

EDUCATIONAL APPROVAL BOARD MEETING

Thursday, June 21, 2007
10:30 a.m.

Eighth 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, and Monica Williams

Members Absent: None

Others Present: David Dies, Joan Fitzgerald, Blanca James, and Patrick Sweeney, EAB

The chair of the Educational Approval Board (EAB), Michael Cooney, called the meeting to order at 10:34 a.m. A motion (Oyama-Miller, Heim) to approve the board minutes of March 8, 2007 was adopted unanimously.

BOARD CHAIR'S REPORT

Mr. Cooney informed the board that he, along with Mr. Craney and Mr. Dies, recently met with the Governor's new policy advisor who has responsibility for higher education matters to discuss EAB responsibilities and the EAB modernization initiative. He noted that Ms. Brown has accepted a new position effective July 16 as Interim Vice Chancellor of Finance and Administrative Affairs at UW Milwaukee. Lastly, Mr. Cooney reminded the board members that for the past few years the board has conducted its September meeting at an EAB-approved school. This year the meeting will be held in Green Bay at Schneider Training Academy, Inc. on September 13.

EXECUTIVE SECRETARY'S REPORT

Mr. Dies highlighted the following items that were included in the executive secretary's report.

AWARENESS AND UNDERSTANDING OF THE EAB AND APPROVED SCHOOLS

Approved Schools Directory - The directory was distributed in March. Mr. Dies reported that the EAB had received positive feedback from counselors and others locally and nationally. It was noted that the EAB has learned of a misunderstanding by some of the schools in reporting numbers and interpreting the EAB's definitions, resulting in double counting in some instances. The EAB has taken steps to eliminate the problem in future years.

External Relations - Mr. Dies made note of several informational pieces contained in the board materials, which mentioned the EAB and represent growing exposure of the EAB.

POSITIVE WORKING RELATIONSHIPS AND ALLIANCES

NASASPS Conference – The EAB executive secretary was elected to a three-year term on board of directors of the National Association of State Administrators and Supervisors of Private Schools (NASASPS). In addition, he was selected to be the organization’s vice-president, which also carries the title of president-elect.

Mr. Dies also mentioned that at the organization’s conference in Boston this past April he had the opportunity to give a presentation on State Innovations: Using Technology for Data Collection and Dissemination. He spoke about the system that the EAB has designed and implemented for its annual school renewal process. Based on the feedback and interest from various states, the EAB is exploring the possibility of licensing its system.

Department of Transportation (DOT) - Mr. Dies commented that the EAB continues to have positive relations with the Department of Transportation. However, the EAB recently became aware of the fact that the DOT has been using the EAB’s surety bond form for non-trucking driving schools that DOT approves. The EAB is concerned it could be caught in the middle if there is a legal claim on these bonds and has asked DOT to discontinue the use of the EAB-specific bond form.

Department of Regulation and Licensing (DRL) - Mr. Dies followed up on the issue regarding the adoption of emergency rules on educational standards required for substance abuse counselors presented at the board’s March meeting. The EAB had suggested modifying the rule provision which restricted DRL’s approval to only regionally accredited institutions and instead reference accrediting bodies recognized by the U.S. Department of Education. This change was adopted and incorporated into the proposed permanent rule.

CONSUMER PROTECTION AND EDUCATIONAL CHOICES

Education Tax Credit - Mr. Dies made note of the information provided in the board materials pertaining to a public hearing recently held by the Assembly Committee on Jobs and the Economy on the education tax credit proposal (Assembly Bill 67), including testimony provided by the EAB in support of the measure.

OPERATIONAL / ADMINISTRATIVE POLICIES AND PROCEDURES

Budget - Mr. Dies reported that based on financial information through the end of May, year-end expenditures are expected to be less than revenues. However, revenues are less than estimated from a year ago by approximately \$25,000 to \$30,000; and there may not be sufficient revenues to meet the statutory provision that requires 10 percent of revenues (about \$50,000) to be withheld and deposited in the general fund. He indicated that the

EAB has brought this matter to the attention of WTCSB fiscal staff and the DOA budget office, and will keep board members informed. An overview of the EAB's monthly revenues and expenditures was provided to board members.

In response to a question from Mr. Heim about whether the EAB budget was handled separately or if it was combined with other packages, Mr. Dies responded that the EAB's budget was considered a part of the WTCSB budget, and nothing was included in the Governor's budget proposal from the EAB budget request other than the standard budget items.

Mr. Dies said that the WTCSB is responsible for preparing the necessary budget coding and file maintenance associated with requested budget items. When reviewing the budget coding and file maintenance, the EAB discovered an error in how the full-funding of salary for its positions had been calculated. There was an error in the spreadsheet system used by the WTCSB, which if not corrected would cause a budget shortfall of \$6,300 in each year of the biennium. This problem also affected the WTCSB's appropriations. The error was brought to the attention of WTCSB and DOA budget officials. As a result, the Legislative Fiscal Bureau prepared a technical budget modification paper and the Joint Committee on Finance addressed the error.

SCHOOL APPROVAL ISSUES

Mr. Cooney introduced the school approval issues paper and indicated that a motion for the approval of items "A" through "I" of the School Activity Report would be appropriate following any discussion. Mr. Dies highlighted three school-related issues:

Stratford Career Institute - The EAB had received a number of complaints regarding this distance-learning career training school. After several conversations with the school and its legal representatives, the school has indicated it intends to become EAB approved.

Springfield College - The school was unaware of changes affecting their Master of Human Services with a concentration in Community Counseling Psychology (CCP). Because of these changes recent graduates of this program no longer met the Department of Regulation and Licensing's education requirements for professional counselors. Springfield College, to correct this oversight, has offered these graduates a one-time Bridge Program, approved by DRL and meets the education and requirements for licensure as a Professional Counselor. A 10-point complaint was filed with the school by the students. The EAB is planning to meet with the school and the students to resolve the students' complaints.

Minneapolis School of Massage - It was reported that the Minnesota-based school will be closing on June 11, 2007. Closure was due to market conditions and not issues with the school.

A motion (Raemisch, Williams) to approve items A through I of the School Activity Report for the period of March 2, 2007 through June 1, 2007 was approved unanimously.

EAB MODERNIZATION UPDATE

Mr. Dies updated the board on recent activity regarding the EAB's modernization initiative. At its March 2007 meeting, the board received an overview developed for legislators on the initiative and the proposed statutory changes. A revised bill draft was also provided to board members. The modernization bill was introduced on April 23 as Assembly Bill 281 and on May 3 as Senate Bill 174.

The EAB learned from the Department of Administration (DOA) that concerns about the bill had been expressed in a letter from the Wisconsin Association of Independent Colleges and Universities (WAICU). The EAB has taken steps to appropriately respond to these concerns and this information was shared with board members.

The Department of Public Instruction (DPI) staff also indicated that they intend to oppose the bill because it eliminates their role in overseeing teacher preparation and licensure. The EAB has made it clear that it does not intend to interfere with DPI's statutory authority to regulate teacher preparation/licensure. The EAB is awaiting a response from the DPI in which they have been asked to clarify its concerns.

2007-09 BUDGET UPDATE

The majority of budget-related information was already provided and discussed during in the executive secretary's report. Mr. Dies informed the board that its request for a half-time attorney position was denied because the Governor's budget proposal included an attorney consolidation initiative. If this provision is not included of the final budget, the EAB will have to decide whether it wants to pursue this request administratively. The board took no action.

STUDENT LENDER PRACTICES

Mr. Dies indicated that concerns have been raised about conflicts of interest within the student loan industry; specifically between college loan officials and private lenders. An investigation into conflicts of interest in the student-loan industry focused on revenue-sharing arrangements in which lenders pay colleges a portion of the principal of each loan, university officials receiving stock on favorable terms, and consulting payments or gifts from loan companies for promoting particular lenders.

Mr. Dies provided information on EAB-approved schools that have some type of arrangement with a third party lender. Additional background information and recommended actions are provided in the board materials for this meeting. Discussion took place to determine the degree of involvement or participation the EAB should have. It was agreed that the EAB should continue to monitor this issue. Further action should be based on how Congress and the U.S. Department of Education respond.

MOTION TO CONVENE A CLOSED SESSION

A motion (Oyama-Miller, Heim) 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 7-0 at 11:28 p.m.

RECONVENE IN OPEN SESSION

The board reconvened in open session at 12:02 p.m. with a three-part motion:

1. To adopt the Performance Planning and Development (PPD) report as presented by the EAB chair.
2. To approve any General Wage Adjustment (GWA) that may be provided at a later date pending action by the Joint Committee on Employment Relations.
3. To approve a discretionary compensation award (DCA) adjustment of four steps (\$0.829 per hour per step).

A motion (Heim, Williams) to adopt the motion was unanimously approved.

ADJOURNMENT

A motion (Oyama-Miller, Heim) to adjourn was unanimously approved at 12:04 p.m.