

**STATE OF WISCONSIN
EDUCATIONAL APPROVAL BOARD MEETING**

June 9, 2009
10:30 a.m.

8th Floor Board Room
30 W. Mifflin Street
Madison, WI

AGENDA

Call to Order

Roll Call

Approval of Minutes – March 12, 2009 – ACTION (Tab 1)

- Board Chair's Report
- Public Comment¹
- Board Status Report – Information (Tab 2)
- School Approval Issues – ACTION (Tab 3)
- 2009-11 Biennial Budget – Information (Tab 4)
- Closed Session² – ACTION (Tab 5)
 - ~Executive Secretary Performance & Compensation – ACTION (Tab 6)
- Reconvene in Open Session
- Executive Secretary Performance & Compensation – ACTION (Tab 7)

Adjournment

NEXT MEETING – WEDNESDAY, SEPTEMBER 9, 2009

¹ Members of the public are invited to address the Board regarding any item on the agenda or item of interest that is not on the agenda. The Board cannot legally take action on any item not scheduled on the agenda. Such items may be referred for administrative action or scheduled on a future agenda. Persons wishing to address the Board must note their intent on the meeting sign-in sheet. Comments will generally be limited to five minutes per speaker; however, a shorter limit may be declared by the Chair if there are a large number of persons wishing to speak. A total of fifteen minutes shall be devoted to public comments.

² A motion will be entertained 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.*

EDUCATIONAL APPROVAL BOARD MEETING

Thursday, March 12, 2009
10:30 a.m.

Eighth Floor Board Room
30 West Mifflin Street
Madison, WI

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

Members Absent: Jo Oyama-Miller and Rick Raemisch

Others Present: David Dies, Joan Fitzgerald, Linda Heidtman, and Blanca James, EAB; Shana Weiss and Brock Vander Velden, Globe University; Don Madelung, Herzing University; Kira Brown and Michael O'Herron, Kaplan College; Dave Steffen, University of Phoenix; Mike Rogowski, Whyte Hirschboeck Dudek SC

The chair of the Educational Approval Board (EAB), Michael Cooney, called the meeting to order at 10:39 a.m. A motion (Craney, Heim) to approve the December 11, 2008 board meeting minutes was adopted unanimously.

OFFICER ELECTIONS

Mr. Cooney noted that state law requires the board to elect officers at its first meeting of the year. Officers consist of a chairperson, a vice-chairperson, and a secretary. Mr. Cooney entertained nominations for secretary. Ms. Brown nominated Joseph Heim. Mr. Heim accepted the nomination and was elected unanimously. Mr. Cooney entertained nominations for vice-chairperson. Mr. Heim nominated Monica Williams. Ms. Williams accepted the nomination and was elected unanimously. Mr. Cooney relinquished the chair to Ms. Williams who entertained nominations for chairperson. Mr. Heim nominated Michael Cooney. Mr. Cooney accepted the nomination and was elected unanimously. Ms. Williams relinquished the chair to Mr. Cooney.

PUBLIC COMMENT

Don Madelung, Herzing University, commented on the EAB's new requirement that schools submit an institutional plan document as part of the 2010 school renewal. He expressed his gratitude to the board and staff for listening to the schools regarding their concerns about inclusion of proprietary information in the institutional plans. Specific language was included in the instructions of the planning document that clearly states "the EAB does not expect any school to divulge any sensitive, proprietary business information in the institutional plan."

BOARD STATUS REPORT

Mr. Dies highlighted a number of items provided in the board materials based on the EAB's respective strategic goals.

Involvement in Postsecondary Education Policy Decisions

Mr. Dies commented on his participation in the planning process of the Making Opportunity Affordable (MOA): Wisconsin initiative. He also noted the introduction of Senate Bill 63, Assembly Bill 80, and Assembly Joint Resolution 16. The three legislative proposals would directly affect the EAB, approved schools, or students attending EAB-approved schools.

Positive Working Relationships and Alliances

Mr. Cooney, who is the Editor of the Career Education Review, indicated that an article on the EAB was being written for a special report on accountability and outcomes. He indicated that the draft article provided to board members was a good piece of work and that he would provide copies of the entire report at the next meeting.

Consumer Protection

Mr. Dies reported on recent EAB activity concerning diploma mills. He spoke specifically about "Carlingford University" and actions being taken to have them cease and desist operations. The EAB has referred the matter to the Department of Justice for legal action, pending a formal criminal investigation.

Postsecondary Educational choices (Public Awareness & understanding)

Mr. Dies reported that distribution of the EAB News Digest was expanded to include legislators that sit on the respective higher education committees as part of an effort to inform them about trends and issues affecting the private career school sector. In addition, Mr. Dies discussed the redesign of the EAB's approved schools directory, which will have a number of improvements and changes made based on user feedback.

Mr. Cooney added that he and Mr. Dies were guests on the In Business with Jody and Joan radio show to discuss the role of the EAB and the private career school sector.

Operational/Administrative Procedures and Policies

Mr. Dies provided a brief summary of the EAB's budget and an overview of monthly revenues and expenditures. By all indications it appears that year-end revenues will be sufficient to cover expenditures. Additional detail is contained in the board materials that were provided to board members and made available on the EAB's website.

SCHOOL APPROVAL ISSUES

A motion (Brown, Williams) to approve items A through I of the School Activity Report for the period of December 1, 2008, through March 6, 2009, was approved unanimously.

2009-11 BIENNIAL BUDGET

Mr. Dies reported that with the exception of standard adjustments, the EAB's budget request for additional staff was denied. He also informed board members that the Governor's budget includes a provision that will require the EAB to lapse \$5,900 in each year of the biennium, in addition to the 10 percent withholding that is already required.

EAB MODERNIZATION UPDATE

Mr. Dies provided an update on the several initiatives of the EAB's modernization agenda.

Modernization Bill

Although an agreement regarding bill language was previously reached with the Department of Public Instruction (DPI), officials at DPI have indicated that additional changes need to be made before they will support the bill. Mr. Dies noted that the requested changes had been reviewed and were found to be unacceptable. At this time, the EAB is exploring other options to move the modernization bill forward as originally proposed.

Employment Verification

During the 2010 school renewal process, the reporting of employment information will be integrated into the online renewal system and schools will be required to provide the information electronically. In response to feedback provided at the conference, schools will be given the option to indicate that employment information could not be provided, and only approximate dates of when a student began employment or the school contacted the employer will be required.

The EAB is exploring the capability for schools who are currently tracking this information electronically to upload information from existing data systems they may be using. Unlike the 2009 renewal, schools that are unable to provide verification of employment, including an employer contact name and date of contact, must report that complete information could not be obtained and the student will not be included in the total "employed" data count.

Institutional Planning

It was noted that schools will be required to submit an institutional plan as part of the 2010 renewal process. The EAB has developed a standardized format the schools will be required to use. By requiring institutional plans, the EAB is seeking to establish a more useful and collaborative relationship with schools – one in which school administration consultants can have a deeper understanding of the school's plans and the ability to engage in a meaningful dialogue about them. More importantly, the EAB believes that a formal planning process will lead to better schools and programs for students.

ADJOURNMENT

A motion (Heim, Williams) to adjourn was unanimously approved at 11:37 a.m.



EDUCATIONAL APPROVAL BOARD

BOARD MEETING

JUNE 9, 2009

BOARD STATUS REPORT

INVOLVEMENT IN POSTSECONDARY EDUCATION POLICY DECISIONS

- **Education Tax Credit for Businesses**

It was reported at the board's March 2009 meeting that legislation (Senate Bill 63) had been introduced to create a tax credit for businesses equal to 25% of the tuition paid for an individual to attend a qualified postsecondary institution. Under the bill, a "qualified postsecondary institution" includes EAB-approved schools, UW and technical college system institutions, and non-profit four-year colleges and universities. The credit is increased to 30% if the individual is enrolled in a program that relates to a projected worker shortage in the state.

The EAB presented testimony in support of the bill at a public hearing held on March 31 by the Senate Committee on Economic Development. A copy of the EAB's testimony is attached. The bill is currently awaiting executive action by the committee, which is expected shortly. The bill's author is Senator Julie Lassa, who happens to be the chair of the committee.

- **Lifelong Learning Accounts**

The EAB has continued to monitor the work of a special Legislative Council study committee on building Wisconsin's workforce. Based on the work of the study committee, Assembly Bill 294 was introduced on June 2 by the Joint Legislative Council. The bill would establish a lifelong learning accounts program. Under the program, a participating employer and employee would make contributions to the lifelong learning account of an employee, which could be used to pay for qualified education expenses. Employers would be required to make matching contributions of at least 25% of the amount contributed annually by an employee. The combined employer and employee contributions could not exceed \$5,000 annually.

As originally drafted, individuals could use these accounts to attend an EAB-approved school. While that still may be the case, changes have been made to the bill's language that defines "qualified education expenses" and now refers to institutions that are accredited to the satisfaction of the Department of Workforce Development, the agency charged with administering the program. The EAB has expressed concern with the manner in which the term "accredited" is being used and will work with the respective standing committees to clarify the term and the eligibility of EAB-approved schools.

- Pre-licensing Insurance Education

The Office of the Commissioner of Insurance (OCI) has issued an administrative rule order (Clearinghouse Rule 09-22) that would modify the education requirements for insurance agents. The proposed changes are being made to conform to the National Association of Insurance Commissioners (NAIC) model requirements for licensing and regulation of insurance agents.

A year ago the EAB met with OCI officials and suggested several administrative rule changes to clarify the EAB's role in approving insurance schools. Based on a review of the proposed rule order, these suggested changes have been included. During its review, however, the EAB discovered an outdated reference to regional accreditation in an exiting definitions section of a related rule.

Although the outdated reference was discovered after OCI had held a public hearing on the proposed rule order, the EAB provided written comments, which could be submitted within 14 days after the hearing, suggesting that the accreditation provision be expanded to include all accrediting agencies recognized by the U.S. Department of Education.

POSITIVE WORKING RELATIONSHIPS AND ALLIANCES

- Higher Education Focus Group

On March 31, the EAB executive secretary participated in a focus group to talk about the challenges facing higher education. Led by the Center for Advances in Public Engagement, the focus group included a number of postsecondary education leaders from a variety of education sectors in the state and was part of a national research project sponsored by the Lumina Foundation aimed at informing policy discussions around higher education.

- Career Education Review

At its March 2009 meeting, the board received a draft copy of an article about the EAB's modernization efforts to shift its regulatory focus from one that is based solely on compliance, to one that is also based on organizational effectiveness. The article appeared in a special Career Education Review (CER) report on accountability, outcomes and accreditation. A copy of the entire report will be provided to board members at the meeting.

CONSUMER PROTECTION

- Diploma Mill Legislation

At its December 2008 meeting, the board adopted a legislative agenda for the 2009-11 session that included an initiative to address diploma mills. The EAB recently met with a staff person for Representative Kim Hixon and a Legislative Council attorney to discuss the drafting of such legislation.

It appears that the Legislative Council will use the bill draft that the EAB had prepared last session as a template. Although the EAB had a diploma mill bill drafted last session, it never introduced the bill due to the efforts to get the modernization bill passed. Given the uncertainty of the modernization bill, the EAB is hoping to at least move forward with diploma mill legislation.

POSTSECONDARY EDUCATIONAL CHOICES (PUBLIC AWARENESS & UNDERSTANDING)

- **Approved Schools Directory**

At the board's March 2009 meeting, information was shared about changes that would be made to the annual directory of EAB-approved schools. The redesigned directory has been published and distributed to a variety of individuals and organizations, including school guidance and workforce development offices across the state. Board members should have received a copy of the directory by mail.

- **Media Coverage**

During the past few months, the EAB has been interviewed on several occasions about particular issues affecting postsecondary education. Articles citing the EAB have appeared in the Forté online update and In Business magazine. Copies of these articles are attached.

ENHANCE THE ROLE OF BOARD MEMBERS

- The EAB board chair will lead a breakout session at the Career College Association convention in mid-June. The session we will look at graduate outcomes from the perspective of institutional accountability, emerging transparency in state regulatory reporting and as the basis for inclusion and acceptance by the traditional higher education sector on the state and national levels.

OPERATIONAL / ADMINISTRATIVE PROCEDURES AND POLICIES

- **Budget**

An overview of the EAB's monthly revenues and expenditures is provided on the attached spreadsheet and corresponding graphs. As previously reported, one-time/fixed revenues have been slightly lower when compared to previous years. It should be noted that while no revenue is shown for the month of May, the EAB submitted \$43,169 to the technical college system on May 19 to be deposited. However, the deposit did not get posted to the state's accounting system in time for the May report.

Based on fiscal data through the month of May, it appears highly likely that the EAB's revenues for FY 09 will be sufficient to cover expenditures, including the restoration of student protection fund and the required 10% withholding (general fund transfer).

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STATE OF WISCONSIN EDUCATIONAL APPROVAL BOARD

SENATE BILL 63 EDUCATION TAX CREDIT

TESTIMONY
by David C. Dies, Executive Secretary
Educational Approval Board

Senate Committee on Economy Development

March 31, 2009

Good morning. Madam Chair and members of the committee, my name is David Dies and I am the executive secretary for the state's Educational Approval Board. I am here today to express support for Senate Bill 63 and Senate Amendment 1 to the bill that has been offered by Senator Lassa.

For those of you who may be unfamiliar with the EAB, it is an independent state agency responsible for protecting Wisconsin students by regulating certain for-profit and non-profit schools, colleges and universities. I should point out that our oversight does not include the UW and technical college system institutions; nor does it include non-profit institutions incorporated in the state prior to 1992, such as Marquette University, Lakeland College and Concordia University, and other schools that are members of the Wisconsin Association of Independent Colleges and Universities.

Currently, the EAB oversees 152 institutions annually serving more than 45,000 (primarily adult) students in 800 or so non-degree and degree programs. Literally, the EAB regulates everything from pet grooming to Ph.D.s.

Among the schools offering non-degree programs are the American Institute of Paralegal Studies; Howard Academy for the Metal Arts; the Institute of Dental Assisting; the Milwaukee School of Massage; H & R Block; Radio 1 Broadcasting School; and, the Midwest Truck Driving School.

The programs offered by non-degree schools are very diverse and include such programs as networking technology; pharmacy technician; truck driving; massage therapy; heavy equipment operation; radio broadcasting; taxidermy; insurance; motorcycle maintenance; and, paralegal studies.

Among the degree-granting institutions, which offer everything from associate degrees in accounting to MBA's to doctorates in education, are the University of Phoenix, Bryant and Stratton College, Herzing University, Upper Iowa University, ITT Technical Institute, Globe University, Madison Media Institute, Cappella University and Walden University.

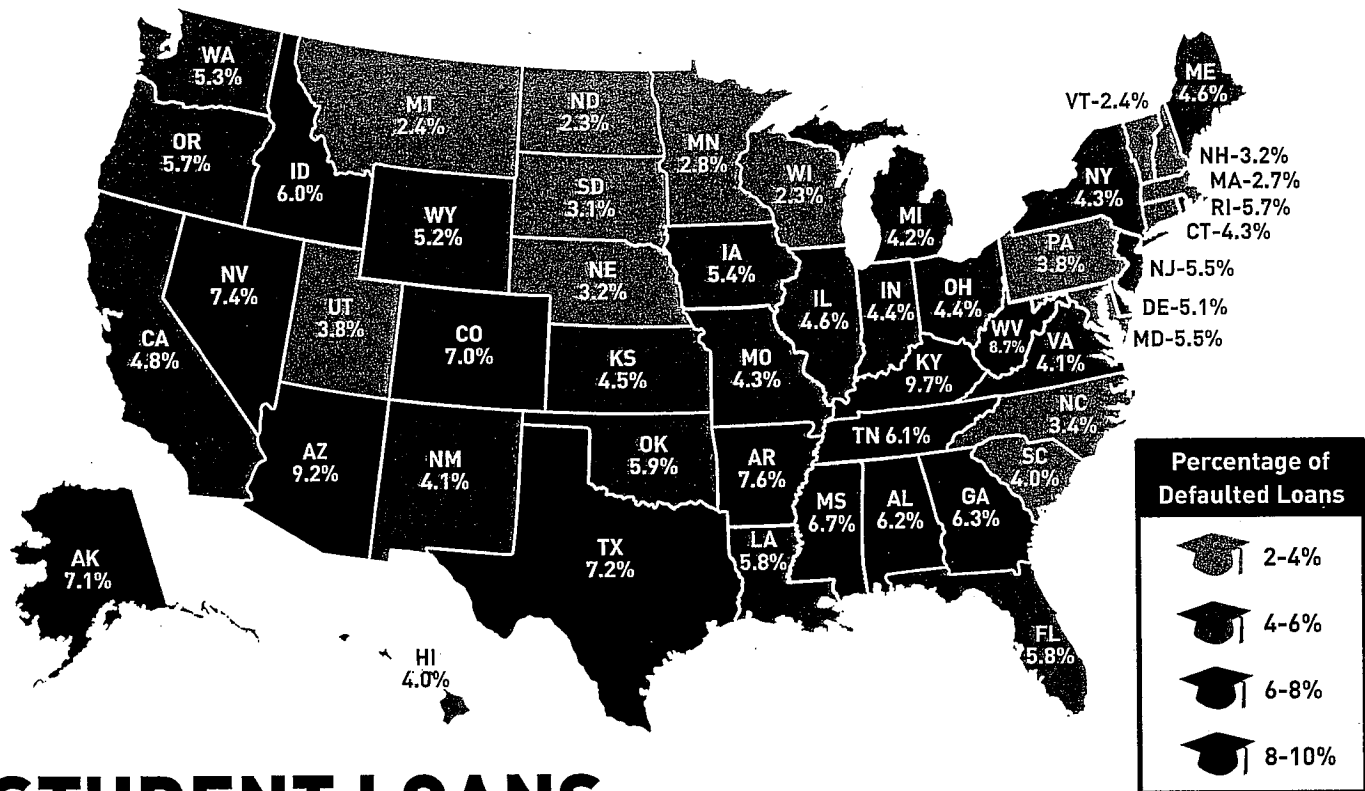
The EAB protects students is by requiring schools to meet certain standards. For example, the EAB examines the fiscal stability schools, requires schools to hold a surety bond and pay into a student protection fund, reviews the qualification of instructors, requires annual student outcomes reporting, conducts periodic site visits and ensures program curriculum is comparable in content, length and quality to similar programs offered by other institutions.

Another way in which the EAB performs its consumer protection role is by supporting policies and programs that allow students to attend institutions of their choice. Included in the EAB's strategic plan is a specific goal related to enhancing postsecondary choices for students, and to increase the public's awareness and understanding of these choices. And, that is why the EAB supports this bill.

Under Senate Bill 63, the definition of a qualified postsecondary institution would include schools approved by the EAB and allow a tax credit to be claimed by employers that invest in the education and training of their employees. Not only is such a policy consistent with the EAB's strategic goal of enabling Wisconsin residents to attend the institution of their choice, but it also encourages an investment in workforce skills based on employer needs.

I would be happy to answer any questions you may have.

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STUDENT LOANS: DEFAULTS ON THE RISE

WORKFORCE | With expensive commitments and fewer jobs, what's ahead for new grads?

By Joe Vanden Plas

WHEN THE CLASS OF 2009 enters the job market next month, its members will encounter the most challenging employment conditions in a quarter century, and the implications for student loan default rates and employee performance could be profound.

In a stunning turnaround since the fall of 2008, when hiring projections were flat, the National Association of Colleges and Employers now says that employers plan to hire nearly 22 percent fewer students from this year's graduating class than they did from the Class of 2008. The prediction ends a five-year run of good job-market news for new college graduates.

Locally, Manpower's latest employment outlook indicates that only 12% of Greater Madison employers plan to hire more employees in the second quarter of 2009. Another 12% plan to reduce their staffs, and 75% expect to retain current staff levels.

Nursing and computer science students will be in demand, and college graduates are less-

expensive hires for financially strapped companies. However, the depressed job market means the Class of 2009 will have a more difficult time repaying loans.

In this look at how the college financial aid and student loan default picture could impact employers, IB interviewed Dick George, CEO, Great Lakes Higher Education Corp.; Mark Kantrowitz, president of MK Consulting, publisher of *FinAid Page*, LLC; David Dies, executive secretary, Wisconsin Educational Approval Board; Beverly Faga, director of financial aid, Herzing University; and Herzing student Jesse Sole.

Grants and aid

Employers benefit from a variety of financial aid grants and loans that ensure a quality pool of labor. The current availability of these grants and loans is a mixed bag.

On the grant front, the American Recovery and Reinvestment Act increases the maximum Pell Grant, an aid program for economically disadvantaged students, to \$5,350 – a \$619 jump that represents the largest increase in the history of the program. Not only will the typical student receive more in a Pell Grant, but eligibility has been expanded by 800,000 additional students, bringing the total number of recipients to seven million. In addition, President

Obama's FY 2010 budget would index Pell Grants for inflation.

At the state level, the Wisconsin Higher Educational Aids Board has requested a 3.9% increase, to just over \$134 million, for its need-based grant and loan programs. Gov. Jim Doyle upped the ante with a proposed \$24 million increase in Wisconsin higher education grants to help students from families earning \$60,000 or less.

To some extent, the economy has even impacted Title IV federally guaranteed student loans, which include the popular Stafford and PLUS Loan programs.

Kantrowitz said there have been no problems with the availability of Stafford loans because they are not predicated on the borrower's credit history. He has found an issue with Parent PLUS Loans for undergraduate students, which are influenced by adverse credit histories. This includes a five-year review of negative elements of a parent or guardian's credit, whether it's foreclosure, repossession, tax liens, or bankruptcy. "The key word there is obviously foreclosure," Kantrowitz noted, alluding to the nation's housing crisis.

In the most recent quarter, he said the volume for Parent PLUS loans is down 26.5% and the dollar volume is down 28.7%. "The Graduate PLUS volume is up, but the Parent PLUS is down, and the only thing I can think of that would cause that is an increase in foreclosure rates or other derogatory elements."

Private loan issues

The recession's most dramatic impact has been seen in the availability of private, alternative loans. Kantrowitz said private student loans, which typically address tuition costs above those covered by federally guaranteed student loans, have become significantly less available. Lenders that represent 25% to 30% of the loan volume have stopped making these loans, and the remaining lenders haven't picked up the slack. Many are liquidity constrained and they have become more selective in making loans.

need. "The year-over-year comparison of the number of FAFSAs [Free Application for Federal Student Aid] submitted is at 10.5% growth, or about 1.4 million additional students, so demand is going up but private scholarships are not increasing to meet demand," he noted.

Taking (and losing) stock

Families that placed their faith in stock market instruments like prepaid tuition plans and 529 plans (such as EdVest) also have taken a hit. Kantrowitz is predicting financial difficulty for prepaid tuition plans because they use in-

In the case of the 529 college savings plans, families that maintained an aggressive (stock-based) asset allocation plan last year as their students approached college are probably regretting it, Kantrowitz indicated. Ideally, families that invest in 529 plans will start aggressively with greater portions of their portfolio in equities, and gradually become more conservative as their children's college years approach.

Not every family heeds this advice, and those that were still 100% invested in equities probably experienced a 30% to 40% drop in portfolio value. "I've been getting calls from families where college is a year away and they were 100 percent invested in equities," Kantrowitz said. "They thought they had saved enough, but suddenly their plans were two-thirds of what they were the year before."

Default lines

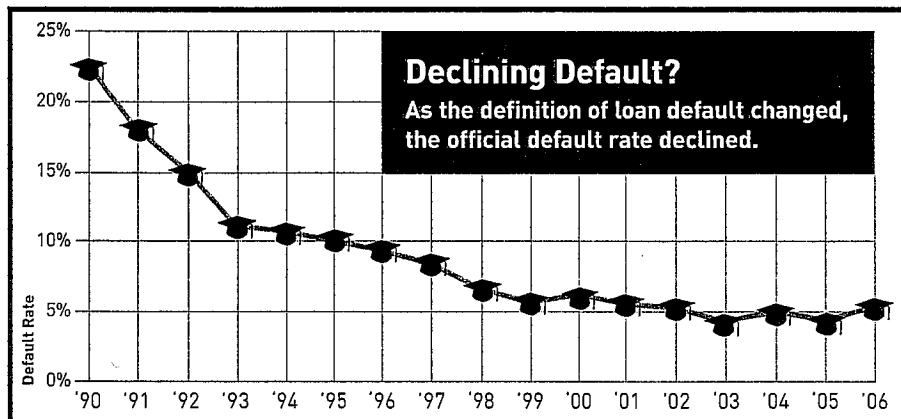
Given the dimming job prospects of this year's college graduates, George and Kantrowitz expect an uptick in the reported cohort default rates – the percentage of borrowers entering the repayment period in a given fiscal year who default by the end of the following fiscal year.

According to Kantrowitz, the primary predictors of default are graduation rates, interest rates, and job-placement rates. The first two indicators are in good shape, but the latter has him predicting a 1% increase in the national default rate. The 10-K and 10-Q filings of education lenders like Sallie Mae already show an increase in defaults.

The national default rate, which stood at 5.2% in FY 2006, has gradually come down from its 1990 level of 22.4%, thanks in part to changes in the definition of a default. A loan used to be in default if there was no payment for 120 days, then it became 180 days; now it's 270 days.

Wisconsin employers can take some solace because the state's 81 schools report the second lowest default rate in the nation (2.3%). But George believes the existing default rates are misleading. Until now, the officially reported cohort default rates have been a two-year snapshot, but the Department of Education is moving to a three-year view. Part of the reason, George said, is that a two-year window camouflages a lot of delinquency and default because of the fairly extended deferment and forbearance periods.

"If you measure the life-of-the-loan default rates for student loans, they are significantly higher than the reported cohort default rates," he explained. "While they vary substantially



The minimum FICO credit score required to get a loan has increased, and lenders are requiring more borrowers to have credit worthy co-signers. FICO is a credit scoring system produced by the Fair Isaac Corp., and it's used by credit reporting organizations to represent a consumer's financial risk to potential lenders.

Thanks in part to declining home values, home equity borrowing for education expenses have been constricted, George added. This increased the demand for private loans just as the credit requirements for these loans were tightened for borrowers and co-signers.

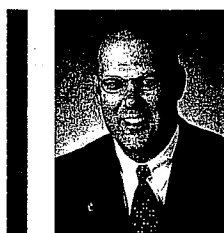
In this environment, even people with decent credit scores are impacted. "We've heard some incredible stories about students with credit scores of 740, which is a pretty high credit score, who aren't qualifying for financial aid," Dies said. "I think that's an indication of just how much the market has changed."

Private scholarships have been flat to slightly increasing, compared to a steady increase in previous years, Kantrowitz said. So while there isn't a decline in private scholarships, the pool of money is not growing to meet the increased

vestment returns to keep pace with tuition inflation. That works well when the stock market is rising, but last year's 38% drop in the S&P 500 was unprecedented and more severe than any of the plan's actuarial models, which take into account a market fall during any 10-year period, had considered.

Not only are the returns headed in the wrong direction, the prospect of hyper tuition inflation could squeeze prepaid tuition plans from the other direction. In any recession, state income tax revenues decrease and components of state budgets are cut. One of the first items cut is state support of higher education, which forces public colleges to raise tuition. "You tend to see, in a recession, a very sharp increase in public college tuition inflation," Kantrowitz explained.

The only thing that could moderate this, he said, is a maintenance-of-effort clause in the American Recovery and Reinvestment Act that requires states to maintain support of higher education at FY 2006 levels in 2009, 2010, and 2011. Tuition will still increase to some extent, but this clause may prevent significant cuts in higher education.



**"We've heard some incredible stories about students with credit scores of 740, which is a pretty high credit score, who aren't qualifying for financial aid."
– David Dies**

among institutions, both in terms of the type of institution – proprietary, two-year, four-year, public, and private – and the quality of the institutions, they are in every case substantially higher than the reported cohort default rates.”

For the top quartile of four-year, public universities, where the reported cohort default rates are probably less than two percent, George said the life-of-the-loan default rate is probably five times that “and well in excess of 10 percent.” As you get out into the proprietary sector and the lower-quality proprietary sector, the life-of-the-loan default rates are probably upwards of 30 percent or more, he added.

In addition, the average balance of indebtedness (ABI) for borrowers is increasing at a much more rapid rate than the growth in incomes, George noted. In the long run, a substantially higher growth rate for debt levels than incomes will expose more borrowers to unsustainable stress levels.

The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 amended the bankruptcy code to make student loans non-dischargeable in bankruptcy. Unless students can prove undue hardship – a somewhat arduous task – their student loan debt is not dischargeable in an adversarial proceeding, either. At that point, they will be subject to rigorous collection activities, including administrative wage garnishment, tax offsets (including any tax refunds), income-based repayment, and other resolution methodologies.

Why should employers care about default rates? When employees are in financial difficulty, it can affect their work performance. George said Employee Assistance Plan providers report that the single biggest reason for them to be called into counseling for employees is based on family stress associated with debt.

“When we have employees who are feeling financial stress, workforce performance is directly impacted,” George said. “What we’re seeing from the EAP providers is that financial stress has now become the number one reason for counseling intervention by the EAP providers, and that’s a change that has occurred in the last two years.”

The student experience

Herzing University’s 2007 draft default rate, an initial rate that can be challenged, is 8%; in recent years, Herzing’s actual default rate has ranged from 6 to 11%. Faga acknowledges that she is very nervous about the default rate at Herzing, where most of the 250 on-campus students – not counting another 800 or so online students – rely on direct loans to help cover tuition costs. “I can just see the loan indebtedness that these students have to take out becoming greater and greater,” she said, “and because of the economy, a lot of the students also are using additional financial aid for living expenses because they are losing jobs. Loan

indebtedness is becoming a big issue, I think.”

To add to their stress, the decline of the financial markets is keeping a lot of older workers in the workforce longer than they had anticipated, which means that the normal job openings that would become available as those older workers retire – openings that would create opportunities for new college graduates – are not occurring. “A lot of people are going to be staying where they are, given losses in the stock market and in other financial instruments,” George predicted.

Herzing student Jesse Sole, 25, who is pursuing a bachelor’s degree in computer science, expects to incur \$35,000 in federal student loan

debt before becoming a full-time worker in about one year. Since he’s doing a four-month internship for Gillware, a Madison-based data recovery company, he might be one of the fortunate students to land a job upon graduation.

His fellow students, who range in age from the early 20s to people in their 40s, have mixed levels of economic anxiety. The younger students are so busy with school and holding on to part-time jobs that help pay their education bills, they don’t dwell on the condition of the job market as much as older classmates.

“It’s not that we’re not concerned,” Sole said, “it’s just that we don’t feel we have the time to be concerned or worry about it.” Yet. ■

forté

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UPDATE



March 24, 2009

Where the Jobs Are: Demand for employees remains high in some industries.

by Brian D'Ambrosio

Economic downturns force us to reevaluate our pasts and redirect our futures — and as unemployment rises, many of us are doing just that. The Dane County unemployment rate is up to 3.9% from 3.1% one year ago, and the steely pins of downsizing and termination continue to poke holes through the veneer of Madison's recession-proof bubble.

It is not all gloom and doom, though, as certain occupations remain robust and continue to hire.

The hottest job and educational program in Madison is in nursing, says Alfonso Studesville, a counselor at Madison Area Technical College. "Everybody wants to get into nursing," he explains. "That's because nationwide there's a shortage of about 266,000 nurses, primarily because so many of them are retiring or getting older and only working part-time."

This nursing boom is the result of the longevity of America's seniors. As the senior population ages, it demands and expects more accessible health care resources. Baby Boomers are now pushing into their senior and retirement years at a time when the centenarian population is at record-high levels and hospitals across the nation are experiencing nursing shortages.

"The allied health fields are strong because of an aging population that's not limited to Madison but statewide and nationwide," says David Dies of The Wisconsin Educational Approval Board (WEAB), a postsecondary education agency in charge of performing annual reviews of schools.

Studesville explains that the economy "is in survival mode right now" and urges people not to hesitate when switching careers. "It's a mistake to wait and delay on making a decision," said Studesville. "We have people who are fresh out of work just now coming in. We have long waiting lists so it is not as if you can start tomorrow. Think ahead."

Herzing and MATC both have extensive wait lists for nursing. The wait list at MATC "is at least a few years," says Studesville. The starting pay for a nurse in the Madison area, varying on the hospital, he adds, is between \$45,000 and \$60,000.

Computer technician and support jobs are still in high demand in the Madison market. "They are not going away and that's for sure," says Dies. "Madison's unique because we've got the university and so many non-profit and profit organizations, and the state government, and a lot of cutting edge work here that needs technical support."

High demand notwithstanding the job security of computer technicians links tightly to the broader economy, making it more susceptible than nursing to the same mercurial economic ebbs and flows felt nationwide. "While still a good career choice," says Studesville, "techs are still seeing the same layoffs here and elsewhere."

Studesville reveals that the third-highest demand he sees is coming from the travel and tourism and service industries. "When the economy weakens, people tend to stay local and flock to the local indoor water parks and places."

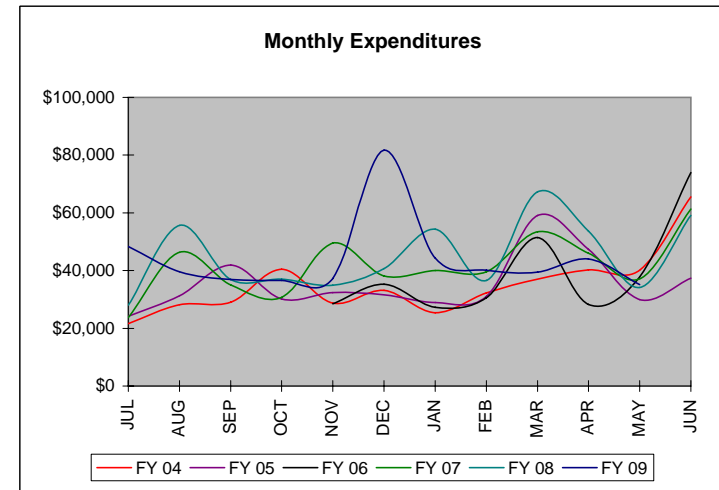
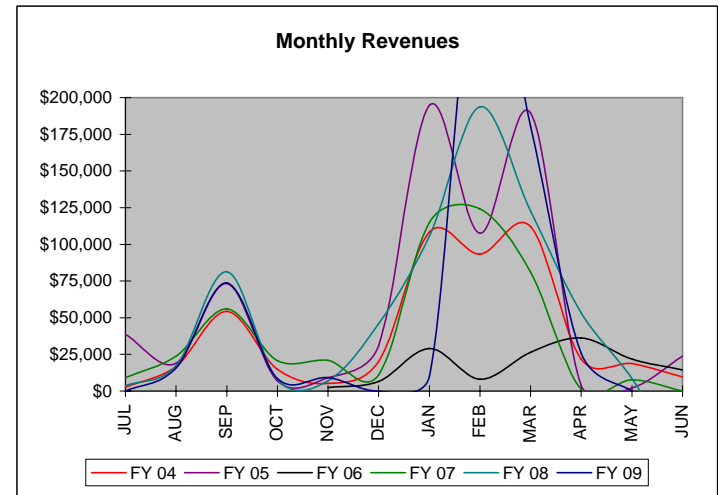
Dies and Studesville agree that the best way for job seekers to finesse their way through the current economic downturn is to adapt and adjust their skills to changing social, economic and business conditions. "Your education is your passport to do all the things you wish for," says Studesville. "In times like these you have to be ready, prepared and have the right credentials."

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Educational Approval Board

Operating Revenue/Expenditure Tracking

	Revenues	Change	Expenditures	Change		Revenues	Change	Expenditures	Change		
FY 02	JUL				FY 06	JUL	Expenditure / Revenue information is not available due to the EAB's administrative attachment being transferred to the WTCBSB from the DVA.				
	AUG	Data was not tracked prior to 11/01.					AUG				
	SEP						SEP				
	OCT						OCT	146552	⁹	124185	⁹
	NOV	131500		99200		NOV	148902	2350	152693	28508	
	DEC	146700	15200	124200	25000	DEC	155411	6509	187913	35220	
	JAN	229200	82500	148200	24000	JAN	184441	29030	215190	27277	
	FEB	358000	128800	184100	35900	FEB	192571	8130	245829	30639	
	MAR	398500	40500	213400	29300	MAR	219021	26450	297247	51418 ¹⁰	
	APR	430400	31900	240200	26800	APR	255313	36292	325518	28271	
	MAY	438400	8000	309200	69000 ^{1,2}	MAY	277137	21824	363317	37799	
	JUN	442500	4100	332800	23600	JUN	291607	14470	437223	73906	
FY 03	JUL	21300	21300	16200	16200 ⁴	FY 07	JUL	9100	9100	23674	23674
	AUG	62900	41600	41100	24900		AUG	32800	23700	69970	46296 ¹
	SEP	111600	48700	68800	27700		SEP	88750	55950	104987	35017
	OCT	131800	20200	104100	35300 ¹		OCT	109500	20750	135739	30752
	NOV	160000	28200	138400	34300		NOV	130500	21000	185283	49544
	DEC	171246	11246	167310	28910		DEC	141300	10800	223424	38141
	JAN	310900	139654	194200	26890		JAN	256193	114893	263405	39981
	FEB	480500	169600	224200	30000		FEB	380199	124006	303027	39622
	MAR	536100	55600	263900	39700 ^{3,10}		MAR	461225	81026	356498	53471 ¹
	APR	557200	21100	293500	29600		APR	462480	1255	402558	46060 ¹⁰
	MAY	565300	8100	330800	37300 ¹		MAY	470180	7700	439674	37116
	JUN	595500	30200	374700	43900 ²		JUN	470280	100	501016	61342
FY 04	JUL	2700	2700	21600	21600 ⁴	FY 08	JUL	3800	3800	28077	28077
	AUG	19500	16800	49800	28200		AUG	21000	17200	83738	55661 ¹
	SEP	73900	54400	78800	29000		SEP	102300	81300	120608	36870
	OCT	88800	14900	119300	40500 ¹		OCT	110150	7850	157642	37034
	NOV	94000	5200	148000	28700		NOV	117150	7000	192604	34962
	DEC	114100	20100	181100	33100		DEC	162850	45700	233332	40728
	JAN	222400	108300	206500	25400		JAN	268487	105637	287666	54334 ¹
	FEB	315800	93400	238800	32300		FEB	462254	193767	324300	36634
	MAR	427900	112100	275800	37000		MAR	585039	122785	391620	67320 ²
	APR	449657	21757	316068	40268 ¹⁰		APR	638577	53538	445230	53610 ¹⁰
	MAY	468439	18782	356174	40106		MAY	647027	8450	479390	34160
	JUN	478001	9562	421650	65476 ^{1,2}		JUN	598127	-48900	538431	59041 ¹¹
FY 05	JUL	38692	38692 ⁵	24192	24192 ⁴	FY 09 ¹²	JUL	0	0	48343	48343 ¹
	AUG	57672	18980	55463	31271		AUG	15710	15710	87889	39546
	SEP	131022	73350	97375	41912		SEP	89490	73780	124812	36923
	OCT	138062	7040	127528	30153		OCT	98070	8580	161351	36540
	NOV	147132	9070	159897	32369		NOV	107130	9060	198637	37286
	DEC	177958	30826	191451	31554		DEC	107130	0	280313	81676 ^{1,2}
	JAN	372732	194774 ⁸	220382	28931		JAN	117110	9980	324701	44388 ²
	FEB	480320	107588 ⁶	251393	31011		FEB	440371	323261	364840	40139
	MAR	669858	189538 ⁷	310460	59067 ^{1,10}		MAR	621055	180684	404273	39432
	APR	673778	3920	357776	47316 ²		APR	646907	25852	448277	44004
	MAY	675958	2180	387724	29948		MAY	646907	0	483373	35097
	JUN	699738	23780	425089	37365		JUN				



Footnotes

- ¹ Three (3) Pay Periods in Month
- ² Administrative Services Agreement / Rent Payment
- ³ Contract Pay Adjustments
- ⁴ Only One (1) Payroll Posted in Month
- ⁵ Reflects Sawyer College Bond Recovery of \$23,837
- ⁶ Includes Student Protection Fees of \$11,663
- ⁷ Includes Student Protection Fees of \$20,177
- ⁸ Includes Student Protection Fees of \$23,906
- ⁹ Reflects Transferred Revenues & Expenditures
- ¹⁰ Includes Directory Costs
- ¹¹ Revenues Reflect SPF Restoration; ~\$10,000 of 235 Expenses are not reflected.
- ¹² Beginning w/ FY 09, figures reflect appropriations 220 & 235.

3

EDUCATIONAL APPROVAL BOARD

BOARD MEETING

JUNE 9, 2009

SCHOOL APPROVAL ISSUES

SUMMARY

The attached activity report summarizes administrative actions taken by staff since the last board meeting regarding schools subject to Educational Approval Board (EAB) oversight. In addition, this paper provides information about specific schools or school issues that warrant being brought to the attention of board members.

DISCUSSION

None.

RECOMMENDATION

EAB staff recommends the board approve items "A" through "I" of the attached school activity report.

EDUCATIONAL APPROVAL BOARD

ADMINISTRATIVE ACTIONS REPORT

March 7, 2009 – June 4, 2009

This report describes the activities that EAB staff performed in response to the board's oversight role under s.38.50, *Wis. Stats.*

SCHOOL ACTIONS

A. *New School Approval:*

- ACE for Professionals, LLC, Olathe, KS
The Life Pre-Licensing Training course is designed to take a student from the early steps of the Life licensing process through the concepts, terminology, and product understanding necessary to complete the certification for Pre-Life licensing in Wisconsin. Upon successful completion, the student will be provided with a certificate and the credentials necessary to provide to the state of Wisconsin.
- Globe University, La Crosse, WI
The mission of Globe University is to provide education that enables its graduates to reach their career and life goals. The University invests in its students by providing knowledge and skills to support immediate employment goals and credentials, and provide a foundation for career opportunities.
- Swan College, Green Bay, WI
The mission of Swan College is to insure that both traditional students and those born without economic privilege have the same chance to contribute to the vitality of their community and graduate qualified to perform in their professions with a higher standard of excellence.

B. *New Teaching Location:*

- ACE for Professionals, LLC
 - 19601 W. Bluemound Road # 110, Brookfield, WI 53045
 - Ramada Inn, 205 S. Barstow, Eau Claire, WI 54701
- Globe University - La Crosse
 - 2651 Midwest Drive, Onalaska, WI 54650
- Heating and Cooling Academy
 - 12528 W. Hampton Avenue, Butler, WI 53007
- Herzing University - Kenosha
 - 4006 Washington Road, Kenosha, WI 53144-1502 (Provisional Approval)
- Insurance Agent Prelicensing School
 - Primerica Financial Services, 2800 Royal Ave., Monona, WI 53716
- ITT Technical Institute - Greenfield
 - Wyndham Milwaukee Airport & Convention Center
4747 S. Howell Ave., Milwaukee, WI 53207
- Liberty Tax Service
 - N95 W18419 County Line Road, Menomonee Falls, WI 53051
 - 2350 E. Washington Avenue, Madison, WI 53704
- Swan College
 - 1221 Bellevue Street, Green Bay, WI 54302

- Wick Insurance Services
 - Bankers Life and Casualty, One Corporate Drive, Suite 106, Wausau, WI 54401

C. School Name Change: None

D. Change of Ownership: None

E. Denial/Withdrawal/Exemption of Approval:

- St. Joseph's Hospital - School of Radiography - Exemption
- University of Southern California Rossier School of Education - Exemption

F. Sanctions/Revocations: None

PROGRAM ACTIONS

G. New Program Approval:

- ACE for Professionals, LLC
 - Life Pre-Licensing Training, 20 Hours
- Bryant & Stratton College
 - A.A.S. – Interactive Media Design, 60 Semester Credits
 - B.S. – Financial Services, 120 Semester Credits
- Capella University
 - Doctor of Philosophy in Public Administration, 92 Quarter Credits
 - Master of Science in Public Administration, 48 Quarter Credits
 - Bachelor of Science in Public Administration, 180 Quarter Credits
 - Master of Science in Nursing: Educator and Bridge Educator, 65 and 84 Quarter Credits
 - Doctor of Philosophy in Business, 120 Quarter Credits
- Globe University – La Crosse
 - A.A.S. – Accounting & Tax Specialist, 107 Quarter Credit Hours
 - A.A.S. – Business Administration, 94 Quarter Credit Hours
 - A.A.S. – Criminal Justice, 91 Quarter Credit Hours
 - A.A.S. – Information Technology, 91 Quarter Credit Hours
 - A.A.S. – Interactive Media and Graphic Design, 99 Quarter Credit Hours
 - A.A.S. – Management Accounting, 91 Quarter Credit Hours
 - A.A.S. – Massage Therapy, 90 Quarter Credit Hours
 - A.A.S. – Medical Administrative Assistant, 91 Quarter Credit Hours
 - A.A.S. – Medical Assistant, 99 Quarter Credit Hours
 - A.A.S. – Paralegal, 108 Quarter Credit Hours
 - A.A.S. – Sales & Marketing, 93 Quarter Credit Hours
 - A.A.S. – Veterinary Technology, 108 Quarter Credit Hours
 - B.S. – Accounting, 182 Quarter Credit Hours
 - B.S. – Business Administration, 181 Quarter Credit Hours
 - B.S. – Business Management, 181 Quarter Credit Hours
 - B.S. – Health Care Management, 181 Quarter Credit Hours
 - B.S. – Information Technology, 181 Quarter Credit Hours
 - B.S. – Media Business, 183 Quarter Credit Hours
 - B.S. – Paralegal, 182 Quarter Credit Hours
 - Diploma – Accounting, 56 Quarter Credit Hours
 - Diploma – Business Administrative Assistant, 43 Quarter Credit Hours

- Globe University – La Crosse - Continued
 - Diploma – Legal Administrative Assistant, 67 Quarter Credit Hours
 - Diploma – Massage Therapy, 48 Quarter Credit Hours
 - Diploma – Medical Administrative Assistant, 59 Quarter Credit Hours
 - Diploma – Medical Assistant, 73 Quarter Credit Hours
 - MBA – Business Administration, 54 Quarter Credit Hours
 - Post-Baccalaureate Certificate – Paralegal, 36 Quarter Credit Hours
- Kaplan University
 - A.S. – Interdisciplinary Studies, 90 Quarter Credits
 - A.A.S. – Accounting, 90 Quarter Credits
 - A.A.S. – Global Travel and Hospitality Management, 90 Quarter Credits
 - A.A.S. – Medical Assisting, 92 Quarter Credits
 - A.A.S. – Medical Office Management, 91 Quarter Credits
 - A.A.S. – Medical Transcription, 90 Quarter Credits
 - A.A.S. – Human Services, 90 Quarter Credits
 - B.S. – Accounting, 180 Quarter Credits
 - B.S. – Business Administration, 180 Quarter Credits
 - B.S. – Liberal Studies, 180 Quarter Credits
 - B.S. – Health and Wellness, 180 Quarter Credits
 - B.S. – Health Science, 180 Quarter Credits
 - B.S. – Nutrition Science, 180 Quarter Credits
 - B.S. – Human Services, 180 Quarter Credits
 - B.S. – Psychology, 180 Quarter Credits
- Herzing College (University)
 - B.S. – Marketing, 124 Semester Credit Hours
 - B.S. – Entrepreneurship, 124 Semester Credit Hours
 - B.S. – International Business, 124 Semester Credit Hours
- ITT Technical Institutes
 - A.A.S. – Construction Technologies, 96 Quarter Credit Hours (Indianapolis)
 - A.A.S. – Paralegal Studies, 96 Quarter Credit Hours (Green Bay, Greenfield, Madison, Indianapolis)
 - A.A.S. – Software Development Technologies, 96 Quarter Credit Hours (Green Bay, Greenfield, Madison)
 - B.S. – Project Management, 180 Quarter Credit Hours (Green Bay, Greenfield, Madison, Indianapolis)
 - B.S. – Software Application Development, 180 Quarter Credit Hours (Green Bay, Greenfield, Madison)
- PC ProSchools, Inc.
 - Help Desk Professional, 152 Hours
- Rasmussen College
 - A.A.S. – Exercise Science, 98 Quarter Credits
 - A.A.S. – Human Services, 90 Quarter Credits
- Swan College
 - NCCER Craft Training 1, 8 Weeks
 - NCCER Craft Training 2, 16 Weeks
 - NCCER Craft Training 3, 24 Weeks
- TechSkills, LLC
 - Cisco Certified Entry Network Technician (CCENT), 4 Lessons
 - Microsoft Certified Technology Specialist – Single (MCTS-1), 9 Lessons

- TechSkills, LLC - Continued
 - Microsoft Certified Technology Specialist – SQL Server (MCTS-SQL), 8 Lessons
 - Microsoft Certified Technology Specialist – Web Applications (MCTS-WebApps) 13 Lessons
 - Microsoft Certified Technology Specialist – Windows Applications (MCTS-WinApps) 13 Lessons
 - Microsoft Certified Application Specialist (MCAS), 16 Lessons
 - Microsoft Certified IT Professional Database Administrator (MCITP-DBA), 19 Lessons
 - Microsoft Certified IT Professional Database Designer (MCITP-DD), 16 Lessons
- University of St. Francis
 - Doctor of Nursing Practice, 40-43 Semester Hours

H. Revised Program Approval:

- Kaplan University
 - A.A.S. – Business Administration, 90 Quarter Credits

I. Program Name Change: None

OTHER ACTIVITY

J. Site Visits:

- Bar Tending Academy, Madison, WI – 5/12/09
- Bryant & Stratton College, Milwaukee, WI – 3/26/09
- Fox Valley School of Massage, Neenah, WI – 4/13/09
- Fox World Travel School, Oshkosh, WI – 4/29/09
- Greater Milwaukee Dental Assistant School, West Allis, WI – 3/28/09
- Horizon School of Veterinary Assisting, Appleton, WI – 5/5/09
- Kanyakumari Ayurveda Education & Retreat Center, Milwaukee, WI – 5/16/09
- Kaplan College, Milwaukee, WI – 3/25/09
- LADA Driver School, LLC, Shorewood, WI – 5/13/09
- Lakeside School of Massage Therapy, Milwaukee, WI – 3/17/09
- Midwest Power Yoga School, Appleton, WI – 5/5/09
- Motorcycle & Marine Mechanics Inst., Orlando, FL – Teleconference – 4/17/09
- PC ProSchools, Inc., Brookfield, WI – 4/21/09
- TechSkills, LLC, Madison, WI – 5/12/09
- Therasage EMC, Janesville, WI – 4/29/09
- Weekend Dental Assistant School, Appleton, WI – 4/25/09
- Wisconsin School of Professional Pet Grooming, Inc., Okauchee, WI – 5/22/09

K. Complaints Handled:

- *Kirkpatrick v. Kaplan University* – full refund to the student
- *Myers v. PC Productivity, Inc.* – complaint happened 4 years ago - no further action needed
- *Walker v. Kaplan University* – school clarified to student’s satisfaction
- *Gonzalez v. Stratford Career Institute* – full refund to the student
- *Damon v. University of Phoenix* – student received application fee refund
- *Uchytel v. Ellis College* – \$850 tuition charged was cancelled by school.

4

EDUCATIONAL APPROVAL BOARD

BOARD MEETING

JUNE 9, 2009

2009-11 BIENNIAL BUDGET

SUMMARY

The Governor submitted his proposed 2009-11 biennial budget on February 17, 2009. It was introduced by the Joint Committee on Finance (JCF) as Assembly Bill 75. Work on the budget was completed by the JCF on May 31, and the bill is now awaiting action in each house of the legislature.

BACKGROUND

When the Governor submitted his proposed 2009-11 biennial budget, it assumed a structural deficit of \$5.7 billion in the coming biennium. To address the deficit, the Governor's budget included provisions that would require the EAB to lapse \$5,900 in each fiscal year of the biennium. This amount represents one percent of the adjusted base for the EAB's combined appropriations.

In the few months since the Governor submitted his budget, the state's fiscal condition has worsened significantly. On May 7, the Governor announced that a series of additional reductions would be necessary to close an additional \$1.6 billion funding gap. Details of those reductions were announced May 22 during a joint press conference with the Governor and legislative leaders.

DISCUSSION

Based on the limited information presently available, it appears that the following reductions will be made to the EAB's budget, in addition to those already included in the budget originally submitted by the Governor.

- Rescind the 2% General Wage Adjustment (GWA) effective June 7, 2009 – \$7,400
- Furlough all employees for 8 days in each of the next two fiscal years – \$11,400
- Impose an additional 5% across-the-board general cut on top of the 1% – \$30,400

Combined with the 1% reduction of \$5,900 included in the Governor's budget, the total reductions amount to \$55,100. Given that the EAB's total supplies and services budget is only \$76,900, the magnitude of these reductions is enormous and will have a very significant impact on the agency.

Unfortunately, details of the exactly how the reductions will be applied and what flexibility agencies will have in managing them remain unclear. For instance, budget officials do not know if the reductions will result in reduced expenditure authority, or if agencies will simply need to lapse the amount identified. It is also unclear if the specific reduction tied to

rescinding the 2% GWA will be adjusted should the respective unions reject the request to give it back, which at this time seems very unlikely.

The rationale of funding the EAB with program revenue was to create a self-sustaining way to regulate private postsecondary education independent of taxpayer support. By design, as the amount of work increases, so do the revenues. In such a market-driven system, the increased revenue is used to support the additional work being performed, either through hiring additional staff or other means (e.g., improved technology). Unfortunately, the decisions being made to address the state's fiscal crisis do not reflect this reality.

Like many governmental agencies, the EAB is service intensive (less than 14% is allocated to the supplies and services line). While every effort will be made to protect a reduction in its workforce, the EAB has limited options to address the type of budget reductions being imposed. The following table is a detailed summary of projected year-end FY 09 expenditures, excluding salary and /fringe for classified staff.

Expense Item	Budgeted	Expended
LTEs (Administrative Support)	\$41,800	\$24,200
IT Support (DVA)		\$7,633
Legal Counsel (DVA)		\$6,753
Publications & Subscriptions		
- Chronicle of Higher Education		\$70
- Wisconsin State Journal		\$124
- Postsecondary Education Opportunities Bulletin		\$178
- Career Education Review		\$229
- Zoomerang (online surveys)		\$350
Directory		
- Printing		\$12,500
- Postage		\$2,000
Newsletter		
- Printing		\$1,500
- Postage		\$1,100
Professional Development/Training		\$1,600
Office Equipment		\$2,568
Board Meetings		\$1,400
Annual Approved Schools Conference		
- Hotel/Food		\$4850
- Speakers		\$3600
- Supplies		\$200
- Webcast		\$1,000
NASASPS		
- Annual Dues		\$495
- Conference		\$1,775
- Workshop		\$1,250
Rent		\$20,200
School Visits (Travel)		\$2,400
DOA Allocated Fees		\$1,100
Postage (General)		\$1,250
Office Supplies		\$1,600
Copier		\$425
Criminal Background Checks		\$200
Phones		
- State Telecom		\$300
- Long Distance		\$2,000
- Cell		\$50
TOTAL (Excluding LTE)	\$76,900	\$80,700

EDUCATIONAL APPROVAL BOARD

BOARD MEETING

JUNE 9, 2009

CLOSED SESSION

SUMMARY

Under s.19.83, *Wis.Stats.*, every meeting of a governmental body must be held in open session, unless the body, upon motion duly made and carried, convenes in closed session under an exemption provided in s.19.85, *Wis. Stats.* Consideration of employment, promotion, compensation, or performance is one category of exemption provided for under the law.

BACKGROUND

In accordance with state law, "[n]o motion to convene in closed session may be adopted unless the chief presiding officer announces to those present at the meeting at which such motion is made, the nature of the business to be considered at such closed session, and the specific exemption or exemptions under this subsection by which such closed session is claimed to be authorized."

To convene in closed session, the following statement should be read:

A motion will be entertained 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.*

The motion must be carried by a majority vote in such manner that the vote of each member is ascertained and recorded in the minutes. Such announcement shall become part of the record of the meeting. No business may be taken up at any closed session except that which relates to matters contained in the chief presiding officer's announcement of the closed session.

RECOMMENDATION

Although not required, the board may choose to convene in closed session for purposes of discussing the performance of the EAB executive secretary.

EDUCATIONAL APPROVAL BOARD

BOARD MEETING

JUNE 9, 2009

EXECUTIVE SECRETARY PERFORMANCE & COMPENSATION

SUMMARY

The board is required to evaluate the performance of the EAB executive secretary prior the end of the current fiscal year (June 30, 2009) and approve general wage adjustments contained in the state's compensation plan.

BACKGROUND

State personnel rules require the performance of employees to be evaluated at least once annually. The EAB board has developed a performance planning and development (PPD) report (see separate agenda item and information under Tab 6) that serves as the tool by which it evaluates the executive secretary. The EAB executive secretary is classified as an administrative manager (81-01).

The awarding of General Wage Adjustments (GWA) for non-represented employees is linked to performance. Unless an employee has failed to perform satisfactorily, the employee is eligible for the GWA. The GWA amount is established by the Legislature in the state's compensation plan.

Following a May 27, 2008 meeting of JCOER and subsequent action by the Legislature, the previously approved 2.0% GWA increase effective July 6, 2008 was reduced to 1.0%. In addition, the 1.0% GWA increase effective April 12, 2009 was eliminated, and replaced with a 2.0% GWA effective June 7, 2009. Unfortunately, given the fiscal conditions facing the state, the Governor and Legislature recently rescinded the 2.0% GWA scheduled to go into effect on June 7.

Moreover, the EAB board is precluded from considering a discretionary compensation adjustment (DCA). The DCA allows the appointing authority to recognize increased competencies, pay equity, retention needs, changes in job duties, or meritorious performance. However, the Governor has directed the Office of State Employment Relations to indefinitely suspend the awarding of DCAs.

RECOMMENDATION

No action is necessary.

EDUCATIONAL APPROVAL BOARD

BOARD MEETING

JUNE 9, 2009

PERFORMANCE PLANNING AND DEVELOPMENT REPORT

SUMMARY

The board is required to evaluate the performance of the EAB executive secretary prior the end of the current fiscal year (June 30, 2009).

BACKGROUND

Board members were asked to provide the EAB chair with comments regarding the performance of the executive secretary. Those comments have been reviewed and compiled in the PPD.

RECOMMENDATION

The board should review and adopt the PPD report compiled by the EAB chair.

NOTE: The compiled PPD report will be provided to board members seperately.