

ARIZONA STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION
1400 W. WASHINGTON STREET, CONFERENCE ROOM B1
PHOENIX, AZ 85007

OCTOBER 24, 2013 BOARD MEETING MINUTES

Members present: Jason Pistillo, Chairman
Gary Damore Hank Radda
Trish Leonard (by phone) David Walser
KC Miller (by phone)

Also present: Teri Stanfill, Executive Director
Keith Blanchard, Deputy Director
John Tellier, Assistant Attorney General

I. CALL TO ORDER

Chairman Pistillo called the meeting to order at 10:00 a.m.

II. August 22, 2013 Board Meeting Minutes: Mr. Walser made a motion to approve the Minutes as submitted. Dr. Damore seconded the motion and the motion carried.

III. COMPLAINT: DISCUSSION AND POSSIBLE ACTION ON COMPLAINT #13-S012 ITT TECHNICAL INSTITUTE. Represented by Bryan Gottfredson, attorney for ITT and Gene McWhorter, Campus President by phone

Mr. Blanchard stated this Complaint was reviewed by the Complaint Committee on June 27, 2013 and voted to forward the complaint to the State Board. Mr. Blanchard summarized the Complaint.

Mr. Gottfredson stated the allegations in the Complaint are false and unsubstantiated. Mr. Gottfredson also stated that ITT is currently working with the Board of Nursing to enter into a Consent Agreement.

In response to Mr. Pistillo's question, Mr. Gottfredson stated he hoped the matter to be resolved in the near future.

Action: Mr. Pistillo made the motion to defer action pending the resolution of the Board of Nursing. Dr. Radda seconded the motion and the motion carried.

IV. CLASSIC COOKING ACADEMY: Discussion and Action on the 2013 Regular Vocational Program License Renewal and Complaint #13-NS501. No one was present to represent the institution.

Ms. Miller recused herself.

Ms. Stanfill briefly summarized license renewal and the history of the Complaint. Ms. Stanfill stated that Ms. Dionot has failed to respond to Staff in providing the required revisions to the

Catalog and Enrollment Agreement. Ms. Stanfill stated the license expired on December 31, 2013 (this was incorrect; the license expired September 30, 2013). Ms. Stanfill also stated that ACCET conducted an on-site visit the first week of October and expected the Team Report to be issued within a month and action on reaccreditation by ACCET in December 2013.

Mr. Walser expressed his concerns that CCA has failed to address the concerns of the Board. Board members concurred and expressed their concerns with the institution's failure to respond to Staff and continued failure to address the concerns of the Board.

Mr. Pistillo was lead. He expressed his serious concerns regarding the significant number of deficiencies in the renewal for CCA; everything he had reviewed was out of compliance. He noted the Satisfactory Academic Progress policy, non-compliance with Title IV regulations, use of the AZ State Government logo on the website, the financial statement composite score.

Mr. Pistillo also stated that there were clear violations of statute and rule regardless of the outcome of the ACCET visit.

Action: Dr. Damore made a motion to deny the 2013 License Renewal. Dr. Radda seconded the motion.

Discussion: Mr. Walser asked the effect on the students. Ms. Stanfill responded that Staff would have to work with Ms. Dionot regarding the status of the students and believed there may be 5 students. Ms. Stanfill also stated there was not a comparable program, so the students could apply to the STRF for a refund. Additionally, CCA could appeal, which would allow them to continue to operate until a hearing is held. Mr. Pistillo asked how long was the program. Ms. Stanfill stated the program is 672 hours. Mr. Pistillo asked if the Board could deny the renewal but allow them to teach-out the students. Ms. Stanfill responded that CCA would have to agree to the stipulation. Ms. Leonard asked if the renewal was denied, loss of Title IV funding would be immediate. Ms. Stanfill explained that CCA would have due process in appealing the denial.

Amended motion: Dr. Radda amended the motion include CCA the opportunity to teach-out the currently enrolled students. Mr. Walser seconded the motion. The motion carried.

Ms. Miller re-joined the meeting.

V. LICENSING

A. CONDITIONAL TO REGULAR VOCATIONAL PROGRAM LICENSE RENEWALS

1. Animas Pilates and Dance Studio. Represented by Becca and Joan Franks

Ms. Stanfill introduced this agenda item. Ms. Miller was lead.

Ms. Miller asked the institution to provide an update and requested clarification that Animas had only had one student.

Ms. Franks responded that the yoga teacher training revenue was a very small percentage the total studio revenue. Ms. Franks also stated she is comfortable with only 2 to 3 students.

Mr. Walser noted that the revenue has doubled from the year before. Ms. Franks responds that the studio is doing well now in its second year and that “word of mouth” about the studio had also been important factor.

Ms. Miller asked how the hours and curriculum were determined. Ms. Franks explains that the Pilates Alliance requires 400 hours in order to become for a Pilates instructor to be certified by the Pilates Alliance.

Motion: Ms. Miller made the motion to approve the Conditional to Regular License Renewal with the stipulation that the \$15,000 Surety Bond be maintained. Dr. Damore seconded the motion and the motion carried. Ms. Franks agreed to the stipulation.

2. Jackson Hewitt Tax School. Represented by Jennifer Rasic and Arnold Janofsky, VP of Franchise Administration

Ms. Stanfill introduced this agenda item. Mr. Walser was lead.

Mr. Walser asked for an update for their plans for the upcoming year. Ms. Rasic responded that it was their intent to continue offering the program. Mr. Janofsky stated approximately 300 students completed the program last year and expected the same or more this year.

Motion: Mr. Walser made a motion to go into Executive Session to obtain legal advice. Mr. Pistillo seconded the motion and the motion carried.

10:25 a.m. Regular Session adjourns
10:27 a.m. Executive Session begins
10:44 a.m. Executive Session ends
10:45 a.m. Regular Session reconvenes

Board members did not have any additional questions.

Motion: Mr. Walser made the motion to approve the Conditional to Regular Vocational Program License Renewal with the stipulations that \$15,000 Surety Bond be maintained and that the Indemnity Agreement remains in effect. Dr. Damore seconded the motion and the motion carried. Mr. Janofsky and Ms. Rasic agreed to the stipulations.

3. Tuscano Dental Assisting School. Represented by Dr. Mimi Nguyen

Ms. Stanfill introduced this agenda item. Dr. Radda was lead.

Dr. Radda asked Dr. Nguyen to provide an update. Dr. Nguyen responded that the school has not had any students but does have students interested. However, the students have a problem financing the program, so they are going to be working with WIA and DES to address this problem.

In response to Dr. Radda's question on their expectation within 6 months, Dr. Nguyen expects to have 15 students.

Ms. Leonard raised the question on the length of the program. The program length as stated does not appear to include the weeks of the externship. Ms. Leonard also stated she had concerns and questions that were identified.

Dr. Nguyen acknowledged the program length needed clarification and agreed to work with Ms. Stanfill to address the problems.

Motion: Dr. Radda made the motion to approve the Conditional to Regular Vocational Program License Renewal with the following stipulations: the \$15,000 Surety Bond be maintained; the program length must include the weeks of the externship (13 weeks to 17 weeks); revisions to the Catalog and Enrollment Agreement (typographical errors); externship information, attendance policy, make-up hours, calendar specified in terms). Mr. Walser seconded the motion and the motion carried. Dr. Nguyen agreed to the stipulations.

4. Urban Yoga. Represented by Doug Edgelow and Heather Grisco

Ms. Stanfill introduced this agenda item. Ms. Miller was lead.

Ms. Miller asked about the Yoga 4 Life Immersion program. Ms. Stanfill explained this is a new program that has been submitted after the License Renewal and that the required documents have been provided for the new program.

Ms. Miller asked for an update on current operations. Mr. Edgelow stated that 18 students have completed the program and there is currently 7 student enrolled.

Motion: Ms. Miller made a motion to approve the Conditional to Regular Vocational Program License Renewal with the stipulations that the \$15,000 Surety Bond be maintained. Dr. Radda seconded the motion and the motion carried. Mr. Edgelow agreed to the stipulation.

B. Conditional to Provisional Degree-Granting License Renewal Application: Executive Academy of Scottsdale. Represented by Magdalena and Greg Cutler

Ms. Stanfill introduced this agenda item. Ms. Stanfill stated that EAS is on quarterly reporting and that Executive Academy of Scottsdale (EAS) has been submitting the reports as required and reviewed by the Finance Committee. Ms. Stanfill stated the Finance Committee is recommending that the \$45,000 Surety Bond be maintained and to continue quarterly reporting. Mr. Pistillo was lead.

Mr. Pistillo asked for an update on the current operations. Dr. Cutler responded that EAS currently has 50 students which is better than expected. Dr. Cutler attributes the enrollment to the offer of tuition concessions and "word of mouth". EAS is focused on graduating students as soon as possible and controlling costs.

Mr. Pistillo asked for an update on the progress towards accreditation. Dr. Cutler responded that EAS will be seeking accreditation with DETC and that DETC requires two years of sound

operation until EAS can apply. EAS intends to apply as soon as possible and states the lack of accreditation is a hurdle, especially for students seeking a MBA. Mr. Pistillo commended EAS and on their progression to date.

Mr. Pistillo stated his one concern was their ability to continue funding the institution until reach EAS will reach profitability. Dr. Cutler responds that EAS is closely monitoring expenses and only accepting paying students, but is prepared to support the school personally.

Ms. Leonard noted that the attendance policy on page 14 of the Catalog, the current policy would not be adequate for the federal definition for online attendance.

Motion: Mr. Pistillo made the motion to approve the Conditional to Provisional Degree-Granting License Renewal with the stipulation that the \$45,000 Surety Bond be maintained and to continue quarterly reporting. Mr. Walser seconded the motion and the motion carried. Dr. Cutler agreed to the stipulations.

C. University of Medical Sciences Arizona. Represented by Dr. Janice Pitts

Ms. Stanfill introduced this Agenda item and explained that for initial licensure, the University of Medical Sciences Arizona (UMSAz) intended to seek accreditation with the HLC. However, UMSAz has changed their intent to seek accreditation with Transnational Association of Christian Colleges and Schools (TRACS). Dr. Damore was lead.

Dr. Damore asked Dr. Pitts to explain their decision to change plans to seek accreditation from HLC to TRACS. Dr. Pitts stated for the record the correct name is University of Medical Sciences, not Studies. Dr. Pitts explained the decision to change to TRACS is that for the post-graduate degree, accreditation is very important as the students already have an accredited degree. After reviewing their strategic alliance, UMSAz believed they would be able to reach TRACS accreditation more quickly. Dr. Damore notes that TRACS accredits primarily Christian colleges and not medical schools. Dr. Pitts explained that UMSAz will be one of the first institutions offering a medical degree. Additionally, TRACS is not just religious degrees but requires a Christian background. Dr. Pitts stated that the Christian background will become emphasized more in their program. Dr. Damore also noted that TRACS references WASC; Dr. Pitts agreed to look into it.

Dr. Damore requested clarification on the Transitional Degree. Dr. Pitts explained that the Transitional degree is for the Physical Therapist who has a Bachelor or Master's degree. Additional, as the profession has progressed, the profession "did away" with the Bachelors and later, the Master's degree. It is the goal of the American Physical Therapy Association by the year 2020 that all Physical Therapist with either a Bachelor or Master's Degree will transition to a Doctorate degree. That is also true for the Occupational Therapy profession.

Dr. Damore asked for an update on current operations. Dr. Pitts stated UMSAz currently has 3 students and a few more applications have been submitted. Dr. Pitts also stated it is now known that the University exists.

Progress towards accreditation was discussed. Dr. Pitts stated it is their hope to become accredited in two to three years.

Mr. Pistillo requested clarification that TRACS is recognized by DE. Dr. Damore stated he confirmed that TRACS is recognized by DE.

Ms. Leonard noted that the refund policy referenced clock hours, but all other information was stated in semester credits. It was suggested that either semester hours or clock hours be chosen.

Motion: Dr. Damore made a motion to approve the Provisional Degree-Granting License Renewal Application with the stipulation that the \$15,000 Surety Bond be maintained. Mr. Walser seconded the motion and the motion carried. Dr. Pitts agreed to the stipulation.

D. Conditional (non-accredited) Vocational Program License Applications:

1. ACE Education and Training Center. Represented by Ruth Chavez (Marketing), Gordon Schuette (instructor) and Brian Beneway (CFO).

Ms. Stanfill introduced this agenda item and explained the new training requirements for a Direct Care Worker as required by AHCCCS and DES and that licensure is required for an entity that will offer this program to the public. Dr. Radda was lead.

Dr. Radda asked for an explanation of the shift of training from the state agencies to the public. Ms. Chavez responded this changes now required by AHCCCS is welcomed and ACE believed there were not enough agencies that would be able to provide this training and determined to provide this training to the public.

The term "certification" was discussed and who recognized the training. Dr. Schuette explained that the student who takes this training will be provided a certificate of completion and the student will be able to provide care to a family member, or non-family member, who received state benefits.

Ms. Chavez explained ACE trains approximately 20 students a week thru the 20 contracts with other agencies.

Dr. Radda requested clarification if the student is aware of the many requirements they will have to pass in order to become employed (i.e. background check, 18 years of age). Ms. Chavez explained the students are made aware of these requirements at the beginning of the class. Dr. Radda expressed his concern that the requirements were not clearly explained in the Catalog and Enrollment Agreement.

Dr. Radda also stated his concern with the use of the term "profession" in the marketing materials.

Ms. Leonard expressed her concern with the statements in the Catalog on page 4.

Motion: Dr. Radda made a motion to approve the Conditional Vocational Program License Application with the following stipulations: the \$30,000 surety bond is maintained, the requirements for the DCW to practice are clearly stated and explained in the Enrollment Agreement and Catalog, remove all references to "certification" on the website and student

materials, remove the reference to “profession” in the marketing materials. Dr. Damore seconded the motion and the motion carried. Ms. Chavez agreed to the stipulations.

2. Kino College. Represented by Philip Bregman, Dennis Wilson and Greg Waters

Ms. Stanfill introduced this agenda item. Dr. Damore was lead.

Dr. Damore requested a summary of the planned operations. Mr. Wilson responded and provided an overview of the plans for Kino College, specifically that the training will be provided at health facilities.

Dr. Radda asked if Kino has formal agreements with the locations that the training will be provided. Mr. Wilson stated they were waiting until licensure had been approved. Dr. Radda stated the Board will closely review the agreements during the next renewal.

Ms. Leonard asked who would be administering the Ability to benefit test. Mr. Wilson responded they have not yet made a final determination.

Motion: Dr. Damore made a motion to approve the Conditional Vocational Program License Application with the stipulation that the \$60,000 Surety bond be maintained. Mr. Walser seconded the motion and the motion carried. Mr. Wilson agreed to the stipulation.

VI. Call to the public – no one came forward.

VII. BOARD BUSINESS:

A.1. Executive Director’s Report – Ms. Stanfill summarized the Board report. Ms. Stanfill stated there is not an update regarding SARA; however a meeting has been scheduled for further discussions on November 25th. Mr. Pistillo requested an update regarding the rules. Ms. Stanfill explained the rules have been sent to the rule writer. It was determined the rules will be reviewed by the Rules Committee to review prior to submitting to the Board.

2. Everest College – Review of September 30, 2013 Quarterly Report. Represented by Thomas Waite, Provost, Elisa Alva, Director of Career Services, Elaine Raker, Compliance

Ms. Stanfill stated that Everest College submitted the September 30, 2013 Quarterly Report. Dr. Radda questioned the calculation of and the retention rate. Mr. Pistillo agreed stating the reported retention rate is incorrect and expressed his concerns that inaccurate data continues to be provided to the Board.

Ms. Raker stated the rates that will be submitted with the renewal are 94%. Ms. Stanfill explained this rate is based upon the institutional rate, not the rate by program. Mr. Pistillo and Dr. Radda questioned the calculation definition and challenged the accurateness.

Dr. Waite responded and stated he understood the concerns and will ensure the calculations are corrected and provided to the Board.

Mr. Pistillo requested the matter be scheduled as an Agenda item for possible action. It was determined the License Renewal and the retention and placement calculations will be reviewed at the January meeting.

3. Frank Lloyd Wright School of Architecture: Suspension of fall enrollment and explanation of the "study" of the institution's future. Represented by Victor Sidy and Lisa Murphy

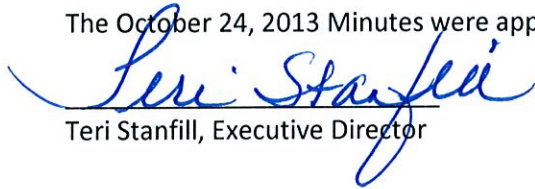
Ms. Stanfill explained that an article was in the Arizona Republic regarding the suspension of fall enrollment and the study of the institution's future. Ms. Murphy explained a prior HLC requirement regarding governance and its effect on the school and the Frank Lloyd Wright Foundation. Ms. Murphy explained the process that both Board's (the school and Foundation) undertook and determined that it was in the best interest of the school and the Foundation to remain as one entity. During this process, the school deferred enrollment as they addressed this issue. The school has now begun enrollment. It is their understanding the HLC will accept their proposal. Mr. Sidy and Ms. Murphy responded to the questions of the Board members.

B. 2014 Meeting dates – Ms. Stanfill stated the 2014 Calendar has been provided to the Board for scheduling of next year's meetings.

ADJOURNMENT

The meeting adjourned at 12:15 p.m.

The October 24, 2013 Minutes were approved by the Board at its December 16, 2013 meeting.


Teri Stanfill, Executive Director