

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

February 25, 2016 Board Meeting Minutes

Members present: Jason Pistillo, Chair KC Miller, Vice Chair
 Craig Jacob Trish Leonard
 Glen Tharp Dr. Hank Radda

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

I. Call to Order

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

II. January 28, 2016 Board Meeting Minutes: Dr. Radda made the motion to approve the Minutes as written. Ms. Miller seconded the motion and the motion carried. Ms. Leonard and Mr. Tharp recused themselves as they were not in attendance at the meeting.

III. DeVry University: Update on the recent actions of the Federal Trade Commission and the United States Department of Education. Represented by Anthony Spano, DeVry University Metro President, Tom Babel, VP of Regulatory Affairs.

Mr. Jacob recused himself.

Ms. Stanfill explained that she had requested DeVry University provide the Board with a summary and response of the recent actions taken by the FTC and the U.S. Dept. of Education and stated DeVry's response has been provided to them.

Mr. Babel addressed the Board and summarized DeVry's response.

Mr. Babel explained that the FTC challenges the substantiation of two claims of employment success of DeVry's graduates: 1) advertising that 90% (or less in some years) of DeVry graduates in a particular year (since 1975) who sought employment had jobs in their fields of study within six months of graduation and 2) the "Payscale ads" stated that DeVry graduates reported median earnings 15 higher than other college graduates one year after graduation. The FTC also challenges DeVry's employment rate calculation, both the design of its methodology and its characterizations of individual graduate outcomes.

The FTC also challenged the ads that highlighted DeVry graduates' median earnings compared to other schools as backed by a Payscale study.

DeVry believes the FTC lawsuit is without merit and the FTC has not alleged that DeVry engages in widespread or systemic scheme to defraud, had inadequate controls, invaluable education or violated any standards as determined by state or federal regulators – as there are not federal or national standard for calculating employment statistics. DeVry is cooperating, but intends to vigorously defend itself.

Mr. Babel explained that the DE “Notice of Limitations” makes the proposed findings regarding “[s]ince 1975, 90.1% of DeVry graduates, system-wide in the active job market held positions in their fields of study within 6 months of graduation.” (the “Since 1975 Representation”). The Notice’s proposes limiting DeVry’s ability to make use of the Since 1975 Representation and related statements; the limitations did not purport to impact DeVry’s ability to enroll students, its ability to educate or the ability to participated in the Title IV program.

DeVry has requested a hearing; the proposed findings and conclusions will not take into effect until the complete appeals process.

Board members did not have any questions.

IV. Arizona School of Acupuncture and Oriental Medicine: Update of the recent visits/reports from the Accrediting Commission for Acupuncture and Oriental Medicine.
Represented by Alex Holland, President

Ms. Stanfill introduced this Agenda item and explained that in May 2015 the Board placed ASAOM on Probation requiring ASAOM to keep the Board apprised on all communications and actions with ACAOM. In October 2015, ACAOM conducted a Site Visit and the Team Report indicated continued concerns. In addition, the Academic Dean resigned in August 2015 which appeared to have created concerns and issues with the students.

Mr. Holland addressed the Board. Mr. Holland provided a brief history: in 11/2014, ACAOM had a scheduled site visit with ASASOM regarding the 8 non-compliance issues. The night before the ACAOM visit, Mr. Holland accepted the position as President. The 11/2014 ACAOM site visit resulted in 18 areas of non-compliance, requiring another visit held in 10/2015. 10 areas of non-compliance were remediated. Mr. Holland stated he has challenged four of the remaining eight areas of non-compliance and is waiting on their response. ACAOM Commission is meeting at this time. Mr. Holland had been President for a year now and significant changes had been made.

Mr. Holland further explained the ASAOM’s accreditation expires in 2017; so ASAOM is currently working on the Self-Study.

Mr. Holland explains the extensive personnel changes that have occurred and the positive effect the changes have had.

Mr. Pistillo asked about the status of participation in the T4 program. Mr. Holland responded that ASAOM is re-certified with no restrictions (other than the LOC).

Mr. Pistillo asked what are the five areas that must be addressed related to accreditation. Mr. Holland responded: structures for assessment; consolidation of administration; stability;

graduation rates/passage of the national exam; student communications with administration and acknowledgement of the structure and change in control by the Board of Directors.

Ms. Miler expressed her concern and confusion regarding the two institutions. Mr. Holland explained why the two schools are operating separately and explains the structure. Mr. Holland stated the EB5 has been approved and the long term goal is for Han to become profitable and secure federal financial aid. At the time, the two institutions can be merged together. Mr. Pistillo suggested creating a services corporation with shared services. Mr. Holland stated he would like to consider this further.

Mr. Tharp expressed his concern with the Site Visit Report, specifically the apparent rivalry between the two institutions. Mr. Holland acknowledged this has been extremely difficult for all and explained how they are trying to improve student communication and information.

Mr. Tharp asked about the pass rates of the national exam. Mr. Holland explained one of the reasons for the low pass rate is that many of the students delay taking the exams for several years after graduation.

The current structure, personnel and study body was discussed to include the current environment. The continued changes and the resulting effects were discussed.

V. Student Tuition Recovery Fund claim: Cory Bauer, Everest College Phoenix Student

Mr. Blanchard summarized the claim stating the claim has been determined to be eligible for a refund.

Motion: Ms. Miller made a motion to approve the STRF claim for Cory Bauer in the amount of \$14,185.12. Mr. Jacob seconded the motion and the motion carried.

VI. LICENSING:

A. Supplemental License Application for a Change of Ownership and the 2016 Regular Vocational Program License Renewal: Western Career Training. Represented by Steve Ajmeri, new owner.

Ms. Stanfill introduced this Agenda Item. Mr. Jacob was lead. Mr. Ajmeri addressed the Board.

Motion: After brief discussion, Mr. Jacob made the motion to approve the Supplemental License Application for a Change of Ownership and the 2016 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. Ajmeri agreed to the stipulations.

The Board did suggest the following revisions: 1) Leave of absence policy – state the length of time allowed is limited to 120 days and the number of LOA's allowed; 2) Clearly specify all of the fees for each program in the Catalog.

B. Supplemental License Application for a Change of Ownership and a Change of Name: Executive Academy of Scottsdale to Merit Business School. Represented by Todd Harris, President of Educium and new owner and Magdalena Cutler, previous owner and new school director

Ms. Stanfill introduced this Agenda item and explained that Executive Academy of Scottsdale (EAS) has been licensed by the Board since September 2012 as a non-accredited degree-granting institution. EAS holds a Provisional License and the annual renewal will be scheduled for the Board's review at the October meeting. EAS has also been on quarterly reporting.

EAS is seeking DEAC accreditation and DEAC had accepted EAS's application for accreditation in October 2015 with the SER due December 28, 2015.

However, due to the change in ownership that occurred on November 20, 2015, EAS will have to begin the process at the beginning and Mr. Harris is aware of this requirement. The applicant is also requesting approval of the change of name.

Mr. Pistillo was lead.

Mr. Harris addressed the Board and explained his vision and plans for the EAS in terms of establishing new partnerships, advertising/marketing and increasing the student population.

Motion: After discussion, Mr. Pistillo made the motion to approve the Supplemental License Applications for a Change of Ownership and Change of Name with the stipulations that the \$45,000 Surety Bond be maintained and to continue quarterly reporting. Ms. Miller seconded the motion and the motion carried. Mr. Harris agreed to the stipulations.

C. Regular Degree-Granting License Applications:

1. Huntington University. Represented by Jeff Berggren, Director of AZ operations; Dr. Ann McPherrren, Vice President of Strategy & Graduate Professional Programs; Greg Smitley, Vice President of Finance/Treasurer

Mr. Pistillo was lead. Mr. Pistillo expressed his concerns regarding the competition in the Phoenix area and their high projections.

Dr. McPherrren addressed the Board and stated their advantage will be the niche market of the programs.

Mr. Berggren addressed the Board and further explained Huntington's plan for success and growth.

Ms. Leonard noted several policies that should be revised: 1) Enrollment agreement does not have the R2T4 policy and should be added, 2) Leave of absence policy – are they allowed and if so, should be included in the Catalog and to the SAP policy, 3) The R2T4 refund policy in the Catalog should include more information; 4) Refunds are due within 30/45 days -only mentioned in the cancellation policy and should be included in the refund policy.

Motion: Mr. Pistillo made the motion to approve the Regular Degree-Granting License Renewal for Huntington University. Ms. Miller seconded the motion and the motion carried. Mr. Berggren agreed to make the suggested revisions.

2. Southwestern Assemblies of God University. Represented by Joseph Hartman, Eddie Davis, Trenton Polk and Dr. David Moore

Ms. Stanfill introduced this Agenda item and explained the following:

At the January 12, 2016 Special Board meeting, the Arizona State Board for Private Postsecondary Education (“Board”) reviewed the Teach-Out Plan submitted by American Indian College (AIC) and Southwestern Assemblies of God University (SAGU).

After discussion and review of all of the documents, the Board granted emergency approval for SAGU to operate and teach-out the currently enrolled student at American Indian College, located at 10020 N. 15th Avenue.

Further, SAGU understood that SAGU could not enroll new students, but that it was SAGU’s intent to submit a Regular Degree-Granting License Application to continue to operate a SAGU campus in Arizona.

SAGU has submitted the application and is seeking approval of the Regular Degree-Granting License.

PROGRAMS: SAGU will continue to offer the five programs currently approved for AIC. The current AIC program are on the attached list.

SAGU intends to offer nine programs, three of those programs are not under the Board’s jurisdiction as they are solely religious programs (AA in Bible, BA in Church Leadership, MA in Practical Theology). SAGU also is aware that the BA in Elementary Education will need approval from the Arizona Department of Education prior to its offering.

Dr. Radda was lead and requested an overview of the plan for operations and offerings.

Dr. Moore addressed the Board and stated the entire student body, alumni, faculty & staff and donors were very supportive of the plan for AIC to become a part of SAGU.

Mr. Davis addressed the Board and gave a brief overview of the current plan.

Ms. Leonard noted the following policies should be revised: 1) The Title IV overpayments indicate that the payment will be made within 14 days, but it is not stated that the student can authorize the funds to be held; ensure that is the intent; 2) The R2T4 policy is not on the Enrollment Agreement; 3) The Enrollment Agreement states refunds are made within 30 days but the Catalog (page 45) states refunds are made within 45 days – the time period should be consistent and 4) Catalog page 29 does not give a time frame for refunds.

Motion: Dr. Radda made the motion to approve the Regular Degree-Granting License Application for Southwestern Assemblies of God University. Mr. Tharp seconded the motion and the motion carried. Mr. Davis agreed to make the suggested revisions.

D. Conditional Vocational Program License Application:

1. The Biltmore Studio. Represented by Laura Sliman, Owner and Jordan Levin, Lead instructor

Ms. Stanfill introduced this Agenda item.

Ms. Miller was lead.

Ms. Sliman and Mr. Jordan addressed the Board and responded to questions.

Motion: After discussion, Ms. Miller made the motion to approve the Conditional Vocational Program License for The Biltmore Studio with the following stipulations:

- 1 Maintain the \$15,000 Surety Bond;
 - 2 The following revisions are required:
 - Implement a make-up policy & fee if applicable and a Leave of Absence Policy;
 - Admissions – requiring a “minimum” of one year of yoga practice is very restrictive;
 - Delete all references to the term “certified”, correct term is “registered”
 - Separate the student data collection from the enrollment agreement.
- Dr. Radda seconded the motion and the motion carried. Ms. Sliman agreed to the stipulations.

2. Barefoot Studio Yoga. No one was present from Barefoot Studio Yoga.

Ms. Miller was lead. Concern was expressed that Ms. Arndt was not present. Ms. Stanfill explained the current status of the yoga exemption and suggested the Board continue in consideration of the application.

Motion: After discussion, Ms. Miller made the motion to approve the Conditional Vocational Program License Application for Barefoot Studio Yoga with the following stipulations:

1. The \$15,000 Surety Bond be maintained;
2. The following revisions are required:
 - * Remove the term “certified”
 - * Academic policies – states the student is required to complete the entire 200 hours; Yoga Alliance allows 180 for completion; implement a make-up policy & fee if applicable to allow for 180 hours
 - * State the reasons for dismissal
 - * Ensure the program is 16 days/200 clock hours statement is correct; classes would have to be 13 hours per day.

Mr. Pistillo seconded the motion. The motion carried by vote of 5-1; Mr. Tharp opposed approval as Ms. Arndt was not available to address the concerns.

VII. Call to the Public: Fred Lockhart, Executive Director of the Arizona Private School Association addressed the Board.

VIII. BOARD BUSINESS:

A. Executive Director's Report:

1. The Executive Directors' Report was briefly reviewed. Ms. Stanfill gave an update on the current status of HB2371, the Board's continuation bill and HB2613, which includes the yoga teacher training exemption.

2. Ms. Eckberg gave an update on the A.A.G.'s review of the AZ-SARA Council as a public body. Ms. Eckberg explained that it appears that the AZ-SARA Council is not a "public body" as defined by statute.

B. Election of Chairman

Ms. Miller made a motion to elect Jason Pistillo as Chairman. Dr. Radda seconded the motion and the motion carried.

IX. Adjournment

The meeting of the Arizona State Board for Private Postsecondary Education adjourned at 1:01 p.m.

The February 25, 2016 Minutes were approved by the Board at the Meeting.


Teri Stanfill, Executive Director

4-28-16