

FINANCE COMMITTEE MEETING MINUTES

By Teleconference

March 24, 2011

Members Present: KC Miller, Chair
Holly Helscher

Also Present: Teri Stanfill, Executive Director
Cassandra Piñon, Board Secretary

I. CALL TO ORDER – 10:05 A.M.

Ms. Miller called the Finance Committee meeting of the Arizona State Board for Private Postsecondary Education Board Meeting to order at 10:04 A.M.

II. **MINUTES:** Ms. Miller made a motion to approve the minutes of the December 14, 2010 Finance Committee meeting. Ms. Helscher seconded the motion. **Minutes approved**

III. DISCUSSION AND ACTION ON FINANCIAL STATUS AND LICENSE RENEWALS

A. Adult Caregiver Training Institute – Represented by Esther Olade

The Committee noted the improvement in the financial position and the 100% retention rate.

ACTION: Ms. Miller made a motion to approve the 2011 License Renewal, maintain the \$15,000.00 bond and that quarterly reporting was no longer required. Ms. Helscher seconded the motion. **Motion carried.** Ms. Olade agreed to the stipulation.

B. FRANK LLOYD WRIGHT SCHOOL OF ARCHITECTURE – Represented by Victor Sidy, Lisa Murphy and Pamela Stephansson

The Committee reviewed the financial position of Frank Lloyd Wright School of Architecture and the HLC “On Notice” action. Mr. Sidy reported that all payments regarding the lawsuit have been paid as well as the increased enrollment. Ms. Murphy reported the improvement of the financial position in 2010; the audit is expected to be completed by the end of April.

ACTION: Ms. Miller made a motion to approve the 2011 License Renewal with the stipulations that the surety bond be increase to \$45,000 and to submit to quarterly reporting. Ms. Helscher seconded the motion. Mr. Sidy agreed to the stipulations. **Motion Carried.**

C. LA College - Represented by Dr. Melissa Hartman, Anthony Moreno and Karen Miller

Ms. Stanfill explained that LA College is a “recruiting and administrative offices only” in the State of Arizona. However, based upon the financial status and the USDE PPA for non-compliance with the 90/10 in 2009, referred the renewal to the Committee for review. LA College provided the requested information as well as the USDE Program Review Report conducted in March 2010, showed the 90/10% to be 88.2%. The potential liability for the STRF fund was also discussed; Ms. Stanfill clarified that there probably would not be any liability because the AZ location is only a call center/administrative office only.

The Committee stated that LA College had addressed all concerns.

ACTION: Ms. Miller made a motion to approve the 2011 License Renewal. Ms. Helscher seconded the motion and the motion carried

V. REVIEW OF QUARTERLY REPORTS –

The Committee reviewed the quarterly reports for the following institutions:

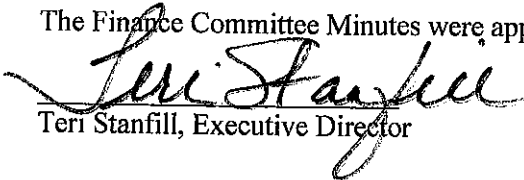
- 1 Asian Institute of Medical Studies: No one present to represent the institution. The Committee stated continued reporting was necessary. Ms. Stanfill stated the renewal for AIMS will be in August.
- 2 Cortiva Institute: Greg Salter, Cynthia Orr and Sophia Perkovich were present and answered the questions of the Committee. The Committee noted the improvement of Cortiva and determined that quarterly reporting was no longer required.
- 3 Franklin Pierce University: Richard Marshall and Andrea Brode were present and answered the questions of the Committee. Mr. Marshall explained the business plan for the Goodyear location and expects to break even in 2011/2012 with the third cohort of students to start in June. The Committee continued quarterly reporting.
- 4 Interface Technical Training: No one was present. The Committee expressed their concerns with the continuing losses and the significant difference between the projections and actuals. Ms. Stanfill explained that the licensed programs were a small percentage of the revenue. The Committee requested further review at the next meeting to determine if the surety bond was sufficient.
- 5 Lamson College: Jean Vokes was present and responded to the questions of the Committee. The Committee expressed their concerns with the significant differences between the projections and the actuals. Ms. Miller asked if Lamson had a problem with retention. Ms. Vokes responded there is a problem with retention and that she is implementing a retention plan and admissions. The Committee requested Lamson submit a Marketing Plan within 30 days and continue reporting.
- 6 Sessions Online: No one was present. The Committee expressed concerns regarding the significant difference between the projections and the actuals and to continue quarterly.
- 7 TeckSkills: Jason Reardon and Donna Hutchinson were present and responded to the questions of the Committee. Mr. Reardon explained that the AZ campuses were profitable; and the use of the LOC for cash flow. Ms. Miller expressed her concern with this practice. Ms. Hutchinson explained TeckSkills has closed some unprofitable campuses and were in 12 states. Ms. Stanfill stated that TechSkills has \$160,000 bond. The Committee determined to continue reporting.

8 Vocational Career Institute: No one was present. The Committee determined to continue quarterly reporting.

It was determined that institutions on quarterly reporting be required to be present to respond to the questions of the Committee.

VI. **ADJOURNMENT:** The meeting adjourned at 10:55 a.m.

The Finance Committee Minutes were approved at the 6-23, 2011 meeting.


Teri Stanfill, Executive Director