

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

OCTOBER 25, 2012 BOARD MEETING MINUTES

Members present: Laura Palmer Noone, Chair
KC Miller, Vice Chair
Gary Damore Jason Pistillo
Trish Leonard David Walser

Also present: Teri Stanfill, Executive Director (by phone)
Keith Blanchard, Deputy Director
Cassandra Pinon, Program Specialist
Jeanne Galvin, Assistant Attorney General

I. CALL TO ORDER

Dr. Noone called the meeting of the Arizona State Board for Private Postsecondary Education to order at 10:00 a.m.

II. BOARD MEETING MINUTES:

- A. September 27, 2012 Regular Session Minutes: Dr. Noone noted a correction on page 7. Ms. Miller made a motion to approve the Minutes as amended. Mr. Pistillo seconded the motion and the motion carried.
- B. September 27, 2012 Executive Session Minutes: Mr. Walser made a motion to approve the Executive Session Minutes. Ms. Miller seconded the motion and the motion carried.

III. COMPLAINTS:

- A. Complaint #11-NS011: Arizona School of Acupuncture and Oriental Medicine. Represented by Dr. Epley

Mr. Blanchard summarized the Investigative Report explaining that the Complaint was initially filed in June 2011 and at the direction of the Board, Staff has been monitoring the school's management changes in response to the student and ACAOM concerns. Mr. Blanchard stated the report to ACAOM is due December 1, 2012 and ACAOM will be conducting a monitoring visit in the Spring of 2013.

Dr. Epley addressed the Board and explained he had retired and returned to manage the school to address the concerns. Dr. Epley responded to questions of the Board members.

Action: Ms. Miller made a motion to continue monitoring the institution until final action is taken by ACAOM. Mr. Walser seconded the motion and the motion carried.

B. Complaint #12-S007: Pima Medical Institute. PMI Representatives: Fred Freeman, Kristen Torres and attorney Thom Cope. Complainant A.V. (by phone later in the discussion), Kevin and Kellie Volant.

Mr. Blanchard summarized the Complaint history as follows:

On December 13, 2011, the Complaint Committee of the Arizona State Board reviewed this complaint. After review and discussion, the committee recommended that the complaint be forwarded to the Board for further review.

At its meeting on January 26, 2012, the Board reviewed the complaint. Board member KC Miller stated she had concerns with the "misleading recruitment" and made a motion to offer PMI the opportunity to enter into a consent agreement, which included a \$38,650.00 tuition reimbursement. PMI did not agree with the Board's determination and declined the offer to enter into a consent agreement.

At its meeting on April 26, 2012, the Board reviewed the Notice of Appeal submitted by PMI. The Board voted to allow PMI the opportunity to amend its appeal and request for a re-hearing. The Board requested the institution to specify the grounds for re-hearing pursuant to A.A.C. R4-39-503.

At its meeting on May 24, 2012, after the review of the appeal, the Board granted the motion for a re-hearing/re-view of the complaint.

At its meeting on September 27, 2012, the Board did not find any violations, but voted to defer action to provide PMI and the complainants an opportunity to come to a mutual resolution. The Board noted that at issue is a conversation between Mary Ilosvay and the Volant's. Their part in the complaint is that they are the co-signers for the loan for A.V. to attend the school.

For PMI, Attorney Cope stated that Pima Medical Institute ("PMI") made an offer of \$10,000 to A.V, but it was not accepted.

Ms. Leonard noted a correction to the PMI response regarding A.V.'s VISA status and further states it appeared that A.V. was aware that she could not get a job when she enrolled at PMI.

Dr. Noone asked PMI if they were aware that A.V.'s VISA status had changed, would the school have done anything different. Mr. Cope responded that it would have counseled A.V. but not much would have changed.

Mr. Walser asked Ms. Volant if they were included in the discussion regarding the offer to compromise.

Mr. Volant stated that Mr. Cope offer was the only offer and the institution would not negotiate. As stated by Mr. Volant, it was a take it or leave it offer.

Dr. Noone questioned if a representation was made by PMI as an inducement to enroll, would the Board have sufficient evidence to support the allegation?

AV stated she would not have enrolled in the program if she thought she would not be able to gain employment. A.V. stated it was her understanding that she would be able to get a sponsor after graduation that would allow her to obtain a job.

Mr. Volant stated that PMI did not provide disclosures but only the loan documents. Ms. Leonard addressed that statement and explained the restrictions that PMI must follow regarding loans.

Mr. Pistillo reviewed the Enrollment Agreement and states A.V. signed all the documentation acknowledging that PMI cannot guarantee employment.

Mr. Volant asked why the Board has changed its position from previous Board meeting. Dr. Noone explains it is based upon the direct testimony of Ms. Ilsoy.

Action: Dr. Damore made a motion to determine that PMI has not violated State Board statutes and rules and to dismiss the complaint. Ms. Leonard seconded the motion. The motion carried by a vote of 4 - yes (Dr. Damore, Mr. Walser, Ms. Leonard, Mr. Pistillo) and 2 – no (Dr. Noone and Ms. Miller).

C. Complaint #13-S003: Grand Canyon University. GCU Represented by Dr. Kathy Player, Chris Linderson, Kelly Sanderson, attorney Mike Shern; Jennifer Lech, Michelle Nickols and Britt Chandler by phone. Complainant A.P. was not present.

Mr. Blanchard summarized the complaint stating the Complaint Committee on September 27, 2012, reviewed the complaint and after discussion voted to forward the complaint to the State Board for review.

In the complaint, A.P. states she had successfully completed all of the course work for her Master Degree in Teaching. After the submission of a paper in her last class, A.P.'s instructor notified her that she had submitted a paper that came up with a very high percentage of non-original work. A.P. stated that other instructors would allow her to make corrects and re-submit her papers to address a high percentage of "similarities."

A.P. submitted a grade appeal and after the review by the last instructor, the instructor reported her concerns to GCU's Code of Compliance Committee. An investigation was commenced by an Academic Compliance Investigator and the findings were submitted to the Office of Academic Compliance for review by the Code of Conduct Committee.

GCU stated that due to the concern of A.P.'s final class, an investigation was warranted and that after an investigation it was determined that the majority of her previous class work was not original. After review GCU and changed the grades in classes from A or B's to F's

First Action: Ms. Miller made a motion to issue a Letter of Concern regarding management capability based upon the severity of the policy affecting A.P. Mr. Pistillo seconded the motion. After discussion, the motion failed.

Attorney Mike Shurn argued GCU did exactly what was expected of it. GCU found the plagiarism, conducted a thorough investigation, communicated the findings with the student, and allowed

her to file any and all appeals. GCU followed all its published policies. The school then offered to allow the student an opportunity to re-take the eight classes, free of charge.

Second Action: Dr. Damore made a motion to determine that Grand Canyon University has not violated State Board statute and rules and to dismiss the complaint. Mr. Pistillo seconded the motion and the motion carried.

D. Complaint #13-S008: Grand Canyon University. GCU Represented by Dr. Kathy Player, Chris Linderson, Kelly Sanderson, attorney Mike Shern; Jennifer Lech, Michelle Nickols and Britt Chandler by phone. Complainant D.M. was not present

Mr. Blanchard summarized the complaint stating on August 7, 2012, the Arizona Department of Education received a complaint through the office of Senator John McCain. This complaint was forwarded to the State Board for handling. Staff forwarded the complaint to the GCU for review and a response.

In the complaint, D.M. states she was enrolled in her Master's Degree in Education. The complaint states that she received invoices in the amount of \$13,785.00. These invoices were ignored and wanted GCU to apply these charges to the Student Loan provider "nelnet." A portion of this amount was a \$9,450 stipend.

The institution stated that effective with the 2010/11 Award Year, all students who utilized Title IV loans were mandated to apply for Direct Loans (DL). These loans are processed and funded through the Department of Education and therefore Nelnet would no longer be a financial aid option for D.M.

Ms. Leonard explained the changes in the Federal Regulations and the effect it would have on D.M.'s financial aid. Ms. Leonard further stated that Grand Canyon followed proper Title IV regulations, including new federal mandates regarding Direct Loans.

Action: Ms. Leonard made a motion to dismiss the complaint. Mr. Walser seconded the motion and the motion carried.

IV. LICENSING:

A. Regular Degree-Granting License Renewal Application and Determination to Open a Complaint. Represented by Dr. Stephanie Johnson and Mr. Marshall by phone.

Mr. Blanchard summarized the Report for the Board explaining that Franklin Pierce University (FPU) has been licensed by the State Board since July 2007. FPU is accredited by both the New England Association of School and Colleges and the Commission on Accreditation in Physical Therapy Education (CAPTE). FPU is currently licensed to offer six programs; however, at this time, only the Doctor of Physical Therapy is offered. FPU intends to relocate in the near future and offer the other licensed programs.

However, FPU has been placed on "Warning" by CAPTE and NEAS&C had concerns regarding financial stability. Accordingly, the 2012 License Renewal has been referred to the State Board for discussion and action.

Mr. Pistillo was lead. Mr. Pistillo asked about the relocation of the campus. Dr. Johnson explained the Litchfield campus was too small to allow for growth.

Mr. Marshall responded to Mr. Pistillo's financial questions and clarified the financial reporting required by NEAS&C.

Mr. Pistillo requested an explanation on the CAPTE Probation. Dr. Johnson responded that the required report has been submitted to CAPTE and expects a decision from CAPTE by the end of November.

Action: Mr. Pistillo made a motion to approve the 2012 Regular Degree-Granting License Renewal with the following stipulations: maintain the \$15,000 Surety Bond and provide information to the State Board concurrently with CAPTE and NEAS&C in order to keep the State the motion carried.

B. Regular Vocational Program License Renewal and Determination to Open a Complaint: Classic Cooking Academy. Represented by Donna Dionot

KC Miller recused herself.

Mr. Blanchard summarized the Report for the Board explaining Classic Cooking Academy (CCA) has been licensed by the Board since July 2008 to offer a Classic and Native American Culinary program. CCA is seeking renewal of the 2012 Regular Vocational Program License.

CCA is accredited by ACCET starting in December 2010 thru December 2013, with an interim report due. In August 2012, ACCET placed CCA on Show Cause:

At its August 2012 meeting, the Accrediting Commission of the Accrediting Council for Continuing Education & Training (ACCET) reviewed the report of the Quality Assurance Unannounced Visit that was conducted at your institution by ACCET on June 4, 2012, and the institution's response to that report, dated June 21, 2012. Following its review, the Commission voted to issue a Show Cause directive, requiring the institution to show good cause why its accreditation should not be withdrawn. The results of the Quality Assurance Unannounced Visit revealed that the institution has failed to demonstrate systematic and effective implementation of the initiatives/revisions presented to the Commission with assurances to resolve the various issues identified during its initial accreditation evaluation in 2010, follow-through on which was an explicit understanding of the institution's ongoing commitment in the grant of accreditation received. Accordingly, the Commission directed the institution to submit an interim report to include the following specific items. CCA is required to provide a response no later than October 26, 2012.

A copy of the response was provided to the Board. Accordingly, the 2012 License Renewal was referred to the State Board for discussion and action.

Ms. Leonard was lead. Ms. Dionot responded to Ms. Leonard's question regarding the prior entity. Ms. Dionot further explained that ACCET requested them to apply for approval of the avocational classes that the school currently offers.

Ms. Leonard noted several policies with the Catalog that require revisions.

Mr. Pistillo expressed his concern regarding the lack of knowledge regarding financial aid policies/procedures and the lack of administrative support in these areas. Ms. Leonard and Mr. Pistillo both suggested that Ms. Dionot consider getting assistance.

Action: Ms. Leonard made a motion to approve the Regular Vocational Program License with the following stipulations: 1) Maintain the \$15,000 Surety Bond; 2) significant revisions in the Catalog are required for the following revised policies: required US DE policies to ensure compliance; Leave of Absence policy, Satisfactory Academic Progress policy, Return of Title IV policy, clarification of program hours (clock, term); 3) Complaint #13-NS501 is opened for on-going monitoring requiring the institution to provide information to the State Board concurrently with ACCET and the keep the State Board apprised of ACCET's meetings and actions. Mr. Pistillo seconded the motion and the motion carried.

Ms. Miller rejoined the meeting.

C. Conditional to Regular Vocational Program License Renewal Application: Yoga Village
Represented by: Wiley Adams, by phone.

Mr. Blanchard summarized the Report to the Board. Ms. Miller was lead.

Ms. Miller asked Mr. Wiley to explain how the first year of operation has gone. Mr. Wiley responded they had 11 students the first year and they have purchased a new studio.

Ms. Leonard noted the refund policy requires a revision and other minor corrections.

Action: 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 and revisions to the refund and satisfactory academic policies. Mr. Walser seconded the motion and the motion carried.

D. Conditional to Provisional Degree-Granting License Renewal Application: University of
Medical Studies Arizona. Represented by Dr. Janice Pitts

Mr. Blanchard summarized the Report to the Board. Dr. Noone was lead.

Dr. Noone expressed her concern regarding the progress towards accreditation; HLC requires enrollment of students and there have not been any students enrolled since licensure. Dr. Pitts responded she expects two students to begin in the January 2013 class. Dr. Pitts also stated that the institution's accreditation does not affect licensure of the students.

Ms. Leonard states the Leave of Absence policy is confusing and needs to be revised.

Action: Dr. Noon made a motion to approve the Conditional to Provisional Degree-Granting License Renewal with the stipulations that the \$15,000 Surety Bond be maintained, revised the Leave of Absence policy and to notify the State Board when the first class begins. Dr. Noone also expressed her concern regarding the progress towards accreditation. Ms. Miller seconded the motion and the motion carried.

Mr. Pistillo asked the question regarding the length of time allowed an institution in seeking accreditation. Dr. Noone responded there is not a definitive time period defined in statute or rule.

E. Southwest Technical Training Center. Represented by Patrick Marshall and Chantal Berkowitz.

Mr. Blanchard summarized the Report for the Board. Dr. Damore was lead.

Dr. Damore had several questions regarding the projections and the financial plan. Mr. Marshall responds and explains the financial plan. Dr. Damore notes several typographical errors that need to be corrected. Dr. Damore also cautioned the institution regarding the statements regarding the timeline in adding placement service.

Mr. Marshall responds to Dr. Damore's questions regarding the certification exams vs. the certificate of completion for the programs. Dr. Damore states the advertising regarding certificate of completion be clarified in the promotional materials.

Mr. Marshall and Ms. Berkowitz respond to Ms. Miller's questions regarding their previous experience.

Mr. Pistillo requested further explanation in their administrative capabilities in operating a school. Mr. Pistillo expressed his concern regarding the viability of IT programs. Mr. Marshall responds explaining his passion in providing quality IT programs.

Ms. Leonard notes required corrections to the Leave of Absence and Student Enrollment policies.

Action: Dr. Damore made a motion to approve the Conditional to Regular Vocational Program License with the following stipulations: Maintain the \$15,000 Surety Bond; Revisions/corrections to the Leave of Absence and Student Re-enrollment Policy; Clarification in the marketing materials that the student receives a "Certificate of Completion" and not certification. Mr. Pistillo seconded the motion and the motion carried.

V. **CALL TO THE PUBLIC:** No one came forward.

VI. BOARD BUSINESS:

1. Executive Director's Report: No one had questions
2. 2013 Meeting Dates – the 2013 Meeting dates were provided to the Board members.

VII. ADJOURNMENT: The Board meeting adjourned at 2:12 p.m.

The October 25, 2012 Board Meeting Minutes were approved at the December 11, 2012 Meeting.


Teri Stanfill, Executive Director