

EDUCATIONAL APPROVAL BOARD MEETING

February 15, 2017
1:30 p.m.
431 Charmany Drive
Conference Room B
Madison, WI

Members Present: Don Madelung, Jo Oyama-Miller

Crystal Cook, Mark Kapocius, Omar Parks, William Roden (*via teleconference*)

Members Absent: Robert Hein

Others Present: David Dies, Derek Field, Anna Fosdick, Blanca James, Casey Wachniak, *Educational Approval Board*; Mark Sommerhauser, *Wisconsin State Journal*

Sharon Johnson, *Educational Approval Board*; Nathaniel Orpen, *Rasmussen*; Brienne Stansberry, *Embry-Riddle Aeronautical University*; Jeanne Herrmann, *Globe University (via teleconference)*

The chair of the Educational Approval Board (EAB), Don Madelung, called the meeting to order at 1:44 pm. Roll call was taken. A quorum was present.

BOARD CHAIR'S REMARKS

Mr. Madelung stated the special meeting was called by the EAB to look at the Governor's budget proposal to eliminate the EAB and transfer its functions to another agency. The proposal is similar to a proposal in the last budget, which would have consolidated the EAB into another agency.

Mr. Madelung thanked the Governor for appointing board members to the EAB. He noted the members take their positions seriously; and if he could consult with the governor, he would advise him to take a closer look at the EAB, which has been in existence since 1957, and the value board members add to the oversight process. He also noted the seven-member board is made up of individuals with diverse backgrounds and experience on evaluating institutions. Unfortunately, that will go away under this proposal.

PUBLIC COMMENT

There was none.

BUDGET RECOMMENDATION TO ELIMINATE THE EAB

Mr. Dies provided an overview of the materials prepared for the board meeting, which included a brief history of the EAB and background information on the proposal that was included in the previous budget. The material also discussed some of the advantages and disadvantages of the proposal.

Mr. Dies talked about how the budget proposal is different from what was proposed in the last budget. While the EAB would be eliminated under the current budget proposal, its functions would be transferred to the Department of Safety and Professional Services (DSPS). In the last budget, the EAB's functions largely would have been eliminated.

Based on a review of the statutory language contained in the budget bill, the new governance structure would be absent of external expertise. At the same time, the existing positions will be eliminated and staff presumably will be laid off. While the budget contains language that addresses the transfer of EAB assets, liabilities, tangible property, there is no discussion about transferring staff. However, there is a corresponding increase of position authority at DSPS

Based on his conversations with budget staff at the Department of Administration, it will be up to DSPS how positions are allocated. They could choose to allocate them to the functions being transferred, or they could decide a fewer number is needed to perform those functions and reallocate some elsewhere within the agency. Mr. Dies indicated he has reached out to DSPS management to open a dialogue about their understanding and intent of the proposal, as well as the transition process.

Mr. Madelung expressed concern about the timing of the proposed change. He noted that the EAB may not dissolve until 2018. If there are no guarantees for staff to secure the positions at DSPS, they may not stick around to help with a transition. Mr. Dies responded that it would be a risk faced by EAB staff who help with the transition.

Mr. Dies also clarified that the EAB elimination would be effective January 1, 2018 based on language in the budget, which is six months into FY 18. While the budget should be finished by June 30, there have been years where that has not occurred. Given some of the large issues facing the legislature, such as transportation, Speaker Voss has said he is willing to push the budget off until October, which could significantly compress any transition period. However, the EAB will have some indication sometime in late May or early June when the finance committee concludes its work on the budget.

Mr. Madelung indicated the change is only a proposal at this time that will be considered by the Legislature. He identified the three options for the board to consider:

1. Support the proposal and dissolving of the board;
2. Oppose the proposal and ask the Legislature remove the proposal from the budget; or
3. Remain neutral on the proposal.

Ms. Oyama-Miller suggested the board also could offer another option: to address the issues of why the Governor is proposing this change; to look at efficiencies, the assumption that DSPS has the same or similar oversight as the EAB; and the oversight and authorization of private, postsecondary institutions. Perhaps the board would propose being attached to DSPS the same way it is currently attached to the Wisconsin Technical College System Board (WTCSB). This attachment would be for a period of time to assess the differences and similarities between the two agencies. She said evaluating institutions for oversight is totally different from credentialing of individuals for occupations

Mr. Roden agreed with Ms. Oyama-Miller and the differences between the two agencies needs to be communicated to the legislature. Ms. Cook said it was unfortunate there is confusion about the different roles that DSPS and EAB play. Mr. Kapocius stated he shares the sentiments of other board members, and his concern is that the actual mission will get lost in the shuffle of a large agency with competing priorities, as will the interests of students, schools, and ultimately taxpayers. Mr. Parks said his concern is the potential loss of institutional, historical knowledge if employees not transferred. This will have a substantial impact on consumer protection both for students and the institutions that the EAB serves.

Ms. Oyama-Miller added that if the transfer does occur, things that are unique to the EAB like the EAB's proactive consumer protection focus, which is aimed at protecting both students and schools, may be lost. She is also concerned that the EAB would lose its standing among peers as an innovative regulator. She said if the EAB is going to be absorbed by DSPS, they need to be sure that these critical things are maintained. She noted that the board should have representatives from DSPS at the next EAB board meeting so that the board can feel DSPS understands the mission involved. She also noted that other DSPS professional regulation boards have advisory or other kinds of boards that oversee their profession. If DSPS is going to take on proprietary education schools, they need to create a board that will be able to oversee it just like any other credential board.

In response to a question by Mr. Madelung as to whether the DSPS' different licensing categories have boards underneath them, Mr. Dies said many do but not for all of the professions DSPS oversees. He also pointed out that there is also a provision in the budget elsewhere that establishes a committee/commission that is going to be charged with examining all professions that are currently regulated by DSPS and determine whether those professions need to be regulated.

Mr. Dies commented that board members had not discussed the administrative efficiencies of the proposal and wanted to make sure board members were aware of them. He gave several examples of efficiencies DSPS could provide, such as access to legal counsel and digitalizing of records. He also mentioned the possibility of DSPS being able to bridge some of the funding gap related to SARA when the full budget impact kicks in five to ten years down the road.

Mr. Dies noted that the EAB is scheduled to meet on March 7, and the finance committee is not likely to begin its review of the budget before then. He said the Legislative Fiscal Bureau, which prepares the budget papers, will not have papers ready until mid- March.

Mr. Dies reiterated the fact that he has reached out to DSPS, but there has been a recent change in leadership at DSPS where the secretary has been asked to move over to the Department of Transportation (DOT). Mr. Dies spoke with Eric Esser, the DSPS acting secretary, and was informed a new individual has been appointed as DSPS secretary, but it would take some time to get the individual up to speed agency issues. Mr. Dies said he was encouraged by the conversation, and that Mr. Esser has some sense of the magnitude of EAB functions and recognizes that a lot of work would need to be done and that there are a lot of unanswered questions. Mr. Dies said the board may want to delay making a decision until the March 7 meeting, but probably not beyond that date.

Mr. Madelung said that Mr. Dies raised some interesting questions. He said that unlike the last elimination proposal where the board was ready to face the assembly and the senate to hang on to the EAB and had the support of the majority of proprietary institutions, this is different. Times have changed, this is an absorption where there might be some benefit to not only schools and students as a protective agency, but also to staff allowing them legal counsel, record digitalizing, and bridging the gap of lost revenue from the impact of SARA. He said that Mr. Dies raised a good point by indicating that the board may have a little more time to digest the material; possibly have someone from DSPS who would want to attend the meeting to give the board their side and advantages the EAB will have by consolidating with them; and allow for the board to make its consideration to whether or not to make a strong appeal. He asked the board members how they would like to proceed.

Ms. Oyama-Miller said she thought proposed elimination requires more scrutiny both from the Governor's office and DSPS to ask and answer the questions. She does not feel the administrative efficiencies are enough during a time when, on a national level, schools are having tremendous problems and it is a cause for concern. She is in opposition of the bill unless they answer critical questions. Ms. Cook said she would prefer to wait until the March meeting. Mr. Roden said he did not see any benefit to students and applauds what the EAB has done. He said he would prefer to wait until the March meeting. Mr. Kapocius also said the board needs to have more information before making a decision. Mr. Park agreed that the board needs more information.

Mr. Madelung asked if there is an opportunity to have someone from the budget committee or DSPS to attend the March meeting to give the board some insight. Mr. Dies said that a letter with the board's questions under the chair's signature requesting the Governor's office (or someone from his administration) provide answers to their questions could be written. The goal of the March 7 meeting would be to have some from the administration respond to the concerns board members have expressed.

Mr. Madelung said, if the board ultimately supports or remains neutral, it will want to know not only how the EAB is going to be phased out, but also make sure it has things in place so that it can support the integrity and have a good transition between the two agencies so that staff is supported to the maximum.

Mr. Madelung asked whether the board could go into a closed session with DSPS to discuss the issues. Mr. Dies indicated it was unlikely, but he would investigate. Mr. Dies also provided information on changes for the March 7 board meeting in view of the current situation:

- As the result of an executive order on handling of public records and what constitutes a public record, staff has been directed to complete a webinar training on public records by the end of the month. The board is also subject to the same training, however, someone from DOA's legal counsel staff will be attending to conduct the training for board members. However, if the board goes away there is no need for the training and therefore this training will be postponed.
- The strategic planning session has been suspended. The consultants have held the date open in case there is a different sentiment from the board. However, Mr. Dies said he did not think there was any value to doing this at this point and wanted an indication from the board as to whether they wanted to keep the session. Board members agreed the session should be cancelled.
- Mr. Dies has asked the Human Resources person from the WTCSB to whom the EAB is attached to attend the meeting and give the board some guidance regarding the performance evaluation process that must be performed at the June meeting. He stated that the performance evaluation will need to take place regardless of the outcome of the budget proposal.

Per Mr. Dies' suggestion and board concurrence, the board members are to submit questions and concerns about the budget proposal to Mr. Dies who will draft a letter to the Governor under the signature of the chair. The DOA and DSPS secretaries will be copied on the letter since they likely will be the ones responsible for addressing the questions and concerns raised by the EAB.

ADJOURNMENT

A motion (Roden, Oyama-Miller) to adjourn was unanimously approved at 2:32 p.m.