY'S REPORT

Mr. Dies noted the following items.

AWARENESS AND UNDERSTANDING OF THE EAB AND APPROVED SCHOOLS

Board Digest – Mr. Dies mentioned that he intends to begin sending board members an e-mail digest, which would be composed of news items affecting postsecondary education, and would be interested in comments. Examples were provided. Mr. Heim stated that he supports a board digest and would like to receive it.

Approved Schools Directory – The 2006 Directory of Private postsecondary Schools was printed and distributed in February. The directory is also available online where it is accessed over 3,800 times last year.

POSITIVE WORKING RELATIONSHIPS AND ALLIANCES

NORDA, Inc. vs. the EAB – Mr. Dies reported that the Court of Appeals had upheld the circuit court decision, which is further evidence of the need to change the descriptors of how a school is defined.

OPERATIONAL / ADMINISTRATIVE POLICIES AND PROCEDURES

EAB Offices – Mr. Dies reported that the offices of the EAB will be staying at their present location. A meeting has been set up with the Department of Veteran Affairs to get a sense of their long-term plans concerning space utilization.

Budget – Mr. Dies said that as a result of the special student protection fee, the current amount in the fund is approximately \$327,000, with an additional \$250,000 to be transferred into the fund by the end of the fiscal year. Mr. Dies said the fund will be well over the half million mark by the end of the fiscal year. After the \$250,000 transfer, the funds expected to lapse into the general fund are about \$25,000 over what the Governor anticipated.

Personnel – The 0.5 FTE attorney position requested by the EAB was denied by DOA, who advised the EAB that it should seek excess capacity elsewhere in state service for its legal counsel needs.

SCHOOL APPROVAL ISSUES

A motion (Brown, Williams) to approve items A through I of the School Activity Reports from the March and June 2006 meetings was approved unanimously.

2007-09 BIENNIAL BUDGET

Mr. Craney referenced the letter from Governor Doyle to all agency heads regarding the 2007-09 budget that was shared with board members. He pointed out that the EAB staff is recommending the board request two staff positions – a 0.5 FTE attorney and a 0.5 administrative support person – and eliminate the 10% revenue withholding provision. Mr. Dies presented to the board the EAB's justification for these requests and after some discussion, a motion (Brown, Cooney) to approve the 2007-09 budget initiatives was approved unanimously.

2005 ANNUAL REPORT

Mr. Dies indicated that the EAB would be issuing the 200 Annual Report shortly and the attached draft was provided for board feedback and comments. Mr. Dies explained that the report is consistent with the EAB's strategic plan of enhancing visibility and awareness as reflected by the section on organizational structure. The report also serves as an accountability tool as reflected in the section on organizational results. Mr. Dies said that the report would be distributed to a wide audience to include approved schools, legislators, colleagues, accreditors, and other interested parties. The report will also be accessible on the EAB website.

MOTION TO CONVENE A CLOSED SESSION

A motion (Heim, Williams) to hold a closed session under s.19.85(1)(c), *Wis. Stats.*, to consider the performance and compensation of the executive secretary in accordance with s.38.50(5), *Wis. Stats.* was approved 6-0 at 1:30 p.m.

RECONVENE IN OPEN SESSION

The board reconvened in open session at 2:08 p.m.

A motion (Brown, Cooney) to provide the executive secretary the GWA increases for FY 07 of 2.0% on June 25, 2006 and 2.25% on April 1, 2007, was approved unanimously.

A motion (Raemisch, Williams) to approve a one-step DCA increase was approved unanimously.

ADJOURNMENT

Mr. Dies noted that future agendas would include a public comment section. Mr. Cooney also requested that the next board meeting be held at one of the EAB-approved schools. Board members also discussed the start and end times of the meetings and suggested that meetings be moved to an earlier time.

A motion (Heim, Raemisch) to adjourn was unanimously approved at 2:21 p.m.