

Because all of the affected students will have either completed their programs or have signed Enrollment Agreements with New Horizons, TechSkills is requesting that the \$160,000 Surety Bond no longer be required, or at a minimum, reduced to the minimum of \$15,000.

Pursuant to A.R.S. § 32-3023(G)(H), the State Board requires the Surety Bond to be maintained for one year after the closure in order to reimburse the STRF fund if claims have been filed and paid. Historically, previous licensees have not renewed the Surety Bond, however, if a STRF claim is filed within one year of the closure and the claim has been determined valid, Staff has successfully petitioned the bonding company as the Surety Bond was in effect at the time of the closure.

As required by R4-39-406, TechSkills provided the required notice and provided the alternative program at New Horizons. Pursuant to R4-39-406(D), a refund or STRF claim would not be eligible/valid because the student participated in a teach-out.

Mr. Mahoney addressed the Board.

Ms. Miller commended Shawn Leonard with New Horizons in providing a smooth and orderly teach-out for the students of TechSkills.

Action: After review of all of the documents provided by TechSkills and New Horizons that provided evidence that all of the currently enrolled students of TechSkills at the time of the May 4, 2012 closure had completed their respective programs of study and/or re-enrolled with New Horizons of Phoenix, Mr. Walser made the motion that the \$160,000 Surety Bond was no longer required. Mr. Tharp seconded the motion and the motion carried.

Ms. Leonard rejoined the meeting.

IV. LICENSING

A. Conditional to Provisional Degree-Granting License Renewal Application: Guidance College of Aviation. Represented by Chris Horton

Mr. Pistillo was lead.

Mr. Horton responded to Mr. Pistillo's question explaining the relationship of the multiple entities owned by Mr. Stoneciper. Mr. Horton also explained that the College is a sub-contractor providing the flight training to Yavapai College. The flight training program, Part 141, is approved by the FAA.

Mr. Pistillo asked why Guidance decided to change from seeking accrediting with ACCET to ACCSC. Mr. Horton stated that ACCSC was more "flight school friendly".

Mr. Pistillo asked if the financial statements for Guidance College were consolidated. Mr. Horton responded they were not, that Guidance Management Group would be the entity to have consolidated financial statements. Mr. Pistillo stated the consolidated financial statements would be required.

Mr. Pistillo note the many corrections required on the Enrollment Agreement; the inconsistent use of the word "term"; should be defined. Mr. Pistillo also stated the general education courses offered would not meet the accreditation requirements. Mr. Pistillo also questioned some of the policies to include the satisfactory academic progress policy. Mr. Pistillo suggested the policies follow federal regulations.

Action: Mr. Pistillo made a motion to defer action requiring consolidated financial statements and substantial revisions to the enrollment agreement and catalog. Mr. Walser seconded the motion and the motion carried.

B. Regular Vocational and Degree-Granting License Application for an Out-of-State Institution, Recruiting Only: Represented by Allison Zajacek

Dr. Damore was lead. Ms. Zajacek explained the proposed recruiting activities for Tulsa Welding School.

Dr. Damore asked if Tulsa Welding is currently licensed. Ms. Zajacek responded that Tulsa Welding School is currently licensed in Oklahoma but the license certificate has not yet been issued. Ms. Zajacek also stated the Florida campus is currently licensed with the Florida Commission.

Dr. Damore expressed his concern that the proposed programs do not correspond with the current accreditation listing. Ms. Zajacek clarified the program listing.

Action: Dr. Damore made the motion to approve the Regular Vocational and Degree-Granting License Application, recruiting only for Tulsa Welding School upon verification of the Oklahoma license status. Mr. Walser seconded the motion and the motion carried.

C. Conditional Vocational and Degree-Granting License Application: Unmanned Vehicle University. Represented by Dr. (Col. Ret.) Jerry LeMieux

Mr. Pistillo was lead. Mr. Pistillo states his concern regarding the job market for the graduates. Mr. Pistillo notes on the website the salary reference of \$110,000 to -\$150,000 and asked the source. Mr. Pistillo states the salary range must have a third-party validation and suggests the link be provided.

Dr. LeMieux explained his background and vision for the programs.

Ms. Pistillo expressed his concerns regarding the on-line delivery of the programs and the lack of "hands on". Dr. LeMieux responded explaining that research is the primary focus and that the practical side is through the conceptualization and theorizing.

Mr. Pistillo noted corrections that are required in the Enrollment Agreement.

Ms. Leonard stated that the term "unmanned education & training" will not be understood unless explained further. Ms. Leonard also noted the many "boastful/puffery" statements and stated the statements must be removed unless the statements can be verified.

Action: Mr. Pistillo made the motion to approve the Conditional Vocational and Degree-Granting License application with the following corrections: 1. Cover letter – page 2,#2: provide further explanation what is meant by “Unmanned Systems education and training”; 2. Cover letter – page 1: 2nd book will be used around the world – revise, overstated; 3. Cover letter/ marketing materials– remove all statements that cannot be verified/substantiated; 4. Enrollment agreement – revise the wording “tuition period is (1,2 or 3) years from the date this contract is signed.”; 5. Tab 10, Catalog, page 8, LOA policy: clarify the policy if the student leaves in the middle of a course, 60 days is a long time for a 12 week course; 6. Tab 14, clarify the institutional payment plans are not offered; 7. References to salaries for graduates should reference a third party verification; 8. The \$18,000.00 Surety Bond is maintained. Mr. Walser seconded the motion and the motion carried. Dr. LeMieux agreed to the stipulations.

D. Conditional Vocational Program License Applications:

1. Sutra Midtown Yoga. Represented by Matthew Fritz

Ms. Miller was lead.

Mr. Fritz responded to Ms. Miller’s question regarding her question on the practicum portion of the program. Mr. Fritz also clarified the program is registered and meets Yoga Alliance standards.

Action: Ms. Miller made the motion to approve the Conditional Vocational Program License Application with the stipulation that the \$15,000.00 Surety Bond be maintained. Ms. Leonard seconded the motion and the motion carried. Mr. Fritz agreed to the stipulation.

2. Veterans Adjusting School. Represented by Guy Grand and Cheryl Sims

Mr. Tharp was lead.

Mr. Tharp expressed his concern with the use of the word “Veteran” and the name of the school is confusing. Other members agreed. Mr. Tharp also cautioned in the strong marketing of the veterans, which has been caused problems in the past. Mr. Tharp asked if they were only going to market the program to veterans.

Mr. Grand responded and explained the purpose of the insurance adjuster program.

Mr. Tharp noted that the Certificate of Completion needed to be revised.

Mr. Pistillo also cautioned the advertising and salary claims on the website and stated that the salary should be stated in a range and link to a third party validation.

Ms. Leonard noted required revisions in the Catalog.

Mr. Pistillo stated the program will be very costly and often revenue projections are missed. Mr. Pistillo asked how they would be funding the program. Ms. Sims responded that they intend to start with a small number of students.

Ms. Leonard stated she was still concerned with the use of "Veterans".

Action: Mr. Tharp made the motion to approve the Conditional Vocational Program License with the following stipulations: 1. the \$34,000 surety bond in maintained; 2. Revise the Certificate of Completion. Mr. Tharp also cautioned VAS to overstatements in marketing materials to the military veterans and references to potential income for graduates. VAS is also to ensure that the Veteran's State Approving Agency will accept the use of the word "Veteran" in the school's name; to ensure consistency in all materials. Mr. Pistillo seconded the motion and the motion carried. Mr. Grand agreed to the stipulations.

E. Supplemental License Application for a Licensee to offer a Conditional Degree-Granting Program. Represented by Dennis Willis

Mr. Pistillo was lead and did not have any questions.

Action: Mr. Pistillo made a motion to approve the Supplemental License Application for Western Career Institute to offer a Conditional Degree-Granting program 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 stipulations.

V. CALL TO THE PUBLIC – No one came forward

VI. BOARD BUSINESS

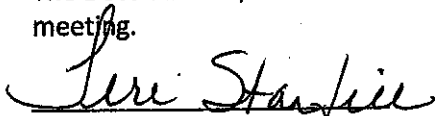
A. Ms. Stanfill stated that ACCSC has vacated the Show Cause for Le Cordon Bleu School of Culinary Arts.

B. Ms. Stanfill requested the Board appoint a Rules Committee. Mr. Pistillo, Ms. Leonard and Dr. Noone agreed to serve on the Rules Committee. Mr. Walser agreed to serve as an alternate. It was agreed to have the Rules Committee meetings on the same day as the Board meetings.

VI. ADJOURNMENT

The meeting adjourned at 1:06 p.m.

The December 11, 2012 Board Meeting Minutes were approved at the January 24, 2013 Board meeting.


Teri Stanfill, Executive Director