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

DECEMBER 16, 2013 BOARD MEETING MINUTES

Members present:	Jason Pistillo, Chairman	
	KC Miller, Vice Chair	
	Dr. Gary Damore	Trish Leonard
	Dr. Hank Radda	David Walser

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

I. CALL TO ORDER

Chairman Pistillo called the meeting of the Arizona State Board for Private Postsecondary Education to order at 11:38 a.m.

II. MINUTES:

A. October 24, 2013 Regular Meeting Minutes: Mr. Walser requested a change to the Minutes under the University of Medical Sciences Arizona agenda item. Mr. Walser stated the sentence on page 5, 3rd paragraph, second to the last sentence be re-worded and revised as follows, "...will transition to a Doctorate Degree."

Mr. Walser made a motion to approve the Minutes with the noted change. Dr. Radda seconded the motion and the motion carried.

B. October 24, 2013 Executive Session Minutes: Mr. Walser made a motion to approve the Executive Session Minutes. Ms. Miller seconded the motion and the motion carried.

III. CLASSIC COOKING ACADEMY: Discussion and Action, including possible reconsideration, on the October 24, 2013 Order on Denial of License Renewal and Complaint #13-NS501. Representing the institution: Pascal Dionot, Donna Dionot and Bryan Gottfredson, attorney.

KC Miller recuses herself.

Ms. Stanfill reported the following:
At the October 24, 2013 meeting, the State Board determined to deny the 2013 License Renewal for Classic Cooking Academy. Representatives of the institution were not present.

The Order on Denial of License Renewal was mailed out October 29, 2013.

CCA will also state they were not given proper "Notice" regarding the October 24, 2013 meeting as I had an old email...which never bounced back.

Subsequent events:

* November 4, 2013 – CCA requested a Hearing on the Denial of License and an Informal Settlement Conference.
* November 5, 2013 – CCA sent a letter stating CCA would surrender the license but would request the Board's rescind the Order on Denial and allow CCA to teach-out the students, who would complete by February 2014. CCA would then surrender the license.
* November 20, 2013 – Attorney Bryan Gottfredson with Sacks Tierney, sent a letter stating that CCA was rescinding it's intention to surrender the license and to continue operations. Two additional requests:
    1. Requested to be on the December 16, 2013 Board meeting Agenda to request that CCA be allowed to continue to teach out it students until February 2014.
    2. Appealed the Order on Denial and requesting a hearing.
* ACCET – CCA is on the ACCET Commission Agenda to determine re-accreditation. The decision from ACCET will not be available for about 30 days after the meeting.
* Accordingly, the matter has been placed on the Agenda.

Ms. Stanfill stated the complete file from the October 24, 2013 meeting is on the flash drive.

Mr. Gottfredson made an opening statement that CCA believed there had been a lack of communication between CCA and State Board staff. Mr. Gottfredson stated a revised and updated Catalog, Student Enrollment packet and a printout of the website, which appear to be the primary concerns, as well as the fact that CCA was not present at the October 24, 2013 meeting. Mr. Gottfredson stated that CCA intends to have better communication with the State Board and are now in compliance with statute and rules and wish to have the license reinstated. Mr. Gottfredson further stated that it is CCA's goal to complete the three students, who will complete by February 20, 2014 and to then re-assess the school and its curriculum.

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

11:47 Regular meeting adjourns
11:48 Executive session begins
12:05 Executive session ends
12:06 Regular meeting resumes

Mr. Pistillo requested Mr. Dionot to explain their plan, if the Board would reconsider the denial of the license. Mr. Gottfredson explained CCA would like to complete the remaining three students, who will complete in February 2014 and to re-structure the program. Mr. Dionot also stated that CCA has not been recruiting and re-iterated their hope to restructure the program as the current program has not been successful.

Board members discussed the matter of "Notice" to CCA regarding the October 24, 2013 meeting and the deficiencies of the License Renewal. Mr. Gottfredson re-iterates that CCA believes the documents are now in compliance.

Mr. Pistillo asked about the two pending financial judgments against the school Directors and the Directors personally. Mr. Dionot responded stating they did not dispute the judgments and also responded that they did not have the ability to satisfy the judgments. Mr. Pistillo stated the judgments raises an additional concern of financial stability.

Mr. Gottfredson stated he was not aware of the judgments and asked for clarification.

The Board discussed the available options, requirements for reconsideration, submission of materials and timing.

Motion: Mr. Pistillo made the motion to re-consider the License Renewal at either the January or February Board meeting, CCA withdraw its request for a hearing and suspend the Board's Order on the Denial of the License Renewal. Mr. Walser seconded the motion. The dates for submission were discussed. CCA agreed to withdraw the request for hearing. The motion carried. CCA will inform Ms. Stanfill of the Board meeting date to submit the update License Renewal.

Ms. Miller rejoined the meeting.

IV. LICENSING:

A. Supplemental License Application for a Change of Ownership

1. Arizona Automotive Institute. Represented by Michael Zawisky, CEO, Darin Bargen, Campus President and (by phone) Art Rodriquez, Compliance and Sean Kerrigan, CFO.

Ms. Stanfill introduced this Agenda item.

Mr. Zawisky addressed the State Board and explained that ACCSC has conducted the visit for the Change of Ownership and stated there were no findings. Mr. Zawisky also stated that the 2013 Annual Report has been submitted to ACCSC and there has been significant improvement in the retention and placement rates.

Mr. Walser was lead. Mr. Walser had several questions on the new equity owners and the asset purchase agreement. Mr. Zawisky responded to Mr. Walser's questions.

Ms. Leonard asked if the pre-application has been submitted to DE. Mr. Zawisky explained that a formal response has not been received, but it is his understanding that a LOC for all three OP IDs will be required.

Mr. Walser noted that AAI is above their break-even point.

Motion: Mr. Walser made the motion to approve the Supplemental License Application for the Change of Ownership, maintain the $100,000 Surety Bond and continue quarterly reporting. Mr. Zawisky raised the question if the Surety Bond could be reconsidered as the bonding requirement was based upon the previous owner. After discussion, it was determined the $100,000 surety bond be maintained. Dr. Radda seconded the motion and the motion carried. Mr. Zawisky agreed to the stipulation.

2. Bartending and Casino College. Represented by Dennis Willis

Ms. Stanfill summarized the Board Report and also explained that Mr. Willis was requesting a change of name to NeoSyn Bartending Academy.

Mr. Pistillo was lead and asked Mr. Willis to explain their plans as the new owner. Mr. Willis responded that he and his partner have remodeled the current location, improved record keeping and changed the refund policy and intends to stay as a small institutions. Mr. Willis also stated social media and discounting will not be used to recruit students.

Motion: Mr. Pistillo made a motion to approve the Supplemental License Application for the Change of Ownership and Change of Name with the stipulation that the $15,000 Surety Bond be maintained. Mr. Walser seconded the motion and the motion carried. Mr. Willis agreed to the stipulation.

B. Conditional Degree-Granting License Application for a currently Licensed Vocational Institution: Polygraph School of Science. Represented by Laura Wells, President and Director and Kelly Bradberry, Administrator

Ms. Stanfill summarized the Board report. Dr. Radda was lead.

Dr. Radda requested a general introduction and to explain why the school believes an associate degree will be a benefit to the students. Ms. Bradberry responded there is currently two national associations that has significant influence in the industry and if one wishes to become employed as a Polygraph Examiner you must be a member of one of them. It is their belief that a student with an associate degree in the field will provide an additional option for the employers. Ms. Bradberry also stated the additional education will be of great benefit to the students.

Ms. Bradberry provided an in-depth explanation of the program.

Ms. Bradberry responded to additional questions and suggestions raised by Dr. Radda.

Motion: Dr. Radda made the motion to approve the Conditional Degree-Granting License with the stipulation that the $15,000 Surety Bond be maintained. Ms. Leonard seconded the motion and the motion carried.

V. Call to the Public – no one came forward.

VI. BOARD BUSINESS:

A. Executive Directors' Report:

Ms. Stanfill briefly summarized the Executive Director's Report and provided an update on SARA (State Authorization Reciprocity Agreement).

Mr. Pistillo expressed his concern with the Retention Rates in the revised reports submitted by Everest. Ms. Stanfill explained that the License Renewal for Everest College will be on the January Agenda.

C. DE Negotiated Rulemaking 2013-2014 on Gainful Employment: Discussion and Action

Board Members discussed the proposed regulations, the possible effects and reviewed the draft letter written to Secretary Duncan stating the State Board's concerns with the proposed regulations. Board members offered several suggestions to more clearly express the State Board's concerns. Distribution of the letter was discussed.

Motion: After discussion, Ms. Miller made the motion to direct Ms. Stanfill to send out the letter to Secretary Duncan with the suggestions discussed incorporated and to distribute the letter as appropriate. Mr. Walser seconded the motion and the motion carried.

VII. ADJOURNMENT

The meeting adjourned at 1:27 p.m.

The Minutes of the December 16, 2013 meeting were approved at the January 23, 2014 Board meeting.

Teri Stanfill

Teri Stanfill, Executive Director