

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

NOVEMBER 4, 2014 BOARD MEETING MINUTES

Members Present: Jason Pistillo, Chairman                      KC Miller, Vice Chair  
Trish Leonard    Dr. Hank Radda  
Glen Tharp

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

**I. CALL TO ORDER**

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

**II. BOARD MEETING MINUTES**

- A. August 28, 2014 Regular Meeting Minutes: Ms. Miller made a motion to approve the Minutes as written. Mr. Tharp seconded the motion and the motion carried.
- B. August 28, 2014 Rules Committee Minutes: Ms. Miller made a motion to accept the Minutes as written. Ms. Leonard seconded the motion. The motion carried. Voting only: Mr. Pistillo, Ms. Leonard and Ms. Miller.
- C. September 16, 2014 Special Meeting Minutes: Ms. Miller made a motion to accept the Minutes as written. Dr. Radda seconded the motion and the motion carried.

**III. Thunderbird School of Global Management (Thunderbird): Change of Control and Teach-out Agreement with Arizona State University: Request for Extension of Licensure Represented by Dr. Larry Penley, President and James Scott, VP of Compliance**

Ms. Stanfill introduced this Agenda item. Ms. Stanfill explained that Thunderbird is requesting the State Board continue Thunderbird's current licensure past the anticipated December 31, 2014 close of the change of ownership/control with Arizona State University through the March 31, 2015 expiration of the Thunderbird license. Additionally, Thunderbird is requesting continued licensure through March 2016, in order to complete the Teach-Out Plan and Agreement with ASU as submitted to the State Board.

Dr. Penley addressed the State Board and provided further details regarding the proposed Change of Ownership and Teach-Out Plan and Agreement. Thunderbird will become a school under Arizona State University. HLC has approved the Teach-Out Plan and Agreement; HLC is considering the Change of Ownership/Control at its meeting this month.

Mr. Pistillo asked Mr. Tellier if the Board had the authority to grant Thunderbird's request. Mr. Tellier confirmed the Board had the authority.

**Motion:** Ms. Miller made the following motion: 1. Confirm that Thunderbird's Regular Degree-Granting Program License (D1078) will remain valid and in effect following the closing of the transaction with ASU (which is expected to occur on 12/31/2014) and through its annual expiration on March 31, 2015, for the limited purpose of granting Thunderbird degrees to students who successfully complete the program requirements and 2). Subject to Thunderbird's timely filing of the required license renewal application, confirm that the Board will consider granting a renewal of Thunderbird's license upon its March 31, 2015 expiration, for the length of the extension of consideration granted by HLC.

Dr. Radda seconded the motion and the motion carried.

**IV. Education Management Corporation:** Two-step "Restructuring" and determination of Restructuring Constitutes a Change of Ownership/Control. Represented by Mitch Gilbert and Devitt Kramer, General Counsel by phone

Ms. Stanfill reported that EDMC is a publicly traded company with a proposed two-step restructuring and is seeking the State Board's approval that neither step constitutes a change of ownership or control.

In summary, the two steps are as follows:

**Step 1:** The conversion of the EDMC's existing indebtedness into a combination of new debt and the issuance of non-voting preferred equity and warrants to creditors participating in the restructuring. During Steps 1 and 2: EDMC will remain publicly traded, but will voluntarily de-list with the NASDAQ exchange where its shares are currently traded and de-register its stock with the Securities and Exchange Commission. The non-voting preferred stock issued pursuant to Step 1 would have certain limited rights, including the rights of the preferred holders to appoint not more than 20% (the "Preferred Directors") of the EDMC board of directors. The EDMC BOD would create a new committee of the BOD, which would include an equal number of Preferred Directors and other board members to oversee the process of Step 2.

**Step 2:** The conversion of a portion of the non-voting preferred equity to ordinary common shares with ordinary voting rights.

Mr. Gilbert and Mr. Kramer addressed the Board.

Mr. Tellier asked where EDMC stock be traded. Mr. Kramer responded that EDMC will be traded over-the-counter.

**Motion:** Mr. Tharp made a motion to go into Executive Session to get legal advice. Ms. Miller seconded the motion and the motion carried.

10:11 Regular meeting adjourns

10:12 Executive Session begins

10:14 Executive Session ends

10:15 Regular meeting reconvenes

Mr. Pistillo stated the State Board has determined that "Step One" did not constitute a change of ownership or control pursuant to A.A.C. R4-39-110(A)(2). The State Board stated a determination would not be made regarding Step 2 at this time.

**V. Update, Discussion and Possible Action on the recent actions taken by the USDE and HLC: CCI, parent company of Everest College Phoenix. Represented by Dr. Ed Johnson**

Dr. Johnson stated that CCI is in final negotiations for Everest College Phoenix and other Everest institutions and expects a determination to be made within the next 10 days and the agreement has been informally approved by USDE. Dr. Johnson explained the timeline with HLC; it is expected the transaction will close in February. Dr. Johnson also stated that HLC wants the State Board approval prior to their approval. It is expected that the Change of Ownership application will be reviewed by the Board in January 2015.

**VI. LICENSING:**

**1. Supplemental License Application for a Change of Ownership and Change of Name: Cactus Wren Training Program to Western Career Training. Represented by Kyle Farnsworth**

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

Mr. Farnsworth addressed the State Board and explained his future plans as the new owner.

Ms. Leonard noted it is stated that refunds will be made within 10 days of the students last date of attendance. Ms. Leonard suggested the policy be changed to 30 days.

Motion: Ms. Miller made the motion to approve the Supplemental License Applications for a Change of Ownership and Change of Name with the stipulation that the \$15,000 Surety Bond be maintained. Ms. Leonard seconded the motion and the motion carried.

**2. Supplemental License Application for a Change of Ownership:**

**a. Bartending Academy. Represented by William Klein and Steven Shilveck**

Ms. Stanfill introduced this agenda item and stated that the proposed new owner, Steve Shilveck, has been with the Bartending Academy for the last 14 years.

Mr. Shilveck addressed the State Board. Mr. Klein stated he will remain as a resource for Mr. Shilveck.

Ms. Leonard asked about the age for admissions. Mr. Shilveck stated there is an age requirement of 18. Ms. Leonard stated the admission requirements need to be clarified and the fact that students cannot actually serve until they are 19 years of age also needs to be disclosed in the catalog and website.

Motion: Mr. Pistillo made the motion to approve the Supplemental License Application for a Change of Ownership with the following stipulations: 1. Evidence of new liability insurance, 2. Evidence of a new surety bond for the new ownership; 3) clarification of admission requirements and the age requirements

to serve is 19. Mr. Tharp seconded the motion and the motion carried. Mr. Shilveck agreed to the stipulations.

**b. TTY College: Represented by Tim Smith and Eric Juhlin, by phone**

Ms. Stanfill introduced this agenda item. Ms. Stanfill explained Staff had concerns regarding the financial status of the institution during the review of the license renewal and change of ownership application and referred the matter to the Finance Committee. Ms. Stanfill stated the Finance Committee accepted the explanation regarding the financial position of the new owner and determined that the \$15,000 surety bond was sufficient at this time.

Mr. Pistillo was lead. Mr. Juhlin stated that CEHE has the financial resources to support TTY College as it goes forward. Mr. Pistillo asked if the USDE has determined the amount required for a LOC. Mr. Juhlin stated there has not yet been a determination on the amount required.

Motion: Mr. Pistillo made the motion to approve the Supplemental License for a Change of Ownership and the 2014 Vocational Program License Renewal with the stipulations that the \$15,000 Surety Bond be maintained. Ms. Miller seconded the motion and the motion carried. Mr. Smith agreed to the stipulation.

**3. Regular Vocational License Renewal/Status of Accreditation/Complaint #15-NS500: Arizona School of Massage Therapy. Represented by Beth Hepler, VP of Compliance**

Ms. Stanfill reported the following: Arizona School of Massage Therapy, with locations in Phoenix and Tempe, is seeking renewal of the 2014 Regular Vocational Program Licenses. Due to the December 2013 Programmatic Show Cause issued by ACCET and opening of Complaint #15-NS500 as a result, the License Renewals have been referred to the State Board for discussion and action.

In December 2013, ACCET issued an "Institutional Show Cause" for the Utah College of Massage Therapy, which included the two Arizona campuses. The Show Cause was "due to systemic errors, inaccuracies, and non-compliant practices for tracking placements as well as low placement rates at all campuses and low licensure rates at several campuses."

Specifically for the Tempe and Phoenix campuses, the massage therapy program was below the placement benchmark of 70%. The professional aesthetics program placement rate and low licensure rates were also below benchmark, but this program is not under the State Board's jurisdiction (under the Cosmetology Board).

Interim report was due to ACCET by February 28, 2014.

In April 2014, ACCET vacated the Institutional Show Cause and issue Programmatic Show Cause to include the Phoenix and Tempe campuses. Note: The massage therapy program in Tempe was not on programmatic show cause, but did include the professional aesthetics program.

Interim report was due to ACCET by June 27, 2014.

In July, the Complaint Committee reviewed all of the documents relating to the ACCET Show Cause and determined to open Complaint #15-NS500 and directed the licensee to provide copies of all ACCET correspondence.

In August 2014, ACCET vacated the Programmatic Show Cause for the Phoenix campus.

The massage therapy programs for the Phoenix and Tempe campus are NO longer on Programmatic Show Cause, however, the aesthetic programs continue under Show Cause.

Ms. Hepler addressed the Board. Ms. Hepler stated new initiatives have been implemented and showing improvement.

Ms. Leonard asked if the State Board had been provided with the October 31, 2014 response to ACCET. Ms. Hepler stated she would forward the response to Ms. Stanfill.

Mr. Tharp stated that the Complaint Committee had opened the Complaint based upon the Show Cause issued by ACCET. It was clarified that the Aesthetics programs are still under Show Cause, but those programs are not under the State Board's jurisdiction.

The State Board discussed and expressed concerns with placement.

Motion: Mr. Pistillo made the motion to approve the License Renewal Applications submitted by Arizona School of Massage Therapy, Phoenix and Tempe campuses, for the period of October 1, 2014 to September 30, 2015 with the following stipulations: 1) Submit to quarterly retention and placement reporting; retention and placement data based upon a 12-month trailing period by program for each location (the statistic must be clearly defined and footnoted), 2) keep the State Board apprised with all actions of ACCET and to dismiss Complaint #15-NS500. Mr. Tharp seconded the motion and the motion passed.

**4. Conditional to Regular Vocational Program License Renewal Applications:**

**a. ACE Education and Training.** Represented by Brenda Morris

Ms. Stanfill introduced this Agenda item explaining that the State Board approved with Conditional Vocational Program License in October 2013 with several stipulations and she explained the requirements of AHCCS for the Direct Care Giver.

Mr. Tharp was lead. Ms. Morris addressed the Board.

Mr. Tharp notes the large number of enrollments. Mr. Tharp asked about placement. Ms. Morris stated they do not track placement, but Ms. Morris stated that ACE has not had any complaints of student who have not become employed.

Mr. Tharp confirmed that the previous stipulations had been met.

**Motion:** Mr. Tharp made the motion to approve the Conditional to Regular Vocational Program License Renewal with the stipulation that the \$30,000 Surety Bond be maintained. Dr. Radda seconded the motion and the motion carried.

**b. Bellagio Clinic Laser Institute: Represented by John Hill and Liz Isidro**

Ms. Stanfill introduced this Agenda item and stated the Conditional Vocational Program License was approved by the Board in August 2013 with the stipulations to maintain the \$15,000 Surety Bond, revisions to the program that explains the requirements for student without prior experience and that the program meets the requirements of the ARRA. Ms. Miller was lead. Ms. Miller requested a brief introduction to include an explanation of the students served.

Mr. Hill, is the newly appointed administrator and acknowledged there has been a significant turnover in administrators for this program. Mr. Hill explained the program is a well-designed laser program and understands the Board's prior concerns regarding students attending the programs without prior experience and if that student would have sufficient training to be employable. Mr. Hill stated he believes they have done a good job.

Ms. Miller stated her serious concerns with the catalog and if this catalog is what is actually given to the students. This is not the catalog that would have been approved by the Board.

Ms. Miller re-iterates her concerns of administrative capability. Ms. Stanfill explained the issues that staff has encountered with the turnover of staff and on-going problems with the constant revisions to the enrollment agreement and the catalog. Additionally, when Mr. Blanchard conducted the site visit, staff specifically requested Dr. Kim's presence so that Mr. Blanchard could express staff's concerns with the turnover of administrators and the resulting confusion with the changing enrollment agreement and catalogs.

Ms. Miller explains the confusion of the programs for student without prior experience and those with the credentials named on page 4.

Ms. Isidro states that the ARRA requirements for someone with experience will only have to take the 24 hours Didactic course, but those students without prior experience are required to take the 40 hour Didactic course as well as the 24 hours Hand's on course.

Ms. Miller stated this is not clearly explained in the catalog.

Ms. Miller and other Board Members note the several areas of concern in the Catalog – who can actually attend this school (page 4), admission requirements, ARRA requirements, vocational vs. professional courses, page 5 use of the term certification, page 7 (care credit cannot be used for tuition), serious formatting issues, lack of professionalism, lack of specifics in all policies/statements, course descriptions/agenda for program, student grievance procedure, refund policy, refund of books & fees, and termination policy. Mr. Pistillo noted that the Enrollment agreement that that was submitted as a part of the Catalog is different that the separate Catalog submitted.

Mr. Tharp asked if anyone in the school is knowledgeable in school management. Mr. Hill responded no. Mr. Tharp reiterates this is a serious concern.

Mr. Pistillo emphasizes the importance of the Catalog; it is the contractual basis of communication with the students.

Ms. Miller asked who supervises the laser procedures. Mr. Hill responded that ARRA requires the supervision of the facility, not direct supervision of the procedure. Mr. Hill explained ARRA certified laser techs supervise the students.

Ms. Miller expresses her concern that students continue to enroll and it is not at all clear what the students are getting.

Ms. Tharp expressed his concern that based upon the catalog, it is difficult to understand exactly what is going on with the school. Mr. Tharp also stated he is concerned with the 33% placement rate, which means the students are not able to be employed after completing the program.

Ms. Miller asked if the training is primarily for employees in laser clinics.

Mr. Hill responded they are working with other beauty schools for Bellagio to be their training provider for the laser classes instead of seeking students without prior experience.

Mr. Pistillo again raised his concern with the staff turnover.

Ms. Miller reiterated her concern regarding administrative capability and the supervision of the clinical procedures.

Ms. Miller made a motion to go into Executive Session to get legal advice. Dr. Radda seconded the motion and the motion carried.

11:25 Meeting adjourned

11:26 Executive Session begins

11:35 Executive Session ends

11:36 Regular Meeting reconvenes

Mr. Pistillo explained there are three areas of concern: proper supervision of clinical procedures, administrative capability and representations to students (Catalog and Enrollment Agreement).

Ms. Miller asked how many students were currently enrolled. Mr. Hill stated there are 20 currently enrolled students.

Mr. Tharp stated that it is very difficult to determine what is actually going on at the school and his concern for public safety.

Motion: Ms. Miller made the motion to defer action on the license renewal, open a complaint regarding administrative capability and proper clinical supervision and provide a copy to the ARRA of the Board's concern. Dr. Radda seconded the motion. Mr. Pistillo stated that representations to the student should be included as well as communicate the Board's concern of public safety to the ARRA. Discussion ensued if enrollment should be suspended. The Board agreed.

Mr. Hill stated that based upon the Board's concern, Bellagio would agree to voluntarily cease enrollment.

Amended motion: Ms. Miller amended the motion to include Bellagio's agreement to suspend enrollment and complete the currently enrolled students. Mr. Tharp seconded the motion and the motion carried.

**5. Provisional Degree-Granting License Renewal Applications:**

**a. Executive Academy of Scottsdale.** Represented by Magdalena Cutler

Ms. Stanfill introduced this agenda item and explained the renewal was reviewed by the Finance Committee at its meeting in September and it is the recommendation of the Finance Committee that the \$45,000 Surety Bond be maintained and to continue quarterly reporting.

Ms. Cutler stated the institution is progressing as expected and that accreditation is the next step. Ms. Cutler stated it is their intent to submit the application to DETC by December 1, 2014 and the process is then 12 – 18 months.

Ms. Miller did not have any concerns.

Ms. Leonard asked if the refund policy was applied by course or program. Ms. Cutler stated the policy is by course. Ms. Leonard stated the policy should be applied as written.

Motion: Ms. Miller made the motion to approve the Provisional Degree-Granting License Renewal application with the stipulations to maintain the \$45,000 surety bond and continue quarterly reporting. Ms. Leonard seconded the motion and the motion carried. Ms. Cutler agreed to the stipulations.

**b. University of Medical Sciences Arizona:** Represented by Dr. Janice Pitts

Ms. Stanfill introduced this Agenda item. Ms. Stanfill stated that UMSAz determined to seek accreditation with TRACS; UMSAz had originally stated they would seek HLC accreditation.

Dr. Radda was lead and asked for further explanation regarding the progress towards accreditation.

Dr. Pitts explained the first year of licensure UMSAz did not have any students, primarily due to being a new school and non-accredited. Dr. Pitts explained because of word of mouth, marketing and stating the plans for accreditation, students began to enroll. Dr. Pitts stated the strategic plan has two phases; UMSAz is in phase 1 of the post-professional programs and phase 2 will be the entry level programs. TRACS accreditation is best suited for the post-professional programs and HLC for the undergraduate programs that UMSAz will pursue in the future. Dr. Pitts briefly explained the action plan in pursuing TRACS accreditation. Dr. Pitts also stated they are considering relocating, but it must be done prior to submitting the application to TRACS, which is about a 1 – 2 year process.

Dr. Radda asked for the number of students enrolled in the five programs. Dr. Pitts responded there are currently only 3 programs that students are enrolled, which was a suggestion from TRACS in managing



the accreditation process; addition of new programs are not allowed during the candidacy period. Dr. Pitts stated there are a total of 18 students.

Dr. Radda expressed his concern with the financial losses and how will the losses be sustained. Mr. Pistillo requested an explanation on Note 4 in the footnotes. Dr. Pitts explained the loss was due to the start-up of the clinic in purchasing equipment and furniture. In addition, a Director of Clinical Operations was hired. It was the intent that the revenue from the clinic would help to provide revenue. But, the Director position did not work out and they decided to re-structure at that time. Mr. Pistillo cautioned that the financial statements are required to be prepared according to GAAP and was concerned the CPA had prepared the statements on a cash basis because depreciation, etc. are not on the statements. Mr. Pistillo asked who was providing the funds for the institution. Dr. Pitts stated it was her husband. Mr. Pistillo stated if the institution is placed on quarterly reporting, personal financial statements will be requested.

Dr. Radda cautioned on the use of verbiage in describing equipment.

Ms. Leonard stated the refund policy needs to clarify that it is applied by course and not semester.

Motion: Dr. Radda made the motion to approve the Provisional Degree-Granting License Application with the stipulation that the \$15,000 Surety Bond be maintained and submit to quarterly financial reporting. Mr. Pistillo seconded the motion and the motion carried. Dr. Pitts agreed to the stipulations.

**6. Regular Degree-Granting License Application: University of Mary. Represented by Ryan Hanning**

Ms. Stanfill gave a brief introduction. Dr. Radda was lead.

Mr. Hanning stated that the University of Mary formed a partnership with ASU two years ago to offer the Theological Studies and Catholic Studies courses to ASU students. Mr. Hanning stated that Bishop Olmsted requested and encouraged University of Mary to provide the educators in religious schools the opportunity to take the Masters of Education in Curriculum, Instruction and Assessment.

Dr. Radda requested clarification that the program met the state requirements for certification. Mr. Hanning responded yes.

Dr. Radda requested clarification on the face-to-face hours vs the online offering and the credit hours. Mr. Hanning stated it is determined based upon the particular course offered. Dr. Radda suggested that the course descriptions clearly identify which courses are offered face-to-face or online.

Dr. Radda suggested the refund policy and withdrawal policies be clarified.

Ms. Leonard noted the following policies are not clear or misstated and need to be revised: refund policy, specifically "equal to 60%, refunds of federal financial aid, drop/add policy, academic warning and the refund of credit balances.

Dr. Radda also requested the grievance procedure be clarified.

Ms. Leonard also noted that the ED PPA agreement was not provided; the ECAR was submitted in its place.

Motion: Dr. Radda made the motion to approve the Regular Degree-Granting License application with the following stipulations:

1. clarification of face to face vs online hours/credits for the courses;
2. clarification of the following policies: grievance procedure, refund policy, Return of Title IV, drop/add policy, academic warning and the refund of credit balances.

Mr. Pistillo seconded the motion and the motion carried. Mr. Hanning agreed to the stipulations.

**7. Conditional (non-accredited) Vocational Program License Application: Arizona Academy of Emergency Services (AAES). Represented by Andrew Johnston and Frank Swiger**

Ms. Stanfill gave a brief introduction of this agenda item; it was noted that the institutional name on the Agenda was incorrect. Ms. Stanfill expressed her concern that AAES was operating without a license; and that the new owners, S&S should have been aware of the licensure requirements as S&S owned licensed schools in other states. Ms. Stanfill also noted her concern regarding the financial losses.

Ms. Leonard was lead.

Mr. Swiger explained that AAES faculty approached S&S Training for assistance due to the current financial difficulties of AAES. S&S Training loaned AAES money and then entered into an Asset Purchase agreement.

Mr. Swiger stated S&S owned other institutions that only required licensure of the specific licensing agency and that during the due diligence, the Department of Health Services stated that AAES was in good standing. Upon learning that licensure was required, they immediately began the process to obtain licensure.

Mr. Swiger explained the financial situation as a result of the prior ownership but that S&S is committed to doing what is required.

Ms. Leonard emphasized the importance and the requirements of licensure as the responsibility of the licensee/applicant.

Ms. Leonard questioned the name on the DHS certificate; it was agreed the name needed to be corrected with DHS.

Ms. Leonard noted the lack of clarification of the many continuing education programs and inconsistent representation of the clock hours, prerequisites and the related certification exams. Mr. Johnston agreed that clarification was needed.

Ms. Leonard asked about the number of available externship sites. Mr. Johnston explained that AAES has multiple contracts to include Banner hospitals, John C Lincoln network and Maricopa Medical Center.

Mr. Tharp asked about the vehicular practicums. Mr. Johnston stated that AAES has at least 22 departments across the state.

Ms. Leonard asked about the consortium agreement with Arizona College. Mr. Johnston responded the agreement is a result of the new requirements of CoEMPS.

Mr. Tharp explained that CoEMPS (Committee on Accreditation of Education Programs for the Emergency Medical Services Professions) is the accrediting agency for the paramedic programs and effective January 1<sup>st</sup>, all paramedic programs must hold this accreditation in order for their graduates to be able to take the National Certification exam for Paramedics. Most of these non-accredited programs are partnering with programs that hold this accreditation so their graduates can test. This agreement between AAES and Arizona College is meant to meet this requirement.

Ms. Leonard requested the refund policy regarding the books be clarified and admission requirements to include the "equivalent" of a high school diploma. Ms. Leonard cautioned that the statements in the attendance policy that students "will be" dismissed who exceed the maximum absences is strictly applied as written.

Mr. Tharp expressed his concern with the 18 years of age admissions requirement for the EMT; many employers require the EMT to be 21 years of age and that should be fully disclosed to potential students.

Mr. Tharp expressed his appreciation for AAES seeking licensure, but expressed his concern that the Board may not be aware of the other programs offered as well without licensure.

The Board discussed the bonding requirements.

Motion: Ms. Leonard made the motion to approve the Conditional Vocational Program License application with the stipulation that the Surety Bond be increased to \$100,000. Mr. Tharp seconded the motion. After discussion, it was determined quarterly reporting was not required. The motion carried. Mr. Swiger agreed to the stipulation.

**VII. CALL TO THE PUBLIC – No one came forward**

12:45 Meeting adjourns

12:56 Meeting reconvenes

**VIII. BOARD BUSINESS:**

**1. Executive Director's Report.**

Ms. Stanfill gave the State Board an update on the Anthem student records and stated that Mr. Tellier's letter to Extra Space Storage gained the State Board access to those records without having to pay Anthem's delinquent account in the amount of over \$5,200.00. The State Board discussed the costs that will be involved in securing and maintaining the Anthem student records. The Board discussed

scanning of the records. Mr. Blanchard and Ms. Stanfill gave the State Board further information regarding the status of the program and the status of the student tuition recovery fund claims.

Mr. Tharp expressed his concern that there are several EMT programs that are being operated without licensure. Mr. Tharp will provide Mr. Blanchard with the programs that may require licensure.

## **2. State Authorization Reciprocity Agreement/AZ SARA Council Formation, SARA Update**

Ms. Stanfill summarized the formation of the AZ-SARA Council. Ms. Stanfill explained that a concern has been raised due to the closure of Anthem, specifically that our statute does not allow an out-of state student to file a STRF claim, which may affect AZ's eligibility to be an approved SARA state. Ms. Stanfill explained that the working group is asking if the State Board would consider amending statutes to allow out-of-state students to be covered by STRF. The State Board discussed the issue.

Ms. Stanfill apologized to Dr. Radda that she had not briefed him regarding this issue prior to the meeting and the State Board's request that he serve on the AZ-SARA Council as one of the three representatives of the State Board.

Motion: After considerable discussion, Mr. Tharp made a motion authorize Ms. Stanfill to further explore and seek legislation to amend the statutes to provide restitution to out-of-state students enrolled in distance education. Ms. Leonard seconded the motion and the motion carried. Dr. Radda abstained.

## **3. Discussion and Possible Action on Proposed Rule Revisions to A.A.C. Title 4, Chapter 39**

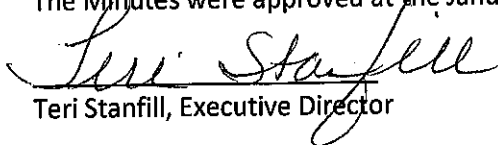
Ms. Stanfill stated the proposed revisions have been posted on the website and that she has also sent them to the Arizona Private School Association for their comments.

It was determined that the members would submit their comments to Ms. Stanfill and schedule additional discussion at the December meeting.

## **ADJOURNMENT**

The meeting adjourned at 1:33 p.m.

The Minutes were approved at the January 6, 2015 Board Meeting.

  
Teri Stanfill, Executive Director